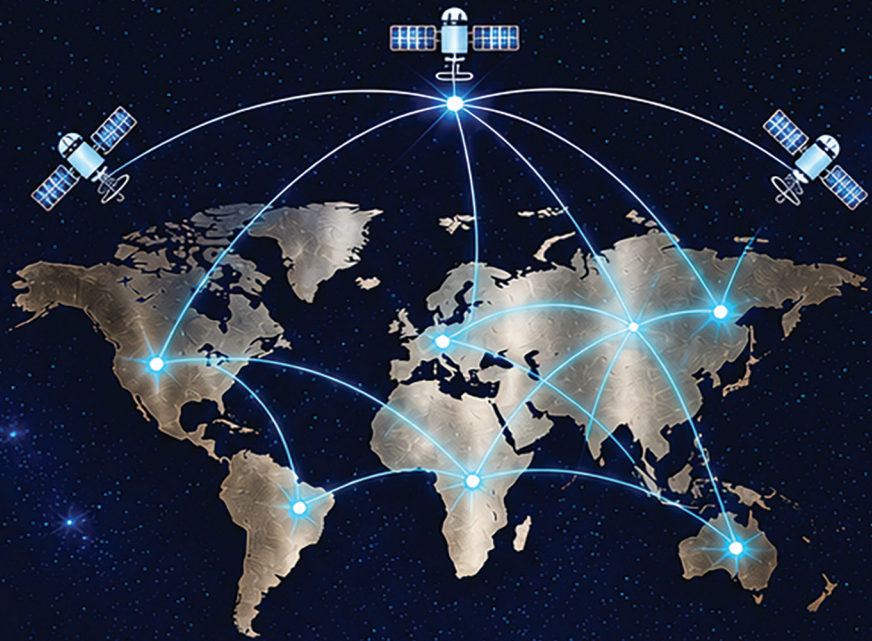


# Powering Connected Future





## Purpose:

Creating a ubiquitously connected world, empowering businesses and communities, and enabling nation-building endeavors.

## Vision:

A globally trusted and most preferred communication solutions partner, weaving innovative and cutting-edge Satcom technologies, to unlock potential for our customers and stakeholders.

## Values:

- I** Integrity & Commitment
- M** Mentoring & Nurturing People
- P** Passion for Technology
- A** Agility
- C** Customer Focus
- T** Teamwork & Collaboration

## Enabling Possibilities Unlocking Potential

In a world where every second counts and every connection drives progress, Nelco stands at the forefront of a communications revolution.

We are expanding the frontiers of possibility to ensure every industry, community and citizen can connect, operate, and innovate, no matter where they are.

We are building a network as boundless as the sky. Through the unmatched capabilities of next generation multi-orbit satellite networks, we deliver seamless, reliable, high performance connectivity solutions.

From remote mines and offshore platforms to rural classrooms and aircrafts in the sky, our commitment is unwavering: empowering businesses to make smarter decisions, act with agility, and compete confidently on the global stage.

# FROM THE MD'S DESK



“ India’s Satcom industry is at a pivotal inflection point. We are not just building a sector; we are future proofing India’s connectivity. The way forward lies in the seamless integration of technologies to build solutions ”



## Dear Shareholders

FY2025-26 has been a year of strategic resilience for Nelco. The global macroeconomic environment remains fragmented – shaped by geopolitical tensions, supply chain realignments, and an increasing focus on secure digital infrastructure. In this landscape, satellite communication is evolving from a niche alternative into a mainstream, highly reliable layer of national connectivity.

In this background, India currently stands out as a bright spot. Sustained ~6.5% GDP growth, a Union Budget that supports digital initiatives, and the fact that some of the states have increasingly started focusing on space sector – are creating structural tailwinds for reliable Satcom solutions.

At Nelco, we have continued to strengthen our position as a trusted partner – powering connectivity across enterprises, maritime, aviation, Government and remote communities. We create measurable impact, where seamless communication matters most. Over the past year, we executed our strategy with discipline: expanding service capabilities, investing in next-gen technologies, building strong partnerships, and delivering enhanced value to our customers.

On the financial front, our consolidated revenue remained steady, reflecting a portfolio in transition. Accelerated growth in emerging segments is progressively offsetting structural declines in some of the traditional verticals. The commercial ramp-up of Low Earth Orbit (LEO) services remains a pivotal catalyst. The delay in regulatory approvals for LEO services for the industry has tempered near-term revenue growth, as the expected market expansion did not happen. Nelco is however well-poised to offer these services as soon as the approvals are in place.



## Looking Ahead

LEO services are expected to unlock low latency applications, drive bandwidth offtake, and open segments previously unaddressable by traditional Satcom services. We continue to align with growth drivers and are focusing on building hybrid multi-orbit solutions.

With momentum poised to build as new segments scale and regulatory clearances are granted, the Company remains well-positioned to return to a sustained revenue growth trajectory in the coming years. We are investing in advanced technologies and building newer solutions – to ensure we remain at the forefront of India’s Satcom transformation.

Nelco is well-poised to leverage the new technology advancements and expand its role as a leading provider of integrated, secure, and resilient satellite connectivity-based solutions. We continue to invest in innovation, partnerships, and operational excellence to deliver long-term value for all stakeholders. We are building a future-ready Nelco that enables a truly connected India and supports the nation’s digital ambitions across every sector with its next-gen Satcom solutions.

Our people remain our strongest asset. Their dedication, expertise, and commitment to excellence are at the core of every milestone we achieve. We continue to nurture a culture of innovation, collaboration, and customer centricity to build a stronger, more agile organisation.

I thank our shareholders, customers, partners, employees, and the extended Nelco community for their continued trust and support – which propels us forward as we shape the next chapter of our growth story.

**Together, we are building the future of connected possibilities.**

Warm Regards,

**P J Nath**  
Managing Director & CEO  
Nelco Limited

# Powering Seamless Connectivity across every sector

 **Reliable.** |  **Secure.** |  **Seamless.**

**KEEPING VESSELS SEAMLESSLY  
CONNECTED BEYOND THE HORIZON**



Always-On Maritime Connectivity

**ENABLING RELIABLE CONNECTIVITY  
ACROSS SKIES AND AIR ROUTES**



Seamless In-Flight Communication

**SECURING ALWAYS-ON CONNECTIVITY  
FOR MISSION-CRITICAL FINANCIAL  
OPERATIONS**



Trusted Banking & Financial Solutions

**POWERING BUSINESS-CRITICAL  
NETWORKS WHEREVER ENTERPRISES  
OPERATE**



Always On Enterprise

**SECURING MISSION-CRITICAL CONNECTIVITY  
FOR OIL, GAS & ENERGY OPERATIONS**



Oil, Gas & Energy

**DELIVERING SECURE, MISSION-READY  
COMMUNICATION FOR STRATEGIC  
OPERATIONS**



Critical Defence



**SCALABLE NETWORK FOR A CONNECTED DIGITAL ECOSYSTEM**

**5G**



Telecom Backhaul



**RESTORING COMMUNICATION WHEN EVERY SECOND COUNTS**



Disaster Management



**EMPOWERING SMART AGRICULTURE THROUGH RELIABLE DIGITAL CONNECTIVITY**



Precision Farming & Agri-Data



**DELIVERING SEAMLESS CONNECTIVITY FOR CONTENT CREATION AND BROADCAST**



Events & Media



**ENABLING SECURE CONNECTIVITY FOR GOVERNANCE AND PUBLIC SERVICES**



Government



**ENSURING END-TO-END VISIBILITY AND CONNECTIVITY ACROSS SUPPLY CHAINS**



Seamless Supply Chain Visibility

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# CORPORATE INFORMATION

(As on 20<sup>th</sup> April 2026)

<b>Board of Directors</b>	Mr. A. S. Lakshminarayanan, Chairman Mr. P. J. Nath, Managing Director & CEO Mr. Vijay Somaiya Dr. Lakshmi Nadkarni Mr. Ajay Kumar Pandey Mr. Saurabh Ray
<b>Chief Financial Officer</b>	Mr. Malav Shah
<b>Company Secretary &amp; Head - Legal</b>	Mr. Ritesh N Kamdar
<b>Share Registrars</b>	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) C-101, Embassy 247, 1 <sup>st</sup> Floor, L.B.S. Marg, Vikhroli West, Mumbai 400 083. Tel.: +91 8108118484 Email: Investor.helpdesk@in.mpms.mufg.com Website: www.in.mpms.mufg.com
<b>Statutory Auditors</b>	S.R. Batliboi & Associates LLP, Chartered Accountants
<b>Bankers</b>	Bank of India Union Bank of India ICICI Bank Ltd. Axis Bank Ltd. Mizuho Bank Ltd.
<b>Registered Office</b>	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
<b>Corporate Identity No. (CIN)</b>	L32200MH1940PLC003164

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**SAVE TREES, SAVE THE EARTH**

**SUPPORT  
'GREEN INITIATIVE'**

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 at [Investor.helpdesk@in.mpms.mufg.com](mailto:Investor.helpdesk@in.mpms.mufg.com)

This Annual Report can be viewed under the 'Investor Relations' section on the Company's website: [www.nelco.in](http://www.nelco.in)



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**83<sup>rd</sup> Annual General Meeting**

Date : Wednesday, 24<sup>th</sup> June 2026

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

## NOTICE

The **EIGHTY THIRD ANNUAL GENERAL MEETING** of **NELCO LIMITED** will be held on Wednesday, 24<sup>th</sup> day of June 2026 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 31<sup>st</sup> March 2026 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 31<sup>st</sup> March 2026 together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March 2026.
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. 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 P. D. Dani & Associates, Cost Accountants (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 2025-26."

By Order of the Board of Directors

**Ritesh Kamdar**

Company Secretary & Head – Legal  
ACS 20154

Navi Mumbai, 20<sup>th</sup> April 2026

#### 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](mailto:services@nelco.in)

Website: [www.nelco.in](http://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 03/2025 dated September 22, 2025 (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting through Video Conferencing ("VC") or through Other Audio Visual Means ("OAVM"), till further orders, in accordance with the requirements laid down in Para 3 and Para 4 of the

General Circular No. 20/2020 dated 5 May 2020, 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”), MCA & SEBI Circulars, the 83<sup>rd</sup> Annual General Meeting (“Meeting” or “AGM”) of the Company is scheduled to be held through VC / OAVM on Wednesday, 24<sup>th</sup> June, 2026, at 3:30 p.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 of the Notice, is annexed hereto. As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated 5<sup>th</sup> May 2020, the matter of Special Business as appearing in 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 re-appointment at this AGM is also annexed.
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](http://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, HR 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 83<sup>rd</sup> 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](mailto:nelco.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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. In case of joint holders attending the AGM, only such joint holder, who is higher in the order of names, will be entitled to vote.
7. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories / Registrars to an issue and share Transfer Agents (RTA) and physical copies to those shareholders who request for the same. Further, pursuant to regulation 36(1)(b) of Listing Regulations, a letter providing the weblink of annual report has been sent to those shareholders who have not registered their email id’s. The Notice convening the 83<sup>rd</sup> AGM has been uploaded on the website of the Company at [www.nelco.in](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://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 Wednesday, 10<sup>th</sup> June 2026 to Tuesday, 16<sup>th</sup> June 2026 both days inclusive. Record date is Tuesday, 9<sup>th</sup> June 2026, the dividend of ₹ 1 per equity share of ₹ 10 (i.e. 10%), 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, 26<sup>th</sup> June 2026 as under:
  - To all the Beneficial Owners as at the end of the day on Tuesday, 09<sup>th</sup> June 2026 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 transfer, transmission and transposition in respect of valid requests lodged with the Company/RTA on or before the close of business hours on Tuesday, 09<sup>th</sup> June 2026.
- ii. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 2025 ('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/ RTA by sending documents through e-mail by Wednesday, 10<sup>th</sup> June 2026. For the detailed process, please click here <https://www.nelco.in/pdf/disclosure-of-events/notice-13-05-2026.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 RTA, so that it reaches them latest by Wednesday, 10<sup>th</sup> June 2026:
  - 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; and
    - 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 Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, mandated that the security holders, holding securities in physical form, whose folio(s) do not have PAN, 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 1<sup>st</sup> April 2024, upon their furnishing all the aforesaid details in entirety to RTA.

- 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). Further, 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 approaching the Company or RTA for issuance of Entitlement Letter on submission of required documents. The Members may then make an application to the IEPF Authority, in web Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) by attaching the Entitlement Letter and other documents. The details of unclaimed dividend likely to be transferred to IEPF have been provided in the Report on Corporate Governance forming part of the Annual Report for FY2025-26.
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 RTA, MUFG Intime India Private Limited at <https://in.mpms.mufg.com/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialised form.

10. SEBI 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 MUFG Intime India Private Limited, 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 MUFG Intime India Private Limited at [Investor.helpdesk@in.mpms.mufg.com](mailto:Investor.helpdesk@in.mpms.mufg.com) 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](http://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 [Investor.helpdesk@in.mpms.mufg.com](mailto:Investor.helpdesk@in.mpms.mufg.com) 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](mailto: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, RTA or DPs as the case may be, for 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 MUFG Intime India Private Limited 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 MUFG Intime India Private Limited: The Company has made special arrangements with MUFG Intime India Private Limited 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 MUFG Intime India Private Limited on or before 5.00 p.m. (IST) on Friday 19<sup>th</sup> June 2026.

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

- a. Visit the link:- [https://web.in.mpms.mufig.com/EmailReg/Email\\_Register.html](https://web.in.mpms.mufig.com/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; and
- f. The system will then confirm the e-mail address for the limited purpose of service of Notice of AGM and Annual Report for FY2025-26.

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 the Securities and Exchange Board of India ('SEBI').

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2025-26 along with the e-Voting user ID and password. In case of any queries, Members may write to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

However, Members holding shares in electronic form will have to once again register their email address and mobile number with their DPs, to permanently update the said information.

- 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 MUFG Intime India Private Limited, in respect of physical holding, by writing to them at [Investor.helpdesk@in.mpms.mufig.com](mailto:Investor.helpdesk@in.mpms.mufig.com). Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/ MUFG Intime India Private Limited 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](mailto: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 Wednesday, 17<sup>th</sup> June 2026 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. Wednesday, 17<sup>th</sup> June 2026, may obtain the User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- iii) The remote e-Voting period commences on Friday 19<sup>th</sup> June 2026 at 9.00 a.m. (IST) and ends on Tuesday 23<sup>rd</sup> June 2026 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. Wednesday, 17<sup>th</sup> June 2026.
- 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) or failing him Ms. Sarvari Shah, Company Secretary (FCS 9697) of 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](http://www.nelco.in) and on the website of NSDL: [www.evoting.nsdl.com](http://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. Wednesday, 24<sup>th</sup> June 2026.
- 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 83<sup>rd</sup> 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](mailto:ritesh.kamdar@nelco.in) before 3.00 p.m. (IST) on Saturday 20<sup>th</sup> June 2026. 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 **preregister 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](mailto:ritesh.kamdar@nelco.in) on or before Saturday, 20<sup>th</sup> June 2026 (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](mailto: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:

<b>Type of Shareholders / Members</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>a. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>b. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p>

Type of Shareholders / Members	Login Method
	<p>c. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” 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 held 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>d. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center; color: #0070C0; font-weight: bold;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store         </div> <div style="text-align: center;">  Google Play         </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 5px;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with <b>CDSL</b></p>	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use their existing Myeasi username and password.</li> <li>2. After successful login of Easi / Easiest, the user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting 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. Additionally, there are 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.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.</li> </ol>

Type of Shareholders / Members	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting 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 'Forgot User ID' / 'Forgot Password' option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL & 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 <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or contact 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-22-5533.

**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 e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com> with your existing IDeAS login. Once you log-in to NSDL e-services after using your login 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
(a) For Members who hold shares in demat account with NSDL.	User ID is the combination of 8-character DP ID followed by 8-digit Client ID.  Example: if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(b) For Members who hold shares in demat account with CDSL.	User ID is 16 digits Beneficiary ID.  Example: if your Beneficiary ID is 12***** then your user ID is 12*****.
(c) For Members holding shares in Physical Form.	User ID is the combination of EVEN + Folio Number.  Example: if Folio is 001*** and EVEN is then user ID is 139335001***.

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 in 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 the instructions mentioned in this Notice regarding process for registration of email addresses.

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](http://www.evoting.nsdl.com).
- (b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, PAN, name and registered address.
- (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 is in active status.
2. Select “EVEN” of company i.e. “139335” 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](http://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](http://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](mailto: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](mailto: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](mailto: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](mailto: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

**Ritesh Kamdar**

Company Secretary & Head – Legal  
ACS 20154

Navi Mumbai, 20<sup>th</sup> April 2026

**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](mailto:services@nelco.in)

**Website:** [www.nelco.in](http://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 of the accompanying Notice dated 20<sup>th</sup> April 2026.

### Item No. 5: Ratification of Cost Auditor's Remuneration

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time and other applicable provisions, if any, 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, the Board of Directors has approved the appointment of 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 FY2025-26, at a remuneration of ₹ 1,25,000/- plus GST and reimbursement of out-of-pocket expenses on actual basis incurred in connection with the audit. In making the decision on the appointment and remuneration of the Cost Auditors, the Audit Committee of Directors considered the Cost Auditors' performance during the previous year(s) in examining and verifying the accuracy of the cost accounting records maintained by the Company. PDA have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of cost records of the Company for previous years under the provisions of the Act. Pursuant to Section 148(3) of the Act, approval by the Members is required for the payment of above remuneration to the cost auditor.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution at Item No. 5 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

By Order of the Board of Directors

**Ritesh Kamdar**  
Company Secretary & Head – Legal  
ACS 20154

Navi Mumbai, 20<sup>th</sup> April 2026

#### 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](mailto:services@nelco.in)

Website: [www.nelco.in](http://www.nelco.in)

### Annexure to the Notice of Annual General Meeting

Details 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. Amur Swaminathan Lakshminarayanan
DIN	08616830
Designation	Non-Executive Chairman
Date of Birth (Age)	13 <sup>th</sup> April 1961 (65 Years)
Date of Appointment	29 <sup>th</sup> May 2022
Expertise in Specific Functional Area / Brief Resume	Mr. Lakshminarayanan is a global techno-commercial leader across regions and industries recognized for developing scalable businesses in the UK, Europe, Japan and India. Mr. Lakshminarayanan retired from Tata Communications in April 2026. Since joining in 2019, he envisioned and implemented the “Re-imagine” strategy to effect a significant financial turnaround - now well recognized by the industry. The transformation of capabilities to pivot the company towards platforms with significant in-house IP and the overarching approach of Digital Fabric that enables enterprises globally to simplify and secure the digital infrastructure in the AI era were major hallmarks. The substantial cultural transformation that this needed was well underway when he retired. This successful turnaround has been recognized at various forums such as the Forbes Leadership Awards and the ET Telecom Awards. Before joining Tata Communications, Mr. Lakshminarayanan was President and CEO of Tata Consultancy Services (TCS) Japan, accelerating the company’s market opportunity and brand in the region. Other leadership positions he has held within TCS include Global Head of four business units (Telecom, Media & Information Services, HiTech and Utilities) and Head of UK & Europe. A Tata Group veteran of 35 years, an engineering graduate from BITS, Pilani, and London Business School senior executive programme alumnus, Mr. Lakshminarayanan is an IEEE (Institute of Electrical and Electronics Engineers) long-standing member. He serves on the boards of Nelco Limited (Non-Executive Chairman), Tata Teleservices (Maharashtra) Limited and Tata Teleservices Limited. A widely acclaimed business leader, avid golfer, and hobbyist painter, he is known to drive all things technology and transformation, with trust and purpose being central.
Qualifications	Engineering graduate from BITS, Pilani, and London Business School senior executive programme alumnus, Mr. Lakshminarayanan is an IEEE (Institute of Electrical and Electronics Engineers) long-standing member.
Terms and conditions of appointment or re-appointment	Re-appointment in terms of section 152(6) of the Companies Act, 2013
Relationship between Directors, Manager and other Key Managerial Personnel interse	Mr. Lakshminarayanan 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 Teleservices (Maharashtra) Ltd. Tata Teleservices Ltd.
Committee positions held in other Companies	None
Remuneration	Sitting fees paid to Mr. Lakshminarayanan for FY 2025-26 is ₹1,20,000/-
Details of Remuneration sought to be paid	Sitting fees will be paid to Mr. Lakshminarayanan as approved by the Board

Name of the listed entities for which the person has resigned in the past three years	Tejas Networks Limited – Nominee Director
No. of meetings of Board attended during the year	6 out of 6
No. of shares held (a) Own (b) For other persons on a beneficial basis	Nil

## DIRECTORS' REPORT

To  
The Members,

The Directors have pleasure in presenting Eighty Third Annual Report of Nelco Limited ("Company" or "Nelco") along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2026.

### 1. Financial Results

(₹ in lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		FY2025-26	FY2024-25	FY2025-26	FY2024-25
a	Revenue from Operations	19,770	20,563	30,660	30,487
b	Other Income	400	395	436	518
c	Total Income	20,170	20,958	31,096	31,005
d	Operating Expenditure	17,724	17,549	27,804	26,290
e	Profit before finance cost, depreciation and amortization (PBITDA)	2,446	3,409	3,292	4,715
f	Less: Finance Cost	105	154	487	552
g	Less: Depreciation/Amortization	1,278	1,263	1,995	2,216
h	Total Finance cost and depreciation & amortisation (f+g)	1,383	1,417	2,482	2,768
i	Profit before share of profit from associate, exceptional items and tax(e-h)	1,063	1,992	810	1,947
j	Share of Profit from Associate	0	0	30	19
k	Profit before exceptional items and tax (i+j)	1,063	1,992	840	1,966
l	Less: Exceptional items - Statutory impact of new Labour Code	238	0	381	0
m	Net Profit before tax (k-l)	825	1,992	459	1,966
n	Current/Deferred Tax Expenses	216	1,011	127	1,013
o	Net Profit after tax (m-n)	609	981	332	953
p	Add: Other comprehensive income/(expenses) (net of tax)	(6)	(14)	(11)	(19)
q	Total Comprehensive Income (o+p)	603	967	321	934

### 2. Dividend

The Directors of your Company recommend for FY 2025-26, a dividend of ₹ 1/- per share of ₹ 10/- each i.e. 10% (previous year ₹ 1.00 per share i.e. 10%) subject to the approval of the Members at the ensuing AGM. If approved, the total dividend outgo for FY 2025-26 would amount to ₹ 228 lakhs (previous year ₹ 228 lakhs).

The Dividend Distribution 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 ₹ 19,770 Lakhs in FY 2025-26 from Operations as against ₹ 20,563 Lakhs in FY 2024-25 i.e. decreased by 3.86% from previous year.

In FY 2025-26 the Company earned net profit after tax of ₹ 609 Lakhs from its total operations as against net profit after tax of ₹ 981 Lakhs in FY 2024-25.

The Company's revenue trajectory reflects a portfolio in transition, where accelerated growth in emerging segments is progressively offsetting structural challenges in traditional verticals. The commercial ramp-up of LEO services – currently pending regulatory approvals in the country – remains a pivotal catalyst, and this delay is also impacting growth across multiple segments. Furthermore, customers are increasingly expecting hybrid GEO-LEO offerings, which are not yet commercially deployable due to the same regulatory hold. Select segments are also experiencing natural lifecycle contractions, further dampening near-term revenue growth. Additionally, input costs are rising due to the prevailing geopolitical situation, exerting further pressure on margins. With momentum poised to build up as new segments scale and regulatory clearances are granted by the government, the Company remains well-positioned to return to a sustained growth trajectory in the coming years. The Company has invested in building new segments, which will start generating accelerated revenue in the coming years.

### 3.2. Consolidated

On a Consolidated basis, revenue from Operations was ₹ 30,660 Lakhs in FY 2025-26 as against ₹ 30,487 Lakhs in FY 2024-25 i.e. increased by 0.57% from 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 ₹ 332 Lakhs from operations as against net profit after tax of ₹ 953 Lakhs in FY 2024-25. i.e. decreased by 65.16%.

The Company's revenue trajectory reflects a portfolio in transition, where accelerated growth in emerging segments is progressively offsetting structural declines in some of the traditional verticals. The commercial ramp-up of LEO services – currently pending regulatory approvals in India – remains a pivotal catalyst, and this delay is directly impacting growth across multiple segments. Select segments are also experiencing natural lifecycle contractions, further dampening near-term revenue growth. With momentum poised to build as new segments scale and granting of regulatory clearances by the government, Nelco remains well-positioned to return to a sustained growth trajectory in the coming years.

The Company maintained a dominant ~40%+ share in the Indian satellite communication market during FY2025-26, reinforcing its leadership position. The Company registered strong traction across Maritime and Aero in flight connectivity verticals, with these segments delivering robust incremental growth. Nelco also deepened its footprint in Government sectors, securing new business during the year.

The Company focused steadily on building innovative solutions and extending service offerings into emerging use cases. Concurrently, operational processes were refined to improve agility, drive efficiency gains, and enable faster, more reliable customer service delivery. Newer value added services and customised solutions are being increasingly deployed to sharpen customer responsiveness, address niche sector requirements, and shape next generation Satcom offerings. These initiatives are poised to strengthen the Company's ability to meet dynamic customer needs.

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.

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.

### 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 2025-26 in the statement of profit and loss.

#### 5. Subsidiary & Associate Company

The Company has a wholly owned subsidiary - Nelco Network Products Ltd. (NNPL) and an associate company - PISCIS Networks Pvt. Ltd. (PISCIS) as on 31<sup>st</sup> March 2026.

##### Subsidiary Company

The revenue of NNPL for FY 2025-26 was ₹ 10,980 Lakhs (previous year ₹ 9,930 Lakhs) and loss after tax was ₹ 314 Lakhs (previous year loss after tax was ₹ 61 Lakhs) and the accumulated reserve and surplus since incorporation was ₹ 3,102 Lakhs. The Company is navigating a strategic realignment where the legacy equipment revenue streams are stagnant or declining faster and the emerging segments are yet to pick up full momentum, though they are scaling up. Pending regulatory approvals for LEO services have delayed both hybrid GEO-LEO deployments and associated equipment sales, while cost pressures further weigh on financials. With regulatory clearances from the government and scaling of new segments, the Company is well-positioned to resume its growth trajectory.

##### Associate Company

The revenue of PISCIS for FY 2025-26 was ₹ 1,069 Lakhs (previous year ₹ 1,433 Lakhs) and profit after tax was ₹ 92 Lakhs (previous year profit after tax was ₹ 230 Lakhs). This was due to the fact that select existing segments are undergoing natural lifecycle contractions, thereby dampening near-term revenue growth. Concurrently, several emerging segments are yet to fully open up, deferring the anticipated revenue contribution from these opportunities. However, with momentum expected to accelerate as these new segments scale and market conditions progressively evolve, the Company remains well-positioned to return to a sustained growth trajectory. The Company's share of profit in associate for FY 2025-26 was ₹ 30 Lakhs (previous year ₹ 19 Lakhs).

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

##### Re-appointment of Director

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 (DIN: 08616830) retires by rotation and is eligible for re-appointment. Members' approval is being sought at the ensuing AGM for his re-appointment.

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

##### Independent Directors

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

In terms of Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“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 as Independent Directors of the Company. Based upon the declarations received from the Independent Directors, the Board of Directors have 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.

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.

#### Key Managerial Personnel

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company as on 31<sup>st</sup> March 2026 are:

- Mr. P.J. Nath, Managing Director & CEO
- Mr. Malav Shah, Chief Financial Officer
- Mr. Ritesh Kamdar, Company Secretary

#### Number of Board meetings

During the year under review, 6 (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 5<sup>th</sup> 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 Nomination, HR and Remuneration Committee ('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 NRC, 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, HR 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/familiarization-programme-25-26.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.

**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.

**7.4 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.

## 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.

## 9. Risks and Concerns

The Indian Satcom industry has entered an era of accelerated transformation, supported by favourable policy reforms and increasing demand for connectivity across mobility segments. While these developments present significant growth opportunities, they also come with notable risks in evolving market landscape – including strategic, financial, regulatory, and operational risks. The Company operates in an environment characterised by rapid technological shifts and intensive competitiveness, particularly as global players enter the domestic market.

The Board recognises that effective risk management is integral to safeguarding stakeholder value and enabling sustainable growth. To this end, the Company employs a tailored mitigation strategy with a structured framework, the details of which – including specific mitigation approaches for our key risk themes – are further elaborated in the Management Discussion & Analysis section of this Report.

### Risk Management Framework and Internal Financial Controls

**Risk Management Framework:** The Company operates under a comprehensive enterprise-wide Risk Management Framework aligned with Tata Group governance principles, under which risks are identified and assessed across all business segments. Further, the resilience framework enables a differentiated approach to risk mitigation – using robust controls and redundancies for certain risks, and innovation or newer approaches as required. In FY2025–26, this framework was significantly enhanced to address new-age risks including cybersecurity threats. The Company continues to monitor regulatory risks by maintaining close engagement with all relevant authorities.

The Risk Management Committee (RMC) of the Board focuses on proactive risk identification and mitigation, monitoring and reviewing the risk management plan half yearly. The Audit Committee and Board provide additional oversight on key strategic and financial risks and controls.

At the management level, the Internal Risk Management Committee – comprising the CEO, CFO, Chief Risk Officer, and key business/operations leaders – is responsible for the systematic identification, assessment, quantification, and mitigation of current and emerging risks. Clearly defined risk thresholds and mitigation strategies are aligned with the Company's risk appetite, ensuring structured decision making across all organisational levels.

Major risks identified by businesses and functions are systematically addressed through ongoing mitigating actions. There are no material risks that, in the opinion of the Board, may impact the Company's continuity – reflecting the effectiveness of our proactive risk governance measures.

**Internal Financial Control and Systems:** The Company maintains a robust internal financial control system, commensurate with the nature, size, and complexity of its operations as well as industry requirements. These controls – including those pertaining to financial reporting – are designed to ensure accuracy, compliance, and the safeguarding of both tangible and intangible assets, such as essential licences and spectrum rights.

To strengthen governance, an independent firm of Chartered Accountants has been appointed as the Internal Auditor. The firm audits risk management frameworks, internal controls, and operational processes, with the scope, authority, and responsibilities formally codified in the Audit Committee Charter. Key audit findings are reported to the Audit Committee, and Internal Financial Control (IFC) testing is integrated into the annual audit plan. In FY2025–26, the audit scope was expanded to include cybersecurity.

In compliance with Section 177 of the Act and the Audit Committee Charter, the Audit Committee is mandated to evaluate the effectiveness of the Company's internal control systems, with particular focus on IFC. These controls are comprehensively addressed in the Management Discussion & Analysis section of this report.

A review of internal audit observations and corresponding corrective actions confirms:

- No material adverse observations impacting financial reporting
- No significant commercial implications
- No unresolved material non compliances

Furthermore, statutory auditors carry out quarterly audits, and their reports have indicated no adverse findings or material exceptions. This multi layered assurance framework – combining internal audit, statutory audit, and Audit Committee oversight – demonstrates the robustness of our financial controls.

All financial and operational controls remain firmly anchored in the Tata Code of Conduct, ensuring transparency and integrity in every transaction.

**Process Robustness:** The Company partners with external experts to conduct comprehensive business excellence assessments and process deep dives across key functional areas. These evaluations systematically identify opportunities to enhance operational efficiency and process effectiveness, translating insights into tangible improvements. Process maturity and robustness for key functions are assessed against the following pillars:

- i. Process Governance
  - o Comprehensive documentation of workflows and standard operating procedures
  - o Clearly defined roles and responsibilities across all process stages
- ii. Control Environment
  - o Manual and system driven controls
  - o Robust maker checker authorization protocols
- iii. Performance Management
  - o Real time tracking of key performance indicators
  - o Benchmarking against industry standards
- iv. Continuous Improvement
  - o Identification and execution of process optimization initiatives
  - o Integration of cost optimization initiatives alongside best practices and technological advancements

Based on these frameworks, the Board is of the opinion that the Company's governance and internal control systems are robust. No material risks currently threaten business continuity. Our disciplined approach continues to underpin consistent service quality and operational efficiency, while the structured frameworks ensures world-class process standards and drives continuous operational improvement across the organization.

## 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 made Voluntary CSR spend in two projects for underprivileged children in collaboration with Tata Power Community Development Centre (TPCDT) & an NGO – Catalyst for Social Action respectively. One of the projects is to deliver holistic and quality education for students from 1<sup>st</sup> to 10<sup>th</sup> standard via the Community Learning Centre model. The other project aims to provide comprehensive support to youth leaving the care centre, to ensure that they achieve the immediate career goals and empower them to lead dignified and self-reliant lives.

Further, the employees actively participated in Volunteering activities organised under Tata Volunteering Week and Pro-engage. In FY 2025-26, Nelco registered 600+ hours of volunteering through various CSR initiatives in different cities of India. The Company catered to around 900+ beneficiaries from different NGOs across India. The Company engaged in sponsoring NGOs for Skill enablement of Youths – sponsoring 24 Youths who are being familiarized with skills for their future.

The disclosures as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out in **Annexure V** 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, Doctors availability in the premise, Health check-up packages are some of the services available for employees and families.

## 11. Human Resources

As on 31<sup>st</sup> March 2026, the Company had an employee strength of 106. During the year under review, 15 employees were recruited, and 13 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. Employee Engagement Surveys 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. Employees are encouraged to participate in the group initiatives such as e-hackathon and Tata Innovista to gain visibility and showcase competency. Youngsters are encouraged to become Digital Mentors and share their skills and knowledge through Reverse Digital mentoring Platform. Employee welfare and sports activities ensure 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 thus, support the company in making improvements and achieving its objectives. People are also encouraged to volunteer for group and Company level CSR activities and contribute to society.
- **Reward & Recognition (R&R):** The Company adopts a holistic R&R framework that recognizes and incentivizes exceptional performance. It promotes recognitions at all levels. Initiatives like Appreciation week, HoD Awards, Quarterly awards which include Individual & Team awards ensures that employee contributions are acknowledged timely. Nelco Innovista awards is an internal platform which encourages creativity and rewards participants for the out of the box thinking and innovative minds. The awards categories are reviewed periodically, and new categories are added depending on the business requirements.
- **Capability Development:** The Company focuses on overall capability building of functional, managerial and behavioural skills as planned during the Annual Business planning exercise and Performance management process. The individual development plans are identified for everyone. HR team aligns its strategic objectives with the company's short-term and long-term growth plans and builds capability plan through organizing inhouse, residential and virtual workshops and fulfilling the training requirements through e-learning platforms. Employees were also encouraged to undergo additional trainings of their choice available on the eLearning portal. Through defined feedback mechanism the company seeks regular improvements in its approach and quality of the trainings. The Competency Assessment Framework gave a clear picture on which skills to be

built at people and role level to stay competitive in the market. The company has made efforts to build its Digital and data competencies. Project Management Office (PMO) function has been specifically created for enhancing data science and digital capabilities. The company has digitized its Capability development process through internally developed knowledge management portal and Competency management system.

- **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 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 Performance Linked Pay (PLP) encourages employees to perform at their best to get higher rewards. The linkage of Rewards & Recognition with PMS creates a structured approach to manage performance, motivate employees, and recognize their contributions, all of which are essential for achieving organizational success. High potential employees are identified in line with the company's internal criteria. They subsequently undergo an assessment process to identify their development needs.
- **Succession Planning:** The Company has a 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 2-4 years through focused interventions.
- The Company is focused on **Digitalization and Data excellence**. The Digitalization function focuses on implementing technology driven processes and systems to streamline operations and thus improve overall organization efficiency. The Company has organized workshops / best practice sessions on data excellence to bring rigor to the data management aspects. Reverse digital mentoring sessions are organized to spread the digital knowledge using these applications to bring efficiency in the work.
- 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. The annual returns are filed location wise as per the POSH rules. POSH related sessions were conducted for employees and allied resources. Following are the summary of complaints related to POSH during the year under review:
  - (a) number of complaints of sexual harassment received in the year: Nil
  - (b) number of complaints disposed off during the year: Nil
  - (c) number of cases pending for more than ninety days: Nil
- The Company is in full compliance with the provisions of the Maternity Benefit Act, 1961. During the financial year under review, the Company provided all statutory benefits, facilities as applicable. There were no complaints or instances of non-compliance reported during the year.

### 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 [Nelco Whistle Blower Vigil Mechanism Policy 9.11.2020.pdf](#). The Company affirms that no personnel have been denied access to the Audit Committee.

## 12. Credit Rating

During the year CRISIL has revised and reaffirmed its ratings for long term and short-term bank facilities of the Company to CRISIL A/Stable (outlook revised from 'Positive') and CRISIL ('reaffirmed') A1 respectively.

## 13. Loans, Guarantees, Securities and Investments

Your Company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees, securities and investments under Section 186 of the Act. Therefore, no details are required to be provided.

## 14. Foreign Exchange – Earnings and Outgo

(₹ in lakhs)

Particulars – Standalone	Year ended 31 <sup>st</sup> March 2026	Year ended 31 <sup>st</sup> March 2025
Foreign Exchange Earnings	8,829	7,672
Foreign Exchange Outflow	3,248	541

## 15. Auditors

Members of the Company at the AGM held on 24<sup>th</sup> June 2025, approved the re-appointment of S. R. Batliboi & Associates LLP (SRBA), Chartered Accountants, (ICAI Firm Registration No. 101049W/E300004), as the statutory auditors of the Company for a second term of 5 years commencing from the conclusion of the 82<sup>nd</sup> AGM held on 24<sup>th</sup> June 2025 until the conclusion of 87<sup>th</sup> AGM of the Company to be held in the year 2030.

## 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 P. D. Dani and Associates (Firm Registration No. 000593), Cost Accountants, as Cost Auditors of the Company for conducting cost audit for the FY 2025-26. 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 FY26 is provided in the Notice to the ensuing 83<sup>rd</sup> AGM. As specified by the Central Government under sub-section (1) of section 148 of the Act, the Company has maintained cost accounts and records.

## 18. Secretarial Auditor and Secretarial Audit Report

Members of the Company at the AGM held on 24<sup>th</sup> June 2025, approved the appointment of M/s. Bhandari & Associates, Practicing Company Secretaries (Peer Review No. 6157/2024), as the secretarial auditors of the Company to carry out the secretarial audit of the Company for a term of 5 years commencing from the conclusion of the 82<sup>nd</sup> AGM held on 24<sup>th</sup> June 2025 until the conclusion of 87<sup>th</sup> AGM of the Company to be held in the year 2030.

The report of the Secretarial Auditors for FY 2025-26 is enclosed as **Annexure- III** forming part of this Report. There has been no qualification, reservation or adverse remarks in the Report of the Secretarial Auditors.

As per the requirements of the Listing Regulations, Practicing Company Secretaries have undertaken secretarial audit for FY 2025-26 of Nelco Network Products Ltd., the material unlisted subsidiary of the Company. As per the

Audit Report (**Annexure- III-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.

Secretarial Standards:

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.

**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 – IV** 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 Financial Statement.

**22. Annual Return**

Pursuant to Section 92 of the Act read with the applicable Rules, the Annual Return for the year ended 31<sup>st</sup> March 2026 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 the 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 31<sup>st</sup> March 2026, 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 31<sup>st</sup> March 2026 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 annual 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; and
- 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

Mumbai, 20<sup>th</sup> April 2026

**A.S. Lakshminarayanan**

Chairman

(DIN: 08616830)

## 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:

- assess 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
<b>Non-Executive Directors</b>	
Mr. A.S.Lakshminarayanan	0.1
Mr. Vijay Somaiya	0.9
Dr. Lakshmi Nadkarni	1.0
Mr. Ajay Kumar Pandey	1.1
Mr. Saurabh Ray	0.3
<b>Executive Director</b>	
Mr. P. J. Nath, Managing Director & CEO	29.6

Note: Remuneration includes sitting fees and Performance Linked Payment (PLP), wherever applicable.

- (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 Director and Key Managerial Personnel	Percentage increase in remuneration in the financial year
Mr. A.S. Lakshminarayanan	-14%
Mr. Vijay Somaiya <sup>##</sup>	-
Dr. Lakshmi Nadkarni	-24%
Mr. Ajay Kumar Pandey	-22%
Mr. Saurabh Ray	-21%
Mr. P. J. Nath, Managing Director & CEO	4%
Mr. Malav Shah, Chief Financial Officer	0%
Mr. Ritesh Kamdar, Company Secretary & Head – Legal <sup>##</sup>	-

<sup>##</sup> Remuneration received in FY 2026 is not comparable with remuneration received in FY 2025 which was for part of the year and hence, not stated.

- (c) **Percentage increase in the median remuneration of employees in the financial year 2025-26:** 14.30%
- (d) **Number of permanent employees on the rolls of Company as on 31<sup>st</sup> March 2026:** 106
- (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:**

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	11.31% (on CTC)
Average increase in remuneration of managerial personnel	9.20% (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, 20<sup>th</sup> April 2026

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**Annexure – III**  
**(Ref: Board’s Report, Section 18)**  
**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026**

*[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, 2026** 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, 2026** 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<sup>#</sup>.
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 [‘SEBI Listing Regulations’];
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018<sup>#</sup>;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021<sup>#</sup>;
  - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021<sup>#</sup>;
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025<sup>#</sup>;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021<sup>#</sup>;
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018<sup>#</sup>; and
  - j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

The other laws, as informed and identified by the Company which are specifically applicable to the Company are given below:

- vi. Telecommunications Act, 2023;
- vii. Telecom Regulatory Authority of India Act, 1997;
- viii. Telecommunication Interconnection Regulations, 2018; and
- ix. Information Technology Act, 2000.

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India.

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, with regard to the laws specifically applicable to the Company as mentioned above, we have relied on the written representation made by the management in this regard.

**We further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors 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 and Committee 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.: 6157/2024

Sd/-

**Manisha Maheshwari**

Partner

FCS No: 13272; C P No.: 11031

Mumbai | April 20, 2026

ICSI UDIN: F013272H000140157

*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.*

To  
The Members,  
**NELCO LIMITED**  
**CIN: L32200MH1940PLC003164**

Our Secretarial Audit Report for the financial year ended March 31, 2026 of even date is to be read along with this letter.

1. Maintenance of secretarial records 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. Wherever 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.: 6157/2024

Sd/-

**Manisha Maheshwari**

Partner

FCS No: 13272; C P No.: 11031

Mumbai | April 20, 2026

ICSI UDIN: F013272H000140157

**Annexure – III-A**  
**(Ref: Board’s Report, Section 18)**  
**SECRETARIAL AUDIT REPORT - NELCO NETWORK PRODUCTS LIMITED**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026**

*[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 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 **March 31, 2026** 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, 2026 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015#;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011#;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015#;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;
  - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025#;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#; and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

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

The other laws, as informed and identified by the Company which are specifically applicable to the Company are given below:

- vi. Telecommunications Act, 2023;
- vii. Telecom Regulatory Authority of India Act, 1997;
- viii. Telecommunication Interconnection Regulations, 2018; and
- ix. Information Technology Act, 2000.

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India.

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, with regard to the laws specifically applicable to the Company as mentioned above, we have relied on the written representation made by the management in this regard.

**We further report that-**

The Board of Directors of the Company is comprised 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.: 6157/2024

Sd/-

**Manisha Maheshwari**

Partner

FCS No: 13272; C P No.: 11031

Mumbai| April 20, 2026

ICSI UDIN: F013272H000139673

*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.*

To  
The Members,  
**NELCO NETWORK PRODUCTS LIMITED**  
CIN: U32309MH2016PLC285693

Our Secretarial Audit Report for the financial year ended March 31, 2026 of even date is to be read along with this letter.

1. Maintenance of secretarial records 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. Wherever 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.: 6157/2024

Sd/-

**Manisha Maheshwari**

Partner

FCS No: 13272; C P No.: 11031

Mumbai| April 20, 2026

ICSI UDIN: F013272H000139673

## Annexure IV – 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 Aero and Maritime sectors, 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:	8,829
Total foreign exchange used:	3,248

## ANNEXURE V

### 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 21<sup>st</sup> 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:**

<https://www.nelco.in/pdf/Policies/CSR%20Policy.pdf>

**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, 2026, 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 ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	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 ₹)	Deficiency, if any
					Amount (in ₹)	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**  
 Managing Director & CEO  
 DIN: 05118177

## Management Discussion & Analysis (MDA)

### MACRO-ECONOMIC SITUATION

The global economic environment entering **FY2026-27** is expected to remain complex, shaped by geopolitical realignments, regional trade policy shifts, and evolving monetary conditions. While inflationary pressures are projected to moderate across several economies, global growth is likely to remain uneven, driven more by domestic resilience than by synchronized expansion.

Globally, this fiscal year is defined not by recovery but by structural fragmentation. Persistent tensions in Middle East and ongoing conflicts in Eastern Europe is likely to move beyond energy markets to disrupt high-technology supply chains, satellite manufacturing timelines, and launch schedules. The current landscape reflects a structural shift from traditional globalization towards a 'security-first' economic model, characterized by strategic autonomy and resilience. Global GDP growth has stabilized at approximately 3.3% (as per IMF estimates); however, the macroeconomic narrative is increasingly dominated by geopolitical developments. This volatile backdrop has catalysed a sustained increase in global Defense spending and a sharpened focus on sovereign digital infrastructure, as nations prioritize resilient communication systems capable of withstanding cyber, physical, and geopolitical disruptions. In this context, satellite communication is fast evolving from a niche alternative into a foundational layer of global digital architecture, providing essential redundancy and continuity amid an investment super cycle driven by artificial intelligence and data centre expansion.

According to IMF, India remains the world's fastest-growing large economy at ~6.5% GDP growth, driven by domestic demand and policy continuity. The Union Budget 2026-27 marks a transition from connectivity expansion to 'service depth' – enabling applications like telemedicine, e-governance, and real-time agri-analytics across remotest regions with satellite networks as the connectivity backbone. Increasingly state governments have started defining their own space policies, decentralizing demand and creating localized infrastructure pipelines. These state-level developments complement national reforms by converting policy into funded, region-specific projects, supporting sustained long-term demand across enterprise and government connectivity, ground infrastructure, gateway services, and managed satellite networks. The key demand drivers for Satcom driven by Indian Government's 2026-27 budget include:

- **Telecom & Space Outlay:** The 38% increase in Telecom outlay to ₹ 73,990 crore, along with Space Mission 2.0 and the RISE (R&D in Space Excellence) framework, signals a maturing ecosystem. Rising private participation in satellite launches reduces entry barriers while increasing demand for ground infrastructure and managed services.
- **AI & Data Centres:** Tax incentives for AI-driven data centres are catalysing investment in distributed digital infrastructure, particularly in tier-2 and tier-3 cities. These centres require low-latency, high-availability connectivity to edge networks—a gap that hybrid satellite-terrestrial links can effectively fill.
- **Defence modernisation:** A record ₹ 7.85 lakh crore budget, including a 22 percent increase in capital expenditure, with strong emphasis on intelligence, surveillance, reconnaissance, secure communications, and maritime domain awareness, all requiring Satcom solutions.
- **Maritime & Energy Security:** Allocations of ₹ 10,000 crore for container manufacturing, 20 new National Waterways, and ₹ 20,000 crore for carbon capture, utilization, and storage (CCUS) collectively mandate real-time, high-reliability monitoring of offshore assets, vessel tracking, and environmental compliance—all requiring satellite connectivity as the only viable medium beyond coastal cellular range.
- **Education and Healthcare:** The establishment of the Indian Institute of Creative Technologies and plans to set up content creator laboratories across 15,000 secondary schools reinforce the role of satellite based broadband as a critical enabler of digital education. In remote and geographically dispersed regions where terrestrial fibre build out remains limited, satellite connectivity continues to serve as the primary medium for ensuring equitable access to high quality digital learning and healthcare.

## Strategic Conclusion for Satcom

The macroeconomic and policy environment for FY 2026-27 is not merely favourable but structurally reinforcing for satellite communication. Geopolitical fragmentation drives demand for sovereign, resilient networks. India's sustained growth and budget priorities explicitly fund digital infrastructure depth as well, not just breadth as well. State-level policies convert national reforms into localized, funded projects. For Satcom operators, this environment validates their view that in the long-term run satellite connectivity will move beyond being a last resort.

The Company's strategic positioning aligns precisely with these macro drivers. The Company's focus on an 'always-on' communication backbone - resilient to both domestic infrastructure gaps and global geopolitical volatility – directly addresses the security-first paradigm. Its hybrid multi-modal solutions position the Company as a systemic enabler of India's digital and strategic sovereignty.

## COMPANY STRATEGY AND DIRECTIONS:

### **BUSINESS STRATEGY:**

Our Purpose is to create a ubiquitously connected world, empowering businesses and communities, and enabling nation-building endeavors. Nelco is a globally trusted and most preferred multi-modal communication solutions partner in India – weaving innovative and cutting-edge Satcom technologies. The Company is committed to sustaining this leadership position through our core values of IMPACT : Integrity & Commitment, Mentoring & Nurturing People, Passion for Technology, Agility, Collaboration, and Teamwork.

Through IMPACT, Nelco creates lasting impact – transforming connectivity into empowerment, businesses into enablers, and India's Satcom vision into reality.

The Company is enhancing its role to becoming an integrated solution provider, from being only a Satcom connectivity provider. Against this backdrop, the Company's strategy remains anchored in long-term value creation through dependable connectivity solutions, with emphasis on:

- **Reliability, security, and sector-specific application mapping** – tailoring Satcom technologies to the unique demands of Enterprise, Government, Defense, Maritime, and Aero segments.
- **Disciplined capital allocation** – investing in infrastructure, partnerships, and capabilities that offer sustainable returns and strategic relevance.
- **Partnerships aligned with strategic priorities** – including multi-constellation access (GEO/LEO), and global technology alliances for emerging areas.

Nelco creates value for customers by adopting the Satcom technologies best suited for their applications and developing customized products and services through multi-technology partnerships. This approach, combined with a relentless focus on operational excellence and customer-centric innovation, positions Nelco to lead India's Satcom transformation while remaining true to its purpose of connecting a nation.

## **INDUSTRY STRUCTURE AND EMERGING TRENDS**

A paradigm shift is reshaping India's satellite communication landscape, driven by progressive policy reforms, growing private sector participation, rapid technological advances, and new global entrants eyeing the domestic market. Worldwide, innovation is pushing the industry towards more agile and efficient architectures—software-defined satellites that reconfigure bandwidth and coverage in orbit are gaining ground, while hybrid multi-orbit networks blending GEO, MEO, and LEO are enabling seamless, high-reliability connectivity. The real path forward lies in integrating these technologies to address India's unique connectivity challenges across its diverse terrains, from the Himalayas to remote island territories.

The policy environment has been equally transformative. This has set the stage for accelerated evolution, characterized by several key themes:

- **Multi-orbit architecture adoption** will be accelerating, with established GEO services being complemented by emerging LEO constellations.
- **Hybrid network models** that seamlessly fuse satellite and terrestrial infrastructure will increasingly become the new standard for enterprise, government, and all backhaul applications.
- **A definitive shift toward managed services** is underway, moving the industry beyond standalone bandwidth sales to integrated offerings.
- **Increased participation from global satellite operators** in GEO as well as LEO satellites, is expected, enabled by regulatory clarity and India's large unserved market.
- **Rising emphasis on security, redundancy, and low latency use cases** is driving demand in Defense, disaster management, and real-time enterprise applications.

India's regulatory framework, having laid foundational reforms, is now expected to mature further through operational guidelines, spectrum allocation decisions, transparent licensing mechanisms, and service-level clarity. For incumbent players like Nelco, long-standing partnerships, and a strong customer base provide a distinct competitive moat as the industry structure evolves to a dynamic, multi-player, multi-orbit ecosystem.

#### MARKET OPPORTUNITIES:

In the global satellite communication industry, India is fast emerging as an important growth market. Satellite networks are no longer optional but essential for India's digital economy, enabling truly inclusive connectivity. Despite terrestrial coverage surges, vast stretches of Indian geography remain under-connected or entirely dark, presenting a long-term, substantial opportunity for the Satcom industry. This is over and above the fact that Satellites also helps in much needed media level redundancy and enables many critical applications.

Driven by technological advancements, evolving customer demands, and global trends, several high-impact opportunity clusters are taking shape:

- **Bridging the Digital Divide:** Satellite communication, through GEO and emerging LEO constellations, offers a scalable solution to connect unserved and underserved regions. Mobile network operators are increasingly leveraging satellite backhaul to extend 4G and 5G coverage into remote areas.
- **Mobility Applications:** Satcom enables seamless in-flight connectivity and powers vessel tracking, route optimization, and crew welfare for maritime operations. On land, it supports connected trains, trucks, and commercial fleets with real-time tracking, remote diagnostics, and operational continuity beyond terrestrial networks.
- **Defense & Strategic Autonomy:** Satcom offers secure, resilient, mission-critical communication for encrypted military communications, border surveillance in high-altitude regions, maritime domain awareness in the Indian Ocean Region, and real-time coordination during counterinsurgency operations. With the opening of India's space sector, private satellite operators are gaining opportunities to deliver dedicated, indigenous Satcom services tailored for Defense under the *Atmanirbhar Bharat framework*.
- **Satellite IoT & Remote Monitoring:** The growing adoption of IoT across agriculture, logistics, manufacturing, and healthcare is creating a new wave of demand for ubiquitous, always-on connectivity. Satellite communication is essential for IoT data transmission where terrestrial networks are unreliable or unavailable. Some of the key applications include precision agriculture, logistics, energy, and healthcare. With satellite-IoT integration, even the most remote assets and environments can be digitally managed, boosting operational efficiency and safety.
- **Disaster Preparedness & Response:** Natural disasters frequently disrupt terrestrial communication networks. Satcom is a critical enabler of disaster recovery, ensuring uninterrupted connectivity during emergencies. Use-cases include deploying VSAT terminals in disaster-hit areas for first responder coordination, real-time monitoring through satellite imaging, and maintaining communication for relief and rescue teams. Satcom's inherent resilience and rapid deployability make it the preferred technology for national disaster preparedness and response strategies.

- **Smart Cities & Utilities:** As India rolls out smart city missions and modernizes power grids, satellite connectivity will enable reliable backhaul for smart metering, surveillance, and environmental monitoring, particularly in areas where fibre rollout is delayed and also as an alternate media.
- **Telemedicine & Remote Education:** Post-pandemic, the demand for satellite-enabled healthcare and learning in remote regions have intensified. Satcom can bridge the last mile for virtual consultations, e-learning platforms, and administrative connectivity for rural schools and health centres.

### KEY STRATEGIC PRIORITIES:

The Company is focused on driving long-term, sustainable, profitable growth and building leadership across key sectors through innovation, customer-centricity, and disciplined value creation.

A key strategic cornerstone for the Company is the accelerated roll-out of Low Earth Orbit (LEO) satellite services, once these are commercially available. LEO services – with their inherent low latency, high throughput, and global coverage – are transforming the Satcom landscape. The Company is well-positioned to offer resilient, multi-orbit GEO-LEO services as a clear market differentiator. LEO will not only open up newer segments that were not addressable so far but will also drive significantly higher bandwidth offtake across existing verticals. LEO will also enable newer applications – including real-time remote operations, low-latency edge computing, and dynamic mobility solutions – that cannot be served by Satcom solutions using GEO satellites currently.

The Company's strategic agenda rests on four pillars: **market expansion, infrastructure leadership, strategic partnerships, and innovation leadership.**

To translate this into action, Nelco has identified the following **key strategic priorities for FY2026-27 and beyond:**

- **Solution-led Growth:** Expand application-specific offerings across sectors, offering managed services & solutions along with multi-orbit GEO-LEO hybrid connectivity services.
- **Infrastructure Resilience:** Strengthen gateway, teleport, and network redundancy capabilities to support multi-orbit (GSO & NGSO) operations and ensure extremely high uptime required for mission-critical customers.
- **Partnership Enablement:** Deepen collaborations with global satellite operators (existing and new LEO entrants), technology providers, and domestic ecosystem partners.
- **Operational Excellence:** Enhance service delivery through automated network monitoring, AI-driven fault prediction, and customer portal upgrades, and enhancing overall operational efficiency.
- **Future Readiness:** Prepare networks and systems for multi-orbit and next-generation service models.
- **Policy Advocacy:** Proactively engage with regulators and the Govt bodies to shape spectrum allocation, licensing frameworks, and security norms that enhances the Satcom industry.
- **Talent & Culture:** Invest in upskilling teams on next gen Satcom technologies, data analytics, and customer solutioning, while embedding the IMPACT values across all operations.

These priorities reflect the Company's unwavering focus on sustainable growth, service integrity, long-term relevance, and its commitment to being the trusted architect of India's Satcom-enabled future. The Company is aligning infrastructure investments, partnership strategies, and solution development with India's unique needs, to ensure sustainable profitable growth in the future.

### PERFORMANCE

The Company operates in a single reportable segment, namely Network Systems, comprising Satellite Communication (Satcom) Services, which also includes relevant equipment sales, maintenance, and other allied services. The Company also has a wholly owned subsidiary, Nelco Network Products Limited (NNPL).

**The current period under review is from April 1, 2025, to March 31, 2026**

During the year, Nelco demonstrated resilience amidst a competitive landscape.

- **Consolidated Revenue:** Reported at ₹ **307 Crores** (as against ₹ 305 Crores in FY25)
- **Standalone Revenue:** Reported at ₹ **198 Crores** (as against ₹ 205 Crores in FY25)
- **Business Performance & Market Position:**
  - The Company's revenue trajectory reflects a portfolio in transition, where accelerated growth in emerging segments is progressively offsetting structural declines in some of the traditional verticals. The commercial ramp-up of LEO services – currently pending regulatory approvals in India – remains a pivotal catalyst, and this delay is directly impacting growth across multiple segments. Few select segments are also experiencing natural lifecycle contractions, further dampening near-term revenue growth. Additionally, input costs are rising due to the prevailing geopolitical situation, exerting further pressure on margins.
  - The Company maintained a dominant ~40%+ revenue share in the Indian Satcom market. The Company registered strong traction across Maritime and Aero in-flight connectivity verticals, with these segments delivering robust incremental growth. Nelco also deepened its footprint in Government sectors, securing an expanded share of new business during the year. Progress continued steadily on building innovative solutions and extending service offerings into emerging use-cases. Concurrently, operational processes were refined to improve agility, drive efficiency gains, and enable faster, more reliable customer service delivery.
  - Newer value-added services and customized solutions are being increasingly deployed to sharpen customer responsiveness, address niche sector requirements, and shape next-generation Satcom offerings. These initiatives are poised to strengthen Nelco's ability to meet dynamic customer needs while advancing India's broader digital connectivity vision.
  - With momentum poised to build up as new segments scale and regulatory clearances are granted by the government, the Company remains well-positioned to return to a sustained growth trajectory in the coming years. The Company has invested in building new segments, which will start generating accelerated revenue in the coming years.

**Key Financial Ratios (Consolidated)**

Ratio	FY 2025-26	FY 2024-25	Remarks
<b>Debt-Equity Ratio</b>	0.46	0.30	Debt : Equity ratio increased on a/c of borrowing.
<b>Interest Coverage</b>	3.17	8.78	Interest coverage ratio reduced due to lower profitability as compared to previous year.
<b>ROCE</b>	7%	15%	ROCE reduced due to lower profitability in current year
<b>Net Profit Margin</b>	1 %	3%	Net profit margin reduced from 3% to 1 %.
<b>Inventory Turnover Ratio</b>	1.10	0.96	Due to higher inventory as compared to previous year, inventory ratio increased.

**Key Financial Ratios (Standalone)**

Ratio	FY 2025-26	FY 2024-25	Remarks
<b>Debt-Equity Ratio</b>	NIL	-	-
<b>Interest Coverage</b>	40.28	24.53	Interest coverage ratio improved due to lower finance cost.
<b>ROCE</b>	9%	18%	ROCE reduced due to lower profitability in current year.
<b>Net Profit Margin</b>	3%	5%	Net profit margin reduced from 5 % to 3 %.
<b>Inventory Turnover Ratio</b>	-	-	-

## FUTURE OUTLOOK & EMERGING OPPORTUNITIES

A confluence of factors – progressive policy reforms, rapid tech innovation, next-generation satellite systems including NGSO, and rising demand across Enterprise, Government, and Defense – is propelling India’s Satcom industry into a high-growth trajectory. The next 3 – 5 years represent a potential ‘Golden Age’ for Indian Satcom. Nelco is uniquely positioned to lead in several transformative areas in the coming years .

Over the next year, the industry is poised for transformation with the anticipated commercial rollout of LEO satellite services. These will enable low-latency, high-throughput applications that complement existing GEO offerings. Hybrid terrestrial-satellite networks will emerge as a mainstream solution across sectors. Looking ahead, the industry will shift from selling pure satellite bandwidth services to delivering application-driven, integrated platforms.

Some of the new opportunities that are likely to emerge in the near-term of 3 to 5 years include the following:

- **Direct-to-Device (D2D):** A multi-billion-dollar opportunity to eliminate India’s “dark zones” by connecting standard smartphones directly to satellites, enabling messaging, emergency alerts, and eventually voice services without specialized hardware through global partnerships.
- **Satellite IoT at Scale:** Bridging India’s digital divide by enabling applications like precision agriculture (soil moisture monitoring), smart logistics (container tracking across rail/road), and utility monitoring (pipeline/power grid surveillance) in regions where terrestrial fibre is unviable, powered by low-power satellite networks.
- **Defense & Strategic Autonomy:** Indigenous, encrypted communication links under the *Atmanirbhar Bharat framework*, with long-term, capital-efficient contracts for secure military communications, border surveillance, and disaster response.
- **Connected Vehicles & Mobility:** Satellite-enabled telematics for commercial fleets, railways, and vehicles in remote corridors, complementing terrestrial networks for seamless nationwide tracking.
- **Disaster Management & Climate Resilience:** Real-time early warning systems, post-cyclone connectivity restoration, and remote sensing integration for government agencies, offering mission-critical, high-impact solutions.
- **Telemedicine & Remote Education:** Enabling healthcare and learning in the Himalayas, Northeast, islands, and other unserved regions, thereby moving beyond connectivity to deliver managed application platforms.

With hybrid multi-modal solutions, value-added services, sector-specific offerings, infrastructure readiness, and strategic global alliances, Nelco stands fully equipped to leverage the full spectrum of opportunities in India’s unfolding Satcom growth story.

## RISK MANAGEMENT

To achieve sustainable and profitable business growth while continuously strengthening governance practices, the Company has adopted a multi-layered Risk Management Policy. Under this policy, risks are not merely identified and assessed; they are managed through an integrated approach using Resilience frameworks to recover from high-impact disruptions, using robust controls, redundancies, and contingency planning. Simultaneously, a Risk Interactivity framework maps how different risk categories intersect and amplify each other, enabling a proactive and dynamic response.

The Company-level Risk Management Committee, comprising the Managing Director & CEO, Chief Financial Officer, Chief Risk Officer, and key business and functional leaders, ensures that all existing and emerging risk exposures are reviewed regularly. This Committee also oversees the development and implementation of targeted mitigation strategies. The enterprise risk management framework embeds risk ownership across core functions, facilitating informed decision-making at every level of the organization. The Board-level Risk Management Committee, meeting three times annually, provides oversight for critical exposures and their mitigation.

In the current dynamic environment of India’s Satcom industry, the Company has intensified its focus on several key risk areas:

### Structural Risks

- **Regulatory and Policy Landscape:** India's Satcom sector is undergoing rapid policy evolution, with ongoing discussions regarding spectrum assignment, usage charges, and new authorizations. The Company maintains continuous engagement with regulatory bodies and industry associations to proactively manage these changes and ensure market access.
- **Infrastructure:** The Company's operations depend on critical physical and satellite infrastructure, susceptible to natural disasters, power outages, cyber incidents, or human error. Unforeseen satellite failure could affect service continuity until alternative transponder capacity is available. The Company builds resilience through access to multiple satellites, teleport redundancy, and hybrid networks.

### Volatility & Macro-economic Risks

- **Supply Chain and Geopolitical Risks:** The ongoing conflict in the Middle East, has introduced fresh volatility into global logistics and component sourcing. While semiconductor shortages have eased, geopolitical tensions threaten the stability of critical electronics and specialized Satcom hardware. The Company is actively managing its supply chain through strategic partnerships, diversified sourcing, inventory planning and maintaining strategic buffer stocks. This is particularly critical given the sector's reliance on imported satcom equipment.
- **Volatility of Demand:** Demand for satellite services is influenced by macroeconomic trends, availability of alternate technologies, government spending, and sectoral shifts. Fluctuations in key verticals could affect short-term revenue and profitability. The Company is developing new segments to reduce dependency on a few markets.
- **Foreign Currency and Financial Risks:** Foreign currency exposures are closely monitored through appropriate advisory inputs and board-approved hedging strategies. All net forex positions, including derivatives, are periodically reviewed and kept within defined risk thresholds.

### Operating Risks

- **Competition and Market Dynamics:** The entry of global players into the Indian market, alongside established domestic entities, is intensifying competition. The Company continuously explores new use cases, markets, and strategic partnerships to mitigate industry-specific volatility and maintain its competitive edge. This approach ensures the Company can navigate uncertainties and respond effectively to external changes.
- **Technology and Security:** Rapid evolution in Satcom technologies creates challenges of adoption and obsolescence. The Company mitigates this through investment in scalable, interoperable systems and long-term OEM partnerships. Migration to newer systems involves cost and transitional complexity, which may temporarily impact margins. With heightened cybersecurity threats, the Company is proactively securing its infrastructure. The Company has reinforced its resilience framework with advanced encryption and redundant network paths to ensure 99.9% uptime.
- **Operational Resilience:** Security frameworks are regularly reinforced across all sites. The Company continues to invest in cybersecurity, physical infrastructure safety, and compliance with data protection protocols.

### INTERNAL CONTROL ON FINANCIAL RECORDS:

The Company maintains robust internal controls that have been further strengthened in the past few years to align with its expanding digital footprint and the scale of its Satcom operations. These controls are designed to ensure uncompromising integrity of financial reporting, rigorous safeguarding of assets, and full compliance with the evolving statutory and regulatory frameworks governing India's Satcom industry.

The internal control architecture is grounded in documented policies across critical functions – including Revenue Assurance, Network Operations, Project Execution, Finance, Procurement, Human Resources, and Legal Compliance. These frameworks are continuously reviewed and updated for integration of new services and business models, in alignment with changes in operational and regulatory environments.

To ensure independent oversight, the Company engages an independent Chartered Accountant firm to execute a risk-based internal audit plan, which is reviewed quarterly by the Audit Committee. In FY2025-26, the scope of these audits has been expanded to include specialized assessments of cyber-financial risks. Audit findings, along with proactive improvement actions, are presented to the Audit Committee of the Board, which regularly monitors the adequacy of internal control measures to ensure continued maturity.

### Key Strategic Focus Areas:

- **Regulatory & Statutory Compliance:** Ensuring 100% adherence to the Telecommunications Act 2023 and updated IN-SPACe guidelines.
- **Asset Safeguarding:** Protecting both tangible ground infrastructure and critical intangible digital assets and licenses.
- **Financial Precision:** Guaranteeing timely and accurate reporting through the use of data analytics and automated reconciliation tools.
- **Ethical Governance:** Strict alignment with the **Tata Code of Conduct**, fostering a culture of transparency and accountability across all levels of the organization.
- **Continuous Improvement:** Utilizing process audits and third-party quality reviews to identify and bridge operational gaps in real-time.

The Statutory Auditors, S.R. Batliboi & Associates LLP, have evaluated and confirmed the adequacy of the Company's internal financial controls. With robust internal reviews, process audits and external specialized assessments, the Company ensures that its financial controls and operational maturity remains resilient, scalable, and benchmarked against global best practices.

### KEY DEVELOPMENTS IN HUMAN RESOURCES:

People are the architects of our connected future. As of March 31, 2026, our workforce stands at 106 professionals. The Company continued to foster a performance-oriented and inclusive culture, anchored in values of IMPACT (Integrity & Commitment, Mentoring & Nurturing People, Passion for Technology, Agility, Collaboration, Teamwork), ensuring our team is equipped to manage the transition to hybrid multi orbit satellite technologies and services. With respect to industrial relations, the Company maintained cordial relations with its employees and employee feedback and engagement mechanisms were strengthened to enhance workplace experience.

### CAUTIONARY STATEMENT:

This Management Discussion and Analysis contains forward-looking statements describing Company's objectives, projections, expectations, or predictions based on management's current views and assumptions. Actual outcomes may vary materially from those expressed or implied due to changes in macroeconomic conditions, government policies, regulatory developments, or other external factors beyond the Company's control.

## 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), the Tata Business Excellence Model (TBEM) 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.

Tata Group of companies have always adhered to principles and values that align with the ideas of our founders and the TCoC. At Nelco, we treasure our values and are committed to sustainable growth. The Company emphasizes key values like integrity & commitment, mentoring & nurturing people, passion for technology, agility, customer focus and teamwork & collaboration. These values are supported by four cultural pillars: customer centricity, data-driven decision-making, achievement orientation, and ownership with accountability. The Company is committed to driving these values and strives to set the highest standards in governance and business ethics.

### 2. Board of Directors Composition

As on 31<sup>st</sup> March 2026, 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 31<sup>st</sup> March 2026 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	-	-
Dr. Lakshmi Nadkarni	07076164	Independent Non-Executive	2	1	3
Mr. Ajay Kumar Pandey	00065622		2	2	2
Mr. Vijay Somaiya	03185227		1	1	1

\*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 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 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 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 22<sup>nd</sup> October 2019 regarding the requirement relating to the enrolment in the Data Bank created by MCA for IDs, have been received from all the IDs.
- f) Further, during the year under review, there were no independent director, who has resigned before the expiry of his/her tenure.
- g) Mr. P. J. Nath, Managing Director & CEO is not an Independent Director of any other listed company.
- h) 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 web link: [nelco.in/pdf/Policies/Terms & Conditions of Appointment of Independent Directors.pdf](https://nelco.in/pdf/Policies/Terms%20&%20Conditions%20of%20Appointment%20of%20Independent%20Directors.pdf)

- i) None of the Directors held any shares of the Company.
- j) The Chairman of the Company is a Non-Executive Director (NED) and not related to the Managing Director & CEO.
- k) The Names and category of Directorship in other listed entities as on 31<sup>st</sup> March 2026:

Director	Listed Entities	Category of Directorship
Mr. A.S. Lakshminarayanan	Tata Communication Ltd. Tata Teleservice (Maharashtra) Ltd.	Managing Director & CEO Non-Executive director
Mr. P. J. Nath	Nil	NA
Mr. Saurabh Ray	Nil	NA
Mr. Vijay Somaiya	Nil	NA
Dr. Lakshmi Nadkarni	Ponni Sugars (Erode) Ltd. All time Plastics Ltd.	Independent Director
Mr. Ajay Kumar Pandey	Purple Finance Limited	Independent Director

#### Term of Board membership

The Nomination, HR and Remuneration Committee (NRC) determines the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. The 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 term shall expire on 28<sup>th</sup> February 2027. The second term of independent directors namely Dr. Nadkarni and Mr. Pandey shall remain effective till 27<sup>th</sup> January 2030. The first term of Mr. Vijay Somaiya as an independent director shall remain effective till 26<sup>th</sup> January 2030.

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 39 years of professional experience in deep understanding of the global technology market and enterprises' growing digital needs.
Mr. P.J. Nath	Over 41 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 31 years of professional experience in Information and Technology Services.
Mr. Ajay Kumar Pandey	Over 40 years of professional experience of business leadership, strategy, handling P & L responsibility at operating and Board level.
Dr. Lakshmi Nadkarni	Over 34 years of professional experience in human resources, strategy, industrial sociology, governance and Corporate Social Responsibility.
Mr. Vijay Somaiya	Over 40 years of professional experience in International Business, Engineering and Finance.

### 3. Board Meetings and participation thereof

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. Most of the Board meetings in FY 2025-26 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 consecutive meetings did not exceed 120 days. The said meetings were held on 24<sup>th</sup> April 2025, 14<sup>th</sup> July 2025, 17<sup>th</sup> October 2025, 28<sup>th</sup> November 2025, 15<sup>th</sup> January 2026 and 21<sup>st</sup> February 2026. 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 2025-26	Whether attended last AGM held on 24 <sup>th</sup> June, 2025
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
Dr. Lakshmi Nadkarni	Independent	6	Yes
Mr. Ajay Kumar Pandey	Non-Executive	6	No
Mr. Vijay Somaiya		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 5<sup>th</sup> March 2026, 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 21<sup>st</sup> February 2026. 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/familiarization-programme-25-26.pdf?csrt=17287759113048747469>

### **Knowledge sharing**

Board members are kept informed about any material development/business update through various modes viz. e-mails, teleconference, 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 31<sup>st</sup> March 2026. 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 31<sup>st</sup> March 2026. Details are as follow:

### **Statutory Committees:**

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

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

### **Audit Committee**

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

<b>Director</b>	<b>Category of Directorship</b>	<b>No. of meetings attended</b>
Mr. Vijay Somaiya, Chairman	Independent Non-Executive	5
Dr. Lakshmi Nadkarni		5
Mr. Ajay Kumar Pandey		5
Mr. Saurabh Ray	Non-Independent Non-Executive	5

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

Five Audit Committee Meetings were held during the year under review on 24<sup>th</sup> April 2025, 14<sup>th</sup> July 2025, 17<sup>th</sup> October 2025, 15<sup>th</sup> January 2026, and 20<sup>th</sup> March 2026. 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 the 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 its 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. 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. Vijay Somaiya, the 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
Dr. Lakshmi Nadkarni	Independent Non-Executive	2
Mr. P. J. Nath	Executive	2

Two SRC meetings were held during the year under review on 11<sup>th</sup> August 2025 and 13<sup>th</sup> March 2026. The necessary quorum was present for the meeting.

In accordance with Regulation 6 of Listing Regulations, the Board has appointed Mr. Ritesh Kamdar, Company Secretary & Head–Legal (Tel: +91 022-67399100) as the Compliance Officer and he attends all SRC Meetings as an invitee.

Dedicated email ID for Investor services and nodal officer for IEPF is [ritesh.kamdar@nelco.in](mailto: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, issue of duplicate certificates, transmission of securities, 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:

Sr. No.	Description	Total		
		Received	Replied	Pending
<b>A.</b>	<b>Letters received from Statutory Bodies</b>			
	Securities and Exchange Board of India (SEBI) (SCORES), Stock Exchange, NSDL, CDSL and Ministry of Corporate Affairs	5	5	0
<b>B.</b>	<b>Letters received from Shareholders</b>			
	Non receipt of Annual Report	0	0	0

There was no pending transfers and transmission of Shares as on 31<sup>st</sup> March 2026.

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 (NRC)**

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	3
Mr. Vijay Somaiya		3
Mr. Ajay Kumar Pandey		3
Mr. Saurabh Ray	Non-Independent Non-Executive	3

Three NRC Meetings were held during the year under review on 24<sup>th</sup> April 2025, 12<sup>th</sup> November 2025 and 20<sup>th</sup> March 2026. 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 2025-26 are as under:-

(Amount in ₹)

Salary & Allowances*	Perquisites & Benefits*	Retirement Benefits*	Performance Linked Payment (PLP)**	Total
2,54,46,576	8,83,164	12,72,256	1,48,09,864	4,24,11,860

\* Comprises of fixed component

\*\*PLP relates to the financial year ended 31<sup>st</sup> March 2025, which was approved by the Board on 24<sup>th</sup> April 2025 and paid during FY2025-26.

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

Period of Appointment/Contract	13 <sup>th</sup> June 2024 to 28 <sup>th</sup> February, 2027
Remuneration	Basic salary upto a maximum of ₹15,00,000/- 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: <ul style="list-style-type: none"> <li>• The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time.</li> <li>• Industry benchmarks of remuneration.</li> <li>• Performance of the individual.</li> </ul>
Incentive under the Long Term Incentive Program (LTIP)	In addition to the Basic Salary, Benefits, Perquisites & Allowances, PLP/Commission, Mr. Nath will be paid an incentive of Rs.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) 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.
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 2025-26 are as under: -

Name of the Directors	Sitting fees (in ₹)
Mr. A.S. Lakshminarayanan	1,20,000
Dr. Lakshmi Nadkarni	14,40,000
Mr. Ajay Kumar Pandey	15,75,000
Mr. Saurabh Ray	3,80,000
Mr. Vijay Somaiya	13,50,000

No commission was paid to the Non-Executive Directors for FY 2025-26.

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/weblink at <https://www.nelco.in/pdf/Policies/Remuneration%20Policy%20for%20Directors,%20KMP%20and%20Other%20employees.pdf?csrt=15344008421795948558>

### 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 11<sup>th</sup> August 2025, 10<sup>th</sup> November 2025 and 16<sup>th</sup> March 2026. 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 unable to attend the last AGM.

## 5. Senior Management

Following are the particulars of Senior Management as on 31<sup>st</sup> March 2026:

Sr. No.	Name	Designation	Changes Since Last FY
1.	P. J. Nath	Managing Director & CEO	NA
2.	Daniel A. Thomas	Executive Vice President	Chief Business Officer - Strategic Ventures
3.	Jitender Ahuja	Senior Vice President- Products & Solutions	Head-Products and Solutions
4.	Malav Bansilal Shah	Chief Financial Officer	NA
5.	Kingshuk Basak	Head - Network Operations & Engineering	NA
6.	Leena Thomas	Head - HR & Administration	NA
7.	Pooja Johar	Head -Strategy, Risk Management & Business Excellence	NA
8.	Ritesh Kamdar	Company Secretary & Head - Legal	NA

## 6. Material Subsidiary Company

As defined under Regulation 16 (1) (c) of Listing Regulations, the Company has one “Material Subsidiary” during the financial year 2025-26 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 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
31 <sup>st</sup> March 2023 (FY 2022-23)	Thursday, 22 <sup>nd</sup> June 2023 at 11.30 a.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	None
31 <sup>st</sup> March 2024 (FY 2023-24)	Tuesday, 25 <sup>th</sup> June 2024 at 3:30 p.m.		1. Re-appointment of Mr. P. J. Nath (DIN: 05118177) as Managing Director & CEO.  2. Revision in the terms of remuneration of Mr. P.J.Nath (DIN:05118177) as Managing Director & CEO.
31 <sup>st</sup> March 2025 (FY 2024-25)	Tuesday, 24 <sup>th</sup> June 2025 at 3:30 p.m.		None

The Special Resolutions moved at the aforesaid AGM were 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 Company dispatches the postal ballot notices 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, strictures 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 FY 2022-23, the Stock Exchanges levied penalties for delay in compliance with Regulation 23(9), 19(1) and 19(2) of the Listing Regulations. 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](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:
- 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 II**.
- 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	16.95	9.36	26.31
Other services	45.37	2.31	47.68
Out-of-pocket expenses	3.68	0.77	4.45
<b>Total</b>	<b>66.00</b>	<b>12.44</b>	<b>78.44</b>

\*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. The status of complaints as on March 31, 2026, are as under:

- 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 8<sup>th</sup> 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 9<sup>th</sup> Annual General Meeting (AGM) of NNPL held on 24<sup>th</sup> June 2025 for a period of 5 years commencing from the conclusion of the 9<sup>th</sup> AGM until the conclusion of 14<sup>th</sup> AGM of the Company to be held in the year 2030.
- 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 III**.
- 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 IV**.
- 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 Clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

## 10. Means of Communication

- (i) **Quarterly, half yearly and Annual Financial Results** are published in the Business Standard (English), 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](http://www.nelco.in). The Company also issues press releases/ advertisement 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 downloadable form. The Company also provides live webcast facility of its AGM in co-ordination with NSDL. The Notice of the AGM along with the Annual Report for FY2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories/RTA in compliance with the Act and SEBI circulars. However, Members desiring a physical copy of the Annual Report for FY26, may either write to us or email us on [ritesh.kamdar@nelco.in](mailto:ritesh.kamdar@nelco.in), to enable the Company to dispatch a copy of the same. Please include details of Folio No./DP ID and Client ID and holding details in the said communication.
- (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) **Complaint Redress System:** A centralised web-based complaint redressal facilitation platform, i.e., SCORES, is set up by SEBI for redressal of investor grievances against listed companies. Further, BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), have in place an Investor Services Cell for the purpose of investors who wish to directly lodge their complaints against the listed companies. Further, a common online dispute resolution portal ("ODR Portal") has also been set up by SEBI, for facilitating online conciliation and arbitration for the resolution of a dispute. The complainant can access the ODR Portal where (a) complaint is

not resolved through the SCORES portal; or (b) where complaint is not resolved through the Investor Grievance Redressal Cell of BSE and NSE.

- (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](http://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.
- (vii) **Reminder letters to Members:** Pursuant to the provisions of the Act, the Company sends reminder letters to those Members whose unpaid/unclaimed dividends and shares are liable to be transferred to the IEPF.

## 11. General Shareholder Information

- (i) The ensuing AGM of the Company is scheduled on Wednesday, 24<sup>th</sup> June 2026 at 3.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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

- (ii) **Financial Year:** 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2026.
- (iii) **Dividend payment date:** on and from Friday, 26<sup>th</sup> June 2026.
- (iv) **Record date:** Record date is Tuesday, 9<sup>th</sup> June 2026.
- (v) **E-Voting Dates:** The cut-off date for the purpose of determining the shareholders eligible for e-Voting is Wednesday, 17<sup>th</sup> June 2026. The e-Voting commences on Friday, 19<sup>th</sup> June 2026 at 9.00 a.m. (IST) and ends on Tuesday, 23<sup>rd</sup> June 2026 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)**  
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 2025-26.

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

- (vii) **Registrars to an issue and share Transfer Agents:**

MUFG Intime India Private Limited ("Intime")  
C-101, Embassy 257, L.B.S. Marg, Vikhroli (West)  
Mumbai – 400083, Tel.: +91-8108118484  
Email: [investor.helpdesk@in.mpms.mufg.com](mailto:investor.helpdesk@in.mpms.mufg.com)  
Website: [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)

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

- |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. <u>COIMBATORE</u><br/>           MUFG Intime India Private Limited<br/>           Surya 35, Mayflower Avenue<br/>           Behind Senthil Nagar<br/>           Sowripalayam Road<br/>           Coimbatore- 641028<br/>           Tel: 0422-2314792 / 4958995/ 2639835/36</p> | <p>2. <u>AHMEDABAD</u><br/>           MUFG Intime India Private Limited<br/>           5<sup>th</sup> Floor, 506 to 508, Amarnath Business<br/>           Centre-1 (ABC-1) Nr. St. Xavier's College Corner,<br/>           Off. C.G. Road, Ellisbridge,<br/>           Ahmedabad - 380006,<br/>           Tel: +91-79-26465179</p> |
| <p>3. <u>BANGALORE</u><br/>           MUFG Intime India Private Limited<br/>           C/o. Mr. D. Nagendra Rao, Vaghdevi 543/A,<br/>           7<sup>th</sup> Main 3<sup>rd</sup> Cross, Hanumanthnagar<br/>           Bengaluru – 560019<br/>           Tel: +91-80-26509004</p>   | <p>4. <u>KOLKATA</u><br/>           MUFG Intime India Private Limited<br/>           Rasoi Court, 5<sup>th</sup> Floor, 20,<br/>           Sir R.N. Mukherjee Road,<br/>           Kolkata - 700001<br/>           Tel : 033 - 69066200</p>                                                                                        |
| <p>5. <u>NEW DELHI</u><br/>           MUFG Intime India Private Limited<br/>           Noble Heights, 1<sup>st</sup> Floor, Plot No. NH-2<br/>           C-1 Block, LSC, Near Savitri Market<br/>           Janakpuri, New Delhi – 110058<br/>           Tel: +91-11-41410592</p>    | <p>6. <u>JAMSHEDPUR</u><br/>           MUFG Intime India Private Limited<br/>           Qtr. No. L-4/5, Main Road, Bistupur<br/>           (Beside Chappan - Bhog Sweet Shop)<br/>           Jamshedpur – 831001<br/>           Tel: +91-657-2526937</p>                                                                           |
| <p>7. <u>PUNE</u><br/>           MUFG Intime India Private Limited<br/>           Block No. 202, 2<sup>nd</sup> Floor, Akshay Complex<br/>           Near Ganesh Temple, Off. Dhole Patil<br/>           Pune – 411001<br/>           Tel : 020 - 4601 4473</p>                      | <p>8. <u>VADODARA</u><br/>           MUFG Intime India Private Limited<br/>           "Geetakunj",1, Bhakti Nagar Society<br/>           Behind Abs Tower, Old Padra Road<br/>           Vadodara – 390015<br/>           Tel : 0265 - 3566 768</p>                                                                                |
| <p>9. <u>MUMBAI</u><br/>           MUFG Intime India Private Limited<br/>           Building 17/19 Office No. 415 Rex Chambers Ballard Estate<br/>           Walchand Hirachand Marg, Fort Mumbai – 400001</p>                                                                       |                                                                                                                                                                                                                                                                                                                                    |

**(viii) Share Transfer System:**

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. Mr. Ritesh Kamdar, 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 26, 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 [www.in.mpms.mufig.com](http://www.in.mpms.mufig.com) It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI, vide its notification dated January 25, 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.

In line with the SEBI Circular dated 02<sup>nd</sup> July 2025 & 30<sup>th</sup> January 2026, which introduced a Special Window for re-lodgement of physical share transfer deeds lodged prior to 01<sup>st</sup> April 2019, the Company has taken proactive measures to ensure compliance and facilitate investor convenience. The Special Window have been opened to enables shareholders to re-lodge transfer requests that were previously rejected, returned, or unprocessed due to documentation or procedural deficiencies. To publicize the availability of this facility, the Company issued an official advertisement in a widely circulated newspaper, thereby ensuring transparent communication with shareholders and stakeholders. These initiatives reflect the Company's commitment to safeguarding investor rights and adhering to regulatory directives.

**(ix) Distribution of Shares as on 31<sup>st</sup> March 2026:**

No. of shares held (Range)	Shareholding	% of total Shareholding	No. of Shareholders	% of total Shareholders
1-5000	74,68,236	32.73	72,945	99.73
5001 to 10000	9,83,247	4.31	138	0.19
10001 to 20000	3,75,990	1.65	28	0.04
20001 to 30000	3,42,814	1.50	14	0.02
30001 to 40000	2,81,378	1.23	8	0.01
40001 to 50000	87,723	0.38	2	0.00
50001 and 100000	3,78,148	1.66	5	0.00
100001 and above	1,29,00,864	56.54	6	0.01
<b>Total</b>	<b>2,28,18,400</b>	<b>100.00</b>	<b>73,146</b>	<b>100.00</b>

**(x) Dematerialization of Shares as on 31<sup>st</sup> March 2026 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 95.37% of the Company's equity share capital are dematerialized as on 31<sup>st</sup> March 2026. 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)	48,06,001	21.06	47,495	64.93
NSDL (B)	1,69,56,188	74.31	24,790	33.90
Sub-total (A+B)	2,17,62,189	95.37	72,285	98.93
Physical form (C)	10,56,211	4.63	861	1.17
<b>Total (A+B+C)</b>	<b>2,28,18,400</b>	<b>100.00</b>	<b>73,146</b>	<b>100.00</b>

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

**(xii) Shareholding Pattern as on 31<sup>st</sup> March 2026**

Sr. No.	Category	No. of shares	Percentage
1	Tata Companies	1,14,18,090	50.03
2	Financial Institutions/ Banks	11,660	0.05
3	State Government / Government Companies / Central Government / IEPF a/c	2,95,858	1.35
4	Bodies Corporate / Trusts / BC-NBFC/ Escrow Account	12,81,706	5.58
5	Individuals	84,14,015	36.87
6	FII's/NRI/Foreign Corporate Bodies	13,97,071	6.12
	<b>Total</b>	<b>2,28,18,400</b>	<b>100.00</b>

**(xiii) Top 10 Shareholders of the Company as on 31<sup>st</sup> March 2026:**

Sr. No.	Category	No. of shares	Percentage
1	The Tata Power Company Limited	1,14,18,090	50.03
2	Schlumberger Limited	8,66,460	3.80
3	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	2,39,786	1.05
4	Hitesh Satishchandra Doshi	1,50,000	0.66
5	Roopa Corporate Services Pvt. Ltd.	1,22,528	0.54
6.	Anil Kumar Goel	1,04,000	0.46
7.	Sohil Anoop Marwaha	91,526	0.40
8.	Reita Gertrude Gomes	88,200	0.39
9.	Gandhi Securities & Investment Pvt. Ltd.	80,000	0.35
10.	Emerging Markets Core Equity 2 Portfolio Of Dfa Investment Dimensions Group Inc.	66,242	0.29
	<b>Total</b>	<b>1,32,26,832</b>	<b>57.97</b>

**(xiv) 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 risks 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.

**(xv) 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](mailto:services@nelco.in) | Website: [www.nelco.in](http://www.nelco.in)

**(xvi) Credit Rating**

During the year CRISIL has revised and reaffirmed its ratings for long term and short-term bank facilities of the Company to CRISIL A/Stable (outlook revised from 'Positive') and CRISIL ('reaffirmed') 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. 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 2025-26. The Secretarial Audit Report is provided as **Annexure III** to the Board's Report.

## 15. Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Pursuant to Sections 125 and 126 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](http://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 RTA:

Financial year	Date of declaration	Last date for claiming unpaid dividend from RTA
2018-19	24 <sup>th</sup> July 2019	18 <sup>th</sup> August 2026
2019-20	13 <sup>th</sup> August 2020	07 <sup>th</sup> September 2027
2020-21	22 <sup>nd</sup> June 2021	17 <sup>th</sup> July 2028
2021-22	08 <sup>th</sup> July 2022	02 <sup>nd</sup> August 2029
2022-23	22 <sup>nd</sup> June 2023	17 <sup>th</sup> July 2030
2023-24	25 <sup>th</sup> June 2024	21 <sup>st</sup> July 2031
2024-25	24 <sup>th</sup> June 2025	23 <sup>rd</sup> July 2031

## 16. Disclosure in respect to Nelco Limited's Suspense Escrow Demat Account:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1	1000
Aggregate number of shareholders and the outstanding shares transferred to suspense account during the year	2	100
Shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
Shareholders to whom shares were transferred from the suspense account during the year	0	0
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 31<sup>st</sup> March 2026.

For **NELCO Limited**

Navi Mumbai, 20<sup>th</sup> April 2026

**P. J. Nath**  
Managing Director & CEO  
DIN: 05118177

## 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](http://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, 2026 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.	Ajay Kumar Pandey	00065622	28.01.2020
3.	Lakshmi Anant Nadkarni	07076164	28.01.2020
4.	Vijay Bhagwanji Somaiya	03185227	27.01.2025
5.	Saurabh Ray	09573704	26.04.2022
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.: 6157/2024

Sd/-  
**Manisha Maheshwari**  
 Partner  
 FCS No.: 13272; C P No.: 11031  
 Mumbai | April 20, 2026  
 ICSI UDIN: F013272H000140223

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 31<sup>st</sup> March 2026.

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 31<sup>st</sup> March 2026 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 31<sup>st</sup> March 2026 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

Navi Mumbai  
Date: 20<sup>th</sup> April 2026

**Malav Shah**  
Chief Financial Officer  
ICAI M. No. 102314

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, 2026, 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.: 6157/2024

Sd/-

**Manisha Maheshwari**

Partner

FCS No.: 13272; C P No.: 11031

Mumbai | April 20, 2026

ICSI UDIN: F013272H000140256

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURE

#### I. Details of the Listed Entity:

1	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	L32200MH1940PLC003164		
2	<b>Name of the Listed Entity</b>	<b>Nelco Limited</b>		
3	<b>Year of incorporation</b>	1940		
4	<b>Registered office address</b>	EL-6, TTC Industrial Area, Electronics Zone, MIDC Mahape, Navi Mumbai 400710		
5	<b>Corporate address</b>	EL-6, TTC Industrial Area, Electronics Zone, MIDC Mahape, Navi Mumbai 400710		
6	<b>E-mail</b>	<a href="mailto:services@nelco.in">services@nelco.in</a>		
7	<b>Telephone</b>	022 67399100		
8	<b>Website</b>	<a href="http://www.nelco.in">www.nelco.in</a>		
9	<b>Financial year for which reporting is being done</b>	2025-26		
10	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)		
11	<b>Paid-up Capital</b>	INR 228174610		
<b>Contact Person</b>				
12	<b>Name of the person</b>	Ms. Leena Thomas		
	<b>Telephone</b>	022 67399100		
	<b>Email address</b>	<a href="mailto:leena.thomas@nelco.in">leena.thomas@nelco.in</a>		
<b>Reporting Boundary</b>				
13	<b>Type of Reporting</b>	Consolidated		
		<b>Sr. No.</b>	<b>Name of the Subsidiaries / JVs / Associate Companies</b>	<b>CIN Numbers</b>
		1	Nelco Network Products Limited (Subsidiary)	U32309MH2016PLC285693
		2	Piscis Networks Pvt. Ltd (Associate)	U72900MH2021PTC363941
14	<b>Name of assurance provider</b>	Not Applicable		
15	<b>Type of assurance obtained</b>	Not Applicable		

#### II. Product/Services:

##### 16 Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Information and Communication	Wired, wireless or satellite Telecommunication services	100%

### 17 Products/ Services sold by the entity

Sr. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Other wired, wireless, and satellite telecommunication activities	611099	Sale of Bandwidth 64% Sale of Equipment 16% AMC services 4% Rental of VSAT 5% Other 11%

### 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	18	18**
International	0	0	0

\*\* Includes 8 offices, 6 Warehouses & 4 Teleports

#### 19 Market served by the entity

##### a. No. of Locations

Location	
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?

31.05%\*

\*Revenue is generated by providing services to customers located outside India.

##### c. A brief on types of customers

Nelco provides satellite communication services for multiple segments and use-cases in Enterprise and Government such as ATM, Bank Branches, Education, Offshore Oil exploration, renewable energy, maritime communication and inflight Wi-Fi services

### IV. Employees:

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent Employees (A)	206	185	90%	21	10%
2	Other than Permanent Employees (B)	111	106	95%	5	5%
3	Total Employees (A+B)	317	291	92%	26	8%

**b. Differently abled employees and workers**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
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

Note : Managing Director & 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 2025-2026 (Turnover rate in current FY)			FY 2024-2025 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	8%	5%	8%	8%	5%	8%	10%	5%	10%
<b>Permanent Workers</b>	0	0	0	0	0	0	0	0	0

**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%	Yes

## VI. CSR Details:

24	Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes*
	Turnover (in ₹)	3,06,60,72,122
	Net worth (in ₹)	1,28,82,97,156

\*Although the CSR provisions are applicable to the Company based on net profits of the immediately preceding financial year, no CSR expenditure is required to be incurred, as the net profit computed in accordance with Section 198 of the Companies Act, 2013 is negative due to past losses.

## 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 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
			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, Whistle blower policy & Vigil Mechanism,	0	0		0	0	-
Investors (other than shareholders)	Investors and shareholders are the same for Nelco		0	0		0	0	-
Shareholders			5	0	Resolved	6	0	Resolved
Employees and workers	Yes		0	0		0	0	
Customers	Yes		0	0		0	0	-
Value Chain Partners	Yes		0	0		0	0	-
Other		<p>Weblink for office safety grievance <a href="https://www.incidentreport.com.au/incidentmanage/form.php?frm=5g5khhn7up">https://www.incidentreport.com.au/incidentmanage/form.php?frm=5g5khhn7up</a></p> <p>Field safety grievance: <a href="https://www.incidentreport.com.au/incidentmanage/form.php?frm=pulem6gbhv">https://www.incidentreport.com.au/incidentmanage/form.php?frm=pulem6gbhv</a></p> <p>Ethical grievance <a href="mailto:ethics@nelco.in">ethics@nelco.in</a></p> <p>Vendors are aware about TCoC, SCOC and ESG policy.</p>	0	0		1	0	Resolved

**26. Overview of the entity’s material responsible business conduct issues**

<b>Material Issue Identified</b>	<b>Indicate whether risk or opportunity</b>	<b>Rationale for identifying the risk/opportunity</b>	<b>In case of risk, approach to adapt or mitigate</b>	<b>Financial implications of the risk or opportunity (Indicate positive or negative implications)</b>
Customer relationship management	Opportunity	Robust customer relationship management can help the Company to strengthen its market leadership position in key segments, build competitive advantages and enhance growth.	-	Positive, as successful customer relationship can drive revenue growth and profitability.
Supply chain management	Risk	Nelco relies on its supply chain partners for Satcom equipment and bandwidth capacity. Any disruptions in timely supply, price escalations, or regulatory compliance issues may impact the Company’s operations and its ability to deliver satisfactory services to customers. Effective Supply Chain Management is also critical to build competitive advantages.	<p><b>Diversification of Sources</b> Engage multiple suppliers for critical components and services to reduce dependency on a single vendor.</p> <p><b>Supplier Code of Conduct &amp; ESG Integration</b> Mandate adherence to Nelco’s Supplier Code of Conduct, covering ethics, labor practices, and environmental standards; integrate ESG criteria into vendor agreements and purchase orders.</p> <p><b>Digital Tools for Visibility</b> Deploy technology platforms for inventory tracking.</p> <p><b>Business Continuity Planning</b> Maintain contingency plans for critical supplies, including alternate sourcing arrangements and buffer stock strategies.</p> <p><b>Compliance &amp; Audit Mechanisms</b> Periodic audits and compliance checks to ensure alignment with regulatory and internal standards.</p>	Negative as supply chain disruptions might lead to price escalations, increased costs, slower customer satisfaction, and reduced competitiveness

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 <i>(Indicate positive or negative implications)</i>
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	Effective corporate governance and strong ethical standards are essential to maintain stakeholder trust, mitigate risks and ensure compliance. Prioritizing these areas supports sustainable business practices and long-term success.	<p><b>Strong Board Oversight</b> An independent and diverse Board supported by specialized committees (Audit, Risk Management, NRC) to oversee governance and ethical practices.</p> <p><b>Regulatory Compliance Framework</b> Implemented Standard Operating Procedures (SOPs) and periodic compliance audits to ensure adherence to SEBI, MCA, and other statutory requirements.</p> <p><b>Digital Monitoring and Reporting</b> Use of technology platforms for compliance tracking and automated alerts for timely update.</p>	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 <i>(Indicate positive or negative implications)</i>
Business continuity and Risk Management	Risk	The Company's infrastructure is vulnerable to interruptions from natural disasters, power outages, IT systems failures, security breaches, and human errors, such events can significantly impact service quality and customer satisfaction. A robust business continuity framework and integrated risk management is key to enhance Company's resilience and long-term business success.	<p><b>Enterprise Risk Management (ERM) Framework</b> Business continuity risks integrated into the ERM system, with periodic reviews by the Risk Management Committee and Board oversight.</p> <p><b>Business Continuity Planning (BCP)</b> Maintaining and regularly updating BCPs for critical processes, including disaster recovery protocols.</p> <p><b>Technology and Infrastructure Resilience</b> Implement redundant systems, data backup and DR for business-critical data to minimize downtime during emergencies.</p> <p><b>Training and Awareness</b> Conduct periodic drills and employee training on emergency response and risk mitigation strategies.</p>	Negative due to higher expenditure in mitigation measures and asset cost, revenue loss, operational disruptions, increased recovery costs, and damage to brand reputation.
Cybersecurity & Data Privacy	Risk	Operating in the satellite communication industry, Nelco prioritizes cybersecurity and data protection to prevent data breaches and cyber-attacks. Such incidents can expose the organization to significant vulnerabilities, leading to financial and reputational loss. Ensuring robust cybersecurity measures is vital for maintaining trust, avoiding financial loss and ensuring operational integrity.	<p><b>Robust Information Security Framework</b> ISO/IEC 27001: 2022 certification ensuring a robust Information Security Management system.</p> <p><b>Regular Vulnerability Assessments &amp; Penetration Testing (VAPT)</b> The company conducts periodic security audits, penetration tests, and vulnerability scans to identify and remediate risks proactively.</p>	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: <ul style="list-style-type: none"> <li>i. Internal IT infrastructure and architecture</li> <li>ii. Software purchases</li> <li>iii. IT hardware</li> </ul>

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 <i>(Indicate positive or negative implications)</i>
			<p><b>Advanced Threat Detection &amp; Monitoring</b> Nelco deploys real-time monitoring tools, with automated alerts for suspicious activities.</p> <p><b>Data Privacy Compliance</b> We align with applicable data protection laws and internal privacy policies; ensure secure handling of customer and employee data.</p> <p><b>Access Control &amp; Encryption</b> Enforce strict role-based access controls for sensitive data.</p> <p><b>Employee Awareness &amp; Training</b> The company conducts cybersecurity and data privacy awareness &amp; training for all employees, including phishing simulation exercises on a regular basis.</p> <p><b>Third-Party Risk Management</b> Assess cybersecurity posture of vendors and partners; include security clauses in contracts and monitor compliance.</p> <p><b>Continuous Improvement</b> Leverage threat intelligence, industry benchmarks, and lessons learned from incidents to strengthen security posture.</p>	<p>iv. Adjustments necessitated by sector-specific or theme-specific regulatory requirements.</p>

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 <i>(Indicate positive or negative implications)</i>
Digitalization	Opportunity	Digitalization enables Nelco to enhance operational efficiency, improve customer experience, and strengthen competitive advantage in the rapidly evolving telecom and satellite communications sector. By leveraging advanced technologies such as automation, AI ML analytics, and cloud platforms, the company can optimize processes, reduce costs, and accelerate service delivery. Digital tools also provide real-time insights for better decision-making, improve cybersecurity resilience, and support scalable solutions for emerging markets. This transformation aligns with Nelco's strategic vision of innovation-driven growth and positions the company to capture new business opportunities while meeting sustainability and governance objectives.		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 <i>(Indicate positive or negative implications)</i>
People Well-being, Health & Safety, Diversity equity & Inclusion	Opportunity	Diversity, Equity, and Inclusion (DE&I) are crucial for the company to promote fair treatment and full participation of all employees, including individuals of different races, ethnicities, religions, abilities, genders, and sexual orientations. A diverse, equitable, and inclusive ecosystem enables Nelco to effectively respond to challenges, retain top talent, and better meet the needs of various stakeholders. Additionally, prioritizing people’s well-being, health, and safety fosters a productive and hazard-free workplace, contributing positively to the Company’s growth and development.		Positive as it boosts the morale, productivity, and retention, creating a safer, healthier work environment and positive company culture. Also, workforce diversity is vital for business success, attracting talent, and enhancing its reputation as a premier service provider.
Emissions Reduction and Energy Management	Opportunity	Emission reduction and energy management help Nelco to enhance operational efficiency and optimize energy use, thereby reducing operational costs. By focusing on these areas, Nelco can minimize its environmental footprint, comply with regulatory requirements, and contribute to global sustainability efforts. This strategic approach not only supports cost savings but also strengthens the Company’s reputation as a responsible and forward-thinking organization.		Positive due to Improved operational efficiency, cost savings, and enhanced reputation as an environmentally responsible company, leading to increased customer trust and loyalty.

<b>Material Issue Identified</b>	<b>Indicate whether risk or opportunity</b>	<b>Rationale for identifying the risk/opportunity</b>	<b>In case of risk, approach to adapt or mitigate</b>	<b>Financial implications of the risk or opportunity (Indicate positive or negative implications)</b>
Community Development	Opportunity	Community development offers Nelco a strategic avenue to build trust and create long-term value for stakeholders. By investing in education, digital literacy, and skill development programs, the company helps empower local communities, enhance employability, and bridge the digital divide. These initiatives not only align with national priorities and sustainability goals but also foster goodwill, improve brand reputation, and support inclusive growth. Engaging with communities proactively helps Nelco mitigate social risks, attract talent, and unlock new market opportunities.		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 and water management help the company lower operational costs, enhance its reputation and demonstrate its commitment to environmental sustainability. This strategic focus not only supports regulatory compliance but also strengthens the Company's image as a responsible and eco-friendly organization.		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 Principles

#### 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.

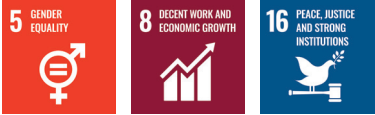


#### PRINCIPLE 4

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	<b>a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes, relevant 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.								
	<b>c. Web Link of the Policies, if available</b>	<p>All the Company policies are made available to respective stakeholders. Some of the policies are available on the Company's website at <a href="https://www.nelco.in/">https://www.nelco.in/</a> for customers, suppliers etc. For employees they are also available on the Company's internal portal.</p> <p>Nelco Limited has the following policies:</p> <p>P1: Tata Group Code of Conduct (TCoC), Whistle Blower, Vigil Mechanism Policy &amp; Conflict of interest policy</p> <p>P2: Occupational Health &amp; Safety Policy</p> <p>P3: Prevention of Sexual Harassment Policy (POSH), Occupational Health &amp; Safety, Environmental Social and Governance Policy, Drug &amp; Alcohol policy, Tata Code of Conduct</p> <p>P4: Tata Code of Conduct, Supplier Code of Conduct policy</p> <p>P5: POSH Policy, Tata Code of Conduct</p> <p>P6: Occupational Health &amp; Safety policy, Environment, Social &amp; Governance policy, Extended Producer Responsibility (EPR) plan</p> <p>P7: Code of conduct for Non-Executive Directors, Code of conduct for Prevention of Insider Trading</p> <p>P8: Corporate Social Responsibility (CSR) Policy</p> <p>P9: Data Privacy and cybersecurity</p>								
2	<b>Whether the entity has translated the policy into procedures. (Yes / No)</b>	Yes, the approved policies are translated into procedures.								
3	<b>Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	Yes								
4	<b>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.</b>	The company is audited and certified as per international standards like TL 9000, ISO 27001, ISO 20000. The policies and their implementation are evaluated as part of these audits. Additionally, the policies meet the regulatory requirements such as SEBI Listing Regulations, labor laws, Cybersecurity and data privacy requirements 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	<b>Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>	Yes, Nelco has developed an ESG strategy for their journey in environmental, social, and governance (ESG) practices. An ESG strategy is defined with sustainability goals.								

6	<b>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	Nelco is in the process of integrating its key material priorities into its business as part of the overall ESG strategy. Three-year goals are established, and the company is committed towards achieving them.
---	---------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>Governance, Leadership and Oversight</b>	
7	<p><b>Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.</b></p> <p>As a globally trusted Satellite communication service provider, the Company’s ESG vision is to generate enduring value for all stakeholders by embedding environmental sustainability, social inclusivity, and governance excellence across its operations. Through ethical business practices, continuous improvement, and commitment to social equity, Nelco is building a resilient, responsible, and future-ready enterprise.</p> <p>We reaffirm our commitment to strong ESG governance as the bedrock of sustainable growth. Our oversight mechanisms have been further strengthened to ensure transparency and accountability across all operations. A key focus area this year is the comprehensive monitoring of Scope 1, Scope 2, and Scope 3 emissions, enabling us to set focused targets and rigorously track progress towards carbon reduction goals.</p> <p>With the aim of embedding sustainability into our supply chain management, we are working closely with partners to enhance resilience, ethical practices, and environmental performance. At the same time, we continue to prioritize our people – investing in skill development, fostering diversity and inclusion, and cultivating a safe, equitable workplace.</p> <p>Through these initiatives, Nelco aims not only to meet regulatory expectations but to lead by example in building a responsible, future-ready organization. Together, we advance innovation, strengthen stakeholder trust, and contribute meaningfully to ESG objectives. Together, we turn ESG commitment into lasting value for our people, partners, and the planet – because at Nelco, doing business responsibly is the only way we know.</p>
8	<p><b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies)</b></p> <p>Name: PJ Nath (DIN: 05118177) Designation: Managing Director and CEO</p>
9	<p><b>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.</b></p> <p>Yes Name: PJ Nath (DIN: 05118177) Designation: Managing Director and CEO</p>

10.	<b>Details of Review of NGRBCs by the company:</b>	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b>	Committee of the Board								
	<b>Performance against above policies and follow up action</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	<b>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<b>Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</b>	The updates relating to NGRBC principles and related ESG matters are shared as applicable as part of quarterly scheduled Board and Committee meetings. Additionally, whenever required based on emerging issues or regulatory developments.
<b>Performance against above policies and follow up action</b>	BRSR issues (if any) are discussed during the board and committee meetings. Progress on CSR initiatives, sustainability & workforce diversity are reported to the board for continuous improvement.
<b>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</b>	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

*Note: The company conducts third party assessments for: a) Employee engagement b) Customer satisfaction survey c) Leadership in Business ethics survey. d) Cybersecurity & VAPT assessments*

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

<b>The entity does not consider the principles material to its business (Yes/No)</b>	Not Applicable							
<b>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</b>								
<b>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</b>								
<b>Its planned to be done in the next financial year (Yes/No)</b>								
<b>Any other reason (please specify)</b>								

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### 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 programs 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	14	POSH, Ethics, Governance, ESG & BRSR	95%

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:

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 maintains a strong commitment to preventing bribery and unethical business practices across all operations. As part of the Tata Group, the Company adheres to the Tata Code of Conduct (TCoC), which sets out comprehensive ethical standards for employees, business partners, and third parties associated with Nelco. In

addition, Nelco has an independent Anti-Bribery and Anti-Corruption (ABAC) Policy that complements the TCoC and provides detailed guidelines to reinforce integrity in business dealings. This policy is reviewed periodically to ensure continued relevance and compliance. The ABAC Policy is publicly available on the Company's 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 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

Topic	FY 2025-26 (Current FY)		FY 2024-25 (Previous FY)	
	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]:**

	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Number of days of accounts payables	71	69

**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:

Parameter	Metrics	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not Applicable	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		

Parameter	Metrics	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
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)	8.06%	10.61%
	b. Sales (Sales to related parties / Total Sales)	6.80%	5.75%
	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 programs conducted for value chain partners on any of the Principles during the financial year:

During the financial year, the company has actively engaged in various awareness programs aimed at enhancing the skills and knowledge of our value chain partners. These initiatives include:

- i. **Collaboration with Local Service Providers:** We work closely with local service providers to acquire installation and maintenance services for remote VSAT terminals. To ensure high standards and efficiency, we conduct regular training sessions that focus on enhancing their technical skills and capabilities.
- ii. **Awareness Building on POSH Policies:** In addition to technical training, we prioritize the importance of creating a safe and respectful work environment. We ensure that our key vendors are aware and committed to our policies on the Prevention of Sexual Harassment (POSH), The Tata Code of conduct, the Supplier code of conduct. Through these programs, we strive to empower our value chain partners with the necessary skills and knowledge to uphold our principles and contribute to the overall success and integrity of our operations

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
2	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, Nelco has established robust processes to avoid and manage conflicts of interest involving members of the Board. Key measures include:

- i. **Distinct Roles:** 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). This separation ensures a clear distinction between governance and management functions.

- ii. **Formal Policies for Conflict of Interest and Related Party Transactions:** Nelco maintains a comprehensive Conflict of Interest Policy applicable to all employees, including Board members and KMPs. The policy defines conflicts as any personal, financial, or relational interest (including those of immediate family) that could compromise objective decision making or the Company’s interests.
- iii. **Mandatory Disclosure Requirements:** Board members, executives, and employees are required to disclose actual, potential, or perceived conflicts to the HR Head or Company Secretary. These disclosures are reviewed promptly to determine appropriate action.
- iv. **Prevention of Undue Influence:** Identified conflicts trigger following safeguards:
  - Individuals involved refrain from participating in relevant discussions or decisions.
  - In case of familial relationships with vendors, suppliers, or other business associates, the affected member is recused from related deliberations.
- v. **Periodic Review and Oversight:** Disclosures are reviewed annually, and updates are collected as situations evolve. The HR Head and Company Secretary oversee compliance through documented logs and report any new conflicts to the Board.

The updated Policies may be accessed at the following web link:

<https://www.nelco.in/pdf/Policies/conflict-of-interest-policy.pdf?csrt=1826613678760159899>

<https://www.nelco.in/pdf/Policies/Related%20Party%20Transaction%20Policy.pdf?csrt=1826613678760159899>

- vi. **Tata Code of Conduct (TCoC):** The TCoC includes 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. For the MD, such approval must be obtained from the Board.

These processes are integral to maintaining transparency, accountability, and trust within the organization.

**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 2025-26 (Current FY)	FY 2024-25 (Previous FY)	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 has established comprehensive procedures for sustainable sourcing. Key aspects include:

  - i. **Emphasis on Reliability, Quality, and Affordability:** The entity prioritizes these factors in the procurement of materials and services to ensure high standards and cost-effectiveness.

- ii. **Adherence to the Tata Code of Conduct:** All vendors are required to adhere to the Tata Code of Conduct. This ensures that they align with the entity's ethical standards and principles.
- iii. **Compliance with Environmental, Safety, Human Rights, and Ethical Guidelines:** The entity ensures that its sourcing processes comply with guidelines related to environmental protection, safety, human rights, and ethics. This commitment is integral to promoting sustainable practices throughout the supply chain.
- iv. **Mandatory Compliance with Labor Principles and Relevant Laws:** Vendors must comply with labor principles and relevant laws before finalizing any supply and service agreements. This requirement underscores the entity's dedication to legal and ethical sourcing practices.

Through these procedures, the entity strives to foster a sustainable and responsible supply chain.

**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:**

Yes. Nelco has implemented comprehensive processes to ensure safe reclamation, reuse, recycling, and disposal of products at the end of their life cycle:

- (a) **Plastics (including packaging):** The Company actively minimizes plastic usage by reducing packaging materials and promoting recyclable or biodegradable alternatives. Initiatives include replacing plastic wraps with reusable lashing belts for material storage and discouraging the use of packaged water in disposable plastic bottles.
- (b) **E-waste:** Nelco operates its own product repair center to extend product life and reduce waste. When remote sites are decommissioned, electronic hardware and antennas are relocated to other sites for reuse. Electronic scrap is responsibly disposed of through certified e-waste management service providers approved by the Central and State Pollution Control Boards.
- (c) **Hazardous waste:** Hazardous waste is managed in strict compliance with applicable regulations. Specialized processes ensure safe handling, storage, and disposal through certified hazardous waste management service providers to prevent environmental contamination and safeguard stakeholder health.
- (d) **Other waste:** The Company follows a holistic approach to waste management, emphasizing reduction, reuse, and recycling. Measures include waste segregation, use of eco-friendly materials, and collaboration with certified waste management partners for responsible disposal of non-recyclable waste. Additionally, employees are encouraged to avoid unnecessary paper printouts unless essential, supporting resource conservation.

Through these processes, the company is committed to sustainable practices that minimize environmental impact and promote the responsible management of resources.

**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). The EPR policy may be accessed on the company website at: <https://www.nelco.in/pdf/Policies/Rpdf/epr-plan-2022.html> 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:

NIC Code	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
There are no significant environmental concerns from our services from a life cycle perspective.			

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):

Input material	Recycled or re-used input material to total material	
	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
E-waste	6.42%	17%

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:

	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste (in Metric Tonnes)	10.9	-	0.35	9.477	-	2.345
Hazardous waste	-	-	-	-	-	-
Other waste - oil (litres)	-	-	300	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Currently, this metric is not applicable to Nelco's operations, as the nature of our products and services does not generate significant end-of-life returns requiring reclamation. No notable risks or corrective actions have been identified in this regard. Nevertheless, Nelco remains committed to responsible resource management and sustainability. As part of our ongoing efforts.

- We encourage reuse and relocation of electronic hardware and antennas wherever feasible.
- We provide training to employees on waste reduction and responsible disposal practices.
- We engage certified partners for e-waste and packaging material recycling when applicable.

## PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

### ESSENTIAL INDICATORS

#### 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)
<b>Permanent Employees</b>											
<b>Male</b>	185	185	100%	185	100%	NA	NA	185	100%	185	100%
<b>Female</b>	21	21	100%	21	100%	21	100%	NA	NA	21	100%
<b>Total</b>	206	206	100%	206	100%	21	10%	185	90%	206	100%
<b>Other than permanent Employees</b>											
<b>Male</b>	106	106	100%	106	100%	NA	NA	106	100%	0	0%
<b>Female</b>	5	5	100%	5	100%	5	100%	NA	NA	0	0%
<b>Total</b>	111	111	100%	111	100%	5	5%	106	95%	0	0%

#### b. Spending on measures towards well-being of employees and workers (including permanent and other than permanent):

	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.73%	0.35%

#### 2. Details of retirement benefits for Current and Previous Financial Year:

Sr. No.	Benefits	FY 2025-26 (Current FY)			FY 2024-25 (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	Not applicable		Y	Not applicable		Y
4	Others* - Medical insurance after retirement	5%		Y	10%		Y

\*Nelco allows retired 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. Nelco ensures that its premises at Mahape provide accessibility for differently abled employees and workers in line with the requirements of the Rights of Persons with Disabilities Act, 2016. At our Mahape location, the Company has implemented the following measures.

- Wheelchair facility available for employees and visitors.
- Ramp access to ground-floor facilities for ease of movement.
- Wheelchair-accessible parking spaces provided near entry points

**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:**

Yes. Nelco adheres to the Tata Code of Conduct (TCoC), which explicitly incorporates the principles of equal opportunity and non-discrimination, including provisions aligned with the Rights of Persons with Disabilities Act, 2016. The Company is committed to creating an inclusive workplace where individuals are treated fairly and provided equal opportunities regardless of disability or any other characteristic.

The detailed Equal Opportunity Policy is available on our website at: <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:**

Gender	Total number of people returned after parental leave in FY	Total Number of people who took parental leave in FY	Return to work rate	Total Number of people retained for 12 months after returning from parental leave	Total number of people returned from parental leave in prior FY	Retention Rate
<b>Permanent Employees</b>						
<b>Male</b>	2	2	100%	0	1	0%
<b>Female</b>	0	0	Not applicable	0	0	Not Applicable
<b>Total</b>	2	2	100%	0	1	0%

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:

Category	Yes/No	Details of the mechanism in brief
Permanent Employees	Yes	<p>Yes. Nelco has robust mechanisms to receive and redress grievances for employees and workers across multiple categories:</p> <p><b>Whistle Blower &amp; Vigil Mechanism (WBVM):</b></p> <p>The Company has adopted a WBVM Policy that enables employees to report concerns related to unethical behavior, suspected fraud, or violations of the Company's Code of Conduct. Complaints can be escalated to the Chief Ethics Counsellor or the Chairman of the Audit Committee for impartial review and resolution. Employees may also raise any ethical concerns through <a href="mailto:ethics@nelco.in">ethics@nelco.in</a> or report issues to identified ethics committee members.</p> <p><b>Prevention of Sexual Harassment (POSH):</b></p> <p>Nelco has implemented a POSH Policy in compliance with statutory requirements. An Internal Committee (IC) is constituted to investigate and address complaints of sexual harassment, discrimination, or hostile behavior, ensuring confidentiality and fair proceedings.</p> <p><b>Health &amp; Safety Grievance Portal:</b></p> <p>Employees and stakeholders have access to a dedicated portal to report health and safety-related grievances or observations. These submissions are reviewed by the Apex Safety Committee, and corrective actions are implemented promptly. Feedback on resolution is communicated to the complainant to ensure transparency.</p> <p>These mechanisms collectively reinforce Nelco's commitment to ethical conduct, workplace safety, and employee well-being.</p>
Other than Permanent Employees	Yes	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Permanent Employees</b>						
Male	185	0	Not Applicable	177	0	Not Applicable
Female	21	0		19	0	
<b>Total</b>	206	0		196	0	

8. Details of training given to employees and workers:

a. Details of Skill training given to employees

Category	FY 2025-26 (Current FY)			FY 2024-25 (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)
<b>Permanent Employees</b>						
Male	185	185	100%	177	177	100%
Female	21	21	100%	19	19	100%
<b>Total</b>	<b>206</b>	<b>206</b>	<b>100%</b>	<b>196</b>	<b>196</b>	<b>100%</b>

b. Details of training on Health and Safety given to employees

Category	FY 2025-26 (Current FY)			FY 2024-25 (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)
<b>Permanent Employees</b>						
Male	185	185	100%	177	177	100%
Female	21	21	100%	19	19	100%
<b>Total</b>	<b>206</b>	<b>206</b>	<b>100%</b>	<b>196</b>	<b>196</b>	<b>100%</b>

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26 (Current FY)			FY 2024-25 (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)
<b>Permanent Employees</b>						
Male	185	185	100%	177	177	100%
Female	21	21	100%	19	19	100%
<b>Total</b>	<b>206</b>	<b>206</b>	<b>100%</b>	<b>196</b>	<b>196</b>	<b>100%</b>

**10. Health and safety management system:**

<b>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)</b>	Yes, Nelco has implemented an OHS (Occupational Health and safety) policy along with relevant processes. The policy has been published in our website and circulated internally to all concerned.
<b>What is the coverage of such system?</b>	This OHS management system is applicable to all our stakeholders involved in our business operations.
<b>b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</b>	Nelco has an online portal for reporting safety related hazards, incidents, and observations. We have work permit system and SOPs which are strictly adhered to. We also conduct a HIRA exercise, wherein work process related Hazards are identified, risks assessed and mitigation plans monitored. An Apex safety committee along with working committees are constituted to regularly monitor safety needs. The committees conduct safety walks in respective areas to identify and mitigate any safety related observations.
<b>c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)</b>	Yes, all staff including permanent and contractual employees and visitors can report work-related hazards through an incident portal or QR code.
<b>d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)</b>	Yes, the employees of the entity have access to non-occupational medical healthcare services

**11. Details of safety related incidents:**

Safety Incident/Number	Category	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b>	Employees	0	0
<b>Total recordable work-related injuries</b>	Employees	0	0
<b>No. of fatalities</b>	Employees	0	0
<b>High consequence work-related injury or ill health (excluding fatalities)</b>	Employees	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace:**

Nelco is committed to providing a safe, healthy, and secure workplace for all employees, contractors, and stakeholders. Occupational health and safety are integral to our operational philosophy, and we have instituted a comprehensive framework to proactively manage workplace risks and promote employee well-being.

**Leadership Oversight and Accountability:**

A robust governance structure underpins our safety management approach. This includes a central Apex Safety Committee, regional Safety Single Points of Contact (SPOCs), and trained Emergency Response Team (ERT) members across locations. Senior leadership, including the Managing Director & CEO, demonstrates visible commitment through regular safety walks, reviews, and evaluations. Safety performance indicators are integrated into performance management systems.

### **Hazard Identification and Risk Management:**

Nelco follows a structured Hazard Identification and Risk Assessment (HIRA) process to systematically identify, assess, and mitigate workplace hazards. Identified risks are classified into High, Medium, and Low categories. Appropriate control measures implemented through defined Standard Operating Procedures (SOPs). Periodic third-party safety assessments further strengthen our risk mitigation efforts and ensure continuous improvement.

### **Regulatory Compliance and Assurance Mechanisms:**

To ensure full compliance with applicable occupational health and safety regulations, Nelco leverages the Lateral Praxis System-that monitors statutory obligations and timely closures. We conduct regular internal audits and engage external agencies for independent assessments, enabling adherence to legal requirements and best practices in health and safety management.

**Design and Operational Control:** Safety is integrated into every aspect of our operations. We have detailed SOPs for each activity, which are regularly updated based on recommendations. Employees receive regular training to ensure they have the skills and knowledge to perform their jobs safely. Environmental monitoring, including air quality checks, helps maintain a safe working environment.

**Building Competency and Encouraging Safe Behaviors:** We offer various training programs to enhance our employees' safety knowledge and skills. Exceptional safety behaviors are recognized through our Suraksha awards, fostering a culture of safety. Continuous reinforcement of safety norms through communication and training ensures that safety is always top of mind.

**Communication and Empowerment:** We use multiple communication channels, including town halls, emailers, posters, and safety induction programs, to keep everyone informed about safety measures. National Safety Week initiatives and third-party training sessions encourage active participation. Employees are empowered to report unsafe conditions and stop work if necessary.

**Periodic Safety Audits:** Electrical safety audits are conducted regularly by external experts at key offices in Mumbai and Delhi to enhance workplace safety standards.

**Fire Safety Systems:** A fire hydrant system has been installed at our Mahape office, which is regularly maintained to ensure operational readiness. A fire alarm & detection system is also operational in the facility.

**Medical facilities:** On-site medical provisions, including access to a doctor and health check-ups for employees underscore the company's commitment to employee well-being.

**Hygienic Facilities:** The provision of hygienic canteen facilities and office spaces further reinforces a conducive work environment.

**Training Sessions:** Regular training sessions on safety, ethics, and health are conducted to instill a culture of awareness and responsibility among the workforce.

**Safety induction 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.

These measures collectively ensure that Nelco maintains a safe and healthy workplace, prioritizing the well-being of its employees.

**13. Number of Complaints on the following made by employees and workers:**

Topic	FY 2025-26 (Current FY)			FY 2024-25 (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
<b>Working Conditions</b>	218	95	Employees sensitized to report minor safety & health observations	83	0	
<b>Health &amp; Safety</b>	32	11		10	0	Minor field injuries

*Note: The observations pending resolution include a) Recently logged observations and b) Long pending ones requiring infra changes which are being scheduled.*

**14. Assessments for the year:**

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
<b>Health and safety practices</b>	100% (Internal audits conducted) Lightning risk assessment conducted by IEC & NFPA approved external audit firm at Mahape office.
<b>Working Conditions</b>	100% (Internal audits conducted) HVAC assessment by BEE certified external auditors at Mahape office.

**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:**

- A dedicated portal is provided for employees and stakeholders to report any safety related observation, near miss or incident. All reports are evaluated by the Apex Safety committee and mitigation measures implemented are conveyed to the person reporting it.
- Hazard Identification and Risk Assessment (HIRA): Developed and implemented HIRA to systematically identify workplace hazards and unsafe conditions, ensuring appropriate control measures are in place to mitigate risks.
- Digitization of Permit-to-Work (PTW) System: Transitioned from a manual PTW system to a digital platform to enhance tracking, ensure compliance, and streamline approval processes through an online workflow.
- Enhanced Lockout/Tagout (LOTO) Register: Established a comprehensive LOTO register to effectively monitor isolation activities, following a detailed assessment by a third party and TBEXG to address identified improvement areas.
- The HVAC assessment has identified opportunities to reduce energy consumption and optimize the cooling. Identified AC units which need replacement with ones having better performance and energy savings.
- As a result of the Lightning risk assessment, a small part of the building is not adequately protected by the installed lightning arrestors. These are now being implemented to reduce risk to employees and property.

## 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 since there is no one in the workers category

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	
	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
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 engage their services as consultants with the company based upon opportunities available. This is by executing a contract for service 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 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:**

**Hazard Identification and Risk Assessment (HIRA):** Developed and implemented HIRA to systematically identify workplace hazards and unsafe conditions, ensuring appropriate control measures are in place to mitigate risks.

**Digitization of Permit-to-Work (PTW) System:** Implemented a digital platform to enhance tracking, ensure compliance, and streamline approval processes through an online workflow. Any violation of safety conditions by the vendor results in a warning followed by disciplinary measures being implemented.

**Enhanced Lockout/Tagout (LOTO) Register:** Established a comprehensive LOTO register to effectively monitor isolation activities, following a detailed assessment by a third party and TBEXG to address identified improvement areas.

## **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:**

Nelco Limited employs a systematic approach to identify and engage with its key stakeholder groups. This process is integral to ensure that the company addresses the needs and expectations of all relevant parties. The key steps in this process include:

- i. **Stakeholder Mapping:** Nelco conducts comprehensive stakeholder mapping to identify all potential stakeholders, including employees, customers, suppliers, investors, regulatory bodies, and the community. This mapping is regularly updated to reflect any changes in the stakeholder landscape.
- ii. **Engagement Channels:** Various engagement channels are established to facilitate two-way communication with stakeholders. These channels include surveys, focus groups, meetings, and digital platforms, ensuring that stakeholders have multiple avenues to express their views and concerns.
- iii. **Needs Assessment:** Nelco performs regular needs assessments to understand the priorities and expectations of different stakeholder groups. This involves gathering feedback through structured interactions and analyzing the data to identify key themes and areas of interest. Materiality assessment conducted by external assessors help in better understanding of the priorities.
- iv. **Prioritization:** Based on the needs assessment, stakeholders are prioritized according to their influence and impact on the company's operations. This helps Nelco allocate resources effectively and address the most critical stakeholder concerns.
- v. **Continuous Monitoring:** The company continuously monitors stakeholder interactions and feedback to ensure that its engagement strategies remain relevant and effective. This ongoing process allows Nelco to adapt to changing stakeholder needs and maintain strong relationships.
- vi. **Reporting and Transparency:** Nelco is committed to transparency and regularly reports on its stakeholder engagement activities. This includes sharing updates on how stakeholder feedback has been incorporated into business decisions and strategies.

By following these processes, Nelco Limited ensures that it remains responsive to the needs of its key stakeholders, fostering trust and collaboration.

**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 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 concerns raised by identified vulnerable/ marginalized stakeholder groups.

**PRINCIPLE 5: Businesses should respect and promote human rights.****ESSENTIAL INDICATORS****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
<b>Permanent</b>	206	206	100%	196	196	100%
<b>Other than permanent</b>	111	111	100%	109	109	100%
<b>Total Employees</b>	317	317	100%	305	305	100%

**2. Details of minimum wages paid to employees and workers:**

Category	FY 2025-26 (Current FY)					FY 2024-25 (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)
<b>Employees</b>										
<b>Permanent</b>										
<b>Male</b>	185	0	0	185	100%	177	0	0	177	100%
<b>Female</b>	21	0	0	21	100%	19	0	0	19	100%
<b>Other than Permanent</b>										
<b>Male</b>	106	0	0	106	100%	106	0	0	106	100%
<b>Female</b>	5	0	0	5	100%	3	0	0	3	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)*	6	90,000	1	90,000
Key Managerial Personnel	2	63,39,911	0	0
Employees other than BoD and KMP	182	11,91,693	21	10,06,208

\*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 and Chief Financial Officer & Company Secretary are considered as KMPs.

**b. Gross wages paid to females as % of total wages paid by the entity:**

	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Gross wages paid to females as % of total wages</b>	7.73%	8.07%

**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 a Chief Ethics Counsellor and Regional Ethics Counsellor's designated to address grievances related to human rights issues. These complaints 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:**

Nelco is committed to upholding human rights and has established comprehensive policies to support, respect, and safeguard the human rights of both its direct and indirect employees, including those of its subsidiaries. The internal mechanisms in place to redress grievances related to human rights issues include:

- **Whistle-blower & Vigil Mechanism Policy:** Nelco has adopted and implemented a Whistle-blower & Vigil Mechanism Policy to provide a system for employees to report concerns about unethical behavior, actual or suspected fraud, or violations of the Company's Code of Conduct or ethics policy. This mechanism ensures that employees can report their concerns to management without fear of retaliation.
- **POSH Committee:** Nelco has a dedicated POSH (Prevention of Sexual Harassment) Committee to handle complaints related to sexual harassment. This committee extends its coverage to associates, franchisee engineers, and vendors, ensuring a safe and respectful workplace for all.
- **Tata Code of Conduct (TCoC) Review Mechanism:** Concerns regarding violations of the Tata Code of Conduct (TCoC) are addressed internally through a review mechanism managed by the Ethics Counsellor and Senior Management. This process ensures that any violations of the TCoC are thoroughly investigated, and appropriate actions are taken.
- **Supplier Code of Conduct (SCoC):** Suppliers are required to adhere to norms relating to human rights including Non-discrimination, Anti-harassment, Child and forced labor, Wages and benefits, Freedom of association and collective bargaining, Environment, health & safety.

These mechanisms collectively ensure that Nelco Limited maintains a workplace environment that respects and protects human rights, providing employees with the necessary channels to voice their concerns and seek redressal.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2025-26 (Current FY)			FY 2024-25 (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
<b>Sexual Harassment</b>	0	Not Applicable	No cases reported	0	Not Applicable	No cases reported
<b>Discrimination at workplace</b>	0					
<b>Child Labor</b>	0					
<b>Forced Labor/ Involuntary Labor</b>	0					
<b>Wages</b>	0					
<b>Other human rights related issues</b>	0					

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)</b>	0	0
<b>Complaints on POSH as a % of female employees / workers</b>	0	0
<b>Complaints on POSH upheld</b>	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’s policy. Complaints relating to Whistleblower can be directly made to the Chairman of the Audit Committee hence protecting the complainant against adverse consequences.

**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. These provisions encompass concerns such as child labor, forced labor, discrimination, working conditions and compensation. Disciplinary measures against violations are also addressed. 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 with vendors and is obligatory for all the vendors to comply with applicable labor laws, workplace regulations, and human rights.

**10. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
<b>Child labor</b>	100%
<b>Forced/involuntary labor</b>	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
<b>Sexual harassment</b>	
<b>Discrimination at workplace</b>	
<b>Wages</b>	
<b>Others – please specify</b>	

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 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:**

Although there were no grievances or complaints registered during the year, we have stepped up awareness campaigns regarding cybercrimes and crimes against women. We have also taken steps to ensure that our value chain partners are aware of our policies and specifically list them in purchase orders released to vendors.

**2. Details of the scope and coverage of any Human rights due diligence conducted:**

The Company undertakes Human Rights Due Diligence (HRDD) as an integral part of its governance and risk management framework, with a focus on promoting fair employment practices, ethical conduct, and compliance

with applicable labor laws. The scope and coverage of human rights due diligence during the reporting period included the following:

**Employee Satisfaction Surveys:** Periodic employee satisfaction surveys were conducted to assess employee well-being, workplace safety, inclusiveness, equal opportunity, fair treatment, and grievance redressal mechanisms. The survey outcomes were analyzed by management to identify potential human rights risks and areas for improvement, and suitable action plans were initiated wherever required.

**Leadership & Business Ethics (LBE) Survey:** A dedicated survey on Leadership & Business Ethics was administered to evaluate employee perceptions regarding ethical conduct, transparency, non-discrimination, prevention of harassment, and leadership accountability. The findings were reviewed by senior management and used to reinforce ethical standards and strengthen internal controls.

**Wages and Labour Practices Verification:** Compliance relating to timely payment of wages, statutory dues, and adherence to applicable labour laws was subject to regular verification through Internal & external audits. These audits did not report any material non-compliance related to payment of wages or employee entitlements during the reporting period.

**Governance and Oversight:** The outcomes of the surveys and audit findings formed part of management reviews and were used to strengthen policies, controls, and training programs relating to human rights, ethics, and employee welfare.

Overall, the Company's human rights due diligence processes are designed to identify, prevent, mitigate, and address potential human rights impacts within its operations and workforce, and are reviewed periodically to ensure continued effectiveness.

**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, Adequate provisions are made available for the differently abled people on the ground floor premises. Wheelchair accessible parking is provided and availability of wheelchair for use by people who need the facility.

**4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
<b>Child labor</b>	100%
<b>Forced/involuntary labor</b>	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. Vendors are required to accept our policies as part of the Purchase order process.
<b>Sexual harassment</b>	
<b>Discrimination at workplace</b>	
<b>Wages</b>	

**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 corrective actions might be required. However, as a process the Company ensures that Purchase Orders and agreements with service partners ensure adherence to the human rights. Awareness on ethics and reporting measures are continued efforts to educate the employees and all stakeholders.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.****ESSENTIAL INDICATORS****1. Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameters	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>From renewable sources</b>		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption source (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	0	0
<b>From non-renewable sources</b>		
Total electricity consumption (D) (GJ)	8,163	8,133
Total fuel consumption (E) (GJ)	273	293.7
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F) (GJ)</b>	8,436	8,427.7
<b>Total energy consumed (A+B+C+D+E+F) (GJ)</b>	8,436	8,427.7
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations (₹ in lacs)) (GJ/Lacs INR)	0.27	0.27
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
<b>Energy intensity in terms of physical output</b>	-	-
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:**

No

**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:**

Parameters	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	7,102	7,260
(iv) Seawater / desalinated water	0	0
(v) Others	0	0

Parameters	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	7,102	7,260
<b>Total volume of water consumption (in kiloliters)</b>	7,102	7,260
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations (₹ In lacs)) (KL/Lacs INR)	0.23	0.23
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP (₹ In lacs))	-	-
<b>Water intensity in terms of physical output</b>	-	-
<b>Water intensity</b> (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 an external agency.

**4. Provide the following details related to water discharged:**

Parameters	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Water discharged by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water	Nil	-
No treatment	-	-
With treatment -please specify level of treatment	-	-
(ii) To Groundwater	Nil	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	Nil	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	Not Measured	-
No treatment	Not measured	-
With treatment – please specify level of treatment	-	-
(v) Others	Nil	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kiloliters)</b>	Not measured	-

*Note: Water discharged is routed through authorized municipal sewerage systems; quantities are not independently measured by the Company.*

**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 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:**

Parameter	Please specify unit	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
NOx	KG	29	45
SOx	KG	4	5
Particulate matter (PM)	KG	4	6
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	NA	-	-
Hazardous air pollutants (HAP)	mg/m <sup>3</sup>	-	-
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:**

Parameter	Please specify unit	FY2025-26 (Current FY)	FY2024-25 (Previous FY)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	228	24.12
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1610.18	1617.64
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations (₹ In lacs))	tCO <sub>2</sub> e/INR	0.06	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))	tCO <sub>2</sub> e/INR	-	-
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>		-	-
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional)		-	-

Note: Scope 1 emission now includes impact of AC refrigerant loss.

**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 Nelco Limited embarks on its ESG journey, it is committed to reducing greenhouse gas emissions through forward-thinking initiatives. These initiatives include:

- i. **Upgrading Systems:** Replacing outdated systems with energy-efficient alternatives to reduce overall energy consumption and emissions.
- ii. **Energy Audits:** Conducting regular energy audits to identify areas for improvement and implement energy-saving measures.
- iii. **Emission Control Devices:** Deploy emission control devices for generators to minimize emissions during operations.

- iv. **Renewable Energy Integration:** Explore the feasibility of integrating renewable energy sources into our operations to further minimize environmental impact.

Through these efforts, Nelco Limited aims to significantly reduce its greenhouse gas emissions and contribute to a more sustainable future.

**9. Provide details related to waste management by the entity:**

Parameters	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	9.67	11.82
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (oil) (G)	0.26	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G+ H)</b>	9.93	11.82
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations (₹ In lakh)	0.0003	0.0004
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP (₹ In lakh.)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional)	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	10.9	9.47
(iii) Other recovery operations	-	-
<b>Total</b>	10.9	9.47
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations (e-waste scrap)	0.35	2.345
(iii) Other disposal operations (oil)	0.26	0
<b>Total</b>	0.61	2.345

- i) **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, are disposed of by a certified e-waste vendor authorized by the Maharashtra Pollution Control Board (MPCB). The company emphasizes the use of RoHS (Restriction of Hazardous Substances) 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:**

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:**

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 kiloliters):**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations

Not applicable as our offices are not located in water stress areas

- (iii) Water withdrawal, consumption and discharge:

Parameter	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	7102	7,260
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kiloliters)</b>	7102	7,260
<b>Total volume of water consumption (in kiloliters)</b>	7102	7,260
<b>Water intensity per rupee of turnover</b> (Total water consumed / Revenue from operations (In lakh))	0.23	0.23
<b>Water intensity (optional)</b>	-	-

Parameter	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) Into Surface water	Nil	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	Nil	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) Into Seawater	Nil	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	Not measured	-
No treatment	Not measured	-
With treatment – please specify level of treatment	-	-
(v) Others	Nil	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kiloliters)</b>	Not measured	Not measured

Note: Water discharged is routed through authorized municipal sewerage systems; quantities are not independently measured by the Company.

**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.

**2. Please provide details of total Scope 3 emissions & its intensity:**

Parameter	Please specify unit	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> Equivalent	13,168	-
Total Scope 3 emissions per rupee of turnover (Total scope 3 emission in Metric tonnes of CO <sub>2</sub> equivalent / Revenue from operations (₹ In lakh))	Metric tonnes of CO <sub>2</sub> Equivalent	0.42	-
<b>Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity</b>		-	-

Note: Nelco acknowledges the significance of emissions across its value chain and has now started monitoring this in a systematic manner.

**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 11 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:**

There is no impact of the entity on biodiversity as it is only a satellite teleport 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 Limited is actively developing an ESG strategy that focuses on key areas such as emissions reduction, energy management, waste, and water management. Our initiatives include:

- i. Emissions Reduction and Energy Management:
  - Digital initiatives for monitoring emissions & energy consumption.
  - Conducted energy audits to identify areas for improvement.
- ii. Resource Efficiency Plans:
  - Line up actions aimed at improving resource efficiency across our operations.
  - Established Key Performance Indicators to monitor and achieve our ESG goals.

Outcomes:

- Improved visibility of ESG trends enables quicker actions towards the ESG goals.
- Reduction in emissions and energy consumption.
- Establish accountability of leadership and teams towards achieving ESG goals.

Through these initiatives, Nelco Limited is committed to achieving its ultimate ESG goals and contributing to a sustainable future.

**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 ensures the continuity of critical business processes and recovery in the event of significant disruptions.

The 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

The plan is developed in accordance with operational requirements and identifies disaster types along with typical recovery and management methods.

**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.

**8. How many Green Credits have been generated or procured:**

**a. By the listed entity**

**b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners.**

The company is not eligible for registration with MoEFCC to procure green credits

**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 BIF and founding member of 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	National
2	Indian Space Association	National

**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
<i>No such cases recorded</i>		

**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 for policies related to satellite communication services, data communication services, digital transformation like satcom spectrum management & pricing, licensing framework. Nelco's membership at these regulatory associations serves as a medium for such advocacy	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 our 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 R&R	Amount Paid to PAFs in the FY (in INR)
Not applicable, Projects undertaken by Nelco do not involve any necessity for Rehabilitation and Resettlement (R&R)						

**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](mailto:ethics@nelco.in)

**4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Directly sourced from MSMEs/ Small producers</b>	41%	28%
<b>Directly from within India</b>	77%	71%

**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 2025-26 (Current FY)	FY 2024-25 (Previous FY)
<b>Rural</b>	-	-
<b>Semi-urban</b>	-	-
<b>Urban</b>	-	-
<b>Metropolitan</b>	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	19,54,470
2	Maharashtra	Mumbai - CSA (Catalysts for Social Action)	5,00,000

Nelco is engaged in CSR initiatives in the partnership with TPCDT and CSA 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	Desire Society	47	100%
2	Jeevan Jyoti Ashalay	28	100%
3	Residential care house	60	100%
4	Vatsalya (Sanpada)	55	100%
5	Amma Odi	80	100%
6	Community Learning Centre	150	100%
7	Jan Vikas Society Mermier Bal Ashram	18	100%
8	Children of God Foundation (Kalwa)	32	100%
9	Aarike Charitable Trust	80	100%
10	Prem Daan	160	100%
11	Children of God Foundation (Airoli)	18	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 Nelco Limited. We maintain a robust system for monitoring consumer complaints and feedback. Our complaint management process includes registering complaints, conducting root-cause analysis by the relevant department, engaging with customers through various stakeholders, and resolving issues with customer feedback.

Complaints can be received through:

- Service Desk portal
- Email ([helpdesk@nelco.in](mailto:helpdesk@nelco.in))
- Help Desk phone number: 022-67918728

We have defined SLAs with every customer for responding to and resolution of their complaints. Additionally, customers can address any ethics-related complaints to our dedicated email id: [ethics@nelco.in](mailto:ethics@nelco.in). A portal is also provided for customers to report any safety-related issues.

We also have a process of obtaining customer feedback on a regular basis and through annual customer satisfaction surveys conducted by independent third party agency.

**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 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
<b>Data privacy</b>	0	Not Applicable	No complaints received	0	Not Applicable	No complaints received
<b>Advertising</b>	0			0		
<b>Cyber-security</b>	0			0		
<b>Delivery of essential services</b>	0			0		
<b>Restrictive Trade Practices</b>	0			0		
<b>Unfair Trade Practices</b>	0			0		
<b>Others</b>	0			0		

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reason for recall
<b>Voluntary recalls</b>	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
<b>Forced recalls</b>		

**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 27001:2022 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** - Nil
- c. Impact, if any, of the data breaches** - Nil

**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/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, 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 level.



## **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, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows 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, 2026, its profits including other comprehensive loss, 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, 2026. 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
<p><b>Assessment of contingent liabilities, provision for litigations</b></p> <p>As of March 31, 2026, the Company has recognized provision of ₹ 244 lakhs and disclosed contingent liabilities (to the extent not provided for) of Rs 1,169 lakhs in respect of certain tax and other litigations.</p> <p>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.</p> <p>We considered this to be a Key Audit Matter as the outcome of the litigations 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 could be different from the conclusion reached by the Management and may significantly impact the Company's financial position.</p> <p>The Company's disclosures are included in Note 2(f), Note 18, Note 35 and Note 38 to the Financial Statements which outlines the accounting policy for provisions, contingent liabilities and details of pending direct and indirect tax litigation and other cases disclosed as contingent liabilities</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>We obtained an understanding and evaluated processes and controls designed and implemented by the Management for assessment of litigations.</li> <li>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;</li> <li>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;</li> <li>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.</li> </ul> <p>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.</p>

### 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, 2026 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 2 (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 Statement of Cash Flows 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2 (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, 2026 has been paid/provided 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 18, Note 35 and Note 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, 2026.
- iv.
  - a) The Management has represented that, to the best of its knowledge and belief that 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 that no funds have been received by the Company from any persons or entities, 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 final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. 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 and payroll 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 accounting software with respect to direct changes to data when using certain access rights, as described in Note 46 to the Standalone Ind AS 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 other accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aniket Sohani**

Partner

Membership Number: 117142

UDIN: 26117142EGGCLI9858

Mumbai

April 20, 2026

## 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, 2026.
- (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 Standalone Ind AS Financial Statements, the Company has been sanctioned working capital limits in excess of ₹ 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 Standalone Ind AS 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) During the year the Company has provided loans and stood guarantee to its subsidiary as follows:

Particulars	Guarantees	Loans
Subsidiary	Nelco Network Products Limited	Nelco Network Products Limited
Aggregate amount provided / (reduced) during the year	(₹ 1,200 lakhs)	₹ 4,500 lakhs
Balance outstanding as at balance sheet date in respect of above case	₹ 8,000 lakhs	Nil

- (b) During the year, the loans granted and guarantees provided and the terms and conditions of the such loans and guarantee are not prejudicial to the Company's interest.
- (c) The Company has granted loans to its subsidiary company where schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to Company. 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 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 is 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, 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 (₹ in lakhs)	Amount paid under protest	Forum where the dispute is pending
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	April 2006 to March 2011	3,836	-	Maharashtra Sales Tax Tribunal (MSTT).
Goods and Services Tax Act, 2017	Good and Services Tax, Penalty and Interest	July 17 to March 19	206	10	Commissioner Appeals, GST and Cex, Belapur
Goods and Services Tax Act, 2017	Good and Services Tax	April 2019 -March 2022	1,412	-	Joint Commissioner GST and Cex, Belapur
Goods and Services Tax Act, 2017	Good and Services Tax and Interest	April 2017 to March 2023	82	5.72	Assistant Commissioner Range IV, Belapur
Goods and Services Tax Act, 2017	Good and Services Tax	April 2019 -March 2020	12	-	Commissioner Appeals, GST and Cex, Belapur
Goods and Services Tax Act, 2017	Good and Services Tax	April 2018-March 2022	35	1.75	Commissioner Appeals, GST and Cex, Belapur
Goods and Services Tax Act, 2017	Good and Services Tax	April 2021-March 2022	7	0.40	Commissioner Appeals, GST and Cex, Dehradun

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (₹ in lakhs)	Amount paid under protest	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	April 2001- March 2005	179	-	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Finance Act, 1994	Service Tax, Penalty and Interest	April 2016 to June 2017	366	13	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Finance Act, 1994	Service Tax, Penalty and Interest	April 2016 to June 2017	448	16	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Finance Act, 1994	Service Tax	October 2016 to June 2017	21	1	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Finance Act, 1994	Service Tax	April 2016 to June 2017	21	1	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Finance Act, 1994	Service Tax	April 2016 to June 2017	103	3	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Income Tax Act, 1961	Income Tax	April 2022-March 2023	14	-	Commissioner of Income Tax (A)

- (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) The Company did not have any term loans outstanding during the year. Hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the Standalone Ind AS 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 Standalone Ind AS 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 or associate company.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate company. 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, there are no whistle blower complaints 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 Standalone Ind AS 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 5 Core Investment Companies 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 Standalone Ind AS Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS 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 are 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 are 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: 26117142EGGCLI9858

Mumbai

April 20, 2026

## **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, 2026 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 Act.

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

Our responsibility is to express an opinion on the Company's internal financial controls 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 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 with reference to these Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Ind AS Financial Statements reporting included obtaining an understanding of internal financial controls 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 with reference to these Standalone Ind AS Financial Statements.

#### **Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements**

A Company's internal financial controls 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 Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls 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 Standalone Ind AS Financial Statements

## **Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls 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 with reference to Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control 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 with reference to Standalone Ind AS Financial Statements and such internal financial controls with reference to Standalone Ind AS Financial Statements were operating effectively as at March 31, 2026, 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: 26117142EGGCLI9858

Mumbai

April 20, 2026

**Standalone Balance Sheet as at March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3 (a)	4,736	4,825
(b) Capital work-in-progress	3 (b)(i)	3,947	718
(c) Right-of-use assets	3 (c) (i)	690	869
(d) Other intangible assets	3 (d)	449	409
(e) Financial assets			
(i) Investments	4	3,299	3,299
(ii) Other financial assets	5 (a)	17	17
(f) Deferred tax assets (net)	28 (a)	2,394	1,818
(g) Other non-current assets	6 (a)	106	105
<b>Total non-current assets</b>		<b>15,638</b>	<b>12,060</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	7	4,338	3,995
(ii) Cash and cash equivalents	8 (a)	1,939	1,385
(iii) Bank balances other than (ii) above	8 (b)	84	76
(iv) Loans	9	9	21
(v) Other financial assets	5 (b)	200	171
(b) Other current assets	6 (b)	1,031	625
<b>Total current assets</b>		<b>7,601</b>	<b>6,273</b>
<b>TOTAL ASSETS</b>		<b>23,239</b>	<b>18,333</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	10	2,282	2,282
(b) Other equity	11	10,333	9,958
<b>Total equity</b>		<b>12,615</b>	<b>12,240</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	3 (c) (ii)	703	889
(ii) Other financial liabilities	13 (a)	11	14
<b>Total non-current liabilities</b>		<b>714</b>	<b>903</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	3 (c) (ii)	171	135
(ii) Trade payables	15	-	-
(a) Total outstanding dues to micro and small enterprises		-	-
(b) Total outstanding dues to other than micro and small enterprises		1,205	703
(iii) Other financial liabilities	13 (b)	3,897	934
(b) Current tax liability (net)	14	640	253
(c) Contract liabilities	16	3,096	2,672
(d) Other current liabilities	17	301	194
(e) Provisions	18	600	299
<b>Total current liabilities</b>		<b>9,910</b>	<b>5,190</b>
<b>Total liabilities</b>		<b>10,624</b>	<b>6,093</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,239</b>	<b>18,333</b>

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 20, 2026

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

CIN: L32200MH1940PLC003164

**A. S. Lakshminarayanan**

Chairman

(DIN: 08616830)

**Malav Shah**

Chief Financial Officer

(ICAI M. No: 102314)

Place: Mumbai

Date : April 20, 2026

**P. J. Nath**

Managing Director &amp; CEO

(DIN: 05118177)

**Ritesh Kamdar**

Company Secretary &amp; Head - Legal

(ICSI M. No: A20154)

## Standalone Statement of Profit and Loss for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Income</b>			
(a) Revenue from operations	19	19,770	20,563
(b) Other income	20	400	395
<b>Total income</b>		<b>20,170</b>	<b>20,958</b>
<b>Expenses</b>			
(a) Purchase of stock-in-trade		39	2
(b) Operating expenses	21	10,941	11,638
(c) Employee benefits expenses	22	3,255	2,934
(d) Other expenses	23	3,489	2,975
<b>Total expenses</b>		<b>17,724</b>	<b>17,549</b>
<b>Profit before finance cost, depreciation &amp; amortisation and tax (PBITDA)</b>		<b>2,446</b>	<b>3,409</b>
(e) Finance costs	24	105	154
(f) Depreciation & amortisation expense	25	1,278	1,263
<b>Total finance costs and depreciation &amp; amortisation expenses</b>		<b>1,383</b>	<b>1,417</b>
<b>Profit before exceptional items and tax</b>		<b>1,063</b>	<b>1,992</b>
<b>Exceptional items</b>			
Statutory impact of New Labour Codes	34	238	-
<b>Profit before tax</b>		<b>825</b>	<b>1,992</b>
<b>Tax expense</b>			
- Current tax	27(a)	790	1,058
- Deferred tax (credit)	27(a)	(574)	(551)
- Tax adjustment for earlier years	27(a)	-	504
<b>Total tax expenses</b>		<b>216</b>	<b>1,011</b>
<b>Profit after tax</b>		<b>609</b>	<b>981</b>
<b>Other comprehensive income/(expenses)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent years</b>			
- Remeasurement of post employment benefit obligations (loss)		(8)	(19)
- Income tax relating to this item		2	5
<b>Other comprehensive (expense) for the year, (net of tax)</b>	26	<b>(6)</b>	<b>(14)</b>
<b>Total comprehensive income for the year</b>		<b>603</b>	<b>967</b>
Earnings per share (face value of ₹ 10/- per share) : (Basic and diluted)	37	2.67	4.30

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)

**Malav Shah**

Chief Financial Officer  
(ICAI M. No: 102314)

Place: Mumbai

Date : April 20, 2026

**P. J. Nath**

Managing Director & CEO  
(DIN: 05118177)

**Ritesh Kamdar**

Company Secretary & Head - Legal  
(ICSI M. No: A20154)

**Aniket Sohani**

Partner  
Membership No. 117142

Place: Mumbai

Date : April 20, 2026

**Standalone Statement of Cash Flows for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	825	1,992
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	1,278	1,263
Finance costs	86	139
Interest income	(71)	(5)
Liabilities/provisions no longer required, written back	(112)	(190)
Unwinding of discount on financial asset measured at amortised cost	-	(58)
Unrealised foreign exchange gain/(loss) net	(68)	29
<b>Operating profit before working capital changes</b>	<b>1,938</b>	<b>3,170</b>
<b>Movement in working capital</b>		
<b>Movements in assets</b>		
(Increase)/decrease in trade receivables	(343)	(216)
(Increase)/decrease in current financial assets - loans	12	(17)
(Increase)/decrease in other current financial assets	(29)	31
(Increase)/decrease in other current assets	(406)	41
(Increase)/decrease in other non-current assets	(1)	528
<b>Movements in liabilities</b>		
Increase/(decrease) in trade payables	682	(547)
Increase/(decrease) in other non-current financial liabilities	(3)	14
Increase/(decrease) in other current financial liabilities	(30)	(20)
Increase/(decrease) in contract liabilities	424	(283)
Increase/(decrease) in other current liabilities	107	(80)
Increase/(decrease) in current provisions	293	(19)
<b>Cash generated from operations</b>	<b>2,644</b>	<b>2,602</b>
Direct taxes paid (net of refunds)	(403)	(1,360)
<b>Net cash flow generated from operating activities (A)</b>	<b>2,241</b>	<b>1,242</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/ intangible assets under development)	(1,339)	(928)
Proceeds from sale of property, plant and equipment	41	1
Interest income on Loan given to Subsidiary	61	-
Interest income received from Bank Deposits	10	5
Loan given to Subsidiary	(4,500)	-
Repayment of Loan given to Subsidiary	4,500	-
Increase in bank balance not considered as cash and cash equivalents	(8)	(23)
<b>Net cash flow (used in) investing activities (B)</b>	<b>(1,235)</b>	<b>(945)</b>

## Standalone Statement of Cash Flows for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	500	3,800
Repayment of borrowings	(500)	(3,800)
Payment of principal portion of lease liabilities	(143)	(174)
Payment of interest portion of lease liabilities	(75)	(88)
Interest paid	(11)	(124)
Dividend paid	(223)	(482)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(452)</b>	<b>(868)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents [(A)+(B)+(C)]</b>	<b>554</b>	<b>(571)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,385</b>	<b>1,956</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,939</b>	<b>1,385</b>

### Note:

Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of	As at March 31, 2026	As at March 31, 2025
Balance with banks in current accounts	1,937	391
Balance with banks in deposits accounts	-	651
Cheques on hand	-	343
Cash on hand	2	*
<b>Total (refer note 8a)</b>	<b>1,939</b>	<b>1,385</b>

\* 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)

**Ritesh Kamdar**

Company Secretary & Head - Legal  
(ICSI M. No: A20154)

Place: Mumbai

Date : April 20, 2026

Place: Mumbai

Date : April 20, 2026

**Standalone Statement of Changes in Equity for the year ended March 31, 2026**

(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
<b>As at April 1, 2025</b>	<b>2,28,17,461</b>	<b>2,282</b>
Changes in equity share capital	-	-
<b>As at March 31, 2026</b>	<b>2,28,17,461</b>	<b>2,282</b>
<b>As at April 1, 2024</b>	<b>2,28,17,461</b>	<b>2,282</b>
Changes in equity share capital	-	-
<b>As at March 31, 2025</b>	<b>2,28,17,461</b>	<b>2,282</b>

**B. Other Equity**

Particulars	Attributable to equity shareholders			Total
	Reserves and surplus		Reserve for FVTOCI Equity instrument	
	General Reserve	Retained Earnings		
<b>As at April 1, 2025</b>	<b>250</b>	<b>9,692</b>	<b>16</b>	<b>9,958</b>
Profit for the period	-	609	-	609
Dividend paid*	-	(228)	-	(228)
Other comprehensive expense for the year (net of tax)	-	(6)	-	(6)
<b>As at March 31, 2026</b>	<b>250</b>	<b>10,067</b>	<b>16</b>	<b>10,333</b>
<b>As at April 1, 2024</b>	<b>250</b>	<b>9,227</b>	<b>16</b>	<b>9,493</b>
Profit for the year	-	981	-	981
Dividend paid*	-	(502)	-	(502)
Other comprehensive expenses for the year (net of tax)	-	(14)	-	(14)
<b>As at March 31, 2025</b>	<b>250</b>	<b>9,692</b>	<b>16</b>	<b>9,958</b>

\*For financial year ended March 31, 2025, the Board of Directors had recommended a dividend of 10% (March 31, 2024: 22%) which was ₹ 1/- (March 31, 2024: ₹ 2.20) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 24, 2025.

For financial year ended March 31, 2026, the Board of Directors have recommended a dividend of 10% (March 31, 2025: 10%) which is ₹ 1/- (March 31, 2025: ₹ 1/-) 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, 2026.

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

Place: Mumbai

Date : April 20, 2026

**Malav Shah**Chief Financial Officer  
(ICAI M. No: 102314)

Place: Mumbai

Date : April 20, 2026

**Ritesh Kamdar**Company Secretary & Head - Legal  
(ICSI M. No: A20154)

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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”). In the year ended March 31, 2024 Company has made investment of ₹ 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
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting period.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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. During the year ended March 31, 2025, MCA amended the Companies (Indian Accounting Standards) Rules, 2024, as below:

#### Ind AS 116- Leases

The amendment is related to sale and leaseback transactions, and it is effective April 1, 2024. The amendment requires the seller not to recognise any amount of gain or loss that related to right of use retained by the seller-lessee while determining lease payments or revised lease payments. The amendment must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116. The Company has evaluated the amendment and there is no impact on its financial statements.

## 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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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 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
<b>Building</b>	30 years
<b>Plant &amp; Machinery</b>	
Radio frequency and baseband equipment	10 -12 years
Networking devices	6 years
Teleport Antenna	15 years
<b>Electrical installation</b>	10 years
<b>Furniture and fixture</b>	10 years
<b>Office Equipment</b>	
Computer Hardware	3 Years
Others	5 Years
<b>Vehicles</b>	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.

**Notes to the Standalone Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

**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.

**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, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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, 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.

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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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 7.

### 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)

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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 12.

### 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, 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, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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 close user 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, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

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, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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 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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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.

## 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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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.

### 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, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 3(a) : Property, plant and equipment

Description	Property, plant and equipment						Total Property, plant and equipment
	Building	Plant and machinery	Plant and machinery given on lease (operating lease)	Electrical installation	Furniture and fixtures	Vehicles	
Cost							
Balance as at April 1, 2025	236	9,706	160	39	100	50	10,647
Additions	46	739	121	-	15	-	969
Disposals	-	(72)	-	(17)	-	-	(133)
<b>Balance as at March 31, 2026</b>	<b>282</b>	<b>10,373</b>	<b>281</b>	<b>22</b>	<b>115</b>	<b>50</b>	<b>11,483</b>
Accumulated depreciation							
Balance as at April 1, 2025	135	5,363	21	23	21	23	5,822
For the year	15	868	51	2	12	6	1,017
On disposals	-	(31)	-	(17)	-	-	(92)
Balance as at March 31, 2026	150	6,200	72	8	33	29	6,747
<b>Net carrying amount as at March 31, 2026</b>	<b>132</b>	<b>4,173</b>	<b>209</b>	<b>14</b>	<b>82</b>	<b>21</b>	<b>4,736</b>
Cost							
Balance as at April 1, 2024	163	9,470	-	23	41	50	10,031
Additions	73	237	160	16	59	-	618
Disposals	-	(1)	-	-	-	-	(2)
<b>Balance as at March 31, 2025</b>	<b>236</b>	<b>9,706</b>	<b>160</b>	<b>39</b>	<b>100</b>	<b>50</b>	<b>10,647</b>
Accumulated depreciation							
Balance as at April 1, 2024	119	4,512	-	21	12	16	4,863
For the year	16	851	21	2	9	7	960
On disposals	-	-	-	-	-	-	(1)
<b>Balance as at March 31, 2025</b>	<b>135</b>	<b>5,363</b>	<b>21</b>	<b>23</b>	<b>21</b>	<b>23</b>	<b>5,822</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>101</b>	<b>4,343</b>	<b>139</b>	<b>16</b>	<b>79</b>	<b>27</b>	<b>4,825</b>

#### Note :-

- 1) 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, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 3(b) : Capital work-in-progress

#### i) Capital work-in-progress

Particulars	Ageing of capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at March 31, 2026	3,572	8	367	-	<b>3,947</b>
Balance as at March 31, 2025	45	673	-	-	<b>718</b>

As at March 31, 2026 and As at March 31, 2025 there are no projects which are temporarily suspended. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

### Note 3(c) : Right-of-use assets and lease liabilities

#### 3(c)(I) The Company as lessee

The Company as lessee acquired on lease Leasehold land. The total lease term is 95 years, remaining lease term is 58 years as on March 31, 2026. 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. Further Company has also 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.

#### (i) Right-of-use assets

Description	Leasehold premises & equipment	Motor vehicle	Total
<b>Cost</b>			
Balance as at April 1, 2025	1,829	132	1,961
Additions	-	8	8
Disposals	-	(17)	(17)
<b>Balance as at March 31, 2026</b>	<b>1,829</b>	<b>123</b>	<b>1,952</b>
<b>Accumulated depreciation</b>			
Balance as at April 1, 2025	1,043	49	1,092
For the year	148	25	173
On disposals	-	(3)	(3)
<b>Balance as at March 31, 2026</b>	<b>1,191</b>	<b>71</b>	<b>1,262</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>638</b>	<b>52</b>	<b>690</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

Description	Leasehold premises & equipment	Motor vehicle	Total
<b>Cost</b>			
Balance as at April 1, 2024	1,829	129	1,958
Additions	-	50	50
Disposals	-	(47)	(47)
<b>Balance as at March 31, 2025</b>	<b>1,829</b>	<b>132</b>	<b>1,961</b>
<b>Accumulated depreciation</b>			
Balance as at April 1, 2024	864	46	910
For the year	179	32	211
On disposals	-	(29)	(29)
<b>Balance as at March 31, 2025</b>	<b>1,043</b>	<b>49</b>	<b>1,092</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>786</b>	<b>83</b>	<b>869</b>

**(ii) Lease liabilities**

Description	Leasehold premises & equipment	Motor vehicle	Total
Balance as at April 1, 2025	935	89	1,024
Add: Additions	-	8	8
(Less): Disposal	-	(15)	(15)
Add: Accrued finance cost	70	5	75
(Less): Payments	(188)	(30)	(218)
<b>Balance as at March 31, 2026</b>	<b>817</b>	<b>57</b>	<b>874</b>
<b>Current</b>	<b>145</b>	<b>26</b>	<b>171</b>
<b>Non current</b>	<b>672</b>	<b>31</b>	<b>703</b>
Balance as at April 1, 2024	1,078	87	1,165
Add: Additions	-	50	50
(Less): Disposal	-	(17)	(17)
Add: Accrued finance cost	79	9	88
(Less): Payments	(222)	(40)	(262)
<b>Balance as at March 31, 2025</b>	<b>935</b>	<b>89</b>	<b>1,024</b>
<b>Current</b>	<b>120</b>	<b>15</b>	<b>135</b>
<b>Non current</b>	<b>815</b>	<b>74</b>	<b>889</b>

**(iii) Amount recognised in statement of profit or loss**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of Right-of-use assets	173	211
Interest on lease liabilities	75	88
Expenses related to short term leases (refer note 23)	123	65

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (iv) Amount recognised in statement of cash flows

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total cash outflow of leases	(341)	(327)

### 3(c)(II) The Company as lessor

#### Operating Lease

- Company has given its office premises on sublease to its subsidiary and associate Company on lease term of 3 years.
- Operating lease receivables:

Particulars	As at March 31, 2026	As at March 31, 2025
Not Later than 1 year	97	64
Later than 1 year and not longer than 5 years	244	167
Later than 5 years	-	-
<b>Total</b>	<b>341</b>	<b>231</b>

### Note 3(d) :Other intangible assets

Description	Other intangible assets		
	Testing software	Licenses	Total other intangible assets
<b>Cost</b>			
Balance as at April 1, 2025	685	346	1,031
Additions	63	65	128
<b>Balance as at March 31, 2026</b>	<b>748</b>	<b>411</b>	<b>1,159</b>
<b>Accumulated amortisation</b>			
Balance as at April 1, 2025	533	89	622
For the year	69	19	88
<b>Balance as at March 31, 2026</b>	<b>602</b>	<b>108</b>	<b>710</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>146</b>	<b>303</b>	<b>449</b>
<b>Cost</b>			
Balance as at April 1, 2024	618	346	964
Additions	67	-	67
<b>Balance as at March 31, 2025</b>	<b>685</b>	<b>346</b>	<b>1,031</b>
<b>Accumulated amortisation</b>			
Balance as at April 1, 2024	456	74	530
For the year	77	15	92
<b>Balance as at March 31, 2025</b>	<b>533</b>	<b>89</b>	<b>622</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>152</b>	<b>257</b>	<b>409</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 4 : Investments**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Numbers	Amount	Numbers	Amount
<b>Investment in equity instruments at cost (Unquoted, fully paid, at cost)</b>				
<b>Investment in subsidiary</b>				
Nelco Network Products Limited of ₹ 10/- each	10,00,000	2,973	10,00,000	2,973
<b>Investment in associates</b>				
Piscis Networks Private Limited of ₹ 10/- each	5,029	304	5,029	304
<b>Investments in equity instruments at fair value through OCI (Unquoted, fully paid)</b>				
Technopolis Knowledge Park Limited of ₹ 10/- each [(net of impairment of ₹ 181 Lakhs (March 31, 2025 : ₹ 181 Lakhs)]	18,10,000	-	18,10,000	-
Zoroastrian co-operative Bank Limited	6,000	22	6,000	22
<b>Total equity instruments</b>		<b>3,299</b>		<b>3,299</b>
<b>Total investments</b>		<b>3,299</b>		<b>3,299</b>
<b>Aggregate value of unquoted investments</b>		<b>3,299</b>		<b>3,299</b>
<b>Aggregate amount of impairment in the value of investments</b>		<b>(181)</b>		<b>(181)</b>

**Note 5 (a) : Other non current financial assets - at amortised cost**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(Unsecured considered good, unless otherwise stated)</b>		
Balances held as margin money against bank guarantees	17	17
<b>Total</b>	<b>17</b>	<b>17</b>

**Note 5 (b) : Other current financial assets - at amortised cost**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(Unsecured considered good, unless otherwise stated)</b>		
Security deposit	68	171
Fair value of foreign exchange forward contract	122	-
Receivable from Nelco Network Products Limited (refer note 36)	10	-
<b>Total</b>	<b>200</b>	<b>171</b>

**Note 6 (a) : Other non-current assets**

Particulars	As at March 31, 2026	As at March 31, 2025
Payment under protest	52	44
Prepaid expenses	54	61
<b>Total</b>	<b>106</b>	<b>105</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 6 (b) : Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	126	164
Advance to suppliers	106	44
Balance with government authorities	761	203
Recoverable from Department of Telecommunication, charges paid in advance	-	210
Excess gratuity contribution (refer note 34)	-	1
Others	38	3
<b>Total</b>	<b>1,031</b>	<b>625</b>

### Note 7 : Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Trade receivables from contract with customers</b>		
- Trade receivables - considered good- secured	-	-
- Trade receivables - considered good- unsecured	3,088	1,781
- Trade receivables which have significant increase in credit risk	64	64
- Trade receivables- credit impaired	54	54
	3,206	1,899
Trade receivables from contract with customers-considered good-unsecured-related parties (refer note 36)	125	329
<b>Total</b>	<b>3,331</b>	<b>2,228</b>
Less : Impairment allowance (allowance for bad and doubtful debts)	(118)	(118)
<b>Total</b>	<b>3,213</b>	<b>2,110</b>
Unbilled receivables	1,125	1,885
<b>Total</b>	<b>4,338</b>	<b>3,995</b>

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 Standalone Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

**Trade receivables ageing schedule**

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2026
	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	2,266	686	166	85	10	-	3,213
ii. Undisputed trade receivables-which have significant increase in credit risk	-	-	40	16	5	3	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
<b>Total</b>	<b>2,266</b>	<b>686</b>	<b>206</b>	<b>101</b>	<b>15</b>	<b>57</b>	<b>3,331</b>
Impairment allowance	-	-	30	16	15	57	118
<b>Total</b>	<b>2,266</b>	<b>686</b>	<b>176</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>3,213</b>

**Trade receivables ageing schedule**

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2025
	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	1,455	449	162	44	-	-	2,110
ii. Undisputed trade receivables-which have significant increase in credit risk	40	12	4	1	7	-	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
<b>Total</b>	<b>1,495</b>	<b>461</b>	<b>166</b>	<b>45</b>	<b>7</b>	<b>54</b>	<b>2,228</b>
Impairment allowance	40	12	4	1	7	54	118
<b>Total</b>	<b>1,455</b>	<b>449</b>	<b>162</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>2,110</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2026
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	1,120	5	-	-	-	1,125
<b>Total</b>	<b>1,120</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,125</b>

### Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2025
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	1,742	143	-	-	-	1,885
<b>Total</b>	<b>1,742</b>	<b>143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,885</b>

### Note 8 (a) : Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:-		
in current accounts	1,937	391
in deposits accounts	-	651
Cheques on hand	-	343
Cash on hand	2	*
<b>Total</b>	<b>1,939</b>	<b>1,385</b>

\* Below rounding off norms adopted by the Company.

### Note 8 (b) : Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
<b>In earmarked accounts</b>		
Unclaimed dividend accounts	42	37
Balances held as margin money against letter of credit and bank guarantees	42	39
<b>Total</b>	<b>84</b>	<b>76</b>

### Note 9 : Current loans - at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Unsecured, considered good</b>		
Loans to employees	9	21
<b>Total</b>	<b>9</b>	<b>21</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 10 : Equity share capital**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Authorised share capital:</b>		
3,00,00,000 (3,00,00,000 as at March 31, 2025) equity shares of ₹10/- each	3,000	3,000
25,00,00,000 (25,00,00,000 as at March 31, 2025) redeemable preference shares of ₹100/- each	2,500	2,500
	<b>5,500</b>	<b>5,500</b>
<b>Issued equity share capital:</b>		
2,28,18,400 (2,28,18,400 as at March 31, 2025) equity shares of ₹ 10/- each)	2,282	2,282
	<b>2,282</b>	<b>2,282</b>
<b>Subscribed and fully paid-up equity share capital:</b>		
2,28,17,461 (2,28,17,461 as at March 31, 2025) equity shares of ₹ 10/- each)	2,282	2,282
<b>Total</b>	<b>2,282</b>	<b>2,282</b>

Notes:

**(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	2,28,17,461	2,282	2,28,17,461	2,282
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,28,17,461</b>	<b>2,282</b>	<b>2,28,17,461</b>	<b>2,282</b>

**(ii) Shares held by holding company, the ultimate holding company, their subsidiaries and associates**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of ₹ 10/- each, fully paid up</b>				
The Tata Power Company Limited [50.08% (March 31, 2025 : 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 ₹ 1/- per equity share for the year ended March 31, 2026. 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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (iv) Details of shareholder holding more than 5% of the shares in the Company:

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% of shares	Number of shares	% of shares
<b>Equity shares of ₹ 10/- each, fully paid up</b> 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:

Name of the Promoter	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% of shares	Number of shares	% of shares
<b>Equity shares of ₹ 10/- each, fully paid up</b> The Tata Power Company Limited	1,14,27,940	50.08%	1,14,27,940	50.08%

(vi) 939 shares (March 31, 2025 : 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, 2026.

### Note 11 : Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
General reserve - refer (i) below	250	250
Retained earnings - refer (ii) below	10,067	9,692
Other Reserve - Reserve for FVTOCI Equity instrument refer (iii) below	16	16
<b>Total</b>	<b>10,333</b>	<b>9,958</b>

#### (i) General reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	250	250
Addition during the year	-	-
<b>Closing balance</b>	<b>250</b>	<b>250</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***(ii) Retained earnings**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	9,692	9,227
Net profit for the year	609	981
Less :- Dividend paid*	(228)	(502)
Other comprehensive (net of tax)	(6)	(14)
<b>Closing balance</b>	<b>10,067</b>	<b>9,692</b>

**(iii) Other Reserve - Reserve for FVTOCI Equity instrument**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	16	16
Addition during the year	-	-
<b>Closing balance</b>	<b>16</b>	<b>16</b>

**Nature and purpose of reserves:****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.

**Note on Dividend :-**

\*For financial year ended March 31, 2025, the Board of Directors had recommended a dividend of 10% (March 31, 2024: 22%) which was ₹ 1/- (March 31, 2024: ₹ 2.20) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 24, 2025.

For financial year ended March 31, 2026, the Board of Directors have recommended a dividend of 10% (March 31, 2025: 10%) which is ₹ 1/- (March 31, 2025: ₹ 1/-) 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, 2026.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 12(a) Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current borrowings	-	-
Current borrowings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

As on March 31, 2026 and March 31, 2025 Company's borrowings are nil. However to meet working capital requirements the Company has borrowed funds whenever required and repaid as per terms of borrowings. Disclosure related to returns filed with banks with respect to working capital facilities (refer note 41).

### Note 12(b) : Changes in liabilities arising from financing activities

#### Net debt reconciliation

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	1,939	1,385
Lease liabilities	(874)	(1,024)
<b>Net debt</b>	<b>1,065</b>	<b>361</b>

Particulars	Other assets	Liabilities from financial activities			Total
	Cash & cash equivalents	Current borrowings	Non current borrowings (including current maturities of long term debt)	Lease liabilities	
<b>Net debt as at April 1, 2025</b>	<b>1,385</b>	-	-	<b>(1,024)</b>	<b>361</b>
Addition during the year (net of disposals)	-	-	-	8	8
Cash flow	554	-	-	142	696
Interest expenses	-	(2)	-	(76)	(78)
Interest paid	-	2	-	76	78
<b>Net debt as at March 31, 2026</b>	<b>1,939</b>	-	-	<b>(874)</b>	<b>1,065</b>
<b>Net debt as at April 1, 2024</b>	<b>1,956</b>	-	-	<b>(1,165)</b>	<b>791</b>
Addition during the year	-	-	-	(33)	(33)
Cash flow	(571)	-	-	174	(397)
Interest expenses	-	(21)	-	(88)	(109)
Interest paid	-	21	-	88	109
<b>Net debt as at March 31, 2025</b>	<b>1,385</b>	-	-	<b>(1,024)</b>	<b>361</b>

### Note 13(a) : Non-current other financial Liabilities - at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits received (refer note 36)	11	14
<b>Total</b>	<b>11</b>	<b>14</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 13(b) : Current other financial Liabilities - at amortised cost**

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued	39	40
Deposit received from customer	2	2
Employee related payables	736	694
Capital creditors	3,078	90
Unclaimed dividend (refer note below)	42	37
Amount payable to Nelco Network products Limited (refer note 36)	-	71
<b>Total</b>	<b>3,897</b>	<b>934</b>

Note: There is no amount due and outstanding as at March 31, 2026 and March 31, 2025, to be credited to Investor Education and Protection Fund.

**Note 14 : Tax (assets)/liabilities net**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening liability/(assets)	253	52
Tax deducted at source and advance tax	(644)	(1,398)
Amount paid under protest	-	(528)
Income tax refund received	241	544
Current tax payable for the year	790	1,058
Current tax payable for the earlier years (refer note 27(a))	-	504
Interest payable for the earlier year	-	21
<b>Total</b>	<b>640</b>	<b>253</b>
Non current	-	-
Current	640	253

**Note 15 : Trade payables**

Particulars	As at March 31, 2026	As at March 31, 2025
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)	30	39
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	1,175	664
<b>Total</b>	<b>1,205</b>	<b>703</b>

Note: Trade payables are unsecured, 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, 2026

(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, 2026
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	-	-	-	-	-	-
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	470	615	36	4	80	1,205
Disputed	-	-	-	-	-	-
Undisputed	470	615	36	4	80	1,205
<b>Total (A+B)</b>	<b>470</b>	<b>615</b>	<b>36</b>	<b>4</b>	<b>80</b>	<b>1,205</b>

### Trade payable ageing schedule

Particulars	Unbilled	Outstanding for following periods from due date of payment				As at March 31, 2025
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	-	-	-	-	-	-
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	374	129	96	1	103	703
Disputed	-	-	-	-	-	-
Undisputed	374	129	96	1	103	703
<b>Total (A+B)</b>	<b>374</b>	<b>129</b>	<b>96</b>	<b>1</b>	<b>103</b>	<b>703</b>

### Note 16 : Contract liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred revenue	2,737	2,413
Advance from customers	359	259
<b>Total</b>	<b>3,096</b>	<b>2,672</b>

#### 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, 2026	As at March 31, 2025
Opening balance	2,413	2,103
Deferred during the year	2,737	2,413
Recognised as revenue during the year	(2,413)	(2,103)
<b>Closing balance</b>	<b>2,737</b>	<b>2,413</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 17 : Other current liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	301	194
<b>Total</b>	<b>301</b>	<b>194</b>

**Note 18 : Provisions**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Provision for employee benefits</b>		
Compensated absences (refer note 34)	144	134
Gratuity (refer note 34)	291	-
	435	134
<b>Provision-others :</b>		
Provision for disputed obligation (refer note 35)	165	165
<b>Total</b>	<b>600</b>	<b>299</b>

**Note 19 : Revenue from operations**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Sale of services</b>		
- Satellite communication services	19,427	20,306
- Internet services	273	252
<b>Sale of products</b>	70	4
<b>Total revenue from contracts with customers</b>	<b>19,770</b>	<b>20,562</b>
<b>Other Operating revenue</b>		
- Scrap sales	-	1
<b>Total revenue from contracts with customers</b>	<b>19,770</b>	<b>20,563</b>

Type of goods or services	Year ended March 31, 2026	Year ended March 31, 2025
Sale of satellite communication equipment and others	70	5
Sale of satellite communication services	19,700	20,558
<b>Total revenue from contracts with customers</b>	<b>19,770</b>	<b>20,563</b>

Timing of recognition of revenue	Year ended March 31, 2026	Year ended March 31, 2025
Goods transferred at point in time	70	5
Services transferred over time	19,700	20,558
<b>Total revenue from contracts with customers</b>	<b>19,770</b>	<b>20,563</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Revenue as per contracted price</b>	20,854	20,385
<b>Adjustments for:</b>		
<u>Unbilled revenue (refer note 7)</u>		
Opening balance	(1,885)	(1,397)
Closing balance	1,125	1,885
	(760)	488
<u>Contract liabilities (refer note 16)</u>		
Opening balance	2,413	2,103
Closing balance	(2,737)	(2,413)
	(324)	(310)
<b>Total</b>	<b>19,770</b>	<b>20,563</b>

### Performance obligation:

#### Satellite communication services and internet services:

The performance obligation is satisfied over-time and payment is generally due upon link activation and acceptance of the customer.

#### Equipment:

Generally performance obligation is satisfied upon delivery of equipment and payment is generally due within 30-90 days from delivery.

### Note 20 : Other income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Interest Income:</b>		
- On bank deposits	10	5
- On income tax refund	26	104
- On loan to subsidiary	61	-
	<b>97</b>	<b>109</b>
<b>Other non-operating income</b>		
- Commission received on guarantee given for Subsidiary	14	18
- Liabilities/provisions no longer required, written back (net)	112	190
- Rent income	23	18
- Others	7	2
	<b>156</b>	<b>228</b>
<b>Other gains</b>		
- Foreign exchange gain (net)	147	-
- Unwinding of discount on financial asset measured at amortised cost	-	58
	<b>147</b>	<b>58</b>
<b>Total</b>	<b>400</b>	<b>395</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 21 : Operating expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
License fees	2,271	2,442
Transponder charges	8,089	8,732
Connectivity charges	542	394
ISP monitoring & support charges	3	3
Standing Advisory Committee on Radio Frequency Allocation (SACFA) fees	36	67
<b>Total</b>	<b>10,941</b>	<b>11,638</b>

**Note 22 : Employee benefits expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	2,916	2,646
Contributions to provident fund (refer note 34(b)(i))	109	95
Contributions to superannuation (refer note 34(b)(i))	5	8
Gratuity (refer note 34(b)(ii))	46	29
Staff welfare expenses	179	156
<b>Total</b>	<b>3,255</b>	<b>2,934</b>

**Note 23 : Other expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Bank charges	38	47
Consumption of loose tools	-	5
Power and fuel	217	215
Rent [refer note 3(c)(l)(iii)]	123	65
Repairs and maintenance	1,652	1,169
Rates and taxes	-	74
Travelling and conveyance	310	282
Legal and professional charges	260	214
Consultancy charges	252	280
Directors sitting fees	49	63
Payment to auditors (refer note below)	43	43
Foreign exchange loss (net)	-	1
Sales commission	98	83
Software expenses	90	86
Vehicle charges	119	119
Telephone charges	20	20
Freight and forwarding	14	6
Insurance	22	21
Miscellaneous expenses	157	172
Corporate social responsibility expenses (refer note 40)	25	10
<b>Total</b>	<b>3,489</b>	<b>2,975</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note: Payment to auditors (excluding Goods and Service Tax)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Payments to the auditors comprises		
<u>As Auditors</u>		
Audit fee	17	17
Tax audit fee	1	1
Limited review	18	18
<u>In other capacity</u>		
Other services	4	4
Reimbursement of expenses	3	3
<b>Total</b>	<b>43</b>	<b>43</b>

### Note 24 : Finance costs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on:		
Borrowings	10	51
Leased liabilities	76	88
Trade payables	19	-
Others	-	15
<b>Total</b>	<b>105</b>	<b>154</b>

### Note 25 : Depreciation and amortisation expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On property, plant and equipment (refer note 3(a))	1,017	960
On intangible assets (refer note 3(d))	88	92
On right of use assets (refer note 3(c)(i))	173	211
<b>Total</b>	<b>1,278</b>	<b>1,263</b>

### Note 26 : Other comprehensive income/(expenses) - Items that will not be reclassified to profit or loss

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Remeasurement of post employment benefit obligations (loss) (net of tax) (refer note 34)	(6)	(14)
<b>Total</b>	<b>(6)</b>	<b>(14)</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

**Note 27 : Current and deferred tax expenses****27 (a) Statement of profit and loss:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Income tax expense</b>		
For current year		
Current tax		
Current tax on profits for the year	790	1,058
<b>Total current tax expense for the current year (A)</b>	<b>790</b>	<b>1,058</b>
Deferred tax (refer note 28)		
(Increase) in deferred tax assets	(527)	(520)
(Decrease) in deferred tax liabilities	(47)	(31)
<b>Total deferred tax benefit for the current year (B)</b>	<b>(574)</b>	<b>(551)</b>
<b>Income tax expense for current year (C=A+B)</b>	<b>216</b>	<b>507</b>
For earlier year		
Current tax for the earlier years (refer below note)	-	504*
<b>Tax adjustment for earlier years (D)</b>	<b>-</b>	<b>504</b>
<b>Total Income tax expense (C+D)</b>	<b>216</b>	<b>1,011</b>

\*In relation to Income tax demand disclosed in contingent liability (refer note 38) of ₹ 1,095 lakhs, during the previous year ended March 31, 2025, Company filed an application under "Vivad se Vishwas Scheme, 2024" to settle the pending Income Tax matter and dues relating to Assessment Year 2011-12. Company's application has been approved by the Income Tax Authorities. Tax payable ₹ 488 Lakhs as per the application has been recognised as Tax Adjustments for earlier years and Interest on income tax payable ₹ 21 Lakhs has been recognised as Finance Cost for the year ended March 31, 2025. This settlement resulted in reduction in contingent liability from ₹ 1,095 Lakhs to NIL.

\*There has been no change in Contingent Liability for Mesne i.e ₹ 394 lakhs in CY (₹ 394 lakhs in PY).

**27 (b) Reconciliation of tax expense and accounting profit multiplied by India's tax rates:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit before tax	825	1,992
<b>Total Profit for the year</b>	<b>825</b>	<b>1,992</b>
Applicable tax rate of the reporting entity	25.17%	25.17%
Tax at the Indian Statutory Tax Rate	208	501
<b>Tax adjustment related to current year</b>		
Impact of change in tax rate	-	-
Tax impact on OCI	(2)	(5)
Expenses not allowed in tax	7	6
Others	3	5
<b>Tax adjustment related to earlier years</b>		
Income tax provision made for earlier year, including interest	-	504
<b>Total tax expense</b>	<b>216</b>	<b>1,011</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 28 : Deferred tax assets (net)

a. Components and movements of deferred tax assets / (liability) (net):

Particulars	As at April 1, 2024	Recognised in the statement of profit and Loss	Recognised in the statement of other comprehensive income	As at March 31, 2025	Recognised in the statement of profit and Loss	Recognised in the statement of other comprehensive income	As at March 31, 2026
	(A)	(B)	(C)	(D=A+B+C)	(E)	(F)	(G=D+E+F)
<b>i. Items of deferred tax liabilities:</b>							
Property, plant and equipment and intangible assets	3	(3)	-	-	-	-	-
Right-of-use assets	264	(45)	-	219	(45)	-	174
Others	12	17	-	29	(2)	-	27
<b>Total deferred tax liability (i)</b>	<b>279</b>	<b>(31)</b>	<b>-</b>	<b>248</b>	<b>(47)</b>	<b>-</b>	<b>201</b>
<b>ii. Items of deferred tax assets :</b>							
Property, plant and equipment and intangible assets	-	17	-	17	27	-	44
Lease liability	293	(35)	-	258	(38)	-	220
Disallowances under Section 43B of the Income Tax Act, 1961, provision for legal dispute and investment impairment	116	(6)	5	115	71	2	188
Allowance for doubtful trade receivables	30	-	-	30	-	-	30
Allowance u/s 35DDA and 35DD of Income Tax Act, 1961	8	(2)	-	6	(6)	-	-
Allowance u/s 35ABB of Income Tax Act, 1961	1,066	554	-	1,620	467	-	2,087
Others	28	(8)	-	20	6	-	26
<b>Total deferred tax assets (ii)</b>	<b>1,541</b>	<b>520</b>	<b>5</b>	<b>2,066</b>	<b>527</b>	<b>2</b>	<b>2,595</b>
<b>Net deferred tax assets (ii-i)</b>	<b>1,262</b>	<b>551</b>	<b>5</b>	<b>1,818</b>	<b>574</b>	<b>2</b>	<b>2,394</b>

### Note 29 : Fair value measurement

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, 2026			As at March 31, 2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Investments	-	22	-	-	22	-
Trade receivable	-	-	4,338	-	-	3995
Cash and cash equivalent	-	-	1,939	-	-	1385
Other bank balances	-	-	84	-	-	76
Current loans	-	-	9	-	-	21
Fair value of foreign exchange forward contract	122	-	-	-	-	-
Other financial assets	-	-	95	-	-	188
<b>Total financial assets</b>	<b>122</b>	<b>22</b>	<b>6,465</b>	<b>-</b>	<b>22</b>	<b>5,665</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

Particulars	As at March 31, 2026			As at March 31, 2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
<b>Financial liabilities</b>						
Trade payables	-	-	1,205	-	-	703
Other financial liabilities	-	-	3,908	-	-	948
<b>Total financial liabilities</b>	-	-	<b>5,113</b>	-	-	<b>1,651</b>

**(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, 2026	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial assets at FVOCI</b>					
Investment in equity shares	4	-	-	22	22
<b>Financial instrument at FVPL</b>					
Foreign exchange forward contract	5(b)	-	122	-	122
<b>Total Financial Assets</b>		-	<b>122</b>	<b>22</b>	<b>144</b>

Financial assets and liabilities measured at fair value as at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial assets at FVOCI</b>					
Investment in equity shares	4	-	-	22	22
<b>Total Financial Assets</b>		-	-	<b>22</b>	<b>22</b>

**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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (ii) Valuation method 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, 2026		As at March 31, 2025	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
<b>Financial assets</b>				
Trade receivables	4,338	4,338	3,995	3,995
Cash and cash equivalents	1,939	1,939	1,385	1,385
Other bank balances	84	84	76	76
Loans to employees	9	9	21	21
Other financial assets	95	95	188	188
<b>Total financial assets</b>	<b>6,465</b>	<b>6,465</b>	<b>5,665</b>	<b>5,665</b>
Trade payables	1,205	1,205	703	703
Other financial liabilities	3,908	3,908	948	948
<b>Total financial liabilities</b>	<b>5,113</b>	<b>5,113</b>	<b>1,651</b>	<b>1,651</b>

The carrying amounts of trade receivables, cash and cash equivalent, other bank balances, loans to employees, 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.

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***(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, 2025	18,10,000	-	6,000	22	22
Addition/(deletion)/remeasurement	-	-	-	-	-
<b>As at March 31, 2026</b>	<b>18,10,000</b>	<b>-</b>	<b>6,000</b>	<b>22</b>	<b>22</b>
As at April 1, 2024	18,10,000	-	6,000	22	22
Addition/(deletion)/remeasurement	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>18,10,000</b>	<b>-</b>	<b>6,000</b>	<b>22</b>	<b>22</b>

**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/other payables and lease liabilities. 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.

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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (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, trade receivables, 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, 2026 and March 31, 2025 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.

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.

Six customer as at March 31, 2026 and three customers as at March 31, 2025 individually contributed to more than 5% of the total balance of trade receivables. Receivable from these customers was ₹ 1426 Lakhs and ₹ 634 Lakhs as at March 31, 2026 and March 31, 2025 respectively.

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

**The amount of trade receivable outstanding as at March 31, 2026 and March 31, 2025 is as follows:**

ECL rate followed by the Company for BFSI customer 0.57% (2025: 1.33%) and non BFSI 1.02% (2025 1.13%).

Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
<b>As at March 31, 2026</b>					
Gross	2,266	686	206	173	<b>3,331</b>
Impairment allowance	-	-	30	88	<b>118</b>
<b>Net</b>	<b>2,266</b>	<b>686</b>	<b>176</b>	<b>85</b>	<b>3,213</b>
<b>As at March 31, 2025</b>					
Gross	1,495	461	166	106	<b>2,228</b>
Impairment allowance	40	12	4	62	<b>118</b>
<b>Net</b>	<b>1,455</b>	<b>449</b>	<b>162</b>	<b>44</b>	<b>2,110</b>

**(ii) Reconciliation of loss allowances provision - Trade Receivable**

Loss allowances on March 31, 2024	118
Add: provision made during the year	-
Less: Provision for doubtful debts made in earlier years written back	-
<b>Loss allowances on March 31, 2025</b>	<b>118</b>
Add: provision made during the year	-
Less: Provision for doubtful debts made in earlier years written back	-
<b>Loss allowances on March 31, 2026</b>	<b>118</b>

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, 2026

(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, 2026	As at March 31, 2025
<b>Floating rate</b>		
Expiring within one year (bank overdraft, term Loans and other facilities)	5,900	5,900
<b>Total</b>	<b>5,900</b>	<b>5,900</b>

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
<b>March 31, 2026</b>				
<b>Non - derivative</b>				
Lease liability	230	823	-	<b>1,053</b>
Trade payables	1,205	-	-	<b>1,205</b>
Other financial liabilities	3,897	11	-	<b>3,908</b>
<b>Total Non derivative liabilities</b>	<b>5,332</b>	<b>834</b>	-	<b>6,166</b>

Contractual maturities of financial liabilities	Less than 1 year	1 - 5 years	5 year and above	Total
<b>March 31, 2025</b>				
<b>Non - derivative</b>				
Lease liability	230	839	233	<b>1,302</b>
Trade payables	703	-	-	<b>703</b>
Other financial liabilities	934	14	-	<b>948</b>
<b>Total Non derivative liabilities</b>	<b>1,867</b>	<b>853</b>	<b>233</b>	<b>2,953</b>

### (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, 2026

(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 Company enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

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, 2026		As at March 31, 2025	
		In foreign currency	₹ in Lakhs	In foreign currency	₹ in Lakhs
<b>Financial Liabilities</b>					
Trade payables	USD	30	2,879	2	196
<b>Foreign exchange forward contract</b>					
Buy foreign currency	USD	(30)	(2,879)	-	-
<b>Net Exposure to Foreign Currency Liability</b>	<b>USD</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>196</b>
<b>Financial Assets</b>					
Trade receivables	USD	(12)	(1,125)	(12)	(1,048)
Derivative assets	USD	-	-	-	-
<b>Net Exposure to foreign currency Assets</b>	<b>USD</b>	<b>(12)</b>	<b>(1,125)</b>	<b>(12)</b>	<b>(1,048)</b>

#### (b) Sensitivity

Particulars	Impact on profit after tax	
	As at March 31, 2026	As at March 31, 2025
INR/USD - Increase by 5% (March 31, 2025 - 5%)*	42.08	31.88
INR/USD - Decrease by 5% (March 31, 2025 - 5%)*	(42.08)	(31.88)

\* Holding all other variable constant

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (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.

#### (a) Interest rate risk exposure

Borrowings of the Company as at March 31, 2026 and March 31, 2025 are nil and hence Company is not expose to interest rate changes at the end of the reporting period.

### (iii) Price risk

The Company doesn't have any financial instruments which are exposed to change in price.

## Note 31 : Capital Management & Gearing Ratio

### 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.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio around 50%. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balances as detailed in the notes below.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals.

Its capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

### Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Debt (refer note 12a)	-	-
Cash and cash equivalents (refer note 8a)	1,939	1,385
<b>Net debt</b>	-	-
Equity share capital (refer note 10)	2,282	2,282
Other equity (refer note 11)	10,333	9,958
<b>Total Capital</b>	<b>12,615</b>	<b>12,240</b>
Capital and net debt	12,615	12,240
Net debt to total capital and net debt ratio (%)	NA	NA

Considering as at March 31, 2026 and March 31, 2025 Company has nil debt this ratio is not calculable, however same is within the range.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Company has regularly filed statements with banks from whom loans are taken and there are no deviation from books of accounts. (refer note 41).

### 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 of the Company are pledged as security against debt facilities from the lender.

The Company has pledged financial instruments as collateral against a its borrowings. Refer to note no. 12(a) for information on borrowings.

The carrying amounts of assets pledged as security for current borrowings are:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade receivables	4,338	3,995
Cash & cash equivalents	1,939	1,385
Bank balances other than above	84	76
Loans	9	21
Other financial assets	200	171
Other current assets	1,031	625
<b>Total current assets pledged as security</b>	<b>7,601</b>	<b>6,273</b>

### 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.

#### b. Long-term employee benefits

##### i) Defined contribution plans

Company's contribution paid/payable during the year to superannuation fund 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, 2026	Year ended March 31, 2025
a)	Contribution to employees' superannuation fund	5	8
b)	Contribution to provident fund	109	95
	<b>Total</b>	<b>114</b>	<b>103</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### ii) Defined Benefit Plans

The Company operates the following funded 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, 2026 and March 31, 2025, respectively.

The details of fund and plan asset position are given below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Plan assets at period end, at fair value	3,306	3,140
Present value of benefit obligation at period end	(3,306)	(3,140)
<b>Asset recognised in Balance Sheet</b>	-	-

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, 2026	Year ended March 31, 2025
Government of India (GOI) bond yield	7.27%	6.94%
Remaining term to maturity of portfolio	11 years	11 years
Expected guaranteed interest rate	8.25%	8.25%

The Company contributed ₹ 109 Lakhs and ₹ 95 Lakhs during the year ended March 31, 2026 and March 31, 2025 respectively and the same has been recognized in the Statement of Profit and Loss (refer note 22).

#### 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

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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, 2026	Year ended March 31, 2025
Current service cost	46	29
Past service Cost	238	-
Interest cost	24	26
Interest income on plan assets	(24)	(26)
<b>Total expense recognised in the statement of profit and loss</b>	<b>284</b>	<b>29</b>

### Amount recognised in other comprehensive income (OCI):

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Due to change in demographic assumptions	-	-
Due to change in financial assumptions	(13)	6
Due to experience	7	17
Return on Plan Assets, excluding interest income	14	(4)
<b>Total remeasurement (gains)/losses recognised in OCI</b>	<b>8</b>	<b>19</b>

### Changes in Defined Benefit Obligation (DBO) during the year:

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of DBO at the beginning	348	366
Current service cost	46	29
Past service cost	238	-
Interest cost	24	26
Remeasurement (gain)/loss	(6)	23
Liabilities transferred in/acquisitions	-	8
Benefits paid	(22)	(104)
<b>Present value of DBO at end of the year</b>	<b>628</b>	<b>348</b>
Present value of plan assets at the beginning	349	366
Interest income	24	26
Amount paid to employees gratuity trust	-	9
Return on Plan Assets, excluding interest income	(14)	4
Benefits paid from the fund	(22)	(56)
<b>Present value of plan assets at end of the year</b>	<b>337</b>	<b>349</b>
<b>Present value of net DBO at the end of the year</b>	<b>291</b>	<b>(1)</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

The details of fund and plan asset position are given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Plan assets at period end, at fair value	337	349
Present value of benefit obligation at period end	(628)	(348)
<b>Asset / (Liability) recognised in Balance Sheet</b>	<b>(291)</b>	<b>1</b>

Principal Actuarial assumptions for valuation of gratuity liability:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.27%	6.94%
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:

- Interest rate risk** - A decrease in the bond interest rate will increase the plan liability.
- 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.
- 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.

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***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, 2026		As at March 31, 2025	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(35)	39	(21)	24
Expected rate of escalation in salary	1%	39	(35)	23	(21)
Rate of employee turnover	1%	(2)	2	(1)	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 7 years (March 31, 2025- 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
1 <sup>st</sup> following year	134	18
2 <sup>nd</sup> following year	40	19
3 <sup>rd</sup> following year	72	93
4 <sup>th</sup> following year	39	34
5 <sup>th</sup> following year	47	25
Sum of years 6 to 10	242	120
Sum of years 11 and above	510	294

**iii) Other employee benefits**

Compensated absences which are accumulated and not expected to be availed 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 ₹ 18 Lakhs (March 31, 2025 : ₹ 40 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2026 towards Compensated absences.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

- 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 for compensated absences in the Balance Sheet as at March 31, 2026 is ₹ 134 Lakhs (March 31, 2025 : ₹ 116 Lakhs).

### Principal Actuarial assumptions for valuation of long-term compensated absences

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.27%	6.94%
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.

On 21 November 2025, the Central Government issued four separate notifications in the Official Gazette announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. These four codes replace and consolidate 29 existing labour laws. Following the implementation of the four labour codes, the Central Government has pre-published the draft rules on 31 December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course. To ensure smooth implementation, the Ministry of Labour and Employment has also issued the Frequently Asked Questions (FAQs) on the four codes.

The four codes prescribe an inclusive definition of the term 'wages', which among other matters is relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, certain specified items forming part of remuneration are not included in the wages and these excluded items cannot exceed 50% of total remuneration. If there is an excess, then it is presumed that excess amount also forms part of wages. The four codes also introduce changes related to leave entitlement and encashment for workers. Going forward, workers' leave balance in excess of 30 days will be encashed at the end of each calendar year and workers will have a right to demand encashment for entire accumulated leave.

The Company has assessed the impact of these changes on the basis of legal view obtained by the management and best information available till authorisation of the financial statements for issue. The Company has determined that these changes result in an increase in gratuity obligation of ₹ 238 Lakhs. Considering the materiality and regulatory-driven, non-recurring nature of this change, the Company has presented increase in obligation as an expense under the head "Exceptional Items" in the statement of profit and loss for the year ended 31 March 2026. Considering that it is emerging topic and the finalisation of Central/ State Rules is still pending, the Company will continue monitoring changes and provide appropriate accounting effect as required based on future developments.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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, 2026	Year ended March 31, 2025
Opening balance	165	165
Add: Provision during the year	-	-
(Less): Settled during the year	-	-
(Less): Reversal during the year	-	-
<b>Closing balance</b>	<b>165</b>	<b>165</b>
Classified as current (refer note 18)	165	165

### 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) Associate Company

Piscis Networks Private Limited w.e.f. June 5, 2023

#### (C) i) Holding Company/ Promoter

The Tata Power Company Limited

#### ii) Promoter of Holding Company

Tata Sons Private Limited

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### iii) **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  
Tata Power Renewable 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 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  
Novamesh Limited  
TP Kirnali Limited  
Tata Power Renewable Energy Ltd

### (D) **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)  
Mr. Saurabh Ray (Non Executive Director)  
Mr. Ajay Kumar Pandey (Independent Director)  
Dr. Lakshmi Nadkarni (Independent Director)  
Mr. K. Narasimha Murthy (Independent Director upto January 27, 2025)  
Mr. Vijay Somaiya (Independent Director w.e.f January 27, 2025)  
Mr. Girish V. Kirkinde (Company Secretary upto April 30, 2024)  
Mr. Ritesh Kamdar (Company Secretary w.e.f May 14, 2024)  
Mr. Malav Shah (Chief Financial Officer)

**Notes to the Standalone Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

**(E) Details of Transactions:**

Sr. No.	Particulars	Subsidiary		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25
<b>1</b>	<b>Rendering of services</b>										
	Nelco Network Products Limited	3	3	-	-	-	-	-	-	-	-
	The Tata Power Green Energy Limited	-	-	-	-	-	-	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	1	1	-	-	-	-
	Tata Communications Limited	-	-	-	-	93	81	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	477	270	-	-	-	-
	Tata Communications Payment solutions Limited	-	-	-	-	-	93	-	-	-	-
	Tata Steel Limited	-	-	-	-	37	180	-	-	-	-
	Tata Technologies Limited	-	-	-	-	344	247	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	11	7	-	-	-	-
	TP Kirnali Limited	-	-	-	-	2	-	-	-	-	-
	Tata Power Renewable Energy Ltd	-	-	-	-	3	-	-	-	-	-
<b>2</b>	<b>Receiving of services</b>										
	Nelco Network Products Limited	-	-	-	-	-	-	-	-	-	-
	Tata Sons Private Limited	-	-	-	-	2	25	-	-	-	-
	Tata Communications Limited	-	-	-	-	541	555	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	97	86	-	-	-	-
	The Indian Hotels Company Limited	-	-	-	-	18	4	-	-	-	-
	Tata 1MG Technologies Private Limited	-	-	-	-	5	*	-	-	-	-
	Novamesh Limited	-	-	-	-	106	72	-	-	-	-
<b>3</b>	<b>Reimbursement of charges</b>										
	Tata Communications Limited	-	-	-	-	57	39	-	-	-	-
<b>4</b>	<b>Purchase of Goods</b>										
	Nelco Network Products Limited	88	2	-	-	-	-	-	-	-	-
<b>5</b>	<b>Guarantee commission earned</b>										
	Nelco Network Products Limited	14	18	-	-	-	-	-	-	-	-
<b>6</b>	<b>Rent earned</b>										
	Nelco Network Products Limited	13	13	-	-	-	-	-	-	-	-
	Piscis Networks Private Limited	-	-	10	5	-	-	-	-	-	-
<b>7</b>	<b>Rent paid</b>										
	Tata Capital Limited	-	-	-	-	35	48	-	-	-	-
<b>8</b>	<b>Brand equity payment</b>										
	Tata Sons Private Limited	-	-	-	-	30	31	-	-	-	-
<b>9</b>	<b>Dividend paid</b>										
	The Tata Power Company Limited	-	-	-	-	114	251	-	-	-	-
<b>10</b>	<b>Purchase of Insurance Policy</b>										
	Tata AIG General Insurance Company Limited	-	-	-	-	1	4	-	-	-	-
	Tata AIA Life Insurance Co Ltd	-	-	-	-	-	10	-	-	-	-
<b>11</b>	<b>Remuneration - short term employee benefits**</b>										
	Mr.P. J. Nath	-	-	-	-	-	-	-	-	424	419
	Mr. Girish V. Kirkinde	-	-	-	-	-	-	-	-	-	53
	Mr. Malav Shah	-	-	-	-	-	-	-	-	78	81
	Mr. Ritesh Kamdar	-	-	-	-	-	-	-	-	59	37
<b>12</b>	<b>Contribution to Employee Benefit Plans</b>										
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	-	-	-	-
	The National Radio & Electronics Co. Ltd.	-	-	-	-	-	-	96	82	-	-
	Employees Provident Fund	-	-	-	-	-	-	-	-	-	-
	The National Radio & Electronics Co. Ltd.	-	-	-	-	-	-	-	-	-	-
	Superannuation Fund	-	-	-	-	-	-	-	-	-	-
<b>13</b>	<b>Director sitting fees</b>										
	Mr. A. S. Lakshminarayanan	-	-	-	-	-	-	-	-	1	1
	Mr. Saurabh Ray	-	-	-	-	-	-	-	-	4	5

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr. No.	Particulars	Subsidiary		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25
	Mr. Ajay Kumar Pandey	-	-	-	-	-	-	-	-	16	20
	Dr. Lakshmi Nadkarni	-	-	-	-	-	-	-	-	14	19
	Mr. K. Narasimha Murthy	-	-	-	-	-	-	-	-	-	14
	Mr. Vijay Somaiya	-	-	-	-	-	-	-	-	14	4
<b>14</b>	<b>Sale of goods</b>										
	Nelco Network Products Limited	39	-	-	-	-	-	-	-	-	-
<b>15</b>	<b>Interest earned</b>										
	Nelco Network Products Limited	61	-	-	-	-	-	-	-	-	-
<b>16</b>	<b>Loan Given</b>										
	Nelco Network Products Limited	4,500	-	-	-	-	-	-	-	-	-
<b>17</b>	<b>Loan Collected</b>										
	Nelco Network Products Limited	4,500	-	-	-	-	-	-	-	-	-

### (F) Balances outstanding:

Sr. No.	Particulars	Subsidiary		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25
<b>1</b>	<b>Investment (refer note 4)</b>	2,973	2,973	304	304	-	-	-	-	-	-
<b>2</b>	<b>Trade receivables</b>										
	Nelco Network Products Limited	-	-	-	-	-	-	-	-	-	-
	The Tata Power Green Energy Limited	-	-	-	-	*	*	-	-	-	-
	Tata Power Renewable Energy Ltd	-	-	-	-	*	-	-	-	-	-
	Tata Communications Limited	-	-	-	-	12	11	-	-	-	-
	Tata Communications Payment solutions Limited	-	-	-	-	-	14	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	-	*	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	82	131	-	-	-	-
	Tata Steel Limited	-	-	-	-	22	58	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	8	8	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	-	1	-	-	-	-
	Tata Technologies Limited	-	-	-	-	*	106	-	-	-	-
<b>3</b>	<b>Trade payables</b>										
	Nelco Network Products Limited	-	-	-	-	-	-	-	-	-	-
	Tata Sons Private Limited	-	-	-	-	27	28	-	-	-	-
	Tata Communications Limited	-	-	-	-	2	11	-	-	-	-
	Tata Capital Limited	-	-	-	-	-	-	-	-	-	-
	Tata 1MG Technologies Private Limited	-	-	-	-	-	*	-	-	-	-
	The Indian Hotels Company Limited	-	-	-	-	*	-	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	-	*	-	-	-	-
	Novamesh Limited	-	-	-	-	1	-	-	-	-	-
<b>4</b>	<b>Advance</b>										
	Tata Technologies Limited	-	-	-	-	57	-	-	-	-	-
<b>5</b>	<b>Guarantees and collaterals given</b>										
	Nelco Network Products Limited	8,000	9,200	-	-	-	-	-	-	-	-
<b>6</b>	<b>Other receivables</b>										
	Nelco Network Products Limited	10	-	-	-	-	-	-	-	-	-
	Piscis Networks Private Limited	-	-	15	-	-	-	-	-	-	-
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	-	-	-	-
<b>7</b>	<b>Other payables</b>										
	Nelco Network Products Limited	-	71	-	-	-	-	-	-	-	-
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	291	-	-	-
<b>8</b>	<b>Security deposit received</b>										
	Nelco Network Products Limited	5	7	-	-	-	-	-	-	-	-
	Piscis Networks Private Limited	-	-	6	6	-	-	-	-	-	-

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025: 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.

\*figures are below rounding of norm adopted by the Company.

\*\*\*\*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.

### Note 37 : Earnings per share (EPS)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
1. Net profit after tax attributable to equity shareholders (₹ in Lakhs)	609	981
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)	2.67	4.30

### Note 38 : Contingent liabilities

Sr. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a)	Guarantees issued by the Company on behalf of its subsidiary (Nelco Network Products Limited) [(Amount of loan outstanding against this guarantee is ₹ 4,800 Lakhs (As at March 31, 2025 - ₹ 3,317 Lakhs)]	8,000	9,200
	<b>Total guarantees (a)</b>	<b>8,000</b>	<b>9,200</b>
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	607	657
	ii) Claims from Vendor	168	168
	iii) Others*	394	394
	<b>Total (b+c)</b>	<b>1,169</b>	<b>1,219</b>

\*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 ₹ 165 lakhs and accrued interest thereon. Balance has been disclosed as contingent liability.

\*There has been no change in Contingent Liability for Mesne i.e ₹ 394 lakhs in CY (₹ 394 lakhs in PY).

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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 39 : Ratios

Sr No	Particulars	Note	Ratio		% of change	Remarks for movement
			March 31, 2026	March 31, 2025		
a	Current ratio=Current assets/Current liabilities	Refer note I	0.77	1.21	(36)	Due to increase in Other financial liabilities
b	Debt service coverage ratio = EBITDA/Total amount of interest and principal payable or paid during the period	Refer note II	11.17	13.01	(14)	NA
c	Return on equity ratio= Net Profits after taxes/Total Equity	Refer note III	0.05	0.08	(38)	Due to reduction in net profit
d	Trade receivable turnover ratio= Sales/Average trade receivable	Refer note IV	4.74	5.29	(10)	NA
e	Trade payable turnover ratio= (Total expenses- provision for doubtful debts)/Average trade payables)	Refer note V	18.58	16.60	12	NA
f	Net capital turnover ratio= Net Sales/Working capital	Refer note VI	25.71	17.53	47	Due to significant reduction in working capital as compared to marginal decline in revenue
g	Net profit ratio = Net Profit after Tax/Revenue	Refer note VII	0.03	0.05	(40)	Due to reduction in net profit
h	Return on capital employed= Earning before interest and taxes/Capital employed	Refer note VIII	0.09	0.18	(50)	Due to decrease in EBIT and increase in capital employed during the year
i	Return on investment = Interest income /Average investment in fixed deposits	Refer note IX	0.03	0.01	200	Due to increase in deposits placed during the year

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

Sr No	Particulars	Refer note	March 31, 2026	March 31, 2025
I	Current assets			
	(a) Financial assets			
	(i) Trade receivables	7	4,338	3,995
	(ii) Cash and cash equivalents	8 (a)	1,939	1,385
	(iii) Bank balances other than (ii) above	8 (b)	84	76
	(iii) Loans	9	9	21
	(iv) Other financial assets	5 (b)	200	171
	(b) Other current assets	6 (b)	1,031	625
			7,601	6,273
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12 (a)	-	-
	(ia) Lease liabilities	3 (c) (ii)	171	135
	(ii) Trade payables	15	1,205	703
	(iii) Other financial liabilities	13 (b)	3,897	934
	(b) Current tax liability (net)	14	640	253
	(c) Other current liabilities	17	301	194
	(d) Provisions	18	600	299
	(e) Contract Liabilities	16	3,096	2,672
			9,910	5,190
II	Earning before interest tax depreciation and amortisation (EBITDA)	Refer P & L	2,446	3,409
	<u>Total amount of interest and principal payable or paid during the period</u>			
	<u>Total interest paid or payable during the period</u>			
	On lease liabilities	24	76	88
			76	88
	<u>Total principal paid or payable during the period</u>			
	Principal portion of long term borrowing		-	-
	Principal portion of lease liabilities	3 (c) (ii)	143	174
			143	174
III	Net Profits after taxes	Refer P & L	609	981
	<u>Total equity</u>			
	Equity share capital	10	2,282	2,282
	Other equity - Reserve and surplus	11	10,333	9,958
			12,615	12,240
IV	Sales	19	19,770	20,563
	<u>Average trade receivable</u>			
	Opening trade receivable	7	3,995	3,779
	Closing trade receivable	7	4,338	3,995
	Average trade receivable		4,167	3,887
V	Total expenses	As per P & L	17,724	17,549
	Total - provision for doubtful debts)/Average trade payables			
	Less: provision for doubtful debts	23	-	-
			17,724	17,549
	<u>Average trade payables</u>			
	Opening trade payables	15	703	1,411
	Closing trade payables	15	1,205	703
	Average trade payables		954	1,057

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2026	March 31, 2025
VI	Net Sales	19	19,770	20,563
	<u>Working capital (Current assets- current liabilities)</u>			
	Current assets			
	(a) Financial assets			
	(i) Trade receivables	7	4,338	3,995
	(ii) Cash and cash equivalents	8 (a)	1,939	1,385
	(iii) Bank balances other than (ii) above	8 (b)	84	76
	(iv) Loans	9	9	21
	(v) Other financial assets	5 (b)	200	171
	(b) Other current assets	6 (b)	1,031	625
	Total Current assets		7,601	6,273
	<u>Current liabilities</u>			
	(a) Financial liabilities			
	(i) Lease liabilities	3(c)(ii)	171	135
	(ii) Trade payables	15	1,205	703
	(iii) Other financial liabilities	13 (b)	3,897	934
	(iv) Less: Capex creditors		(3,078)	(90)
	(b) Current tax liability (net)	14	640	253
	(c) Contract Liabilities	16	3,096	2,672
	(d) Other current liabilities	17	301	194
	(e) Provisions	18	600	299
	Total Current liabilities		6,832	5,100
	Working capital (Current assets - current liabilities)		769	1,173
VII	Net Profit after Tax	As per P & L	609	981
	Revenue	19	19,770	20,563
VIII	<u>Earning before interest and taxes</u>			
	Earning before finance cost, depreciation, amortisation and tax	As per P & L	2,446	3,409
	Less: Depreciation and amortisation	25	1,278	1,263
			1,168	2,146
	<u>Capital employed</u>			
	Equity share capital	10	2,282	2,282
	Other equity -Reserve and surplus	11	10,333	9,958
	Borrowing			
	Non current	12 (a)	-	-
	Current	12 (a)	-	-
	Total capital employed		12,615	12,240
IX	Interest on bank deposits	As per P & L	10	5
	Average investment in fixed deposit			
	Opening	5 (a), 8 (a) & 8 (b)	707	53
	Closing	5 (a), 8 (a) & 8 (b)	59	707
	Average investment in fixed deposit		383	380

**Notes to the Standalone Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 40 : Corporate Social Responsibility (CSR)**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
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	25	10
c) Amount spent in cash during the year		
i) Construction/acquisition of an asset	-	-
ii) On purpose other than (i) above		
Contribution to Catalysts for Social Action	5	10
Contribution to Tata Power Community Development Trust	20	-
<b>Total (C=i+ii)</b>	<b>25</b>	<b>10</b>
d) Amount yet to be paid in cash (d=b-c)	-	-

\*For the year ended March 31, 2026 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, ICICI Bank	Q-1 of FY 25-26	Debtors	4,262	4,262	-	-
		Creditors	1,385	1,385	-	-
Bank of India, Union Bank of India, ICICI Bank	Q-2 of FY 25-26	Debtors	4,025	4,025	-	-
		Creditors	1,050	1,050	-	-
Bank of India, Union Bank of India, ICICI Bank	Q-3 of FY 25-26	Debtors	4,469	4,469	-	-
		Creditors	1,327	1,327	-	-
Bank of India, Union Bank of India, ICICI Bank	Q-4 of FY 25-26	Debtors	4,338	4,338	-	-
		Creditors	1,205	1,205	-	-
Bank of India, Union Bank of India	Q-1 of FY 24-25	Debtors	4,723	4,723	-	-
		Creditors	1,368	1,368	-	-
Bank of India, Union Bank of India	Q-2 of FY 24-25	Debtors	3,816	3,816	-	-
		Creditors	1,408	1,408	-	-
Bank of India, Union Bank of India	Q-3 of FY 24-25	Debtors	4,122	4,122	-	-
		Creditors	875	875	-	-
Bank of India, Union Bank of India	Q-4 of FY 24-25	Debtors	3,995	3,995	-	-
		Creditors	703	703	-	-

**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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 43 : Capital and other Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	575	48

**Note 44 :** There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding as at March 31, 2026 (Nil: March 31, 2025). 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: Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on March 31, 2026	Balance outstanding as on March 31, 2025	Relationship with the Struck off Company
Trident Eservices Private Limited	Purchase of services	-	1	Service provider

**Note 46:** The Company has used accounting software and payroll 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 for the year with respect to accounting software. Further no instance of audit trail feature being tampered with was noted in respect of other software. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

### Note 47: Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has neither received nor given any fund from or to any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

## Notes to the Standalone Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (vii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.

### Note 48: Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through April 20, 2026 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 49: Approval of Standalone Financial Statements

The Standalone financial statements were approved for issue by the Board of Directors on April 20, 2026.

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)

**Ritesh Kamdar**

Company Secretary & Head - Legal  
(ICSI M. No: A20154)

Place: Mumbai  
Date : April 20, 2026

Place: Mumbai  
Date : April 20, 2026



# 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") 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, 2026, the Consolidated Statement of Profit and Loss, including Other Comprehensive loss, the Consolidated Statement of Cash Flow 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, 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, 2026, their consolidated profits including other comprehensive loss, 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, 2026. 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 Matter 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, 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
<p><b>Assessment of contingent liabilities, provision for litigations</b></p> <p>As at March 31, 2026, the Group held provisions of ₹ 244 lakhs and disclosed contingent liabilities (to the extent not provided for) of ₹ 1,237 lakhs in respect of certain tax and other litigations.</p> <p>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.</p> <p>We considered this to be a Key Audit Matter as the outcome of the litigations 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 could be different from the conclusion reached by the Management and may significantly impact the Group's financial position.</p> <p>The Group's disclosures are included in Note 2(f), Note 21, Note 36 and Note 37 to the Consolidated Ind AS Financial Statements, which outlines the accounting policy for provisions, contingent liabilities and details of pending direct and indirect tax litigation disclosed as contingent liabilities.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>- We obtained an understanding and evaluated processes and controls designed and implemented by the Management for assessment of litigations.</li> <li>- 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;</li> <li>- 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;</li> <li>- 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.</li> </ul> <p>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.</p>

### 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 loss, 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 their respective companies.

## **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 Consolidated Ind AS 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 and its associate 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.

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, 2026 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, based on our audit of the Subsidiary Company and Associate Company, incorporated in India, we give in the “Annexure 1” a statement on the matters specified in paragraph 3(xxii) of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated 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 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, its Subsidiary and Associate as on March 31, 2026 none of the directors of the Holding Company, its Subsidiary and its associates incorporated in India, is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g);
- (g) 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, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; This report, however, does not include (a) a Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls') in respect of Associate Company, since the said report on internal financial controls is not applicable to the said Associate Company basis the exemption available to the said Associate Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to Consolidated Financial Statements;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid/provided 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. In case of Associate Company provisions of Section 197 read with Schedule V to the Act are not applicable.
- (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 Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate – Refer Note 21, Note 36 and Note 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, 2026;

- 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, 2026.
- 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 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 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 that, 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, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 16 to the Consolidated 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.

No dividend is declared by the subsidiary or associate Company, hence reporting is not applicable for the same,

- vi) Based on our examination which included test checks, the Holding Company and subsidiary have used accounting software and payroll 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 accounting software with respect to direct changes to data when using certain access rights, as described in Note 51 to the Consolidated Ind AS Financial Statements.. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered in respect of the accounting software. Additionally, the audit trail has been preserved by the Company and its subsidiary as per the statutory requirements for record retention

Further, in respect of associate it has used an accounting software which is operated by a third-party software service provider for maintaining its books of account. In the absence of Service Organisation Controls report on audit trail feature at database level we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with, in respect of an accounting software.

Additionally, for the reasons stated in Note 51 to the Consolidated Ind AS Financial Statements, we are unable to comment whether the audit trail has been preserved by the associate as per the statutory requirements for record retention.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aniket Sohani**

Partner

Membership Number: 117142

UDIN: 26117142VDOJAC9651

Place of Signature: Mumbai

Date: April 20, 2026

## **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 Ind AS 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: 26117142VDOJAC9651

Place of Signature: Mumbai

Date: April 20, 2026

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED 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")**

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, 2026, 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, 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, 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, 2026, 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: 26117142VDOJAC9651

Place of Signature: Mumbai

Date: April 20, 2026

**Consolidated Balance Sheet as at March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4 (a)	6,024	6,132
(b) Capital work-in-progress	4 (b)(i)	4,149	870
(c) Right-of-use assets	4 (c)(i)	1,176	1,248
(d) Intangible assets	4 (d)	460	416
(e) Financial assets			
(i) Investments	5	422	392
(ii) Other financial assets	6 (a)	106	90
(f) Deferred tax assets (net)	38 (a)	3,226	2,550
(g) Non-current tax assets (net)	7 (a)	723	89
(h) Other non-current assets	8 (a)	247	242
<b>Total non-current assets</b>		<b>16,533</b>	<b>12,029</b>
<b>Current assets</b>			
(a) Inventories	9	3,625	3,069
(b) Financial assets			
(i) Trade receivables	10	10,364	10,653
(ii) Cash and cash equivalents	11	1,939	1,385
(iii) Bank balances other than (ii) above	12	86	76
(iv) Loans	13	9	21
(v) Other financial assets	6 (b)	430	341
(c) Other current assets	8 (b)	1,751	1,171
<b>Total current assets</b>		<b>18,204</b>	<b>16,716</b>
<b>TOTAL ASSETS</b>		<b>34,737</b>	<b>28,745</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	15	2,282	2,282
(b) Other equity	16	10,601	10,508
<b>Total equity</b>		<b>12,883</b>	<b>12,790</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	4 (c)(ii)	1,097	691
(ii) Other financial liabilities	18 (a)	11	14
<b>Total non-current liabilities</b>		<b>1,108</b>	<b>705</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17 (b)	5,877	3,795
(ii) Lease liabilities	4 (c)(ii)	310	765
(iii) Trade payables	19	-	-
(a) Total outstanding dues to micro and small enterprises		-	-
(b) Total outstanding dues to other than micro and small enterprises		4,140	4,677
(iv) Other financial liabilities	18 (b)	4,429	1,558
(b) Current tax liability (net)	7 (b)	640	-
(c) Contract liabilities	14	4,051	3,498
(d) Other current liabilities	20	437	358
(e) Provisions	21	862	599
<b>Total current liabilities</b>		<b>20,746</b>	<b>15,250</b>
<b>Total liabilities</b>		<b>21,854</b>	<b>15,955</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,737</b>	<b>28,745</b>

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)**Malav Shah**Chief Financial Officer  
(ICAI M. No: 102314)

Place: Mumbai

Date : April 20, 2026

**P. J. Nath**Managing Director & CEO  
(DIN: 05118177)**Ritesh Kamdar**Company Secretary & Head - Legal  
(ICSI M. No: A20154)**Aniket Sohani**Partner  
Membership No. 117142

Place: Mumbai

Date : April 20, 2026

## Consolidated Statement of Profit and Loss for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	Year ended March 31, 2026	Year ended March 31, 2025
<b>Income</b>			
(a) Revenue from operations	22	30,660	30,487
(b) Other income	23	436	518
<b>Total income</b>		<b>31,096</b>	<b>31,005</b>
<b>Expenses</b>			
(a) Purchases of stock-in-trade		4,235	3,184
(b) (Increase) in inventories of stock-in-trade	24	(556)	(482)
(c) Operating expenses	25	14,182	14,747
(d) Employee benefits expenses	26	5,054	4,573
(e) Other expenses	27	4,889	4,268
<b>Total expenses</b>		<b>27,804</b>	<b>26,290</b>
<b>Profit before finance cost, depreciation &amp; amortisation and share of profit from associate and tax (PBITDA)</b>		<b>3,292</b>	<b>4,715</b>
(f) Finance costs	28	487	552
(g) Depreciation & amortisation expense	29	1,995	2,216
<b>Total finance costs and depreciation &amp; amortisation expenses</b>		<b>2,482</b>	<b>2,768</b>
<b>Profit before share of profit from associate and tax</b>		<b>810</b>	<b>1,947</b>
Share of net profit from associate	5(iii)	30	19
<b>Profit before exceptional items and tax</b>		<b>840</b>	<b>1,966</b>
<b>Exceptional items</b>			
Statutory impact of new Labour Codes	42	381	-
<b>Profit before tax</b>		<b>459</b>	<b>1,966</b>
Tax expense			
- Current tax	38(b)	790	1,054
- Deferred tax (credit)	38(b)	(673)	(555)
- Tax adjustment for earlier years	38(b)	10	514
<b>Total tax expenses</b>		<b>127</b>	<b>1,013</b>
<b>Profit for the year</b>		<b>332</b>	<b>953</b>
<b>Other comprehensive income/(expenses)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent years</b>			
- Net fair value gain on investments in equity shares at FVTOCI (net of tax)	30	-	-
- Share of other comprehensive income of associate company accounted for using the equity method		-	-
- Remeasurement of post employment benefit obligations (loss)	42	(15)	(26)
- Income tax relating to this item		4	7
<b>Other comprehensive (expense) for the year, (net of tax)</b>		<b>(11)</b>	<b>(19)</b>
<b>Total comprehensive income for the year</b>		<b>321</b>	<b>934</b>
Earnings per share (Face value of ₹ 10/- per share) : (Basic and diluted)	35	1.45	4.18

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 20, 2026

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

**Nelco Limited**

CIN: L32200MH1940PLC003164

**A. S. Lakshminarayanan**

Chairman

(DIN: 08616830)

**Malav Shah**

Chief Financial Officer

(ICAI M. No: 102314)

Place: Mumbai

Date : April 20, 2026

**P. J. Nath**

Managing Director & CEO

(DIN: 05118177)

**Ritesh Kamdar**

Company Secretary & Head - Legal

(ICSI M. No: A20154)

**Consolidated Statement of Cash Flow for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax and share of profit from associate	429	1,947
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	1,995	2,216
Finance costs	487	552
Unrealised mark to market loss on forward contracts	(137)	2
Unrealised foreign exchange loss (net)	82	17
Impairment allowance (allowance for bad and doubtful debts)	280	-
Gain on termination of lease	(21)	
Liabilities/provisions no longer required, written back	(179)	(205)
(Gain)/Loss on disposal of property, plant and equipment (net)	(2)	15
Provision for warranty (net)	(180)	-
Unwinding of discount on financial asset measured at amortised cost	(16)	(112)
Interest income	(28)	(5)
<b>Operating profit before working capital changes</b>	<b>2,710</b>	<b>4,427</b>
<b>Movement in working capital</b>		
<b>Movements in assets</b>		
(Increase)/decrease in trade receivables	9	(2,146)
(Increase)/decrease in other current assets	(580)	(369)
(Increase)/decrease in other non current assets	(5)	391
(Increase)/decrease in inventories	(556)	(749)
(Increase)/decrease in other current financial assets	(77)	(143)
(Increase)/decrease in other non-current financial assets	(16)	74
(Increase)/decrease in contract assets	-	809
<b>Movements in liabilities</b>		
Increase/(decrease) in trade payables	(303)	1,342
Increase/(decrease) in other financial liabilities - non current	(3)	14
Increase/(decrease) in other current financial liabilities	64	(106)
Increase/(decrease) in contract liabilities	569	(27)
Increase/(decrease) in other current liabilities	79	(13)
Increase/(decrease) in current provisions	428	(58)
<b>Cash generated from operations</b>	<b>2,319</b>	<b>3,446</b>
- Direct taxes paid (net of refunds)	(793)	(1,480)
<b>Net cash flow generated from operating activities (A)</b>	<b>1,526</b>	<b>1,966</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/assets under development)	(2,328)	(1,657)
Proceeds from sale of property, plant and equipment	234	21
Interest income received	28	5
Increase in bank balance not considered as cash and cash equivalents	(10)	(23)
<b>Net cash (used in) investing activities (B)</b>	<b>(2,076)</b>	<b>(1,654)</b>

## Consolidated Statement of Cash Flow for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	18,598	10,700
Repayment of short term borrowings	(16,517)	(10,227)
Payment of principal portion of lease liabilities	(271)	(482)
Payment of interest portion of lease liabilities	(126)	(190)
Interest paid	(357)	(425)
Dividend paid	(223)	(482)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>1,104</b>	<b>(1,106)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents [(A)+(B)+(C)]</b>	<b>554</b>	<b>(794)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,385</b>	<b>2,179</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,939</b>	<b>1,385</b>

### Note:

- 1) Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of	As at March 31, 2026	As at March 31, 2025
Balance with banks in current accounts	1,937	391
Balance with banks in deposits accounts	-	651
Cheques on hand	-	343
Cash on hand	2	*
<b>Total (refer note 11)</b>	<b>1,939</b>	<b>1,385</b>

\* 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)

**Ritesh Kamdar**

Company Secretary & Head - Legal  
(ICSI M. No: A20154)

Place: Mumbai

Date : April 20, 2026

Place: Mumbai

Date : April 20, 2026

**Consolidated Statement of Changes in Equity for the year ended March 31, 2026**

(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
<b>As at April 1, 2025</b>	<b>2,28,17,461</b>	<b>2,282</b>
Changes in equity share capital	-	-
<b>As at March 31, 2026</b>	<b>2,28,17,461</b>	<b>2,282</b>
<b>As at April 1, 2024</b>	<b>2,28,17,461</b>	<b>2,282</b>
Changes in equity share capital	-	-
<b>As at March 31, 2025</b>	<b>2,28,17,461</b>	<b>2,282</b>

**B. Other Equity**

Particulars	Attributable to equity shareholders			Total
	Reserves and Surplus		Reserve for FVTOCI Equity instrument	
	General Reserve	Retained earnings		
<b>As at April 1, 2025</b>	<b>250</b>	<b>10,240</b>	<b>18</b>	<b>10,508</b>
Profit for the year	-	332	-	332
Dividend paid*	-	(228)	-	(228)
Other comprehensive expenses for the year (net of tax)	-	(11)	-	(11)
<b>As at March 31, 2026</b>	<b>250</b>	<b>10,333</b>	<b>18</b>	<b>10,601</b>
<b>As at April 1, 2024</b>	<b>250</b>	<b>9,808</b>	<b>18</b>	<b>10,076</b>
Profit for the year	-	953	-	953
Dividend paid*	-	(502)	-	(502)
Other comprehensive expenses for the year (net of tax)	-	(19)	-	(19)
<b>As at March 31, 2025</b>	<b>250</b>	<b>10,240</b>	<b>18</b>	<b>10,508</b>

\*For financial year ended March 31, 2025, the Board of Directors had recommended a dividend of 10% (March 31, 2024: 22%) which was ₹ 1/- (March 31, 2024: ₹ 2.20/-) per equity share of ₹10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 24, 2025.

\*For financial year ended March 31, 2026, the Board of Directors have recommended a dividend of 10% (March 31, 2025: 10%) which is ₹ 1/- (March 31, 2025: ₹ 1/-) 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, 2026.

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

Place: Mumbai

Date : April 20, 2026

**Malav Shah**

Chief Financial Officer  
(ICAI M. No: 102314)

Place: Mumbai

Date : April 20, 2026

**Ritesh Kamdar**

Company Secretary & Head - Legal  
(ICSI M. No: A20154)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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 ended March 31, 2024, the 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;

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

- 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. During the year ended March 31, 2025, MCA amended the Companies (Indian Accounting Standards) Rules, 2024, as below:

#### Ind AS 116- Leases

The amendment is related to sale and leaseback transactions, and it is effective April 1, 2024. The amendment requires the seller not to recognise any amount of gain or loss that related to right of use retained by the seller-lessee while determining lease payments or revised lease payments. The amendment must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116. The Group has evaluated the amendment and there is no impact on its financial statements.

### 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, 2026

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### 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, 2026

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### 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
<b>Building</b>	30 years
<b>Plant and Machinery</b>	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
<b>Electrical installation</b>	10 years
<b>Furniture and fixture</b>	10 years
<b>Office equipment's – VSAT</b>	Antenna – 10 Years Electronic equipment – 6 to 7.50 Years
<b>Office equipment's</b>	
Computer hardware	3 Years
Others	5 Years
<b>Vehicles</b>	8 years
<b>Right-of-use (ROU) Assets</b>	Lease period

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 which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

- 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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 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

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss:

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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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

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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 and note 30
- Trade receivables and contract assets – refer note 10 and note 31

### 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

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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.

### 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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.
- Satellite communication and Internet 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.

#### 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

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### d. Service Concession Agreement

The subsidiary company has entered into a service concession arrangement with a public sector authority for the development and operation of certain infrastructure and related services for a specified concession period.

The arrangement meets the criteria specified in Appendix D of Ind AS 115, as the Grantor controls the services to be provided and retains control over the residual interest in the underlying infrastructure. Accordingly, the infrastructure is not recognised as property, plant and equipment by the Group.

The subsidiary company has an unconditional contractual right to receive cash consideration from the Grantor. Accordingly, the arrangement is accounted for under the financial asset model.

Revenue from construction/development services is recognised over time as performance obligations are satisfied, in accordance with Ind AS 115. Revenue from operation and support services will be recognised over the period in which the services are rendered.

As the consideration for construction/development services is payable upon satisfaction of the related performance obligations, the time period between transfer of services and receipt of consideration is one year or less. Accordingly, practical is expedient in accordance with Ind AS 115 and has not adjusted the transaction price for the effects of a significant financing component.

## 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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.

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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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
- 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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.

### 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 cost

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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

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.

### 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.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

**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).

**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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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.

### 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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.
- 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).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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).

### 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, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 4(a) : Property, plant and equipment**

Description	Property, plant and equipment							Total Property, plant and equipment
	Building	Plant and machinery	Electrical installation	Furniture and fixture	Office equipment- Own	Office equipment- on lease (operating lease)	Vehicles	
<b>Cost</b>								
Balance as at April 1, 2025	236	11,785	40	171	610	2,606	51	15,499
Additions	46	667	-	23	108	857	-	1,701
Disposals	-	(71)	(15)	(5)	(95)	(1,277)	(1)	(1,464)
<b>Balance as at March 31, 2026</b>	<b>282</b>	<b>12,381</b>	<b>25</b>	<b>189</b>	<b>623</b>	<b>2,186</b>	<b>50</b>	<b>15,736</b>
<b>Accumulated depreciation</b>								
Balance as at April 1, 2025	136	7,074	26	104	429	1,573	25	9,367
For the year	15	976	2	14	84	479	6	1,576
On disposals	(1)	(104)	(17)	(19)	(63)	(1,025)	(2)	(1,231)
<b>Balance as at March 31, 2026</b>	<b>150</b>	<b>7,946</b>	<b>11</b>	<b>99</b>	<b>450</b>	<b>1,027</b>	<b>29</b>	<b>9,712</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>132</b>	<b>4,435</b>	<b>14</b>	<b>90</b>	<b>173</b>	<b>1,159</b>	<b>21</b>	<b>6,024</b>
<b>Cost</b>								
Balance as at April 1, 2024	163	11,383	24	112	522	1,920	51	14,175
Additions	73	403	16	59	89	776	-	1,416
Disposals	-	(1)	-	-	(1)	(90)	-	(92)
<b>Balance as at March 31, 2025</b>	<b>236</b>	<b>11,785</b>	<b>40</b>	<b>171</b>	<b>610</b>	<b>2,606</b>	<b>51</b>	<b>15,499</b>
<b>Accumulated depreciation</b>								
Balance as at April 1, 2024	120	6,116	24	94	357	1,245	18	7,974
For the year	16	958	2	10	73	383	7	1,449
On disposals	-	-	-	-	(1)	(55)	-	(56)
<b>Balance as at March 31, 2025</b>	<b>136</b>	<b>7,074</b>	<b>26</b>	<b>104</b>	<b>429</b>	<b>1,573</b>	<b>25</b>	<b>9,367</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>100</b>	<b>4,711</b>	<b>14</b>	<b>67</b>	<b>181</b>	<b>1,033</b>	<b>26</b>	<b>6,132</b>

Note :-

- 1) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note 40)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 4(b) : Capital work-in-progress

#### i) Capital work-in-progress

Particulars	Ageing of capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at March 31, 2026	3,762	20	367	-	<b>4,149</b>
Balance as at March 31, 2025	197	673	-	-	<b>870</b>

As at March 31, 2026 and As at March 31, 2025 there are no projects which are temporarily suspended. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

### Note 4(c) : Right-of-use assets and lease liabilities

#### 4(c)(I) Group as lessee

The Holding Company as lessee acquired on lease Leasehold land. The total lease term is 95 years, remaining lease term is 58 years as on March 31, 2026. This has been included under leasehold premises and 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 9 years.

- The Group has taken on premises on lease along with certain equipments 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%.

#### i. Right of use assets

Description	Leasehold premises and equipment	Office equipment	Motor vehicle	Total
<b>Cost</b>				
Balance as at April 1, 2025	2,207	464	167	2,838
Additions	338	-	8	346
Disposals	(196)	(5)	(17)	(218)
<b>Balance as at March 31, 2026</b>	<b>2,349</b>	<b>459</b>	<b>158</b>	<b>2,966</b>
<b>Accumulated depreciation</b>				
Balance as at April 1, 2025	1,259	273	58	1,590
For the year	206	90	33	329
On disposals	(126)	-	(3)	(129)
<b>Balance as at March 31, 2026</b>	<b>1,339</b>	<b>363</b>	<b>88</b>	<b>1,790</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>1,010</b>	<b>96</b>	<b>70</b>	<b>1,176</b>
<b>Cost</b>				
Balance as at April 1, 2024	2,187	1,711	160	4,058
Additions	82	-	70	152
Disposals	(62)	(1,247)	(63)	(1,372)
<b>Balance as at March 31, 2025</b>	<b>2,207</b>	<b>464</b>	<b>167</b>	<b>2,838</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

Description	Leasehold premises and equipment	Office equipment	Motor vehicle	Total
<b>Accumulated depreciation</b>				
Balance as at April 1, 2024	1,042	872	64	1,978
For the year	227	244	39	510
On disposals	(10)	(843)	(45)	(898)
<b>Balance as at March 31, 2025</b>	<b>1,259</b>	<b>273</b>	<b>58</b>	<b>1,590</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>948</b>	<b>191</b>	<b>109</b>	<b>1,248</b>

**ii. Lease liabilities**

Description	Leasehold premises and equipment	Office equipment	Motor Vehicle	Total
<b>Balance as at April 1, 2025</b>	<b>1,146</b>	<b>196</b>	<b>114</b>	<b>1,456</b>
Add: Additions	357	-	10	367
(Less): Disposal	(130)	(-)	(15)	(145)
Add: Accrued finance cost	101	17	8	126
(Less): Payments	(269)	(88)	(40)	(397)
<b>Balance as at March 31, 2026</b>	<b>1,205</b>	<b>125</b>	<b>77</b>	<b>1,407</b>
<b>Current</b>	<b>197</b>	<b>79</b>	<b>34</b>	<b>310</b>
<b>Non current</b>	<b>1,008</b>	<b>46</b>	<b>43</b>	<b>1,097</b>
<b>Balance as at April 1, 2024</b>	<b>1,305</b>	<b>960</b>	<b>100</b>	<b>2,365</b>
Add: Additions	80	-	71	151
(Less): Disposal	(53)	(508)	(17)	(578)
Add: Accrued finance cost	97	84	9	190
(Less): Payments	(283)	(340)	(49)	(672)
<b>Balance as at March 31, 2025</b>	<b>1,146</b>	<b>196</b>	<b>114</b>	<b>1,456</b>
<b>Current</b>	<b>672</b>	<b>71</b>	<b>22</b>	<b>765</b>
<b>Non current</b>	<b>474</b>	<b>125</b>	<b>92</b>	<b>691</b>

**iii. Amount recognised in Statement of profit or loss**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of Right-of-use assets	304	510
Interest on lease liabilities	126	190
Expenses related to short term leases (refer note 27)	232	161

**iv. Amount recognised in statement of cash flows**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total cash outflow of leases	(629)	(833)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 4(c)(II) Group as lessor

#### a. Operating Lease

##### The Group as Lessor

- Group has given its office premises on sublease to its associate Company on lease term of 3 years.
- Group has given its plant and machinery on lease to its customer on lease term of 3 to 7 years.
- 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 ₹ 1,350 Lakhs (March 31, 2025 : ₹ 1,224 Lakhs).

Operating lease receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Not Later than 1 year	260	247
Later than 1 year and not longer than 5 years	310	233
Later than 5 years	-	-
<b>Total</b>	<b>570</b>	<b>480</b>

Disaggregation of property, plant and equipment given on operating lease as at March 31, 2026 is as follows:

Class of assets	Operating Lease		
	Gross block	Accumulated Depreciation	Carrying Amount
Office equipment	2,186	1,027	1,159
	(2,606)	(1,573)	(1,033)
<b>Total</b>	<b>2,186</b>	<b>1,027</b>	<b>1,159</b>
	(2,606)	(1,573)	(1,033)

Figures in (brackets) represents previous year's figures.

#### Note 4(d) : Other intangible assets

Description	Other intangible assets		
	Testing software	Licenses	Total other intangible assets
<b>Cost</b>			
Balance as at April 1, 2025	745	348	1,093
Additions	69	65	134
<b>Balance as at March 31, 2026</b>	<b>814</b>	<b>413</b>	<b>1,227</b>
<b>Accumulated amortisation</b>			
Balance as at April 1, 2025	586	91	677
For the year	71	19	90
<b>Balance as at March 31, 2026</b>	<b>657</b>	<b>110</b>	<b>767</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>157</b>	<b>303</b>	<b>460</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

Description	Other intangible assets		
	Testing software	Licenses	Total other intangible assets
<b>Cost</b>			
Balance as at April 1, 2024	674	348	1,022
Additions	71	-	71
<b>Balance as at March 31, 2025</b>	<b>745</b>	<b>348</b>	<b>1,093</b>
<b>Accumulated amortisation</b>			
Balance as at April 1, 2024	509	74	583
For the year	77	17	94
<b>Balance as at March 31, 2025</b>	<b>586</b>	<b>91</b>	<b>677</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>159</b>	<b>257</b>	<b>416</b>

**Note 5 : Investments**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Numbers	Amount	Numbers	Amount
<b>Investment accounted using equity method (Unquoted, fully paid)</b>				
<b>Investment in associates</b>				
Piscis Networks Private Limited of ₹ 10 each (refer note below)	5,029	400	5,029	370
<b>Investments at fair value through OCI (Unquoted, fully paid)</b>				
Technopolis Knowledge Park Limited of ₹ 10/- each [net of impairment of ₹181 Lakhs (March 31, 2025 : ₹181 Lakhs)]	18,10,000	-	18,10,000	-
Zoroastrian Co-operative Bank Limited	6,000	22	6,000	22
<b>Total equity instruments</b>		<b>422</b>		<b>392</b>
<b>Total investments</b>		<b>422</b>		<b>392</b>
<b>Aggregate amount of unquoted investments</b>		<b>422</b>		<b>392</b>
<b>Aggregate amount of impairment in the value of investments</b>		<b>(181)</b>		<b>(181)</b>

**Note:-**

During the year, the Group did not make any additional investment in Piscis Networks Private Limited, an unlisted entity in which it holds a 31.72% equity interest. 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.

**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, 2026	As at March 31, 2025
Piscis Networks Private Limited	SDWAN equipment	India	31.72%	31.72%

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### ii. Summarised financial information of associate

Summarised Balance Sheet	As at March 31, 2026	As at March 31, 2025
Total current assets	906	763
Add: Total non-current assets	195	87
Less: Total current liabilities	(111)	(42)
Less: Total non-current liabilities	(89)	-
Equity	901	808
Group's Share in Equity-31.72%	286	256
Group's carrying amount of the investment	400	370

### iii. Summarised statement profit and loss

Summarised statement profit and loss	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	1,069	1,433
Other income	21	-
Cost of raw material and components consumed	(602)	(875)
Depreciation & amortization	(17)	(7)
Finance cost	(15)	(21)
Employee benefit expense	(224)	(149)
Other expense	(112)	(73)
<b>Profit/(loss) before tax</b>	<b>120</b>	<b>308</b>
Income tax expense	(28)	(78)
<b>Profit/(loss) for the year</b>	<b>92</b>	<b>230</b>
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income</b>	<b>92</b>	<b>230</b>
Group's share of profit for the year - 31.72%	30	73
Adjustment to profit:		
a) Profit on Unsold Inventory	19	(35)
b) Amortisation of Technology	(19)	(19)
<b>Group's net share of profit for the year</b>	<b>30</b>	<b>19</b>

### 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 has been started from year and adjusted with the carrying value of the investment.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 6 (a) : Other non current financial assets - at amortised cost**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(Unsecured considered good, unless otherwise stated)</b>		
Security deposits	74	58
Balances held as margin money against bank guarantees	32	32
<b>Total</b>	<b>106</b>	<b>90</b>

**Note 6 (b) : Other current financial assets - at amortised cost**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(Unsecured considered good, unless otherwise stated)</b>		
Security deposits	250	341
Security deposits which have significant increase in credit risk	-	21
Less: Impairment allowance on security deposits which have significant increase in credit risk	-	(21)
	250	341
Fair value of foreign exchange forward contract	135	-
Others-Amount recoverable on lease termination	45	-
<b>Total</b>	<b>430</b>	<b>341</b>

**Note 7 : Non-current tax assets (net)**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	89	176
Add : Tax deducted at source and advance tax	1,035	1,190
Less: Income tax refund received	(241)	440
Less: Amount paid under protest	-	(128)
Less: Current tax payable for the year	(790)	(1,059)
Less: current tax payable for the earlier year	(10)	(509)
Less: interest payable for the earlier year	-	(21)
<b>Total</b>	<b>83</b>	<b>89</b>
Note 7 (a): Non-current tax assets (net)	<b>723</b>	<b>89</b>
Note 7 (b): Current tax liability (net)	<b>640</b>	-

**Note 8 (a) : Other non current assets**

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with government authorities	186	178
Prepaid Expenses	61	64
<b>Total</b>	<b>247</b>	<b>242</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 8 (b) : Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	189	222
Advance to suppliers	174	58
Balance with government authorities	1,351	592
Recoverable from Department of Telecommunication, charges paid in advance	-	210
Excess gratuity contribution (refer note 42)	-	17
Other recoverable	37	72
<b>Total</b>	<b>1,751</b>	<b>1,171</b>

### Note 9 : Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Inventories (lower of cost and net realisable value)		
Stock-in-trade	3,625	3,069
<b>Total</b>	<b>3,625</b>	<b>3,069</b>

During the year ended March 31, 2026, ₹ 26 lakhs (March 31, 2025: ₹ 30 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, 2026	As at March 31, 2025
<b>Trade receivables from contract with customers</b>		
- Trade receivables - considered good- secured	-	-
- Trade receivables - considered good- unsecured	7,626	6,765
- Trade receivables which have significant increase in credit risk	547	131
- Trade receivables- credit impaired	227	189
	<b>8,400</b>	<b>7,085</b>
Trade receivables from contract with customers-considered good-unsecured- related parties (refer note 43)	263	638
<b>Total</b>	<b>8,663</b>	<b>7,723</b>
Less : Impairment allowance (allowance for bad and doubtful debts)	(601)	(321)
<b>Total</b>	<b>8,062</b>	<b>7,402</b>
Unbilled receivables	2,302	3,251
<b>Total</b>	<b>10,364</b>	<b>10,653</b>

- Trade receivables are dues in respect of goods sold and services rendered in the normal course of business.
- Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.
- 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.
- 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, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

5. Trade receivables from related parties (refer note 43).

**Trade receivables ageing schedule**

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2026
	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	4,180	2,066	749	1,056	10	-	8,061
ii. Undisputed trade receivables-which have significant increase in credit risk	-	-	68	24	10	273	375
iii. Undisputed trade receivables-credit impaired	-	-	-	-	-	173	173
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
<b>Total</b>	<b>4,180</b>	<b>2,066</b>	<b>817</b>	<b>1,080</b>	<b>20</b>	<b>500</b>	<b>8,663</b>
Impairment allowance	-	-	57	24	20	500	601
<b>Total</b>	<b>4,180</b>	<b>2,066</b>	<b>760</b>	<b>1,056</b>	<b>-</b>	<b>-</b>	<b>8,062</b>

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2025
	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	3,420	2,153	1,188	642	-	-	7,403
ii. Undisputed trade receivables-which have significant increase in credit risk	56	24	12	5	34	-	131
iii. Undisputed trade receivables-credit impaired	-	-	-	-	-	122	122
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
<b>Total</b>	<b>3,476</b>	<b>2,177</b>	<b>1,200</b>	<b>647</b>	<b>34</b>	<b>189</b>	<b>7,723</b>
Impairment allowance	56	24	12	6	34	189	321
<b>Total</b>	<b>3,420</b>	<b>2,153</b>	<b>1,188</b>	<b>641</b>	<b>-</b>	<b>-</b>	<b>7,402</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2026
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	2,270	32	-	-	-	2,302
<b>Total</b>	<b>2,270</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,302</b>

### Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2025
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	3,079	172	-	-	-	3,251
<b>Total</b>	<b>3,079</b>	<b>172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,251</b>

### Note 11 : Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks :-		
- in current accounts	1,937	391
- in deposits accounts	-	651
Cheques on hand	-	343
Cash on hand	2	*
<b>Total</b>	<b>1,939</b>	<b>1,385</b>

\* Below rounding off norms adopted by the Group.

### Note 12 : Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
<b>In earmarked accounts</b>		
Unclaimed dividend accounts	42	37
Balances held as margin money against letter of credit and bank guarantees	44	39
<b>Total</b>	<b>86</b>	<b>76</b>

### Note 13: Loans - at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Unsecured, considered good</b>		
Loans to employees	9	21
<b>Total</b>	<b>9</b>	<b>21</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 14 : Contract balances**

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred revenue	3,310	3,001
Advances received from customers	741	497
<b>Total contract liabilities</b>	<b>4,051</b>	<b>3,498</b>

**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, 2026	As at March 31, 2025
Opening balance	3,001	2,526
Deferred during the year	3,310	3,001
Recognised as revenue during the year	(3,001)	(2,526)
<b>Closing balance</b>	<b>3,310</b>	<b>3,001</b>

**Note 15 : Equity share capital**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Authorised share capital:</b>		
3,00,00,000 (3,00,00,000 as at March 31, 2025) equity shares of ₹10/- each	3,000	3,000
25,00,000 (25,00,000 as at March 31, 2025) redeemable preference shares of ₹100/- each	2,500	2,500
	<b>5,500</b>	<b>5,500</b>
<b>Issued share capital:</b>		
2,28,18,400 (2,28,18,400 as at March 31, 2025) equity shares of ₹10/- each	2,282	2,282
	<b>2,282</b>	<b>2,282</b>
<b>Subscribed and fully paid-up equity share capital:</b>		
2,28,17,461 (2,28,17,461 as at March 31, 2025) equity shares of ₹10/- each	2,282	2,282
<b>Total</b>	<b>2,282</b>	<b>2,282</b>

**Notes:****(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at March 31, 2026		As at March 31, 2025	
	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	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,28,17,461</b>	<b>2,282</b>	<b>2,28,17,461</b>	<b>2,282</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(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, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of ₹ 10/- each, fully paid up</b> The Tata Power Company Limited [50.08% (March 31, 2025 : 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 ₹ 1/- per equity share for the year ended March 31, 2026. 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, 2026		As at March 31, 2025	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of ₹ 10/- each, fully paid up</b> 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, 2026 and March 31, 2025:

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of ₹ 10/- each, fully paid up</b> The Tata Power Company Limited	1,14,27,940	50.08%	1,14,27,940	50.08%

(vi) 939 shares (March 31, 2025 : 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, 2026.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 16 : Other equity**

Particulars	As at March 31, 2026	As at March 31, 2025
General reserve - refer (i) below	250	250
Retained earnings - refer (ii) below	10,333	10,240
Reserve for FVTOCI Equity instrument - refer (iii) below	18	18
<b>Total</b>	<b>10,601</b>	<b>10,508</b>

**(i) General reserve**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	250	250
Addition during the year	-	-
<b>Closing balance</b>	<b>250</b>	<b>250</b>

**(ii) Retained earnings**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	10,240	9,808
Net Profit for the year	332	953
Less :- Dividend paid*	(228)	(502)
Other comprehensive (expenses (net of tax))		
- Remeasurements of post employment benefit obligations, net of tax	(11)	(19)
<b>Closing balance</b>	<b>10,333</b>	<b>10,240</b>

**(iii) Reserve for FVTOCI Equity instrument**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	18	18
Changes in fair value of FVTOCI equity instruments	-	-
<b>Closing balance</b>	<b>18</b>	<b>18</b>

**Nature and purpose of reserves:****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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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, 2025, the Board of Directors had recommended a dividend of 10% (March 31, 2024: 22%) which was ₹ 1/- (March 31, 2024: ₹ 2.20) per equity share of ₹10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 24, 2025.

For financial year ended March 31, 2026, the Board of Directors have recommended a dividend of 10% (March 31, 2025: 10%) which is ₹ 1/- (March 31, 2025: ₹ 1/-) 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, 2026.

### Note 17(a) : Non current borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured</b>		
Term Loans from banks (refer note (i) and (iii) below)	-	-
<b>Total</b>	-	-

### Note 17(b) : Current borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured</b>		
Term loans from banks (refer note (i) and (iii) below)	3,400	1,500
Cash credit facility from banks (refer note (i), (ii) and (iii) below)	679	42
Current maturity of long term debt (refer note (i) and (iii) below)	-	17
	<b>4,079</b>	<b>1,559</b>
<b>Unsecured</b>		
Term loans from banks (refer note (iii) below)	1,400	1,800
Cash credit facility from banks (refer note (iii) below)	398	436
	<b>1,798</b>	<b>2,236</b>
<b>Total</b>	<b>5,877</b>	<b>3,795</b>

Notes:

- (i) The carrying amount of 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.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

(iii) Details of borrowings are as follows:

Particulars	As at March 31, 2026		As at March 31, 2025		Terms of Repayment	Rate of Interest (p.a)	Nature of Security
	Non current	Current	Non current	Current			
Term loan from Bajaj Finance Limited	-	-	-	17	36 monthly equal instalments till April 2025	ROI linked to ICICI Bank MCLR+ Spread (Currently 9.05%)	Exclusive charge over the VSAT's installed at HPCL, IOCL, Bank of India and BPCL Outlets and in inventory
Term loan from IDFC First Bank Ltd	-	3400	-	1,500	Payable on demand	8.50% to 8.60%	First Pari Passu charge on entire Current Assets of the Borrower present and future
Cash credit facility from IDFC First Bank Ltd	-	679	-	42	Payable on demand	1 month MCLR+ Spread	First Pari Passu charge on entire Current Assets of the Borrower present and future
Term loan from ICICI Bank Ltd	-	1400	-	1,800	Payable on demand	8.40% to 8.70%	Unsecured
Cash credit facility from ICICI Bank Limited	-	398	-	436	Payable on demand	6 month MCLR+ Spread	Unsecured
<b>Total</b>	<b>-</b>	<b>5,877</b>	<b>-</b>	<b>3,795</b>			

**Note 17 (c) : Changes in liabilities arising from financing activities****Net debt reconciliation**

Particulars	As at March 31, 2026	As at March 31, 2025
Cash & cash equivalents (refer note 11)	1,939	1,385
Lease liabilities [refer note 4 (c)(I)(ii)]	(1,407)	(1,456)
Non current borrowings (including current maturities of long term debt) (refer note 17(b))	-	(17)
Current borrowings (refer note 17(b))	(5,877)	(3,778)
<b>Net debts</b>	<b>(5,345)</b>	<b>(3,866)</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Other assets	Liabilities from financial activities			Total
	Cash & cash equivalents	Lease liabilities	Non current borrowings (Including Current Maturities of long term debt)	Current borrowing	
<b>Net debt as at April 1, 2025</b>	<b>1,385</b>	<b>(1,456)</b>	<b>(17)</b>	<b>(3,778)</b>	<b>(3,866)</b>
Cash flow	554	271	17	(2,099)	(1,257)
Modification of lease term	-	145	-	-	145
Acquisitions - finance leases	-	(367)	-	-	(367)
Interest expenses	-	(126)	-	(456)	(582)
Interest paid	-	126	-	456	582
<b>Net debt as at March 31, 2026</b>	<b>1,939</b>	<b>(1,407)</b>	<b>-</b>	<b>(5,877)</b>	<b>(5,345)</b>
<b>Net debt as at April 1, 2024</b>	<b>2,179</b>	<b>(2,365)</b>	<b>(701)</b>	<b>(2,621)</b>	<b>(3,508)</b>
Cash flow	(794)	482	684	(1,157)	(785)
Modification of lease term	-	578	-	-	578
Acquisitions - finance leases	-	(151)	-	-	(151)
Interest expenses	-	(190)	(31)	(342)	(563)
Interest paid	-	190	31	342	563
<b>Net debt as at March 31, 2025</b>	<b>1,385</b>	<b>(1,456)</b>	<b>(17)</b>	<b>(3,778)</b>	<b>(3,866)</b>

### Note 18(a) : Other non current financial liabilities - at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits received	11	14
<b>Total</b>	<b>11</b>	<b>14</b>

### Note 18(b) : Other current financial liabilities - at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued	191	187
Sundry deposits received from customers	29	29
Capital creditors	3,087	289
Employee related payables	1,080	1,014
Fair value of foreign exchange forward contract	-	2
Unclaimed dividend (refer note below)	42	37
<b>Total</b>	<b>4,429</b>	<b>1,558</b>

Note: There is no amount due and outstanding as at March 31, 2026 and March 31, 2025, to be credited to Investor Education and Protection Fund.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 19 : Trade payables**

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	-
Trade payable to related parties (refer note 43)	560	842
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	3,580	3,835
<b>Total</b>	<b>4,140</b>	<b>4,677</b>

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, 2026
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Micro enterprises and small enterprises (A)</b>	-	-	-	-	-	-
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
<b>Others (B)</b>	<b>1,493</b>	<b>2,386</b>	<b>57</b>	<b>25</b>	<b>179</b>	<b>4,140</b>
Disputed	-	-	-	-	-	-
Undisputed	1,493	2,386	57	25	179	4,140
<b>Total (A+B)</b>	<b>1,493</b>	<b>2,386</b>	<b>57</b>	<b>25</b>	<b>179</b>	<b>4,140</b>

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2025
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Micro enterprises and small enterprises (A)</b>	-	-	-	-	-	-
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
<b>Others (B)</b>	<b>1,449</b>	<b>2,897</b>	<b>126</b>	<b>10</b>	<b>195</b>	<b>4,677</b>
Disputed	-	-	-	-	-	-
Undisputed	1,449	2,897	126	10	195	4,677
<b>Total (A+B)</b>	<b>1,449</b>	<b>2,897</b>	<b>126</b>	<b>10</b>	<b>195</b>	<b>4,677</b>

**Note 20 : Other current liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	437	358
<b>Total</b>	<b>437</b>	<b>358</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 21 : Current provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Provision for employee benefits obligations:</b>		
Compensated absences (refer note 42)	230	214
Gratuity (refer note 42)	433	-
	<b>663</b>	<b>214</b>
<b>Provision - Others:</b>		
Warranty (refer note 37)	34	220
Provision for disputed obligations (refer note 37)	165	165
	<b>199</b>	<b>385</b>
<b>Total</b>	<b>862</b>	<b>599</b>

### Note 22 : Revenue from operations

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Revenue from operations</b>		
<u>Revenue from contracts with customer</u>		
Sale of products	4,843	3,595
Sale of services	25,817	26,885
	30,660	30,480
Scrap sales	-	7
<b>Total revenue from contracts with customers</b>	<b>30,660</b>	<b>30,487</b>

Type of goods or services	Year ended March 31, 2026	Year ended March 31, 2025
Sale of satellite communication equipment	4,843	3,595
Sale of satellite communication services	19,700	20,554
Equipment rental services	1,350	1,224
Installation and other services	4,767	5,107
Others	-	7
<b>Total revenue from contracts with customers</b>	<b>30,660</b>	<b>30,487</b>

Location	Year ended March 31, 2026	Year ended March 31, 2025
India	21,141	30,055
Outside India	9,519	432
<b>Total revenue from contracts with customers</b>	<b>30,660</b>	<b>30,487</b>

Timing of recognition of revenue	Year ended March 31, 2026	Year ended March 31, 2025
Goods transferred at point in time	4,843	3,602
Services transferred over time	25,817	26,885
<b>Total revenue from contracts with customers</b>	<b>30,660</b>	<b>30,487</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Revenue as per contracted price</b>	31,918	29,605
<b>Adjustments for:</b>		
<u>Unbilled revenue (refer note 10)</u>		
Opening balance	(3,251)	(1,894)
Closing balance	2,302	3,251
	(949)	1,357
<u>Contract liabilities (refer note 14)</u>		
Opening balance	3,001	2,526
Closing balance	(3,310)	(3,001)
	(309)	(475)
<b>Total</b>	<b>30,660</b>	<b>30,487</b>

**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 and internet services:

The performance obligation is satisfied over-time and payment is generally due upon link activation and acceptance of the customer.

Installation, AMC and rental services:

The performance obligation for installation is satisfied upon completion of installation activity, AMC and rental services over-time and payment is generally due upon completion of installation and acceptance of the customer.

**Note 23 : Other income**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Interest income</b>		
- On bank deposits	28	5
- On income tax refund	31	115
	<b>59</b>	<b>120</b>
<b>Other non-operating income</b>		
Liabilities/provisions no longer required, written back (net)	200	205
Rent income	11	5
Amount recoverable on lease termination	-	69
Others	9	2
	<b>220</b>	<b>281</b>
<b>Other gains</b>		
Profit on sale of property, plant and equipment (net)	2	-
Gain on mark to mark forward contract	137	-
Foreign exchange gain (net)	2	5
Unwinding of discount on financial asset measured at amortised cost	16	112
	<b>157</b>	<b>117</b>
<b>Total</b>	<b>436</b>	<b>518</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 24 : (Increase) in inventories of stock-in-trade

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Inventories at the beginning of the year:</b>		
Stock-in-trade	3,069	2,587
Stock- in-transit	-	-
	<b>3,069</b>	<b>2,587</b>
<b>Less : Inventories at the end of the year:</b>		
Stock-in-trade	3,625	3,069
Stock-in-transit	-	-
	<b>3,625</b>	<b>3,069</b>
<b>Net (increase) / decrease in inventories of stock-in-trade</b>	<b>(556)</b>	<b>(482)</b>

### Note 25 : Operating expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
License fees	2,271	2,442
Transponder charges	8,090	8,732
Connectivity charges	542	394
ISP monitoring & support charges	3	3
Subcontracting expenses	3,241	3,109
Standing Advisory Committee on Radio Frequency Allocation (SACFA) Fees	35	67
<b>Total</b>	<b>14,182</b>	<b>14,747</b>

### Note 26 : Employee benefits expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	4,481	4,085
Contributions to provident fund (refer note 42)	174	154
Contributions to superannuation funds (refer note 42)	11	16
Gratuity (refer note 42)	71	47
Staff welfare expenses	317	271
<b>Total</b>	<b>5,054</b>	<b>4,573</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Note 27 : Other Expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Bank charges	53	62
Consumption of loose tools	14	23
Power and fuel	293	296
Rent including lease rentals [refer note 4(c)(l)(iii)]	232	161
Repairs and maintenance - Plant and machinery	356	400
Repairs and maintenance - Others	974	736
Rates and taxes	-	96
Travelling and conveyance	414	371
Freight and forwarding	433	277
Legal and professional charges	329	264
Consultancy charges	421	430
Director sitting fees	53	67
Installation expenses	364	266
Payment to auditors (refer note below)	56	55
Impairment allowance ((gain)/allowance for bad and doubtful debts)	280	-
Loss on sale of property, plant and equipment (net)	-	15
Corporate social responsibility expenses (refer note 48)	25	30
Loss on mark to market forward contract	-	2
Sales commission	122	83
Software expenses	144	135
Vehicle charges	189	189
Insurance	40	34
Telephone charges	32	39
Provision for warranty (net) (refer note 37)	(180)	-
Miscellaneous expenses	245	237
<b>Total</b>	<b>4,889</b>	<b>4,268</b>

**Note: Payment to auditors (excluding Goods and Service Tax)**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<u>Payments to the auditors comprises</u>		
<u>As Auditors</u>		
Audit fee	26	26
Tax audit fee	2	2
Limited review	18	18
<u>In other capacity</u>		
Other services	5	5
Reimbursement of expenses	5	4
<b>Total</b>	<b>56</b>	<b>55</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 28 : Finance costs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Interest expense on:</b>		
Borrowings	366	373
Leased liabilities	126	164
Trade payables	(5)	-
Others	-	15
<b>Total</b>	<b>487</b>	<b>552</b>

### Note 29 : Depreciation and amortisation expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On property, plant and machinery [refer note 4(a)]	1,576	1,449
On intangible assets [refer note 4(d)]	90	94
On right of use assets [refer note 4(c)(i)]	329	510
On right of use assets on termination of lease	-	163
<b>Total</b>	<b>1,995</b>	<b>2,216</b>

### 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 following tables presents the carrying value and fair value of each category of financial assets and liabilities.

The Group's assets and liabilities which are measured at amortised cost for which fair values are disclosed:

Particulars	As at March 31, 2026			As at March 31, 2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments	-	22	-	-	22	-
Trade receivables	-	-	10,364	-	-	10,653
Cash and cash equivalents	-	-	1,939	-	-	1,385
Other bank balances	-	-	86	-	-	76
Current loans	-	-	9	-	-	21
Fair value of foreign exchange forward contract	135	-	-	-	-	-
Other financial assets	-	-	401	-	-	431
<b>Total financial assets</b>	<b>135</b>	<b>22</b>	<b>12,799</b>	<b>-</b>	<b>22</b>	<b>12,566</b>
<b>Financial liabilities</b>						
Borrowings	-	-	5,877	-	-	3,795
Trade payables	-	-	4,140	-	-	4,677
Mark to market loss on forward contracts	-	-	-	2	-	-
Other financial liabilities	-	-	4,429	-	-	1,556
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>14,446</b>	<b>2</b>	<b>-</b>	<b>10,028</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (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, 2026	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial assets at FVOCI</b>					
Investment in equity shares	5	-	-	22	22
<b>Financial instrument at FVPL</b>					
Fair value of foreign exchange forward contract	6(b)	-	135	-	135
<b>Total financial assets</b>		-	<b>135</b>	<b>22</b>	<b>157</b>

Financial assets and liabilities measured at fair value at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial assets at FVOCI</b>					
Investment in equity shares	5	-	-	22	22
<b>Financial instrument at FVPL</b>					
Fair value of foreign exchange forward contract	18(b)	-	2	-	2
<b>Total financial assets</b>		-	<b>2</b>	<b>22</b>	<b>24</b>

**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 method 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

- c) The Fair value for investment in unquoted equity shares 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

### (iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
<b>Financial assets</b>				
Trade receivables	10,364	10,364	10,653	10,653
Cash and cash equivalents	1,939	1,939	1,385	1,385
Other bank balances	86	86	76	76
Loans to employees	9	9	21	21
Other financial assets	401	401	431	431
<b>Total financial assets</b>	<b>12,799</b>	<b>12,799</b>	<b>12,566</b>	<b>12,566</b>
<b>Financial liabilities</b>				
Borrowings	5,877	5,877	3,795	3,795
Trade payables	4,140	4,140	4,677	4,677
Other financial liabilities	4,429	4,429	1,556	1,556
<b>Total financial liabilities</b>	<b>14,446</b>	<b>14,446</b>	<b>10,028</b>	<b>10,028</b>

The carrying amounts of cash and cash equivalent, other bank balances, loans to employees, 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, 2025	18,10,000	-	6,000	22	22
Addition/(deletion)/remeasurement	-	-	-	-	-
<b>As at March 31, 2026</b>	<b>18,10,000</b>	<b>-</b>	<b>6,000</b>	<b>22</b>	<b>22</b>
As at April 1, 2024	18,10,000	-	6,000	22	22
Addition/(deletion)/remeasurement	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>18,10,000</b>	<b>-</b>	<b>6,000</b>	<b>22</b>	<b>22</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(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 Group'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, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (i) Credit Risk Management

#### Financial Assets

The group maintains exposure in cash and cash equivalents, trade receivables, term deposits with banks, Security deposits with counterparties, loans to third parties. Individual risk limits are set for each counterparty 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, 2026 and March 31, 2025 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.

Four customers as at March 31, 2026 and Three customers as at March 31, 2025 contributed to more than 5% of the total balance of trade receivables. Receivable from these customers was ₹ 2,907 Lakhs and ₹ 2,512 Lakhs as at March 31, 2026 and as at March 31, 2025 respectively.

#### The amount of Trade receivable outstanding as at March 31, 2026 and March 31, 2025 is as follows:

ECL rate followed by the Company for BFSI customer 0.57% (2025: 1.33%) and non BFSI 1.02% (2025 1.13%).

Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
<b>As at March 31, 2026</b>					
Gross	4,180	2,066	817	1,772	<b>8,835</b>
Impairment allowance	-	-	57	716	<b>773</b>
<b>Net</b>	<b>4,180</b>	<b>2,066</b>	<b>760</b>	<b>1,056</b>	<b>8,062</b>
<b>As at March 31, 2025</b>					
Gross	3,476	2,177	1,200	870	<b>7,723</b>
Impairment allowance	56	24	12	229	<b>321</b>
<b>Net</b>	<b>3,420</b>	<b>2,153</b>	<b>1,188</b>	<b>641</b>	<b>7,402</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***(ii) Reconciliation of loss allowances provision**

<b>Loss Allowances on March 31, 2024</b>	321
Add: provision made during the year	-
Less: Provision for doubtful debts made in earlier years written back	-
<b>Loss Allowances on March 31, 2025</b>	<b>321</b>
Add: provision made during the year	280
Less: Provision for doubtful debts made in earlier years written back	-
<b>Loss Allowances on March 31, 2026</b>	<b>601</b>

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 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 31,2026	As at March 31,2025
<b>Floating Rate</b>		
Expiring within one year (Bank overdraft, Term Loans and other facilities)	6,102	7,122
<b>Total</b>	<b>6,102</b>	<b>7,122</b>

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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (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
<b>March 31, 2026</b>				
<b>Non - Derivative</b>				
Borrowings	5,877	-	-	5,877
Lease liability	413	1,256	116	1,785
Trade payables	4,140	-	-	4,140
Other financial liabilities	4,429	11	-	4,440
<b>Total non derivative liabilities</b>	<b>14,859</b>	<b>1,267</b>	<b>116</b>	<b>16,242</b>

Contractual maturities of financial liabilities	Less than 1 Year	1 - 5 Years	5 Year and Above	Total
<b>March 31, 2025</b>				
<b>Non - Derivative</b>				
Borrowings	3,795	-	-	3,795
Lease liability	377	1,183	257	1,817
Trade payables	4,677	-	-	4,677
Other financial liabilities	1,558	14	-	1,572
<b>Total non derivative liabilities</b>	<b>10,407</b>	<b>1,197</b>	<b>257</b>	<b>11,861</b>

### (C) Market Risk

#### (i) Foreign currency risk

Group 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 Group enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The risk is measured through a forecast of highly probable foreign currency cash flows.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (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, 2026		As at March 31, 2025	
		In foreign currency	₹ in Lakhs	In foreign currency	₹ in Lakhs
<b>Financial liabilities</b>					
Trade payables and capex creditors	USD	38	3,618	19	1,607
Derivative Liabilities	USD	-	-	*	2
<b>Foreign exchange forward contract</b>					
Buy foreign currency	USD	(37)	(3,548)	(7)	(598)
<b>Net exposure to foreign currency liability</b>	<b>USD</b>	<b>1</b>	<b>70</b>	<b>12</b>	<b>1,011</b>
<b>Financial Assets</b>					
Trade receivables	USD	(15)	(1,414)	(13)	(1,082)
Derivative assets	USD	-	-	-	-
<b>Net exposure to foreign currency assets</b>	<b>USD</b>	<b>(15)</b>	<b>(1,414)</b>	<b>(13)</b>	<b>(1,082)</b>

\* Below rounding off norms adopted by the Group.

### (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, 2026	As at March 31, 2025
<i>USD sensitivity</i>		
INR/USD - Increase by 5% (March 31, 2025 - 5%)*	50	3
INR/USD - Decrease by 5% (March 31, 2025 - 5%)*	(50)	(3)
* 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, 2026	As at March 31, 2025
Variable rate borrowings	5,877	3,795
<b>Total Borrowings</b>	<b>5,877</b>	<b>3,795</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (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, 2026	As at March 31, 2025
Interest Rate - Increase by 100 basis points*	(44)	(28)
Interest Rate - Decrease by 100 basis points*	44	28
* Holding all other variable constant		

### (iii) Price Risk

The Group does not have any financial instrument which is exposed to change in price.

## Note 32 : Capital Management & Gearing Ratio

### 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.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio around 60%. The Group includes within net debt, interest bearing loans and borrowings, less cash and bank balances as detailed in the notes below.

The Group's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals.

Its capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

### Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Debt (refer note 17a & 17b)	5,877	3,795
Cash and cash equivalents (refer note 11)	1,939	1,385
<b>Net debt</b>	<b>3,938</b>	<b>2,410</b>
Equity share capital (refer note 15)	2,282	2,282
Other equity (refer note 16)	10,601	10,508
<b>Total Capital</b>	<b>12,883</b>	<b>12,790</b>
Capital and net debt	16,821	15,200
Net debt to total capital and net debt ratio (%)	23%	16%

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

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.

**Note 34: Assets pledged as security****Collateral against borrowings**

Current assets of the Group are pledged as security against debt facilities from the lender i.e. machinery situated at Mahape, Maharashtra, Dehradun, Uttarakhand and other locations 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 borrowings are:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Financial assets</b>		
Trade receivables	10,364	10,653
Inventories	3,625	3,069
Cash & cash equivalents	1,939	1,385
Bank balances other than above	86	76
Loans	9	21
Other financial assets	430	341
Other current assets	1,751	1,171
<b>Total current assets pledged as security</b>	<b>18,204</b>	<b>16,716</b>

**Note 35: Earnings per share (EPS)**

Sr. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
1	Net profit after tax attributable to equity shareholders (₹ in lakhs)	332	953
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)	1.45	4.18

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 36: Contingent liabilities

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
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	607	657
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	394
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	68	68
	<b>Total (a+b+c)</b>	<b>1,237</b>	<b>1,287</b>

\* Application filed 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 ₹ 165 lakhs and accrued interest thereon. Balance has been disclosed as contingent liability.

\* There has been no change in Contingent Liability for Mesne i.e ₹ 394 lakhs in CY (₹ 394 lakhs in PY).

Future cash outflows in respect of the above matters are determinable only on receipt of judgements/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.

### Note 37 : Disclosure as required by Ind AS 37 – “Provisions, contingent Liabilities and contingent Assets” as at year end are as follows:

- 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).
- 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.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

c) The movement and provision during the year are as follows:

Particulars	Provision for disputed obligation		Provision for warranties	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	165	165	220	254
Add: Provision during the year	-	-	26	3
Less: Utilisation during the year	-	-	(6)	(37)
Less: Reversal during the year	-	-	(206)	-
<b>Closing balance</b>	<b>165</b>	<b>165</b>	<b>34</b>	<b>220</b>
Classified as current (refer note 21)	165	165	34	220

**Note 38 : Income Tax**a) **Components and movements of deferred tax asset (net):**

Particulars	As at April 1, 2024	Recognised in the statement of profit and Loss	Recognised in the state- ment of other com- prehensive income	As at March 31, 2025	Recog- nised in the statement of profit and Loss	Recognised in the state- ment of other com- prehensive income	As at March 31, 2026
	(a)	(b)	(c)	(d= a+b+c)	(e)	(f)	(g= d+e+f)
<b>i. Items of deferred tax liabilities :</b>							
Right of use assets	529	(213)	-	316	(7)	-	309
Others	12	17	-	29	(2)	-	27
<b>Total deferred tax liability (i)</b>	<b>541</b>	<b>(196)</b>		<b>345</b>	<b>(9)</b>	<b>-</b>	<b>336</b>
<b>ii. Items of deferred tax assets :</b>							
Disallowances under Section 43B of the Income Tax Act, 1961, provision for legal dispute and investment impairment	141	(12)	6	135	110	4	249
Provision for doubtful debts and deposits	103	42	-	145	58	-	203
Allowance u/s 35DDA and 35DD of Income Tax Act, 1961	8	(2)	-	6	(6)	-	-
Allowance u/s 35ABB of Income Tax Act, 1961	1,066	554	-	1,620	467	-	2,087
Property, plant and equipment and intangible assets	539	(5)	-	534	21	-	555
Lease liability	600	(231)	-	369	(3)	-	366
Inventory	14	-	-	14	-	-	14
Others	59	13	-	72	17	-	89
<b>Total deferred tax assets (ii)</b>	<b>2,530</b>	<b>359</b>	<b>6</b>	<b>2,895</b>	<b>664</b>	<b>4</b>	<b>3,562</b>
<b>Net deferred tax assets (ii-i)</b>	<b>1,989</b>	<b>555</b>	<b>6</b>	<b>2,550</b>	<b>673</b>	<b>4</b>	<b>3,226</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### b) Current tax and deferred tax

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Income tax expense</b>		
For current year		
Current tax		
Current tax on profits for the year	790	1,054
<b>Total current tax expense (A)</b>	<b>790</b>	<b>1,054</b>
Deferred tax [refer note 38(a)]		
(Increase) in deferred tax assets	(664)	(359)
(Decrease) in deferred tax liabilities	(9)	(196)
<b>Total deferred tax (benefit) (B)</b>	<b>(673)</b>	<b>(555)</b>
<b>Income tax expense for current year (C=A+B)</b>	<b>117</b>	<b>499</b>
For earlier year		
Current tax		
Current tax for the earlier years	10	514*
<b>Tax adjustment for earlier years (D)</b>	<b>10</b>	<b>514</b>
<b>Total income tax expense (C+D)</b>	<b>127</b>	<b>1,013</b>

\*In relation to Income tax demand disclosed in contingent liability (refer note 36) of ₹ 1,095 lakhs, during the previous year ended March 31, 2025, Holding Company filed an application under "Vivad se Vishwas Scheme, 2024" to settle the pending Income Tax matter and dues relating to Assessment Year 2011-12. Holding Company's application has been approved by the Income Tax Authorities. Tax payable ₹ 488 Lakhs as per the application has been recognised as Tax Adjustments for earlier years and Interest on income tax payable ₹ 21 Lakhs has been recognised as Finance Cost for the year ended March 31, 2025. This settlement resulted in reduction in contingent liability from ₹ 1,095 Lakhs to NIL.

### Note 39 : Reconciliation of tax expense and accounting profit multiplied by India's tax rates:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Profit from operation before Income tax expenses</b>	<b>429</b>	<b>1,947</b>
Statutory tax rate (%)	25.17%	25.17%
<b>Tax at Indian tax rate</b>	<b>108</b>	<b>490</b>
<b>Tax adjustment related to current year</b>		
Expenses not allowed in tax	7	11
Tax impact on OCI	(4)	(7)
Others	6	5
<b>Tax adjustment related to earlier years</b>		
Income tax provision made for earlier year, including interest	10	514
<b>Total tax expense</b>	<b>127</b>	<b>1,013</b>

### Note 40 : Capital and other commitments

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	787	236

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### 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.

#### b. Long-term employee benefits

##### i) Defined contribution plans

Group's contribution paid/payable during the year to superannuation fund and provident fund contribution are recognised as an expense and included in Note 26 under the heading "Contributions to superannuation funds and Contribution to provident funds" are as under:

Sr. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a)	Contribution to employees' superannuation fund	11	16
b)	Contribution to provident fund	174	154
	<b>Total</b>	<b>185</b>	<b>170</b>

##### ii) Defined Benefit Plans

The Group operates the following funded/unfunded defined benefit plans:

#### Provident Fund (funded):

The Holding Company 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, 2026 and March 31, 2025, respectively.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

The details of fund and plan asset position are given below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Plan assets at period end, at fair value	3,306	3,140
Present value of benefit obligation at period end	(3,306)	(3,140)
<b>Asset recognized in Balance Sheet</b>	<b>-</b>	<b>-</b>

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, 2026	Year ended March 31, 2025
Government of India (GOI) bond yield	7.27%	6.94%
Remaining term to maturity of portfolio	11 years	11 years
Expected guaranteed interest rate	8.25%	8.25%

The Holding Company has contributed ₹ 109 Lakhs and ₹ 95 Lakhs during the year ended March 31, 2026 and March 31, 2025 respectively and the same has been recognized in the Statement of Profit and Loss.

**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	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	71	48
Past Service Cost	381	-
Interest cost	40	41
Interest income on plan assets	(40)	(42)
<b>Total expense recognised in the statement of profit and loss</b>	<b>452</b>	<b>47</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***Amount recognised in other comprehensive income (OCI):**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Due to change in financial assumptions	(26)	11
Due to experience	17	21
Return on Plan Assets, excluding interest income	24	(6)
<b>Total losses recognised in OCI</b>	<b>15</b>	<b>26</b>

**Change in Defined Obligation (DBO) during the year:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Present value of DBO at the beginning	568	570
Current service cost	71	48
Past Service Cost	381	
Interest cost	40	41
Liabilities transferred In/acquisitions	-	-
Remeasurement (gain)/loss	(8)	32
Liabilities transferred in/acquisitions	-	8
Benefits paid	(48)	(131)
<b>Present value of DBO at end of the year</b>	<b>1,004</b>	<b>568</b>
Present value of plan assets at the beginning	584	583
Interest income	40	42
Amount paid to employees gratuity trust	(13)	9
Return on Plan Assets, excluding interest income	(24)	6
Benefits paid from the fund	(16)	(55)
<b>Present value of plan assets at end of the year</b>	<b>571</b>	<b>585</b>
<b>Present value of net DBO at the end of the year</b>	<b>433</b>	<b>(17)</b>

**The details of fund and plan asset position are given below:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Plan assets at period end, at fair value	571	585
Present value of benefit obligation at period end	(1,004)	(568)
<b>Asset/(liability) recognised in Balance Sheet</b>	<b>(433)</b>	<b>17</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Principal Actuarial assumptions for valuation of gratuity liability:

Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025
Discount rate	7.24%	6.84%
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 Group to actuarial risks such as:

- Interest rate risk** - A decrease in the bond interest rate will increase the plan liability.
- 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.
- 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	Year ended		Year ended	
		March 31, 2026		March 31, 2025	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(59)	66	(35)	40
Expected rate of escalation in salary	1%	65	(59)	39	(35)
Rate of employee turnover	1%	(3)	3	(2)	2

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

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, 2025 - 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
1 <sup>st</sup> following year	197	43
2 <sup>nd</sup> following year	57	30
3 <sup>rd</sup> following year	108	134
4 <sup>th</sup> following year	76	51
5 <sup>th</sup> following year	72	43
Sum of years 6 to 10	363	195
Sum of years 11 and above	893	495

**iii) Other employee benefits**

- a) Compensated absences which are accumulated and not expected to be availed 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.
- b) An amount of ₹ 27 Lakhs (March 31, 2025 ₹ 62 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2026 towards Compensated absences.
- c) Net liability recognised for compensated absences in the Balance Sheet as at March 31, 2026 is ₹ 214 Lakhs (March 31, 2025 : ₹ 196 Lakhs).

**Principal Actuarial assumptions for valuation of long-term compensated absences**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Discount rate	7.27%	6.94%
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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

- 1 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.

On 21 November 2025, the Central Government issued four separate notifications in the Official Gazette announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. These four codes replace and consolidate 29 existing labour laws. Following the implementation of the four labour codes, the Central Government has pre-published the draft rules on 31 December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course. To ensure smooth implementation, the Ministry of Labour and Employment has also issued the Frequently Asked Questions (FAQs) on the four codes.

The four codes prescribe an inclusive definition of the term 'wages', which among other matters is relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, certain specified items forming part of remuneration are not included in the wages and these excluded items cannot exceed 50% of total remuneration. If there is an excess, then it is presumed that excess amount also forms part of wages. The four codes also introduce changes related to leave entitlement and encashment for workers. Going forward, workers' leave balance in excess of 30 days will be encashed at the end of each calendar year and workers will have a right to demand encashment for entire accumulated leave.

The Company has assessed the impact of these changes on the basis of legal view obtained by the management and best information available till authorisation of the financial statements for issue. The Company has determined that these changes result in an increase in gratuity obligation of ₹ 381 Lakhs. Considering the materiality and regulatory-driven, non-recurring nature of this change, the Company has presented increase in obligation as an expense under the head "Exceptional Items" in the statement of profit and loss for the year ended 31 March 2026. Considering that it is emerging topic and the finalisation of Central/ State Rules is still pending, the Company will continue monitoring changes and provide appropriate accounting effect as required based on future developments.

### 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/ Promoter**

The Tata Power Company Limited

**(C) Associate Company**

Piscis Networks Private Limited w.e.f. June 5, 2023

**(D) (i) Promoter of Holding Company**

Tata Sons Private Limited

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***(ii) 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  
Tata Power Renewable Energy Limited  
Poolavadi Windfarm Limited  
TP Southern Odisha Distribution Limited  
Tata Communications Limited  
Tata Communications Payment Solutions Limited (up to April 05, 2025)  
Tata Advanced Systems Limited  
Tata Teleservices Limited  
Tata Technologies Limited  
Tata Steel Limited  
Tata Sia Airlines Limited  
Tata Capital Limited  
C-edge Technologies Limited  
Air India Limited  
The Indian Hotels Company Limited  
Tata AIG General Insurance Company Limited  
Tata 1MG Technologies Private Limited  
Tata AIA Life Insurance Co Ltd  
Tata Business Hub Limited  
Novamesh Limited  
TP Kirnali Limited

**(E) 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)  
Mr. Saurabh Ray (Non Executive Director)  
Mr. Ajay Kumar Pandey (Independent Director)  
Dr. Lakshmi Nadkarni (Independent Director )  
Mr. K. Narasimha Murthy (Independent Director upto January 27, 2025)  
Mr. Vijay Somaiya (Independent Director w.e.f January 27, 2025)  
Mr. Girish V. Kirkinde (Company Secretary upto April 30, 2024)  
Mr. Ritesh Kamdar (Company Secretary w.e.f May 14, 2024)  
Mr. Malav Shah (Chief Financial Officer)

**(F) Details of Transactions:**

Sr. No.	Particulars	Holding Company		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25
<b>1</b>	<b>Rendering of services</b>										
	The Tata Power Green Energy Limited	-	-	-	-	-	-	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	1	1	-	-	-	-
	Tata Communications Limited	-	-	-	-	93	83	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	477	520	-	-	-	-
	Tata communications Payment solutions Limited	-	-	-	-	-	314	-	-	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr. No.	Particulars	Holding Company		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25
	Tata Steel Limited	-	-	-	-	37	317	-	-	-	-
	Tata Technologies Limited	-	-	-	-	344	457	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	35	-	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	11	11	-	-	-	-
	TP Kirnali Limited	-	-	-	-	2	-	-	-	-	-
	Air India Limited	-	-	-	-	488	745	-	-	-	-
	Tata Power Renewable Energy Ltd	-	-	-	-	3	-	-	-	-	-
<b>2</b>	<b>Sale of goods</b>										
	Tata Communications Limited	-	-	-	-	1	2	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	375	-	-	-	-	-
	Tata Advanced Systems Limited	-	-	-	-	23	-	-	-	-	-
	Tata communications Payment solutions Limited	-	-	-	-	-	-	-	-	-	-
	Tata Steel Limited	-	-	-	-	28	-	-	-	-	-
	Tata Technologies Limited	-	-	-	-	157	-	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	7	-	-	-	-	-
<b>3</b>	<b>Receiving of services</b>										
	Tata Sons Private Limited	-	-	-	-	2	-	-	-	-	-
	Tata Communications Limited	-	-	-	-	541	555	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	97	89	-	-	-	-
	The Indian Hotels Company Limited	-	-	-	-	18	4	-	-	-	-
	Tata 1MG Technologies Private Limited	-	-	-	-	10	*	-	-	-	-
	Novamesh Limited	-	-	-	-	106	72	-	-	-	-
	Tata Business Hub Limited	-	-	-	-	-	3	-	-	-	-
	Air India Limited	-	-	-	-	-	126	-	-	-	-
<b>4</b>	<b>Purchase of Goods</b>										
	Piscis Networks Private Limited	-	-	1,060	1,430	-	-	-	-	-	-
<b>5</b>	<b>Reimbursement of charges</b>										
	Tata Communications Limited	-	-	-	-	57	39	-	-	-	-
<b>6</b>	<b>Rent earned</b>										
	Piscis Networks Private Limited	-	-	10	5	-	-	-	-	-	-
<b>7</b>	<b>Rent paid</b>										
	Tata Capital Limited	-	-	-	-	48	60	-	-	-	-
<b>8</b>	<b>Brand equity payment</b>										
	Tata Sons Private Limited	-	-	-	-	61	71	-	-	-	-
<b>9</b>	<b>Dividend paid</b>										
	The Tata Power Company Limited	114	251	-	-	-	-	-	-	-	-
<b>10</b>	<b>Purchase of Insurance Policy</b>										
	Tata AIG General Insurance Company Limited	-	-	-	-	1	4	-	-	-	-
	Tata AIA Life Insurance Co Ltd	-	-	-	-	-	16	-	-	-	-
<b>11</b>	<b>Remuneration - short term employee benefits**</b>										
	Mr. P. J. Nath	-	-	-	-	-	-	-	-	424	419
	Mr. Girish V. Kirkinde	-	-	-	-	-	-	-	-	-	53
	Mr. Malav Shah	-	-	-	-	-	-	-	-	78	81
	Mr. Ritesh Kamdar	-	-	-	-	-	-	-	-	59	37
<b>12</b>	<b>Contribution to Employee Benefit Plans</b>										
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	-	-	-	-
	The National Radio & Electronics Co. Ltd.	-	-	-	-	-	-	96	82	-	-
	Employees Provident Fund	-	-	-	-	-	-	-	-	-	-
	The National Radio & Electronics Co. Ltd.	-	-	-	-	-	-	-	-	-	-
	Superannuation Fund	-	-	-	-	-	-	-	-	-	-

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr. No.	Particulars	Holding Company		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25
<b>13</b>	<b>Director sitting fees</b>										
	Mr. A. S. Lakshminarayanan	-	-	-	-	-	-	-	-	5	1
	Mr. Saurabh Ray	-	-	-	-	-	-	-	-	4	5
	Mr. Ajay Kumar Pandey	-	-	-	-	-	-	-	-	17	24
	Dr. Lakshmi Nadkarni	-	-	-	-	-	-	-	-	14	19
	Mr. K. Narasimha Murthy	-	-	-	-	-	-	-	-	-	14
	Mr. Vijay Somaia	-	-	-	-	-	-	-	-	14	4

**(G) Balances outstanding**

Sr. No.	Particulars	Holding Company		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25	FY 26	FY 25
<b>1</b>	<b>Trade receivables</b>										
	The Tata Power Green Energy Limited	-	-	-	-	*	*	-	-	-	-
	Tata Power Renewable Energy Ltd	-	-	-	-	*	-	-	-	-	-
	Tata Communications Limited	-	-	-	-	13	12	-	-	-	-
	Tata communications Payment solutions Limited	-	-	-	-	-	125	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	37	*	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	145	278	-	-	-	-
	Tata Steel Limited	-	-	-	-	38	99	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	12	13	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	-	1	-	-	-	-
	Tata Technologies Limited	-	-	-	-	18	110	-	-	-	-
	Air India Limited	-	-	-	-	488	745	-	-	-	-
<b>2</b>	<b>Advance</b>										
	Tata Technologies Limited	-	-	-	-	84	-	-	-	-	-
<b>3</b>	<b>Trade payables</b>										
	Piscis Networks Private Limited	-	-	515	662	-	-	-	-	-	-
	Tata Sons Private Limited	-	-	-	-	42	42	-	-	-	-
	Tata Communications Limited	-	-	-	-	2	11	-	-	-	-
	Tata Capital Limited	-	-	-	-	-	-	-	-	-	-
	Tata 1MG Technologies Private Limited	-	-	-	-	-	*	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	*	*	-	-	-	-
	Novamesh Limited	-	-	-	-	1	-	-	-	-	-
	Tata Business Hub Limited	-	-	-	-	*	1	-	-	-	-
	Air India Limited	-	-	-	-	-	126	-	-	-	-
<b>4</b>	<b>Other receivables</b>										
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	-	1	-	-
	Piscis Networks Private Limited	-	-	15	-	-	-	-	-	-	-
	Nelco Network products Limited Employees Gratuity Trust	-	-	-	-	-	-	-	16	-	-
<b>5</b>	<b>Other payable</b>										
	Nelco Network products Limited Employees Gratuity Trust	-	-	-	-	-	-	148	-	-	-
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	285	-	-	-
<b>6</b>	<b>Security deposit received</b>										
	Piscis Networks Private Limited	-	-	6	6	-	-	-	-	-	-

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, 2026, the Group has not recorded any impairment of receivables relating

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

to amounts owed by related parties (March 31, 2025: 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.

\*figures are below rounding of norm adopted by the Group.

\*\*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.

### 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, 2026		As at March 31, 2025	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
<b>Parent</b>				
Nelco Limited	97.92%	12,615	95.70%	12,240
<b>Indian Subsidiaries</b>				
Nelco Network Products Limited	24.86%	3,202	27.54%	3,522
<b>Indian Associate (Investment as per equity method)</b>				
Piscis Networks Private Limited	3.10%	400	2.89%	370
Adjustment on consolidation	(25.88%)	(3,334)	(26.13%)	(3,342)
<b>Total</b>	<b>100.00%</b>	<b>12,883</b>	<b>100.00%</b>	<b>12,790</b>

#### b. Share in profit or loss

Name of the entity in the Group	As at March 31, 2026		As at March 31, 2025	
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
<b>Parent</b>				
Nelco Limited	183.43%	609	102.94%	981
<b>Indian Subsidiaries</b>				
Nelco Network Products Limited	(94.59%)	(314)	(6.40%)	(61)
<b>Indian Associate (Investment as per equity method)</b>				
Piscis Networks Private Limited	9.05%	30	1.99%	19
Adjustment on consolidation	2.11%	7	1.47%	14
<b>Total</b>	<b>100.00%</b>	<b>332</b>	<b>100.00%</b>	<b>953</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)***c. Share in Other Comprehensive Income**

Name of the entity in the Group	Year ended March 31, 2026		Year ended March 31, 2025	
	As % of consolidated net Other Comprehen- sive Income	Amount	As % of consolidated net Other Comprehen- sive Income	Amount
<b>Parent</b>				
Nelco Limited	55.28%	(6)	73.68%	(14)
<b>Indian Subsidiaries</b>				
Nelco Network Products Limited	44.72%	(5)	26.32%	(5)
<b>Total</b>	<b>100.00%</b>	<b>(11)</b>	<b>100.00%</b>	<b>(19)</b>

**d. Share in Total Comprehensive Income**

Name of the entity in the Group	As at March 31, 2026		As at March 31, 2025	
	As % of con- solidated net Total Com- prehensive Income	Amount	As % of con- solidated net Total Com- prehensive Income	Amount
<b>Parent</b>				
Nelco Limited	187.85%	603	103.53%	967
<b>Indian Subsidiaries</b>				
Nelco Network Products Limited	(99.40%)	(319)	(7.07%)	(66)
<b>Indian Associate (Investment as per equity method)</b>				
Piscis Networks Private Limited	9.35%	30	2.03%	19
Adjustment on consolidation	2.20%	7	1.50%	14
<b>Total</b>	<b>100.00%</b>	<b>321</b>	<b>100.00%</b>	<b>934</b>

**Note 45: Interest In other entities****(a) Subsidiaries**

The group's subsidiaries at March 31, 2026 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, 2026	As at March 31,2025	
Nelco Network Products Limited	India	100%	100%	Sale of VSAT Equipment's

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### (b) Interests in associate

- (i) Set out below are the associate as at March 31, 2026 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	Carrying Amount	
					As at March 31, 2026	As at March 31, 2025
Piscis Networks Private Limited*	India	31.72%	Associate	Equity Method	400	370
<b>Total Equity Accounting Investments</b>					<b>400</b>	<b>370</b>

\*Unlisted entity - no quoted price available.

As at March 31, 2026 and March 31, 2025 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.

### Note 46: Returns filed with banks with respect to working capital facility availed by the Group

#### For Holding 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 and ICICI Bank	Q-1 of FY 25-26	Debtors	4,262	4,262	-	-
		Creditors	1,385	1,385	-	-
Bank of India, Union Bank of India and ICICI Bank	Q-2 of FY 25-26	Debtors	4,023	4,023	-	-
		Creditors	1,050	1,050	-	-
Bank of India, Union Bank of India and ICICI Bank	Q-3 of FY 25-26	Debtors	4,469	4,469	-	-
		Creditors	1,327	1,327	-	-
Bank of India, Union Bank of India and ICICI Bank	Q-4 of FY 25-26	Debtors	4,338	4,338	-	-
		Creditors	1,205	1,205	-	-
Bank of India, Union Bank of India	Q-1 of FY 24-25	Debtors	4,723	4,723	-	-
		Creditors	1,368	1,368	-	-
Bank of India, Union Bank of India	Q-2 of FY 24-25	Debtors	3,816	3,816	-	-
		Creditors	1,408	1,408	-	-

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026***(Amount ₹ in Lakhs, unless otherwise mentioned)*

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-3 of FY 24-25	Debtors	4,122	4,122	-	-
		Creditors	875	875	-	-
Bank of India, Union Bank of India	Q-4 of FY 24-25	Debtors	3,995	3,995	-	-
		Creditors	703	703	-	-

**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 and ICICI Bank	Q-1 of FY 25-26	Inventory	2,700	2,700	-	-
		Debtors	7,426	7,426	-	-
		Creditors	3,048	3,048	-	-
IDFC Bank Ltd and ICICI Bank	Q-2 of FY 25-26	Inventory	3,019	3,019	-	-
		Debtors	6,968	6,968	-	-
		Creditors	3,420	3,420	-	-
IDFC Bank Ltd and ICICI Bank	Q-3 of FY 25-26	Inventory	3,419	3,419	-	-
		Debtors	7,256	7,256	-	-
		Creditors	3,759	3,759	-	-
IDFC Bank Ltd and ICICI Bank	Q-4 of FY 25-26	Inventory	3,626	3,626	-	-
		Debtors	6,024	6,024	-	-
		Creditors	2,929	2,929	-	-
IDFC Bank Ltd	Q1 of 2024-25	Inventory	2,623	2,623	-	-
		Debtors	5,519	5,519	-	-
		Creditors	2,226	2,226	-	-
IDFC Bank Ltd	Q2 of 2024-25	Inventory	2,188	2,188	-	-
		Debtors	6,474	6,474	-	-
		Creditors	2,802	2,802	-	-
IDFC Bank Ltd	Q3 of 2024-25	Inventory	2,212	2,212	-	-
		Debtors	7,051	7,051	-	-
		Creditors	3,089	3,089	-	-
IDFC Bank Ltd	Q4 of 2024-25	Inventory	3,069	3,069	-	-
		Debtors	6,658	6,658	-	-
		Creditors	3,971	3,971	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Note 47: Ratios

Sr. No.	Particulars	Note	Ratio			Remarks for movement
			March 31, 2026	March 31, 2025	% of change	
a	Current ratio=Current assets/Current liabilities	Refer note I	0.88	1.10	(20%)	NA
b	Debt equity ratio= Total Debt/Total Equity	Refer note II	0.46	0.30	53%	Due to increase in current borrowings
c	Debt service coverage ratio = EBITDA/Total amount of interest and principal payable or paid during the period	Refer note III	8.29	3.46	140%	Due to decrease in EBITDA and long term borrowing during the year
d	Return on equity ratio = Net Profits after taxes/Total Equity	Refer note IV	0.03	0.08	(57%)	Due to decrease in Net Profits after taxes
e	Inventory turnover ratio = COGS/Average inventory	Refer note V	1.10	0.96	15%	NA
f	Trade receivable turnover ratio = Sales/Average trade receivable	Refer note VI	2.92	3.18	(8%)	NA
g	Trade payable turnover ratio= (Total expenses-provision for doubtful debts)/Average trade payables	Refer note VII	6.24	6.41	(3%)	NA
h	Net capital turnover ratio = Net Sales/Working capital	Refer note VIII	(12)	20.80	(158%)	Due to increase in current liabilities
i	Net profit ratio = Net Profit after Tax/Revenue	Refer note IX	0.01	0.03	(67%)	Due to reduction in net profit
j	Return on capital employed = Earning before interest and taxes/Capital employed	Refer note X	0.07	0.15	(53%)	Due to reduction in EBIT and increase in capital employed
k	Return on investment = Interest income /Average investment in fixed deposits	Refer note XI	0.38	0.08	375%	Due to increase in interest income

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2026	March 31, 2025
I	<u>Current assets</u>			
	(a) Inventories	9	3,625	3,069
	(b) Financial assets			
	(i) Trade receivables	10	10,364	10,653
	(ii) Cash and cash equivalents	11	1,939	1,385
	(iii) Bank balances other than (ii) above	12	86	76
	(iv) Loans	13	9	21
	(v) Other financial assets	6 (b)	430	341
	(c) Other current assets	8 (b)	1,751	1,171
				18,204
	<u>Current liabilities</u>			
	(a) <u>Financial liabilities</u>			
	(i) Borrowings	17 (b)	5,877	3,795
	(ii) Lease liabilities	4 (c)	310	765
	(iii) Trade payables	19	4,140	4,677
	(iv) Other financial liabilities	18 (b)	4,429	1,558
	(b) Current tax liability (net)	7 (b)	640	-
	(c) Provisions	21	862	599
	(d) Contract Liabilities	14	4,051	3,498
	(e) Other current liabilities	20	437	358
			20,746	15,250
II	<u>Total Debt</u>			
	Non current borrowings	17 (a)	-	-
	Current borrowings	17 (b)	5,877	3,795
			5,877	3,795
	<u>Total equity</u>			
	Equity share capital	15	2,282	2,282
Other equity	16	10,601	10,508	
			12,883	12,790
III	Earning before interest tax depreciation and amortisation (EBITDA)	Refer P & L	3,292	4,715
	<u>Total amount of interest and principal payable or paid during the period</u>			
	Total interest paid or payable during the period			
	On long term borrowings	28	-	31
	On lease liabilities	28	126	164
			126	195
	<u>Total principal paid or payable during the period</u>			
	Principal portion of long term borrowing	17 (a)	-	684
Principal portion of lease liabilities	4 (c)	271	482	
			271	1,166

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2026	March 31, 2025
IV	Net Profits after taxes	As per P &L	332	953
	<u>Total equity</u>			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,601	10,508
			12,883	12,790
V	<u>Average inventory</u>			
	Opening inventory	9	3,069	2,587
	Closing inventory	9	3,625	3,069
	Average inventory		3,347	2,828
	Cost of goods sold (COGS)	As per P &L	3,679	2,702
VI	Sales	22	30,660	30,487
	<u>Average trade receivable</u>			
	Opening trade receivable	10	10,653	8,507
	Closing trade receivable	10	10,364	10,653
	Average trade receivable		10,509	9,580
VII	Total expenses	As per P &L	27,804	26,290
	Less: provision for doubtful debts	27	(280)	-
			27,524	26,290
	<u>Average trade payables</u>			
	Opening trade payables	19	4,677	3,520
	Closing trade payables	19	4,140	4,677
		4,409	4,099	
VIII	Net Sales	22	30,660	30,487
	<u>Working capital (Current assets- current liabilities)</u>			
	<u>Current assets</u>			
	(a) Inventories	9	3,625	3,069
	(b) Financial assets			
	(i) Trade receivables	10	10,364	10,653
	(ii) Cash and cash equivalents	11	1,939	1,385
	(iii) Bank balances other than (ii) above	12	86	76
	(iv) Loans	13	9	21
	(v) Other financial assets	6 (b)	430	341
	(c) Other current assets	8 (b)	1,751	1,171
	Total Current assets		18,204	16,716
	<u>Current liabilities</u>			
	(a) Financial liabilities			
	(i) Borrowings	17 (b)	5,877	3,795
(ii) Lease liabilities	4 (c)	310	765	
(iii) Trade payables	19	4,140	4,677	

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2026	March 31, 2025
	(iv) Other financial liabilities	18 (b)	4,429	1,558
	(b) Current tax liability (net)	7 (b)	640	-
	(c) Provisions	21	862	599
	(d) Contract Liabilities	14	4,051	3,498
	(e) Other current liabilities	20	437	358
	Total Current liabilities		20,746	15,250
	Working capital (Current assets - current liabilities)		(2,542)	1,466
IX	<u>Net Profit after Tax</u>	As per P & L	332	953
	Revenue	22	30,660	30,487
X	<u>Earning before interest and taxes</u>	As per P & L		
	Earning before finance cost, depreciation, amortisation and tax		3,292	4,715
	Less: Depreciation and amortisation	29	1,995	2,216
			1,297	2,499
	<u>Capital employed</u>			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,601	10,508
	Borrowing			
	Non current	17 (a)	-	-
	Current	17 (b)	5,877	3,795
	Total capital employed		18,760	16,585
XI	Interest on bank deposits	23	28	5
	Less: interest income on security deposits		-	-
			28	5
	<u>Average investment in fixed deposit</u>			
	Opening	6(a) & 12	71	53
	Closing	6(a) & 12	76	71
	Average investment in fixed deposit		<b>74</b>	<b>62</b>

**Note 48 : Corporate Social Responsibility**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Gross amount required to be spent by the Group during the year	-	-
b) Amount approved by the Board to be spent during the year	25	30
c) Amount spent in cash during the year ending March 31, 2026		
i) Construction/acquisition of an asset	-	-
ii) <u>On purpose other than (i) above</u>		
Contribution to Catalysts for Social Action	5	10
Contribution to Tata Power Community Development Trust	20	20
<b>Total (C=i+ii)</b>	<b>25</b>	<b>30</b>
d) Amount yet to be paid in cash (d=b-c)	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

During the year Group 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, 2026 (Nil: March 31, 2025). 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: Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on March 31, 2026	Balance outstanding as on March 31, 2025	Relationship with the Struck off Company
Trident Eservices Private Limited	Purchase of services	-	1	Service provider

**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 master fields with certain privileged access rights throughout the year for all relevant transactions recorded in SAP	<p><b><u>In respect of Holding Company and Subsidiary Company</u></b></p> <p>Holding Company and its subsidiary (Nelco Network products Limited) have used accounting software and payroll 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 accounting software at the database level for the year. Further no instance of audit trail feature being tampered with was noted in respect of other software. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention.</p>
Instances of audit trail feature being tampered with	<p><b><u>In respect of Associate Company</u></b></p> <p>Management is not in possession of Service Organisation Controls report to determine whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with, in respect of an accounting software where the audit trail has been enabled. Additionally, in the absence of Service Organisation Controls report, Management is unable to assess whether the audit trail has been preserved as per the statutory requirements for record retention.</p>

### Note 52: Other statutory information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(Amount ₹ in Lakhs, unless otherwise mentioned)

- (iv) The Group have neither received nor given any fund from or to any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- (vi) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (vii) The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

### Note 53 : Events after the reporting period

The Group has evaluated subsequent events from the balance sheet date through April 20, 2026 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 54: Approval of Consolidated Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on April 20, 2026.

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 20, 2026

**Malav Shah**

Chief Financial Officer  
(ICAI M. No: 102314)

Place: Mumbai  
Date : April 20, 2026

**Ritesh Kamdar**

Company Secretary & Head - Legal  
(ICSI M. No: A20154)

## Form AOC-1 Statement containing salient features of the financial statement of Subsidiary and Associate Companies

(Amount ₹ in Lakhs, unless otherwise mentioned)

### Part "A": Subsidiary

Name of the Subsidiary Company	Nelco Network Products Ltd.
Reporting period	1-4-2025 to 31-3-2026
Reporting currency	INR
Exchange rate as at 31 <sup>st</sup> March, 2026	1
Share capital	100
Reserves & Surplus	3,102
<b>Total assets</b>	<b>14,493</b>
<b>Total liabilities (excluding share capital &amp; reserves)</b>	<b>11,291</b>
Investments	-
Turnover	10,980
Other income	130
<b>Total revenue</b>	<b>11,110</b>
<b>(Loss) before taxation</b>	<b>(402)</b>
Provision for taxation (including deferred tax)	(88)
<b>(Loss) after taxation</b>	<b>(314)</b>
Proposed dividend on equity shares (%)	Nil
Proposed dividend on equity shares	Nil
% of Share- holding	100%

### Part "B": Associates

Name of the Associates Company	Piscis Networks Private Ltd.
Reporting period	1-4-2025 to 31-3-2026
Reporting currency	INR
Exchange rate as at 31 <sup>st</sup> March, 2026	1
Share capital	2
Reserves & Surplus	898
<b>Total assets</b>	<b>1,100</b>
<b>Total liabilities (excluding share capital &amp; reserves)</b>	<b>200</b>
Investments	-
Turnover	1,069
Other income	21
<b>Total revenue</b>	<b>1,090</b>
<b>Profit before taxation</b>	<b>120</b>
Provision for taxation (including deferred tax)	28
<b>Profit after taxation</b>	<b>92</b>
Proposed dividend on equity shares (%)	Nil
Proposed dividend on equity shares	Nil
% of Share- holding	31.72%

\*During FY 2023-24, the Company had 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.

### 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)

**Ritesh Kamdar**  
 Company Secretary  
 (ICSI M. No: A20154)

Place: Mumbai  
 Date : April 20, 2026

Building connections. Strengthening partnerships  
Driving impact across industries and communities.

## IN THE HEADLINES

### ET THE ECONOMIC TIMES

AS OPPORTUNITIES IN RETAIL SEGMENT ARE EXPECTED TO BE LIMITED...

## Nelco to Tap Enterprises, Govt Sectors to Bag Next-gen Satcom Service Deals

Satellite broadband, terrestrial 4G tech to help unlock new use-cases: Top exec

Himanshi Lele

Mumbai: Nelco, a subsidiary of Tata Power, is targeting businesses in the enterprise and government sectors with its next-generation satellite communication services. The company's managing director and chief executive P J Nath, says opportunities in the retail segment are expected to be limited owing to high costs.

"We expect a broadband curve in satcom adoption, particularly in the B2B (business-to-business) and B2G (business-to-government) sectors, as the convergence of satellite broadband and terrestrial 4G technologies could enable use-cases," Nath said. He said that the economics of satcom service for a professional market like India would be difficult to adjust for the retail consumer category.



**GROWTH PROSPECTS**  
The company expects significant growth in the Indian B2B and B2G satcom services market by 2030

"While fibre broadband is preferred as a medium monthly outlay of ₹200-400, a satellite communication service requires an upfront investment for the terminal which even at materially subsidised prices points of around ₹10,000-15,000 remains prohibitively expensive for home broadband users," Nath said.

"However, enterprise use cases are in making necessary investments for satcom services for ensuring last mile connectivity to remote facilities like bank branches or schools etc."

The VSNL licensee holder is already a managed services provider for commercial satcom use cases, including powering ATMs, connecting remote bank branches, enabling telecom backhaul, supporting defence net-

works and connecting offshore oil rigs and vessels.

Its latest financials showed that it expanded at a compounded annual growth rate of 7% over the past five years, reaching a revenue of ₹200 crore in 2024.

The company expects significant growth in the Indian B2B and B2G satcom services market by 2030, initially led by the core sectors such as telecom backhaul, government welfare programmes, defence network developments, energy and utilities.

In markets such as North America and Europe, the growth of satcom services so far has been primarily driven by energy, oil firms, aviation in-flight connectivity, government services, defence and disaster response.

The next wave of satcom services will be defined by integration with emerging technologies, unlocking use cases such as precision agriculture, autonomous operations in mining and logistics, asset tracking and many other Internet of Things applications. India is poised to follow a similar but accelerated, trajectory, according to experts.

### FINANCIAL EXPRESS

Read to Lead

## Nelco conducts satellite trials with Eutelsat OneWeb

While preparations are underway to roll out low-Earth orbit (LEO) satellite services, Tata Group-backed satellite communications firm Nelco is conducting proof-of-concept trials and demonstrations with Eutelsat OneWeb for enterprise and institutional clients.

"We have been doing demos and proof-of-concepts through this partnership. We cannot sell commercially before the government's go ahead but from a readiness standpoint, the ecosystem is largely in place," P J Nath, Nelco's managing director and CEO, said in an interaction with Fe.

These demonstrations are particularly crucial as they allow regulators to verify technical reliability, security compliance, and real-world performance before mass rollout. The idea is to help identify operational gaps early, reducing risks for both the government and consumers before the commercial launch.

### INSIGHTS

## 7 top satcom trends to watch in 2026

IoT / By P J Nath / December 26, 2025

The narrative around satellite connectivity is rapidly evolving from a standalone service to the indispensable backbone of a unified global network. As a leading satellite communication service provider, we are at the forefront of offering hybrid, multi-modal and multi-orbit technologies to solve our clients' most pressing challenges. As we look toward 2026, the convergence of space and terrestrial networks is creating a seamless digital fabric that will transform industries and empower communities. Looking ahead to 2026, the industry's evolution will be defined by intelligence and seamless integration. Here are the five key trends which will redefine connectivity for enterprises and governments in 2026:

**The software-defined revolution: The dynamic network from static beams to "thinking" satellites**  
The future is moving beyond rigid, fixed satellite beams to software-defined, dynamically managed networks. For customers, this means a fundamental shift in capability and cost-efficiency. Imagine being able to instantly surge bandwidth to a remote mining site during a critical operation or seamlessly re-route connectivity for a fleet of ships navigating a new route—all through a digital portal. In 2026, we will see this agility, turning satellite capacity into an on-demand utility that is as flexible as cloud computing. In 2026, we will see the maturation of Dynamic, Software-Defined Satellites in both Geostationary (GEO) and Low Earth Orbit (LEO) constellations. They can actively shift capacity, adjust coverage areas, and re-route bandwidth in real-time based on demand—sending power to a disaster zone, a major sporting event, or a busy shipping lane in milliseconds. This isn't just efficiency; it's a fundamental shift from a pre-planned network to a responsive, cognitive one.

## FICCI FRAMES 2025

**FICCI FRAMES**  
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25  
7 - 8 October 2025, Mumbai  
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## INTL SPACE CONCLAVE

# INDIA INTERNATIONAL SPACE CONCLAVE 2025

## INDIA MOBILE CONGRESS

# SatCom-Demand Generation & Use Cases

Nagavi | 8th Oct '25 | 17:00 hrs

## SOCIAL MEDIA

**Nelco's Next-Gen Satcom Solutions are Powering the Future**

LEO is not just Satellite Internet  
It's a strategic Advantage

#MultiOrbitInnovations

**India's Satcom Evolution**

From Policy to Scale

Featuring insights from **P.J. Nath**  
- Managing Director & CEO, Nelco Ltd.

**Where Connectivity Takes Flight**

Enabling seamless in-flight Passenger Connectivity with Innovative and Resilient Satcom solutions

# OUR CELEBRATIONS

Together we celebrate people, milestones, and the moments that brings us closer.



**NELCO PREMIER LEAGUE**



**TATA MUMBAI MARATHON**



**FIRE & SAFETY DRILLS**



**BIRTHDAY CELEBRATIONS**



**ANNUAL PICNIC**



**EMPLOYEE APPRECIATION DAY**



**CARING FOR NATURE**



**GIVING BACK TO SOCIETY**



**FOUNDER'S DAY**



**INDEPENDENCE DAY**



**MERRY CHRISTMAS**



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**CIN No. L32200MH1940PLC003164**

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