



73rd Annual Report

(2014-2016)





DEHRADUN HUB



READY TO GO-LIVE ON THE NEW HUB



INAUGURATION OF NEW EXT-C BAND HUB



MAHAPE NEW EXT-C BAND ANTENNA

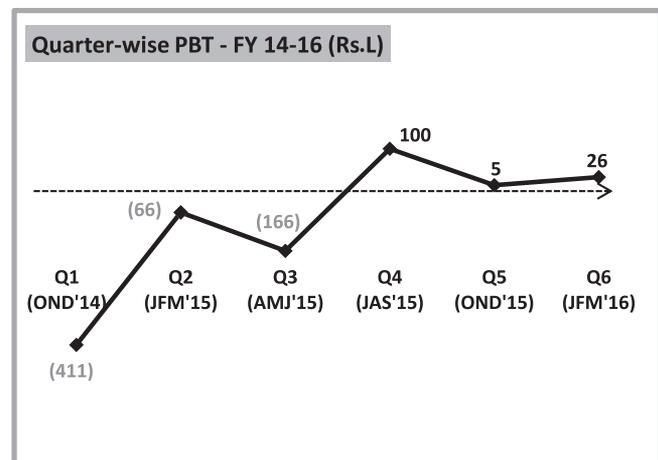
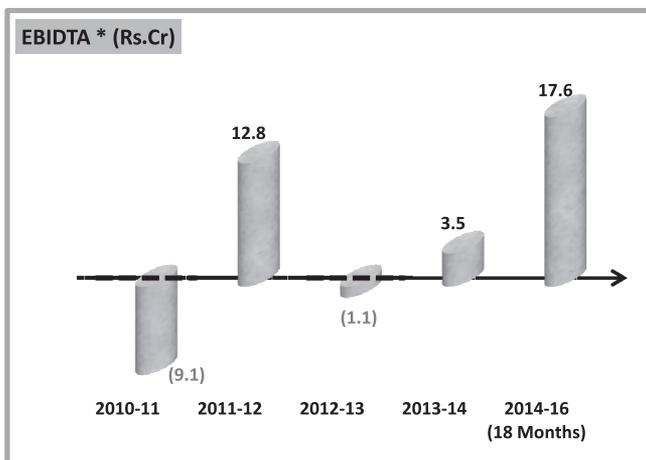
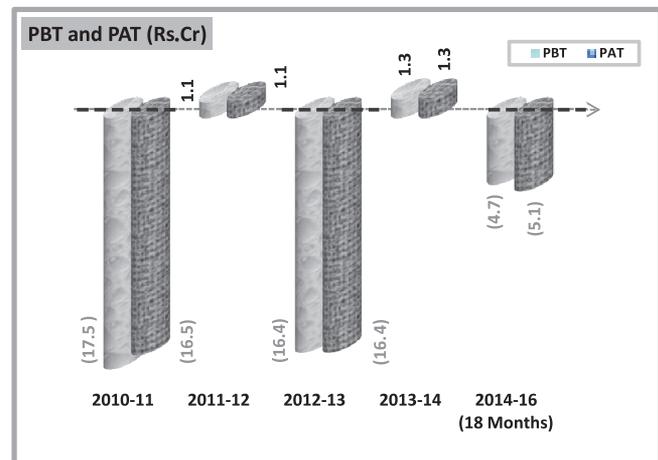
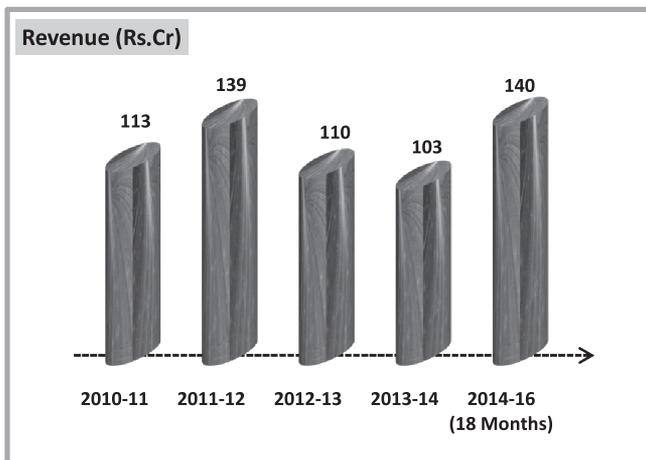


DEHRADUN KU BAND ANTENNA

CORPORATE INFORMATION
(As on 31st May, 2016)

Chairman Emeritus	R. N. Tata
Board of Directors	Mr. R.R.Bhinge, Chairman Mr. S.Ramakrishnan Mr. K.Raghuraman Mr. K.Ramachandran Ms. Hema Hattangady Mr. P.J.Nath, Executive Director & CEO
Chief Financial Officer	Mr. Uday Banerjee
Company Secretary	Mr. Girish V Kirkinde
Share Registrars	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011. Tel : 022 66568484, Fax : 022 66568494 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com
Statutory Auditors	Deloitte Haskins & Sells LLP
Bankers	Bank of India Union Bank of India ICICI Bank The Zoroastrian Co-Op. Bank Ltd.
Registered Office	EL-6, TTC Industrial Area, MIDC Electronic Zone, Mahape, Navi Mumbai – 400 710 Email: services@nelco.in Investor relations : girish.kirkinde@nelco.in Website: www.nelco.in
Corporate Identity No (CIN)	L32200MH1940PLC003164

5 YEARS FINANCIAL HIGHLIGHTS - STANDALONE



* excluding exceptional income



SAVE TREES, SAVE THE EARTH

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Please register your consent for this csg-unit@tsrdarashaw.com

This Annual Report can be viewed under the 'Investor Relations' section on the Company's website www.nelco.in
As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
Shareholders are requested to kindly bring their copies to the meeting.

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73rd Annual General Meeting

Date : Monday, 25th July, 2016

Time : 3.00 p.m.

Venue : Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703

NOTICE

The SEVENTY THIRD ANNUAL GENERAL MEETING of NELCO LIMITED will be held on Monday, the 25th day of July, 2016 at 3.00 p.m. at Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 to transact the following business:-

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended 31st March 2016 together with the Report of the Auditors thereon.
3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED that Mr.R.R.Bhinge (DIN:00036557), who retires as a Director pursuant to the provisions of Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a Director of the Company.”

4. **Ratification of appointment of Statutory Auditors and fixing their remuneration**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Seventy Fourth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company for the Financial Year 2016-17, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, be and is hereby ratified.”

5. **Ratification of Cost Auditors' Remuneration for the financial year ended 31st March, 2016**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of Rs.2,25,000/- plus service tax and actual out-of-pocket expenses payable to M/s. P.D.Dani & Co., who were appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the period from 1st October, 2014 to 31st March, 2016 in respect of “Telecommunication (ISP) activities” and “Electronics Products.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. **Ratification of Cost Auditors' Remuneration – FY 2016-17**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of Rs.75,000/- plus service tax and actual out-of-pocket expenses payable to M/s. P.D.Dani & Associates, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2016-17 in respect of “Telecommunication (ISP) activities” and “Electronics Products.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the business as set out in Item Nos. 3 to 6 above and the relevant details of the Director seeking re-appointment/appointment under Item No 3 above as required by Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company’s Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. The Register of Members and the Transfer Books of the Company will remain closed from Tuesday, 12th July, 2016 to Thursday, 14th July 2016, both days inclusive.

6. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company’s Registrars and Share Transfer Agents, TSR Darashaw Limited (TSRD) for shares held in physical form and to their respective Depository Participant (DP) for shares held in electronic form.

7. Consequent upon the amendment of Section 205A of the erstwhile Companies Act, 1956 and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends declared for the financial years upto 2005-06 remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company has been transferred to Investor Education and Protection Fund (“the Fund”) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year 2008-09, 2009-2010 and 2011-12 are requested to make their claims to the Company accordingly, without any delay.

8. The Notice of the AGM along with the 73rd Annual Report 2014-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

9. The route map showing directions to reach the venue of the Seventy-third AGM is annexed.

10. To support the ‘Green Initiative’, the Members holding shares in physical and/or electronic form and who have not registered their e-mail addresses are requested to register the same with TSRD/Depositories.

11. Voting through electronic means

I. In compliance with the provisions of Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting services. The facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

II. Members are provided with the facility for voting either through “e-voting” or “Polling Paper at the AGM and Members attending the meeting who have not already cast their vote by remote e-voting are eligible to exercise their right to vote at the meeting.

III. Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- IV. The remote e-voting period commences on 22nd July 2016 (9.00 a.m. IST) and ends on 24th July 2016 (5.00 p.m. IST). Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th July 2016, may cast their vote by remote e-voting. 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.
- V. Process and manner for Members opting for remote e-voting are as under :

The instructions for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ depository participants(s)]:
- (i) Open email and open PDF file viz. "Nelco e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password/PIN is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com>.
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" (e-voting EVENT Number) of NELCO Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to nelco.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
 - (xiii) You can similarly vote in respect of all other resolutions forming part of the Notice of the AGM. During the voting period, Members can log in any number of times till they have voted on all the resolutions.
 - (xiv) If you wish to log out after voting on few resolutions and continue voting for balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet cast the vote.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ depository participants(s) or requesting physical copy.
- (i) Initial password is provided as below, at the bottom of the Attendance Slip for the AGM

EVEN i.e. voting Event No.	User ID	Password
----------------------------	---------	----------
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiv) above, to cast vote. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders which are available at the downloads section of www.evoting.nsd.com or call on toll free no. 1800-222-990.
- VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote. However, if you forget your password, you can reset your password by using "Forgot User details/Password" option available in www.evoting@nsdl.com or contact NSDL on toll free number 1800-222-990.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

Other Instructions:

- (i) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on cut off date 18th July 2016.
- (ii) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 18th July 2016, may obtain the login ID and Password by sending a request at evoting@nsdl.co.in or nelcoagm2016@tsrdarashaw.com.
- (iii) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting and voting through polling paper/e.voting at the meeting.
- (iv) Mr. Mitesh Dhabliwala, Company Secretary (FCS No. 8331) or failing him Ms. Sarvari Shah, Company Secretary (ACS No. 27572) of M/s. Parikh and Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner.
- (v) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "e.voting" or "Polling Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (vi) The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days from the 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 shall countersign the same and declare the result of the voting forthwith.
- (vii) The Results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website viz. www.nelco.in and on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE Limited and The National Stock Exchange of India Limited.
- (viii) In case of grievances connected with facility for voting by electronic means, Members are requested to contact Mr. Amit Vishal, Senior Manager at amitv@nsdl.co.in or evoting@nsdl.co.in or on 022 2499 4360. Members may also write to him at NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

12. Updation of Members' Details

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/ Share Registers and Transfer Agents to record additional details of members, including their PAN details, email address, bank details for payment of dividend etc. Members holding their shares in physical form are requested to submit the said details to the Company or its Share Registrars and Transfer Agents. Members holding share in electronic form are requested to submit the details to their respective DPs.

By Order of the Board of Directors,

Girish V Kirkinde
Company Secretary

Navi Mumbai, 31st May, 2016
CIN: L32200MH1940PLC003164

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

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 to 6 of the accompanying Notice dated 31st May, 2016.

Item no. 3. At the 72nd Annual General Meeting (AGM) of the Company held on 28th January, 2015, the Members approved the appointment of Mr. R.R.Bhinge as Independent Director of the Company with effect from 28th January, 2015 to 27th January, 2020. However, Mr. R. R. Bhinge does not fulfill the criteria for Independent Director as laid down in the revised "Governance Guidelines for Tata Companies on Board Effectiveness" adopted by the Company at the Board meeting held on 18th March, 2015. Hence, effective from 18th March, 2015, his category/status as a Director has been changed from Independent Director to Non-Independent Director liable to retire by rotation. Accordingly, the resolution set out at item no. 3 of the accompanying notice is to seek the approval of the Members for reappointment of Mr. R.R.Bhinge as Director who retires by rotation at the ensuing AGM and is eligible for re-appointment.

Except Mr. R.R.Bhinge and his relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item No.:4 This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins & Sells LLP Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W/W-100018), were appointed as the statutory auditors of the Company at the Annual General Meeting (AGM) of the Company held on 28th January, 2015 for the period of three years.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the members is being sought for the proposal contained in the resolution set out at item No.4 of the accompanying notice. The Board commends the resolution at item no.4 of the accompanying notice for ratification by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No 4 of the accompanying Notice.

Item No.5: Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. At the 72nd Annual General Meeting held on 28th January 2015, the Members ratified the remuneration of Rs.1,50,000/- plus service tax and actual out-of-pocket expenses, of M/s. P.D.Dani & Co. (PDD) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2014-15 in respect of Telecommunication (ISP) activities and Electronics Products.

Since the Company's financial year has been extended by six months upto 31st March 2016, on the recommendation of the Audit Committee, the Board of Directors has also approved the extension of period for reappointment of M/s. P.D.Dani & Co. Cost Accountants as Cost Auditors of the Company upto 31st March 2016 with proportionate increase in remuneration aggregating to Rs. 2,25,000/- plus service tax and actual out-of-pocket expenses.

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

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No.5 of the accompanying Notice.

Item No.6: On the recommendation of the Audit Committee, the Board of Directors approved the appointment of M/s. P.D.Dani & Associates. (PDD) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2016-17 in respect of Telecommunication (ISP) activities and Electronics Products, at a remuneration of Rs.75,000/- plus service tax and actual out-of-pocket expenses.

PDD has furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. The Board commends the Resolution at Item No.6 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No.6 of the accompanying Notice.

Navi Mumbai, 31st May 2016
CIN: L32200MH1940PLC003164

Registered Office:

EL-6, TTC Industrial Area,
MIDC Electronics Zone, Mahape,
Navi Mumbai – 400 710

Tel.: 91 22 67399100 Fax.: 91 22 67398787

E-mail: services@nelco.in , Website: www.nelco.in

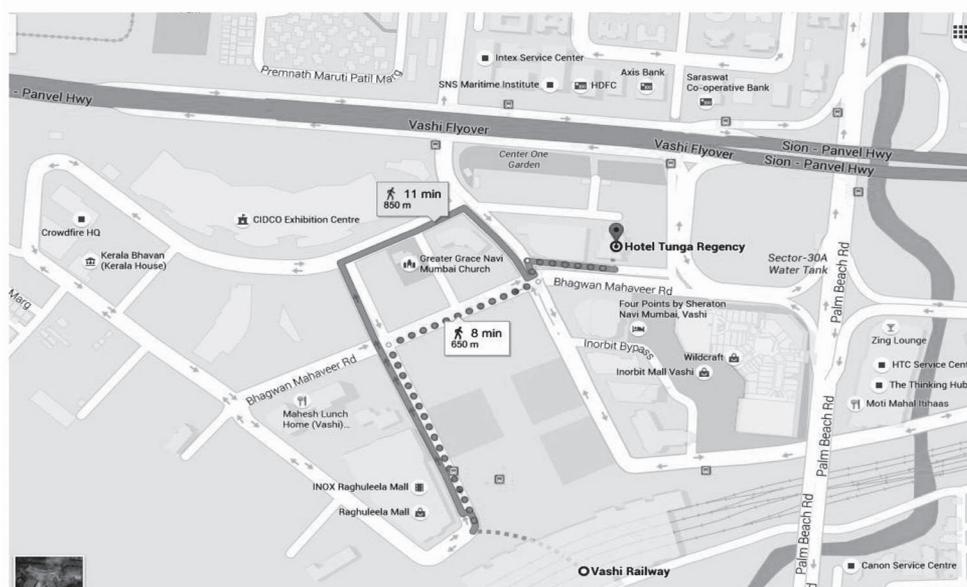
By Order of the Board of Directors,

Girish V Kirkinde
Company Secretary

Details of the Director seeking re-appointment at the forthcoming Annual General Meeting

Name of the Director	Mr. R.R. Bhinge
Date of Birth	29th May 1952
Date of Appointment	29th August 2003
Expertise in Specific Functional Area	He has over 41 years of professional experience. He was with Nelco for 14 years and during his tenure with the Company he had multi-functional operating experience in finance, marketing, operations and profit centre management. He was an author of the 1990 Strategic Plan for Tata Industries Ltd. and was responsible for its implementation. He participated in various Joint Venture planning and negotiations. He involved in all consultancy assignments undertaken in various industries by Tata Strategic Management Group (TSMG) since 1991. At present, he is Executive Director of Tata Industries Ltd.
Qualifications	B.Tech. Hons.(Electrical) from IIT, Mumbai. Post Graduation in Business Administration from IIM, Ahmedabad.
Relationship between Directors inter se	Mr. Bhinge is not related to any other Directors of the Company.
Directorship held in other Listed Companies	NIL
Committee positions held in Audit and Stakeholders Relationship Committees in other Listed Companies	NIL
No. of shares held (a) Own (b) For other persons on a beneficial basis	NIL NIL

Route Map



Venue: Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703

Landmark: Near Inorbit Mall, Vashi

Distance from Vashi Railway Station: 650 meters

DIRECTORS' REPORT

**To
The Members,**

Your directors have pleasure in presenting their Seventy Third Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2016.

1. Financial Results

(Rs. in lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		FY 14-16 18 months	FY 13-14 12 months	FY 14-16 18 months	FY 13-14 12 months
I	Continuing Operations				
a	Net Sales / Income from Other Operations	13,370.32	9,172.45	20,043.98	12,326.73
b	Operating Expenditure	11,930.74	8718.28	17,788.67	11,210.34
c	Operating Profit	1,439.58	454.17	2,255.31	1,116.39
d	Add:- Other Income	482.49	320.67	297.44	158.39
e	Less:- Finance Cost	1142.66	619.36	1,293.51	682.23
f	Profit before Depreciation and Tax	779.41	155.48	1,259.24	592.55
g	Less :- Depreciation / Amortization/ Impairment	781.10	512.74	1,409.32	861.28
h	Profit before Tax	(1.69)	(357.26)	(150.08)	(268.73)
l	Exceptional items	-	1,240.90	-	1,240.90
j	Current / Deferred Tax Expenses	46.68	-	46.68	52.00
k	Net Profit / (Loss) after tax from Continuing operations	(48.37)	883.64	(196.76)	920.17
II	Discontinuing Operations				
l	(Loss) from Discontinuing operations (before exceptional item and tax)	(625.63)	(755.02)	(625.63)	(755.02)
m	Add:- Exceptional Profit	162.00	-	162.00	-
n	Tax Expenses	-	-	-	-
o	(Loss) after Tax from Discontinuing operation	(463.63)	(755.02)	(463.63)	(755.02)
III	(Loss) / Profit after tax from total operations	(512.00)	128.62	(660.39)	165.15
p	Less :- Minority Interest	-	-	-	-
q	Add:- Share of profit of Associates	-	-	42.61	27.81
r	Net Profit after Tax, Minority interest and Share of Profit of Associates	(512.00)	128.62	(617.78)	192.96

As required under the Companies Act, 2013, the Company has extended its financial year by 6 months till 31st March, 2016. Accordingly, the financial year 2014-16 is of 18 months from 1st October, 2014 to 31st March, 2016.

2. Dividend

Due to loss, the Board of Directors has not recommended dividend for the year ended 31st March 2016.

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

3.1 Standalone

On a Standalone basis, your Company achieved revenue of Rs 13,370.32 lakhs in FY 14-16 (18 months) from Continuing Operations as against Rs. 9,172.45 Lakhs in FY13-14 (12 Months). On an annualized basis revenue was lower by Rs 258.00 lakhs mainly due to reduced revenue from Automation and control segment by Rs 1,038.00 lakhs which was partly offset by increase in revenue from Network Management segment by Rs 780.00 lakhs.

Loss before Tax from continuing operation has reduced from Rs 357.26 lakhs in FY 13-14 (12 months) to Rs 1.69 lakhs in FY 14-16 (18 months). This was mainly due to increase in high margin service income of VSAT division.

The segment wise performance (Standalone) for the year was as follows :

Automation & Control earned total revenue of Rs 1,300 lakhs in FY 14-16 (18 months) [Rs 1,906 lakhs in previous year (12 months)] and incurred a segment loss of Rs. 593 lakhs in FY 14-16 (18 months) [loss of Rs. 740 lakhs in previous year(12 months)].

Network Systems earned a total revenue of Rs.12,024 lakhs in FY14-16(18 months) [Rs. 7,241 lakhs in previous year (12 months)] and reported a segment profit of Rs. 3,204 lakhs in FY 14-16 (18 months) [profit of Rs. 2,029 lakhs in previous year (12 months)]

Interest amounted to Rs.1,142 lakhs in FY 14-16 (18 months) [Rs. 619 lakhs in previous year (12 months)]. Other un-allocable expenses (net of income) were Rs. 1,471 lakhs in FY 14-16 (18 months) as against un-allocable income (net of expenses) of Rs. 214 lakhs in the previous year (12 months).

3.2 Consolidated

On a consolidated basis, revenue from Continuing Operations stood at Rs 20,043.98 lakhs in FY 16 (18 months) as against Rs.12,326.73 Lakhs in FY14 (12 Months). On an annualized basis revenue of the Company increased by Rs 1,036 Lakhs mainly on account of increased in revenue from Network Management segment by Rs 2,074 Lakhs and revenue from Automation and Control segment reduced by Rs 1,038 Lakhs.

Loss before Tax from Continuing Operations reduced from Rs 268.73 Lakhs in FY 14 (12 months) to Rs 150.08 Lakhs in FY 16 (18 months).

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the period under review and the date of this Report.

3.3 Operations

Network System consisting of VSAT and SATCOM contributed to 93.49% of the consolidated continuing operations revenue during the 18 months period ended 31st March 2016 as against 84.50 % during 12 months period in FY 13-14.

Automation Control consisting of Integrated Security & surveillance Solutions (ISSS), currently being operated on a restricted mode contributed to 6.51% of the continued operations during this 18 months period ended 31st March 2016 as against 15.50% during FY 13-14 (12 months)

These are discussed in detail in the Management Discussion & analysis which forms a part of this report.

During the period under review, the Members, as a part of restructuring process, approved (subject to other requisite approvals) the transfer of following businesses as a “going concern” on a “slump sale” basis:

- Managed Services business (“MS Business”) which was forming part of Network System segment, to Securens Systems Pvt. Ltd. at a consideration of Rs. 210 lakhs with effect from 1st April, 2015. The transaction was concluded on 31st August, 2015.
- Unattended Ground Sensors business (“UGS Business”) which was forming part of Automation & Control segment, to The Tata Power Co. Ltd. (The Parent Company) at a consideration of Rs. 831 lakhs with effect from 1st October, 2014. The conclusion of the transaction is pending for approval (which has already been applied and pursued) of Ministry of Defense (the Customer).

4. Reserves

The Board of Directors has not proposed any amount for transfer to reserves for the period ended 31st March, 2016.

5. Subsidiary and Associate Company

As on 31st March 2016, the Company had one Wholly Owned Subsidiary viz. Tatanet Services Ltd. and one Associate Company viz. Nelito Systems Ltd. There has been no major change in the nature of business of these Companies. Also none of the then existing Subsidiary or Associate ceased to be Subsidiary/ Associate of the Company during the period under review.

During the period under review, the Company has infused Rs. 484 lakhs in its Wholly Owned Subsidiary by subscribing to the equity shares at par offered by it.

The Policy for determining material subsidiaries of the Company has been provided in the following link:

http://www.nelco.in/_content/investorrelations/Policy_for_determining_Material_Subsidiaries.pdf

6. Directors and Key Managerial Personnel

In terms of Section 149 of the Companies Act, 2013 (“Act”) the Members, at the 72nd Annual General Meeting (AGM) held on 28th January 2015, appointed the following Independent Directors of the Company till 27th January, 2020:

- Mr. R.R.Bhinge
- Mr. P.K.Ghose
- Mr. R.Savor
- Mr. K.Raghuraman
- Mr. K.Ramachandran
- Ms. Hema Hattangady

Due to pre-occupation and other commitments, Mr.P.K.Ghose and Mr. R. Savor, Independent Directors and Mr. V.K.Deshpande and Mr. Sanjay Dube, Non-Independent Directors stepped down from the Directorship with effect from 18th March 2015. The Board places on record its sincere appreciation for their valuable guidance and contribution during their tenure as Directors of the Company.

Pursuant to the “Governance Guidelines for Tata Companies on Board Effectiveness” adopted by the Board of Directors of the Company at its meeting held on 18th March, 2015, Mr. R.R.Bhinge did not fall under the category of Independent Director. Hence, effective from 18th March, 2015, his category/status of Directorship has been changed from Independent Director to Non-Independent Director liable to retire by rotation. Hence, in accordance with the requirements of the Act and the Articles of Association of the Company, Mr. R.R. Bhinge retires by rotation at the ensuing AGM and is eligible for re-appointment. Additional information and brief profile as stipulated under SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 with respect to Director seeking re-appointment is annexed to the Notice of AGM.

In terms of Section 203 of the Act, the Board has designated the following persons as Key Managerial Personnel of your Company:

- Mr. P.J. Nath, Executive Director & CEO
- Mr. Uday Banerjee, Chief Financial Officer
- Mr. Girish Kirkinde, Company Secretary

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

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees.

The following process was adopted for Board Evaluation:

Feedback was sought from each Director about their views on the performance of the Board covering various criteria such as degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.

The Nomination and Remuneration Committee (NRC) then discussed the above feedback received from all the Directors. Based on the inputs received, the Chairman of the NRC also made a presentation to the Independent Directors at their meeting, summarizing the inputs received from the Directors as regards Board performance as a whole, and of the Chairman. The performance of the non-independent non-executive Directors and Board Chairman was also reviewed by them.

Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) was discussed by the Chairman of the NRC with the Chairman of the Board. It was also presented to the Board and a plan for improvements was agreed upon.

Every statutorily mandated committee of the Board conducted a self-assessment of its performance and these assessments were presented to the Board for consideration. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

Feedback was provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation were presented to the Board.

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 of Directors
- Nominations, HR and Remuneration Committee (NRC)
- Stakeholders Relationship Committee
- Executive Committee of the Board

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.

The details of the familiarization programs for Independent Directors are disclosed on the Company's website and the web link for the same is: http://www.nelco.in/_content/investor-relations/Familiarisation_Programme.pdf

The Board has laid down separate Codes of Conduct for Non-Executive Directors and Senior Management personnel of the Company and the same are posted on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. The Executive Director & CEO has also confirmed and certified the same. The certification is enclosed 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 Section 178(3) of the Act and Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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** and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in **Annexure-II** forming part of this report.

Except the Performance Linked Payment (PLP) which is a part of his Cost to the Company (CTC), the Executive Director & CEO has not received any commission from the Company and also not received any commission / remuneration from its Holding or Subsidiary Company.

7.3 Particulars of Employees and Remuneration

The information required under Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure - III (A)** forming part of this Report.

The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure - III (B) forming part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the members excluding the aforesaid Annexure III (B). Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure III (B) is related to any Director of the Company.

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

There were no significant and material orders passed by the Regulators / Courts or Tribunal which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by Regulators during the period under review.

Sales Tax matters of Tatanet Services Ltd. (TNSL) Wholly Owned Subsidiary.

Maharashtra Sales Tax Department has issued orders against TNSL demanding payment of MVAT on the entire satellite communication services provided by TNSL on the ground that "The facility to use the transponders is property, is commercial in nature and goods and therefore, transaction of lease of facility to use the transponders is a deemed sale and accordingly MVAT is applicable". The orders issued for financial year 2006-07 to 2010-11 and aggregate amount under dispute is Rs 38.36 crs. The Company has filed writ petition in Bombay High Court and outcome of judgment is being awaited.

As per legal opinion sought by Company, it has very strong case. Since TNSL provide only services to its customers and pays service tax, there are no goods or right to use of goods are involved in it.

Income Tax matters of Nelco Ltd:-

Income Tax Department has reduced certain liabilities of Rs.1,893.00 lakhs while computing long term Capital Gain which was not related to business sold under slump sale for Assessment Year 2011-12 due to which a Tax demand of Rs 631 lakhs has been raised on the Company. As per legal opinion sought by Company, it has a very strong case. Matter presently lying with Commission of Appeal.

8.1 Corporate Governance

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and relevant provisions of the Act, a Management Discussion and Analysis Statement, Report on Corporate Governance and Auditors' Certificate, are included in the Annual Report.

8.2 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, a vigil mechanism has been established for Directors and employees to report to the management the 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 Counselor (CEC)/ Chairman of the Audit Committee of the Company.

9. Risks and Concerns

The Company is faced with risks of different types, all of which need different approaches for mitigation. Details of various risks faced by the Company are provided in Management Discussion & Analysis.

9.1 Risk Management Framework and Internal Financial Controls

Risk Management framework: The Company and its Subsidiary have Risk Management framework to inform the Audit Committee and Board members about risk assessment and minimization procedures and periodical review to ensure that Executive Management controls risks by means of properly designed framework.

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

Internal Financial Control and Systems: The Company has an internal control system, commensurate with size, scale and complexity of its operations. Testing of such control systems form a part of internal audit schedule. The Company has appointed independent Internal Auditors who oversee governance, risks management and internal controls. The scope and authority of internal audit is defined in Audit Committee Charter adopted by the Company. Internal control has been discussed in detail in Management Discussion & Analysis in this report.

10. Sustainability

10.1 Corporate Social responsibility

As per Section 135 of the Act, every Company having a net worth of Rs. 500 crore or more, or turnover of Rs.1,000 crore or more, or net profit of Rs. 5 crore or more during any financial year shall be required to constitute Corporate Social Responsibility Committee (CSRC). As your Company presently does not fall under any of the criterion mentioned above, the CSRC has not been constituted.

10.2 Safety, Health and Environment:

The Company accords high priority to health, safety, and environment treating these as integral part of all its activities. The operations of the Company are not of a hazardous nature. However, the Company emphasizes on maintaining a healthy and safe environment in and around its facilities as well as contract sites where projects are under execution. To ensure success of safety initiatives, the Company involves the line management along with contract workforce in all initiatives rolled out from time to time. Safety Awareness is inculcated through regular Safety Awareness Programs,

basic fire safety training, mock drills, regular Safety Committee meetings and capturing employees' voices through safety observation and near miss reporting. The employees working at project sites are given requisite training for ensuring safety during work. Periodic Safety Audit is carried out and action taken to eliminate unsafe conditions.

11. Human Resources

Some of the major human resource initiatives undertaken by the Company during the period under review to supplement efforts towards organizational growth include:

- **Manpower:** As on March 31st, 2016, the Company had employee strength of 160. During the period under review, 21 employees were recruited and 42 employees were separated (including those transferred as part of divestment of Managed Services business). None of the employees related to the business were retrenched due to the divestment of business but were transferred with full benefit of service continuity and service conditions not less favorable than the existing employment conditions.
- **Employee Engagement:** Company's employee engagement platforms are inclusive and empowering. It connects employees with leaders, their peers and Human Resource function. Forums such as Open house, Employee Connect meetings, Skip level meetings, Manager connect meetings, weekly review meetings like AHM (All Hands Meet) provide interactive platforms for sharing information and feedback and also conferring rewards and recognitions. Various initiatives in the field of Employee Recreation have also been instrumental in taking engagement levels to the next level. The incessant efforts towards empowering people has resulted in overall participation being 96% and overall satisfaction score being 87% for 2016 as compared to 48% last year in the Employee engagement survey conducted by Aon.
- **Capability Development:** In order to build organizational capability that will enable the Company to sustain competitiveness in the market, a comprehensive exercise was undertaken to map the attributes required to develop Competency Framework for key functions. The training programs for the learning growth of employees have been developed based on the set of these identified competencies.
- **Talent Management:** As part of efforts for capability building of employees at all levels a personalized coaching on Interpersonal skills for 7 Senior management employees was conducted. Similarly, 8 Hi-potential employees have undergone Online Development Centre (ODC) which was conducted by Tata Power in collaboration with their talent partners CEB-SHL
- **Industrial Relations:** In the Industrial Relations front, the Company maintained cordial relations with its employees during the period.
- **Policy for Prevention, Prohibition and Redressal of Sexual Harassment at work place:** The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaints in this regard.

12. Credit Rating

During the year, rating agency CRISIL has downgraded its rating on Company's bank facilities and debt programme to CRISIL BBB+/Stable/CRISIL A2 from CRISIL A-/negative /CRISILA2+.

Revised rating done by CRISIL based on their criteria on notching up rating for parent support. The downgrade reflects reassessment of the strategic importance of Nelco to the parent, The Tata Power Company Ltd. (TPCL), while continuing to factor the support that Nelco receives from TPCL and other Tata group companies.

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

Details of LGSI covered under Sec 186 of the Act are given in Annexure - IV forming part of this report.

14. Foreign Exchange – Earnings and Outgo

Rs. In lakhs

Particulars – Standalone	Period ended 31st March 2016 (18 Months)	Year ended 30th September 2014 (12 Months)
Foreign Exchange Earnings	174.40	190.36
Foreign Exchange Outflow	3,178.44	1,903.12

15. Auditors

M/s. Deloitte Haskins & Sells LLP (DHS LLP), who are the statutory auditors of your Company, hold office until the conclusion of the Seventy Fifth AGM to be held in the year 2018, subject to ratification of their appointment at every AGM. The Members, year on year, will be requested, to ratify their appointment as Auditors and to authorize the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to Item No.4 of the Notice.

16. Auditors' Report

The consolidated financial statements of the Company have been prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements and Accounting Standard 23 on Accounting of Investments in Associates issued by the Council of The Institute of Chartered Accountants of India. 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.

17. Cost Auditors and Cost Audit Report

M/s. P.D. Dani & Co., Cost Accountants was appointed Cost Auditors of your Company for the period ended 31st March, 2016. In accordance with the requirement of the Central Government and pursuant to Section 148 of the Act, your Company carries out every year, an audit of cost accounts relating to Telecommunication (ISP) activities and Electronics Products. The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 30th September 2014, which was due for filing by 31st March 2015, was filed on 25th March 2015 with the Ministry of Corporate Affairs through Extensive Business Reporting Language (XBRL) by M/s P.D. Dani & Co., Cost Accountants.

18. Secretarial Audit Report

M/s. Bhandari & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of records and documents of the Company for the period ended 31st March, 2016. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, and Guidelines, etc. The Secretarial Audit Report is given in Annexure -V forming part of this report. There are no remarks, qualifications or reservations in the Secretarial Audit Report.

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 attached as Annexure – VI forming part of this report.

20. Related Party Transactions

The transaction of sale and transfer of Company's Defense business consisting mainly of the UGSs to the Parent/Promoter Company, The Tata Power Co. Ltd. (being a related party) was entered on an arm's length basis, based on the valuation arrived at by an independent valuer. However, since this transaction could be construed as being outside the ordinary course of business, the approval of the Members of the Company under section 188 of the Act was sought by way of a Special Resolution. The details of the said transaction are given in Form AOC-2 (Annexure - VII forming part of this report) as required under Section 134 (3)(h) of the Act.

All related party transactions entered into during the period under review were on an arm's length basis and were in the ordinary course of business. 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 period under review. The Directors draw attention of the Members to Note no. 32 to the Financial Statements which sets out related party disclosures.

In line with the requirements of the Act and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Related Party Transactions and the same is uploaded on the Company's website: http://www.nelco.in/_content/investor-relations/Related_Party_Transaction_Policy.pdf.

21. Deposits

The Company has not accepted any deposits from the public during the period under review.

22. Extract of Annual Return

Pursuant to Section 92 of the Act and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9, is provided in Annexure-VIII forming part of this report.

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 consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the period under review.

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

- a) in the preparation of the annual accounts for the period ended 31st March, 2016, 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 so as to give a true and fair view of the state of affairs of the Company for the period ended 31st March, 2016 and of the loss 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 accounts for the period under review on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. Acknowledgement

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our Shareholders, Customers, Business Partners, Vendors, Bankers and Financial Institutions. The Directors are thankful to the Government of India and the various Ministries and Regulatory Authorities. We appreciate and value the contributions made by all our employees.

On behalf of the Board of Directors,

R.R.Bhinge
Chairman

Mumbai, 31st May, 2016

**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 indentifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

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

Accordingly, the Committee shall:

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

The Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Article of Association of Nelco, the Companies Act, 2013, Listing Agreement 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 Remuneration policy for Directors, Key Managerial Personnel and other employees
(Ref: Board's Report, Section 7.2)**

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.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and Part D of schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law.

While formulating this policy, the Nominations, HR and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- “(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”

Key principles governing this remuneration policy are as follows:

- Remuneration for independent directors and non-independent non-executive directors:
 - o 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.
 - o Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
 - o Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
 - o 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.
 - o Overall remuneration practices should be consistent with recognized best practices.
 - o Quantum of sitting fees may be subject to review on a periodic basis, as required.
 - o The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
 - o 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.
 - o In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.
- Remuneration for Managing Director (“MD”)/ Executive Directors (“ED”)/ KMP/ rest of the employees¹:
 - o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:
 - Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
 - Driven by the role played by the individual,

- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
 - Consistent with recognized best practices and
 - Aligned to any regulatory requirements.
- o In terms of remuneration mix or composition:
- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - In addition to the basic/ fixed salary, the company provides 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. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imburements or insurance cover and accidental death and dismemberment through personal accident insurance.
 - The company provides retirement benefits as applicable.
 - In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.²
 - In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - o Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - o Industry benchmarks of remuneration,
 - o Performance of the individual.³
 - The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.
- Remuneration payable to Director for services rendered in other capacity
- The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:
- a) The services rendered are of a professional nature; and
 - b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.
- Policy implementation
- The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

1 Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

2 To be retained if Commission is provided to MD/ EDs

3 To be retained only if Commission is not provided to MD/ EDs

Annexure- III (A): Disclosure of Managerial Remuneration
(Ref.: Board's Report, Section 7.3)

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

Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
Non-Executive Directors	
Mr. R.R. Bhinge	0.48
Mr. K. Ramachandran	0.62
Mr. S. Ramakrishnan	Nil
Ms. Hema Hattangady	0.49
Mr. K. Raghuraman	0.78
Mr. P. K. Ghose (ceased w.e.f. 18th March 2015)	0.16
Mr. R. Savoor (ceased w.e.f. 18th March 2015)	0.12
Mr. Sanjay Dube (ceased w.e.f. 18th March 2015)	0.06
Mr. V. K. Deshpande (ceased w.e.f. 18th March 2015)	0.12
Executive Director	
Mr. P. J. Nath	37.11

Note: Remuneration includes sitting fees and Performance Linked Payment (PLP). The PLP for 12 months ended 31st March, 2016 will be paid during FY 2016-17.

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

Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year*
Mr. R.R. Bhinge	102 %
Mr. K. Ramachandran	179 %
Mr. S. Ramakrishnan	Nil
Ms. Hema Hattangady	Inducted in current FY 2014-16
Mr. K. Raghuraman	222 %
Mr. P. K. Ghose (ceased w.e.f. 18th March 2015)	37%
Mr. R. Savoor (ceased w.e.f. 18th March 2015)	31%
Mr. Sanjay Dube (ceased w.e.f. 18th March 2015)	18%
Mr. V. K. Deshpande (ceased w.e.f. 18th March 2015)	26%
Mr. P. J. Nath, Executive Director & CEO	10.4%
Mr. Uday Banerjee, Chief Financial Officer	8.2 %
Mr. Girish Kirkinde, Company Secretary	10.3%

* The figures for current 18 months FY (Oct, 14 to Mar 16) have been annualized for comparison with last FY (Oct' 13 to Sep'14)

- (c) Percentage increase in the median remuneration of employees in the FY 2014-16 (Oct'14 to Mar'16): 16%.
 (d) Number of permanent employees on the rolls of company as on 31st March, 2016: 160.

(e) **Explanation on the relationship between average increase in remuneration and Company performance:** On an annualized basis, for the 18 months period from 1st Oct, 2014 upto 31st March, 2016, the employees received an annual increase of 9.2%. The individual increments varied from 0% to 17%, based on individual performance. The increase in remuneration is in line with the market trends in the industry. In order to ensure that the remuneration reflects performance of the Company, the performance pay is also linked to organization performance, apart from an individual's performance.

(f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Aggregate remuneration of Key Managerial Personnel (KMP) in FY14-16* (for 18 month period from 1-Oct'14 to 31-Mar'16)	Rs. 3.69 Crs
Revenue (Rs. crores)	Rs 133.70 crs
Remuneration of KMPs (as % of revenue)	2.76%
Loss before Tax (PBT) (Rs. crores)	Rs (4.65) crs
Remuneration of KMP (as % of PBT)	Not Applicable, since company incurred loss

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

	As on 31st March, 2016	As on 30th September, 2014	% Change
Market Capitalization (Rs. crore) –BSE	203.76	199.88	1.94%
Price Earning Ratio-BSE	-	156.42	-
Market Capitalization (Rs. crore)-NSE	204.67	200.22	2.22%
Price Earning Ratio-NSE	-	156.70	-

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

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	9.2% (annualized on CTC)
Average increase in remuneration of managerial personnel	9.7% (annualized on CTC)

(i) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:**

	Mr. P J Nath	Mr. Uday Banerjee	Mr. Girish Kirkinde
	Executive Director & CEO	Chief Financial Officer	Company Secretary
Remuneration in FY 2014-16	* 2.38 cr	0.76 cr.	0.55 cr
Revenue (Rs. crore)	Rs 133.70 crs		
Remuneration of each KMP as % of Total Revenue	1.78%	0.57%	0.41%
Loss before Tax (Rs. crore)	Rs (4.65) crs		
Remuneration of each KMP as a % of PBT	Not Applicable, since company incurred loss		

*Includes Performance Linked Payment (PLP) of Rs. 0.36 cr. pertaining to Financial Year 2013-14 paid in Financial Year 2014-16.

(j) **Key parameters for any variable component of remuneration availed by the Directors:**

Remuneration paid to Non-Executive Directors:

The Non-Executive Directors' remuneration consists of sitting fees. The sitting fee is paid for:

- Attending each meeting of the Board;
- Attending each meeting of Audit Committee, Nominations & Remuneration Committee (NRC) and Executive Committee of the Board; and
- Attending each meeting of any other Committee(s)
- Attending Meetings of Independent Directors.

Remuneration paid to Executive Director & CEO:

The NRC evaluates the performance of the Executive Director & CEO by setting the Key Performance Objectives at the beginning of each financial year. The NRC recommends to the Board the compensation of Executive Director & CEO based on the performance during the year vis-à-vis the Key Performance Objectives. The NRC ensures that the overall compensation package is in accordance with applicable laws, in line with the Company's objectives, shareholders' interest, industry standards and has an adequate balance between fixed and variable component.

- (k) **Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

There is no employee who received remuneration in excess of the highest paid director of the Company.

- (l) **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.

**Annexure – IV Details of Loans, Guarantees, Securities & Investments (LGSI)
covered under Section 186 of the Act
(Ref: Board's Report, Section 13)**

- a) The Company has not given any loans during the year. The details of investments made during the year are given hereunder

Sl. No	Date of Investment	Details of Investee	No of Shares of Rs. 10/- each	Amount Rs.	Nature of Transactions
1	31/03/2015	Tatanet Services Ltd.	48,40,000	4,84,00,000	Unquoted trade investment in Wholly Owned Subsidiary

- b) Details of guarantees provided during the year are given hereunder :-

Sl. No	Date of providing guarantee	Details of recipient	Amount Rs.	Purpose for which proceeds from credit facilities proposed to be utilized by the recipient
1	06/01/2016	Axis Bank Ltd.	10,75,00,000	The Corporate Guarantee was issued by the Company as a collateral security for availing working capital credit facilities by Tatanet Services Ltd. (Wholly Owned Subsidiary) from Axis Bank Ltd.

Further details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

**Annexure – V Secretarial Audit Report
(Ref: Board's Report, Section 18)**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL PERIOD 1ST OCTOBER 2014 TO 31ST MARCH 2016**
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NELCO 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") having (CIN: L32200MH1940PLC003164). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 (consisting of 18 months from 01.10.2014 to 31.03.2016), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (The Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;#
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; #
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;#
 - f) The Securities Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;#and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.#

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

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with Stock Exchange(s) under erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015").

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive 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.

The Company has provided notice(s) to all the directors for the Board meeting(s) exceeding seven days in advance. The Agenda and the detailed notes on agenda were circulated to the directors seven days in advance as required by Secretarial Standards-1(SS-1). The Company has a reasonable system 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,

1. Company has obtained member's approval by way of special resolution through postal ballot on 25th June, 2015 for:
 - a. Pursuant to section 180(1)(a) of the Companies Act, 2013 for Transfer of the Company's Unattended Ground Sensors (UGSs) business to The TATA Power Co. Ltd, as a going concern on a slump sale basis with effect from 1st October, 2014 for a consideration of Rs. 8.31 crores.
 - b. Pursuant to section 188 of the Companies Act, 2013 for transaction with The Tata Power Co. Ltd, being a Related Party for transfer of the Company's Unattended Ground Sensors (UGSs) business as a going concern on a slump sale basis with effect from 1st October, 2014 for a consideration of Rs. 8.31 crores.
 - c. Pursuant to section 180(1)(a) of the Companies Act, 2013 for transfer of Company's Managed Services business ("E-Surveillance business") to Securens Systems Pvt. Ltd. as a going concern on a slump sale basis with effect from 1st April, 2015 for a consideration of Rs. 2.10 crores.

For Bhandari & Associates

Company Secretaries

S.N.Bhandari

FCS No: 761; CP. No: 366

Partner

Mumbai, 4th May, 2016

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

'Annexure A'

To,

The Members,

NELCO LIMITED

[CIN: L32200MH1940PLC003164]

Our Secretarial Audit Report for the period covering the financial year ended on 31st March, 2016 (consisting of 18 months from 01.10.2014 to 31.03.2016) of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow 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

S.N.Bhandari

FCS No: 761; CP. No: 366

Mumbai, 4th May, 2016

Annexure VI – Conservation of Energy and Technology Absorption
(Ref.: Board's Report, Section 19)

A. Conservation of Energy

- (i) The steps taken or impact on conservation of energy: Although energy is not a major element of the cost for the Company, constant endeavors 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 too low to utilize alternate sources of energy.
- (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's wholly owned subsidiary, Tatanet Services Ltd. has set up a new VSAT Hub in Dehradun to increase its overall satellite bandwidth capacities and also to attain better resilience to the overall infrastructure. The capacities are also obtained from a new satellite and thereby increasing diversity.

Tatanet Services Ltd. has also deployed alternate technologies for the baseband of the VSAT hub, which will help in catering to more market segments.

Future plan of action: Setting up of one more VSAT hub in Tatanet Services Ltd. to further increase the satellite bandwidth operations, this is already under implementation. The Company is making endeavor in building expertise in varied technologies for satellite communication, rather than getting fixed to only one technology.

Technology absorption, adaptation and innovation: Constant endeavors are being made towards technology absorption, adaptation and innovation. The focus has been on improving the quality of the services as well as creating new services and solutions adapted to suit the customers' requirements for specific industry segments.

- (ii) Benefits derived:

The Company has increased its customer base in the different market segments, mainly Banking & Financial Services and Oil & Gas Exploration Services using the infrastructure created with these technologies.

- (iii) Expenditure incurred on Research and Development

a. 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: - N.A.
- c. Has technology been fully absorbed :- N.A.
- d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action:- N.A.

C. Foreign Exchange earnings and outgo (Standalone)

	Rs. In lakhs
Total foreign exchange earned:	174.40
Total foreign exchange used	3,178.44

Annexure VII – Related Party Transactions
(Ref.: Board's Report, Section 20)

FORM No. AOC-2

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting
N.A.							

2. Details of material contracts or arrangement or transactions at arm's length basis but not in the ordinary course of business are as under:-

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any	Date on which the special resolution was passed
The Tata Power Company Ltd. (TPC) (Holding Company)	Sale of Business of Unattended Ground Sensors (UGS) Spares	One time	At a consideration of RS 831 lakhs. Transaction not yet concluded due to pending approval from Ministry of Defense, (the Customer).	28th January,2015	Nil	25th June 2015

Annexure VIII
(Ref.: Board's Report, Section 22)
FORM No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2016

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L32200MH1940PLC003164
- ii) Registration Date: 31st August 1940
- iii) Name of the Company: Nelco Limited
- iv) Category / Sub-Category of the Company: Public Company limited by shares
- v) Address of the Registered office and contact details: EL-6, TTC Industrial Area, MIDC Electronic Zone, Mahape, Navi Mumbai – 400710. Tel.: +91 22 67399100, Fax: +91 22 67918787 Email: services@nelco.in
Website: www.nelco.in
- vi) Whether listed company: Yes / ~~No~~
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate
20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011
Tel.: 022 6656 8484, Fax.: 022 6656 8494
E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Network Systems	43212	89%
2	Automation & Control	80200	11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	The Tata Power Company Ltd. Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East), Mumbai 400051	L28920MH1919PLC000567	Holding	48.64	2(46)
2	Af-Taab Investment Company Ltd. C/o The Tata Power Company Limited, Corporate Centre, "B" Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U65990MH1979PLC021037	Holding	1.44	2(46)
3	Tatanet Services Ltd. MIDC, Plot No. EL-6, TTC Industrial Area, Electronic Zone, Mahape, Navi Mumbai – 400710	U67120MH1987PLC044351	Subsidiary	100	2(87)
4	Nelito Systems Ltd. 205-208, Millennium Business Park, Bldg 2, Sector 1, Mahape, Navi Mumbai 400701	U72900MH1995PLC088816	Associate	22.25	2(6)

IV) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category code (i)	Category of Shareholder (II)	Number of shares held at the beginning of the year 1st October, 2014				Number of shares held at the end of the year 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(A)	Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	11419090	13500	11432590	50.10	11419090	13500	11432590	50.10	0.25
(e)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)		11419090	13500	11432590	50.10	11419090	13500	11432590	50.10	0.25
(2)	Foreign									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)		0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)		11419090	13500	11432590	50.10	11419090	13500	11432590	50.10	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	0	10850	10850	0.05	0	10850	10850	0.05	0.00
(b)	Banks / Financial Institutions	7800	19590	27390	0.12	105258	12990	118248	0.52	0.40
(c)	Central Government	52182	0	52182	0.23	52182	0	52182	0.23	0.00
(d)	State Governments(s)	0	29980	29980	0.13	0	29980	29980	0.13	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

Category code (i)	Category of Shareholder (II)	Number of shares held at the beginning of the year 1st October, 2014				Number of shares held at the end of the year 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(g)	Foreign Institutional Investors	0	870010	870010	3.81	0	870010	870010	3.81	0.00
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	- Alternative Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)		59982	930430	990412	4.34	157440	923830	1081270	4.53	0.40
(2)	Non-Institutions									
(a)	Bodies Corporate									
i	Indian	1680178	8790	1688968	7.40	1658909	8390	1667299	7.31	-0.09
ii	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	6632901	497473	7130374	31.26	6884531	466906	7351437	32.22	0.96
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1575456	0	1575456	6.90	1285204	0	1285204	5.63	-1.27
(c)	Any Other (Specify)									
	- Directors & their Relatives	0	0	0	0.00	0	0	0	0.00	0.00
	- Trust	600	0	600	0.00	600	0	600	0.00	0.00
Sub-total (B) (2)		9889135	506263	10395398	45.56	9829244	475296	10304540	45.16	-0.40
Total Public Shareholding (B) = (B)(1)+(B)(2)		9949117	1436693	11385810	49.90	9986684	1399126	11385810	49.90	0.00
TOTAL (A)+(B)		21368207	1450193	22818400	100.00	21405774	1412626	22818400	100.00	0.00
(C)	Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)		21368207	1450193	22818400	100.00	21405774	1412626	22818400	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1st October, 2014			Shareholding at the end of the year 31st March, 2016			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	THE TATA POWER COMPANY LIMITED	11099630	48.64	0.00	11099630	48.64	0.00	0.00
2	AF-TAAB INVESTMENT COMPANY LIMITED	328410	1.44	0.00	328410	1.44	0.00	0.00
3	TATA SONS LIMITED	2150	0.01	0.00	2150	0.01	0.00	0.00
4	TATA HYDRO ELECTRIC POWER SUPPLY CO LTD	1050	0.00	0.00	1050	0.00	0.00	0.00
5	TITAN INDUSTRIES LIMITED	1000	0.00	0.00	1000	0.00	0.00	0.00
6	TATA INVESTMENT CORPORATION LTD	350	0.00	0.00	350	0.00	0.00	0.00
	TOTAL	11432590	50.10	0	11432590	50.10	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Serial no	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.1	The Tata Power Company Limited	01-Oct-2014	At the beginning of the year	11,099,630	48.64	11,099,630	48.64
1.1		31-Mar-2016	At the end of the year	0	0.00	11,099,630	48.64
1			Total :	11,099,630	48.64	11,099,630	48.64
2.1	Af Taab Investment Company Limited	01-Oct-2014	At the beginning of the year	318,460	1.40	318,460	1.40
2.2		31-Mar-2016	At the end of the year	0	0.00	318,460	1.40
2.3	Af-taab Investment Company Limited	01-Oct-2014	At the beginning of the year	9,950	0.04	9,950	0.04
2.3		31-Mar-2016	At the end of the year	0	0.00	9,950	0.04
2			Total :	328,410	1.40	328,410	1.40
3.1	Tata Sons Limited	01-Oct-2014	At the beginning of the year	2,150	0.01	2,150	0.01
3.1		31-Mar-2016	At the end of the year	0	0.00	2,150	0.01
3			Total :	2,150	0.01	2,150	0.01
4.1	The Tata Hydro Electric Power Supply Co Ltd	01-Oct-2014	At the beginning of the year	1,050	0.00	1,050	0.00
4.1		31-Mar-2016	At the end of the year	0	0.00	1,050	0.00
4			Total :	1,050	0.00	1,050	0.00
5.1	Titan Company Limited	01-Oct-2014	At the beginning of the year	1,000	0.00	1,000	0.00
5.1		31-Mar-2016	At the end of the year	0	0.00	1,000	0.00
5			Total :	1,000	0.00	1,000	0.00
6.1	Tata Investment Corporation Limited	01-Oct-2014	At the beginning of the year	350	0.00	350	0.00
6.1		31-Mar-2016	At the end of the year	0	0.00	350	0.00
6			Total :	350	0.00	350	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1.1	M/S Schlumberger Limited	01-Oct-2014	At the beginning of the year	866,460	3.80	866,460	3.80
1.1		31-Mar-2016	At the end of the year	0	0.00	866,460	3.80
1			Total :	866,460	3.80	866,460	3.80
2.1	Hitesh Ramji Javeri	01-Oct-2014	At the beginning of the year	380,000	1.67	380,000	1.67
2.1		23-Oct-2015	Decrease	-80,000	-0.35	300,000	1.31
2.1		29-Jan-2016	Decrease	-25,000	-0.11	275,000	1.21
2.1		31-Mar-2016	At the end of the year	0	0.00	275,000	1.21
2			Total :	380,000	1.67	275,000	1.21
3.1	Digvijay Commerce And Trading Pvt Ltd	01-Oct-2014	At the beginning of the year	78,000	0.34	78,000	0.34
3.1		31-Oct-2014	Increase	37,000	0.16	115,000	0.50
3.1		21-Nov-2014	Increase	36,203	0.16	151,203	0.66
3.1		27-Nov-2015	Decrease	-1,203	-0.01	150,000	0.66
3.1		08-Jan-2016	Decrease	-55,377	-0.24	94,623	0.41
3.1		22-Jan-2016	Increase	55,377	0.24	150,000	0.66
3.1		31-Mar-2016	At the end of the year	0	0.00	150,000	0.66
3.2	Digvijay Commerce And Trading Pvt Ltd	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
3.2		08-Jan-2016	Increase	55,377	0.24	55,377	0.24
3.2		22-Jan-2016	Decrease	-55,377	-0.24	0	0.00
3.2		31-Mar-2016	At the end of the year	0	0.00	0	0.00
3			Total :	78,000	0.34	150,000	0.66
4.1	Roopa Corporate Services Pvt. Ltd.	01-Oct-2014	At the beginning of the year	75,000	0.33	75,000	0.33
4.1		09-Jan-2015	Increase	6,000	0.03	81,000	0.35
4.1		15-Jan-2015	Decrease	-5,000	-0.02	76,000	0.33
4.1		23-Jan-2015	Increase	31,000	0.14	107,000	0.47
4.1		30-Jan-2015	Increase	7,023	0.03	114,023	0.50
4.1		13-Feb-2015	Increase	2,000	0.01	116,023	0.51
4.1		31-Mar-2016	At the end of the year	0	0.00	116,023	0.51
4			Total :	75,000	0.33	116,023	0.51
5.1	Edelweiss Securities Ltd.	01-Oct-2014	At the beginning of the year	25	0.00	25	0.00
5.1		03-Oct-2014	Increase	700	0.00	725	0.00
5.1		17-Oct-2014	Decrease	-25	0.00	700	0.00
5.1		24-Oct-2014	Decrease	-700	0.00	0	0.00
5.1		31-Oct-2014	Increase	200	0.00	200	0.00
5.1		07-Nov-2014	Decrease	-200	0.00	0	0.00
5.1		14-Nov-2014	Increase	1,005	0.00	1,005	0.00
5.1		28-Nov-2014	Decrease	-805	0.00	200	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
5.1		05-Dec-2014	Decrease	-75	0.00	125	0.00
5.1		12-Dec-2014	Increase	375	0.00	500	0.00
5.1		19-Dec-2014	Decrease	-500	0.00	0	0.00
5.1		09-Jan-2015	Increase	600	0.00	600	0.00
5.1		15-Jan-2015	Increase	50	0.00	650	0.00
5.1		23-Jan-2015	Decrease	-550	0.00	100	0.00
5.1		30-Jan-2015	Decrease	-100	0.00	0	0.00
5.1		06-Feb-2015	Increase	200	0.00	200	0.00
5.1		13-Feb-2015	Decrease	-200	0.00	0	0.00
5.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
5.2	Edelweiss Securities Ltd	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
5.2		23-Jan-2015	Increase	1,650	0.01	1,650	0.01
5.2		27-Feb-2015	Increase	11,828	0.05	13,478	0.06
5.2		06-Mar-2015	Decrease	-7,296	-0.03	6,182	0.03
5.2		20-Mar-2015	Increase	2,095	0.01	8,277	0.04
5.2		24-Apr-2015	Increase	1,052	0.00	9,329	0.04
5.2		29-May-2015	Decrease	-340	0.00	8,989	0.04
5.2		12-Jun-2015	Decrease	-638	0.00	8,351	0.04
5.2		19-Jun-2015	Decrease	-95	0.00	8,256	0.04
5.2		26-Jun-2015	Decrease	-3,731	-0.02	4,525	0.02
5.2		10-Jul-2015	Increase	2,298	0.01	6,823	0.03
5.2		17-Jul-2015	Increase	1,031	0.00	7,854	0.03
5.2		24-Jul-2015	Increase	476	0.00	8,330	0.04
5.2		31-Jul-2015	Increase	52	0.00	8,382	0.04
5.2		14-Aug-2015	Increase	2,937	0.01	11,319	0.05
5.2		21-Aug-2015	Decrease	-1,597	-0.01	9,722	0.04
5.2		28-Aug-2015	Decrease	-30	0.00	9,692	0.04
5.2		11-Sep-2015	Increase	1,907	0.01	11,599	0.05
5.2		18-Sep-2015	Decrease	-5,571	-0.02	6,028	0.03
5.2		30-Sep-2015	Increase	734	0.00	6,762	0.03
5.2		09-Oct-2015	Increase	1,027	0.00	7,789	0.03
5.2		16-Oct-2015	Decrease	-851	0.00	6,938	0.03
5.2		23-Oct-2015	Decrease	-200	0.00	6,738	0.03
5.2		30-Oct-2015	Increase	961	0.00	7,699	0.03
5.2		13-Nov-2015	Increase	729	0.00	8,428	0.04
5.2		20-Nov-2015	Increase	8,474	0.04	16,902	0.07
5.2		27-Nov-2015	Increase	7,806	0.03	24,708	0.11
5.2		11-Dec-2015	Decrease	-13,074	-0.06	11,634	0.05
5.2		18-Dec-2015	Increase	9,999	0.04	21,633	0.09
5.2		25-Dec-2015	Increase	7,559	0.03	29,192	0.13
5.2		01-Jan-2016	Increase	26,392	0.12	55,584	0.24
5.2		05-Feb-2016	Increase	10,648	0.05	66,232	0.29

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
5.2		04-Mar-2016	Increase	6,563	0.03	72,795	0.32
5.2		31-Mar-2016	At the end of the year	0	0.00	72,795	0.32
5.3	Edelweiss Securities Ltd	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
5.3		07-Nov-2014	Increase	6,000	0.03	6,000	0.03
5.3		14-Nov-2014	Decrease	-6,000	-0.03	0	0.00
5.3		02-Jan-2015	Increase	850	0.00	850	0.00
5.3		09-Jan-2015	Increase	800	0.00	1,650	0.01
5.3		23-Jan-2015	Decrease	-1,030	0.00	620	0.00
5.3		28-Jan-2015	Decrease	-20	0.00	600	0.00
5.3		30-Jan-2015	Increase	35	0.00	635	0.00
5.3		06-Feb-2015	Decrease	-35	0.00	600	0.00
5.3		20-Feb-2015	Increase	18,338	0.08	18,938	0.08
5.3		27-Feb-2015	Decrease	-18,813	-0.08	125	0.00
5.3		06-Mar-2015	Increase	3,545	0.02	3,670	0.02
5.3		13-Mar-2015	Increase	735	0.00	4,405	0.02
5.3		20-Mar-2015	Decrease	-3,165	-0.01	1,240	0.01
5.3		27-Mar-2015	Increase	747	0.00	1,987	0.01
5.3		31-Mar-2015	Decrease	-25	0.00	1,962	0.01
5.3		03-Apr-2015	Decrease	-205	0.00	1,757	0.01
5.3		10-Apr-2015	Decrease	-1,410	-0.01	347	0.00
5.3		17-Apr-2015	Increase	1,170	0.01	1,517	0.01
5.3		24-Apr-2015	Decrease	-1,307	-0.01	210	0.00
5.3		01-May-2015	Increase	135	0.00	345	0.00
5.3		08-May-2015	Increase	125	0.00	470	0.00
5.3		15-May-2015	Decrease	-10	0.00	460	0.00
5.3		22-May-2015	Decrease	-365	0.00	95	0.00
5.3		29-May-2015	Increase	7	0.00	102	0.00
5.3		05-Jun-2015	Increase	160	0.00	262	0.00
5.3		12-Jun-2015	Decrease	-162	0.00	100	0.00
5.3		19-Jun-2015	Decrease	-100	0.00	0	0.00
5.3		26-Jun-2015	Increase	823	0.00	823	0.00
5.3		03-Jul-2015	Increase	825	0.00	1,648	0.01
5.3		10-Jul-2015	Decrease	-1,648	-0.01	0	0.00
5.3		17-Jul-2015	Increase	76	0.00	76	0.00
5.3		24-Jul-2015	Increase	174	0.00	250	0.00
5.3		31-Jul-2015	Increase	350	0.00	600	0.00
5.3		07-Aug-2015	Increase	2,452	0.01	3,052	0.01
5.3		14-Aug-2015	Decrease	-3,052	-0.01	0	0.00
5.3		28-Aug-2015	Increase	1,400	0.01	1,400	0.01
5.3		04-Sep-2015	Increase	507	0.00	1,907	0.01
5.3		11-Sep-2015	Decrease	-1,907	-0.01	0	0.00
5.3		18-Sep-2015	Increase	626	0.00	626	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
5.3		25-Sep-2015	Increase	108	0.00	734	0.00
5.3		30-Sep-2015	Increase	267	0.00	1,001	0.00
5.3		02-Oct-2015	Increase	26	0.00	1,027	0.00
5.3		09-Oct-2015	Decrease	-1,027	0.00	0	0.00
5.3		16-Oct-2015	Increase	200	0.00	200	0.00
5.3		23-Oct-2015	Decrease	-185	0.00	15	0.00
5.3		30-Oct-2015	Increase	139	0.00	154	0.00
5.3		06-Nov-2015	Increase	700	0.00	854	0.00
5.3		13-Nov-2015	Decrease	-854	0.00	0	0.00
5.3		20-Nov-2015	Increase	182	0.00	182	0.00
5.3		27-Nov-2015	Increase	1,806	0.01	1,988	0.01
5.3		04-Dec-2015	Decrease	-55	0.00	1,933	0.01
5.3		11-Dec-2015	Decrease	-1,905	-0.01	28	0.00
5.3		18-Dec-2015	Increase	12,637	0.06	12,665	0.06
5.3		25-Dec-2015	Increase	177	0.00	12,842	0.06
5.3		31-Dec-2015	Increase	19,219	0.08	32,061	0.14
5.3		01-Jan-2016	Decrease	-22,964	-0.10	9,097	0.04
5.3		08-Jan-2016	Increase	20,267	0.09	29,364	0.13
5.3		15-Jan-2016	Increase	2,958	0.01	32,322	0.14
5.3		22-Jan-2016	Decrease	-2,396	-0.01	29,926	0.13
5.3		29-Jan-2016	Decrease	-586	0.00	29,340	0.13
5.3		05-Feb-2016	Increase	5,493	0.02	34,833	0.15
5.3		12-Feb-2016	Decrease	-1,134	0.00	33,699	0.15
5.3		19-Feb-2016	Increase	7,545	0.03	41,244	0.18
5.3		26-Feb-2016	Increase	8,317	0.04	49,561	0.22
5.3		04-Mar-2016	Decrease	-7,202	-0.03	42,359	0.19
5.3		11-Mar-2016	Decrease	-1,159	-0.01	41,200	0.18
5.3		18-Mar-2016	Decrease	-16,455	-0.07	24,745	0.11
5.3		25-Mar-2016	Decrease	-3,950	-0.02	20,795	0.09
5.3		31-Mar-2016	At the end of the year - Increase	5,536	0.02	26,331	0.12
5.4	Edelweiss Securities Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
5.4		03-Oct-2014	Increase	1,000	0.00	1,000	0.00
5.4		10-Oct-2014	Decrease	-800	0.00	200	0.00
5.4		17-Oct-2014	Decrease	-175	0.00	25	0.00
5.4		24-Oct-2014	Decrease	-25	0.00	0	0.00
5.4		31-Oct-2014	Increase	1,100	0.00	1,100	0.00
5.4		07-Nov-2014	Decrease	-900	0.00	200	0.00
5.4		14-Nov-2014	Decrease	-200	0.00	0	0.00
5.4		02-Jan-2015	Increase	800	0.00	800	0.00
5.4		09-Jan-2015	Decrease	-800	0.00	0	0.00
5.4		13-Feb-2015	Increase	300	0.00	300	0.00
5.4		20-Feb-2015	Decrease	-300	0.00	0	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
5.4		31-Mar-2016	At the end of the year	0	0.00	0	0.00
5.5	Edelweiss Securities Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
5.5		23-Jan-2015	Increase	50	0.00	50	0.00
5.5		28-Jan-2015	Decrease	-50	0.00	0	0.00
5.5		31-Mar-2016	At the end of the year	0	0.00	0	0.00
5			Total :	25	0.00	99,126	0.43
6.1	India Infoline Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
6.1		15-Jan-2016	Increase	200	0.00	200	0.00
6.1		22-Jan-2016	Decrease	-200	0.00	0	0.00
6.1		12-Feb-2016	Increase	2,100	0.01	2,100	0.01
6.1		19-Feb-2016	Decrease	-2,000	-0.01	100	0.00
6.1		26-Feb-2016	Decrease	-100	0.00	0	0.00
6.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
6.2	India Infoline Limited	01-Oct-2014	At the beginning of the year	3,360	0.01	3,360	0.01
6.2		03-Oct-2014	Decrease	-165	0.00	3,195	0.01
6.2		10-Oct-2014	Decrease	-745	0.00	2,450	0.01
6.2		17-Oct-2014	Decrease	-2,374	-0.01	76	0.00
6.2		24-Oct-2014	Increase	2,355	0.01	2,431	0.01
6.2		31-Oct-2014	Increase	3,465	0.02	5,896	0.03
6.2		07-Nov-2014	Decrease	-5,401	-0.02	495	0.00
6.2		14-Nov-2014	Increase	2,527	0.01	3,022	0.01
6.2		21-Nov-2014	Decrease	-2,508	-0.01	514	0.00
6.2		28-Nov-2014	Decrease	-14	0.00	500	0.00
6.2		05-Dec-2014	Increase	1,942	0.01	2,442	0.01
6.2		12-Dec-2014	Decrease	-2,092	-0.01	350	0.00
6.2		19-Dec-2014	Increase	30	0.00	380	0.00
6.2		31-Dec-2014	Increase	190	0.00	570	0.00
6.2		02-Jan-2015	Increase	5,857	0.03	6,427	0.03
6.2		09-Jan-2015	Decrease	-6,007	-0.03	420	0.00
6.2		15-Jan-2015	Decrease	-10	0.00	410	0.00
6.2		16-Jan-2015	Decrease	-76	0.00	334	0.00
6.2		23-Jan-2015	Increase	415	0.00	749	0.00
6.2		28-Jan-2015	Increase	7,902	0.03	8,651	0.04
6.2		30-Jan-2015	Decrease	-7,851	-0.03	800	0.00
6.2		06-Feb-2015	Decrease	-346	0.00	454	0.00
6.2		13-Feb-2015	Increase	228	0.00	682	0.00
6.2		20-Feb-2015	Increase	4,247	0.02	4,929	0.02
6.2		27-Feb-2015	Decrease	-4,339	-0.02	590	0.00
6.2		06-Mar-2015	Decrease	-186	0.00	404	0.00
6.2		13-Mar-2015	Decrease	-393	0.00	11	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
6.2		20-Mar-2015	Increase	4	0.00	15	0.00
6.2		27-Mar-2015	Increase	185	0.00	200	0.00
6.2		31-Mar-2015	Decrease	-114	0.00	86	0.00
6.2		03-Apr-2015	Increase	991	0.00	1,077	0.00
6.2		10-Apr-2015	Increase	9,255	0.04	10,332	0.05
6.2		17-Apr-2015	Decrease	-10,283	-0.05	49	0.00
6.2		24-Apr-2015	Decrease	-35	0.00	14	0.00
6.2		01-May-2015	Increase	648	0.00	662	0.00
6.2		08-May-2015	Decrease	-560	0.00	102	0.00
6.2		15-May-2015	Decrease	-83	0.00	19	0.00
6.2		22-May-2015	Increase	132	0.00	151	0.00
6.2		29-May-2015	Decrease	-117	0.00	34	0.00
6.2		05-Jun-2015	Increase	644	0.00	678	0.00
6.2		12-Jun-2015	Decrease	-673	0.00	5	0.00
6.2		19-Jun-2015	Increase	103	0.00	108	0.00
6.2		26-Jun-2015	Decrease	-28	0.00	80	0.00
6.2		30-Jun-2015	Increase	1,210	0.01	1,290	0.01
6.2		03-Jul-2015	Decrease	-619	0.00	671	0.00
6.2		10-Jul-2015	Increase	316	0.00	987	0.00
6.2		17-Jul-2015	Decrease	-612	0.00	375	0.00
6.2		24-Jul-2015	Decrease	-235	0.00	140	0.00
6.2		31-Jul-2015	Decrease	-69	0.00	71	0.00
6.2		07-Aug-2015	Increase	969	0.00	1,040	0.00
6.2		14-Aug-2015	Decrease	-1,038	0.00	2	0.00
6.2		21-Aug-2015	Increase	98	0.00	100	0.00
6.2		28-Aug-2015	Increase	200	0.00	300	0.00
6.2		04-Sep-2015	Decrease	-300	0.00	0	0.00
6.2		11-Sep-2015	Increase	150	0.00	150	0.00
6.2		18-Sep-2015	Decrease	-150	0.00	0	0.00
6.2		25-Sep-2015	Increase	5,020	0.02	5,020	0.02
6.2		30-Sep-2015	Decrease	-4,986	-0.02	34	0.00
6.2		02-Oct-2015	Decrease	-34	0.00	0	0.00
6.2		09-Oct-2015	Increase	553	0.00	553	0.00
6.2		16-Oct-2015	Decrease	-356	0.00	197	0.00
6.2		23-Oct-2015	Increase	403	0.00	600	0.00
6.2		30-Oct-2015	Decrease	-458	0.00	142	0.00
6.2		06-Nov-2015	Decrease	-42	0.00	100	0.00
6.2		13-Nov-2015	Increase	205	0.00	305	0.00
6.2		20-Nov-2015	Decrease	-205	0.00	100	0.00
6.2		27-Nov-2015	Increase	2,555	0.01	2,655	0.01
6.2		04-Dec-2015	Increase	2,545	0.01	5,200	0.02
6.2		11-Dec-2015	Decrease	-4,839	-0.02	361	0.00
6.2		18-Dec-2015	Decrease	-162	0.00	199	0.00
6.2		25-Dec-2015	Increase	2,286	0.01	2,485	0.01

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
6.2		31-Dec-2015	Increase	44,428	0.19	46,913	0.21
6.2		01-Jan-2016	Increase	33,791	0.15	80,704	0.35
6.2		08-Jan-2016	Decrease	-77,484	-0.34	3,220	0.01
6.2		15-Jan-2016	Increase	3,180	0.01	6,400	0.03
6.2		22-Jan-2016	Decrease	-6,047	-0.03	353	0.00
6.2		29-Jan-2016	Increase	5,245	0.02	5,598	0.02
6.2		05-Feb-2016	Decrease	-5,092	-0.02	506	0.00
6.2		12-Feb-2016	Decrease	-81	0.00	425	0.00
6.2		19-Feb-2016	Increase	775	0.00	1,200	0.01
6.2		26-Feb-2016	Decrease	-1,116	0.00	84	0.00
6.2		04-Mar-2016	Increase	693	0.00	777	0.00
6.2		11-Mar-2016	Decrease	-777	0.00	0	0.00
6.2		18-Mar-2016	Increase	720	0.00	720	0.00
6.2		25-Mar-2016	Increase	85	0.00	805	0.00
6.2		31-Mar-2016	At the end of the year - Increase	291	0.00	1,096	0.00
6.3	India Infoline Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
6.3		03-Oct-2014	Increase	1,700	0.01	1,700	0.01
6.3		10-Oct-2014	Decrease	-1,385	-0.01	315	0.00
6.3		17-Oct-2014	Increase	85	0.00	400	0.00
6.3		24-Oct-2014	Decrease	-400	0.00	0	0.00
6.3		07-Nov-2014	Increase	30	0.00	30	0.00
6.3		14-Nov-2014	Increase	1,020	0.00	1,050	0.00
6.3		21-Nov-2014	Decrease	-1,000	0.00	50	0.00
6.3		28-Nov-2014	Decrease	-15	0.00	35	0.00
6.3		05-Dec-2014	Increase	105	0.00	140	0.00
6.3		12-Dec-2014	Decrease	-40	0.00	100	0.00
6.3		19-Dec-2014	Decrease	-50	0.00	50	0.00
6.3		31-Dec-2014	Decrease	-50	0.00	0	0.00
6.3		02-Jan-2015	Increase	70	0.00	70	0.00
6.3		09-Jan-2015	Decrease	-55	0.00	15	0.00
6.3		15-Jan-2015	Decrease	-15	0.00	0	0.00
6.3		13-Feb-2015	Increase	43	0.00	43	0.00
6.3		27-Feb-2015	Decrease	-43	0.00	0	0.00
6.3		20-Mar-2015	Increase	20	0.00	20	0.00
6.3		27-Mar-2015	Decrease	-20	0.00	0	0.00
6.3		03-Apr-2015	Increase	70	0.00	70	0.00
6.3		10-Apr-2015	Decrease	-70	0.00	0	0.00
6.3		24-Apr-2015	Increase	180	0.00	180	0.00
6.3		01-May-2015	Decrease	-180	0.00	0	0.00
6.3		15-May-2015	Increase	40	0.00	40	0.00
6.3		22-May-2015	Decrease	-40	0.00	0	0.00
6.3		05-Jun-2015	Increase	600	0.00	600	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
6.3		12-Jun-2015	Decrease	-600	0.00	0	0.00
6.3		30-Jun-2015	Increase	610	0.00	610	0.00
6.3		03-Jul-2015	Decrease	-610	0.00	0	0.00
6.3		10-Jul-2015	Increase	749	0.00	749	0.00
6.3		17-Jul-2015	Decrease	-749	0.00	0	0.00
6.3		31-Jul-2015	Increase	93	0.00	93	0.00
6.3		07-Aug-2015	Decrease	-93	0.00	0	0.00
6.3		16-Oct-2015	Increase	250	0.00	250	0.00
6.3		23-Oct-2015	Decrease	-200	0.00	50	0.00
6.3		30-Oct-2015	Decrease	-50	0.00	0	0.00
6.3		27-Nov-2015	Increase	150	0.00	150	0.00
6.3		04-Dec-2015	Decrease	-50	0.00	100	0.00
6.3		11-Dec-2015	Decrease	-100	0.00	0	0.00
6.3		18-Dec-2015	Increase	755	0.00	755	0.00
6.3		25-Dec-2015	Increase	655	0.00	1,410	0.01
6.3		31-Dec-2015	Increase	18,118	0.08	19,528	0.09
6.3		01-Jan-2016	Increase	8,845	0.04	28,373	0.12
6.3		08-Jan-2016	Decrease	-28,373	-0.12	0	0.00
6.3		15-Jan-2016	Increase	400	0.00	400	0.00
6.3		22-Jan-2016	Decrease	-400	0.00	0	0.00
6.3		11-Mar-2016	Increase	100	0.00	100	0.00
6.3		18-Mar-2016	Decrease	-100	0.00	0	0.00
6.3		31-Mar-2016	At the end of the year	0	0.00	0	0.00
6.4	India Infoline Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
6.4		31-Mar-2016	At the end of the year - Increase	81,351	0.36	81,351	0.36
6.5	India Infoline Limited	01-Oct-2014	At the beginning of the year	1,132	0.00	1,132	0.00
6.5		31-Mar-2016	At the end of the year	0	0.00	1,132	0.00
6.6	India Infoline Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
6.6		07-Nov-2014	Increase	100	0.00	100	0.00
6.6		21-Nov-2014	Decrease	-50	0.00	50	0.00
6.6		27-Feb-2015	Increase	39	0.00	89	0.00
6.6		06-Mar-2015	Decrease	-39	0.00	50	0.00
6.6		07-Aug-2015	Decrease	-5	0.00	45	0.00
6.6		04-Sep-2015	Decrease	-45	0.00	0	0.00
6.6		04-Dec-2015	Increase	135	0.00	135	0.00
6.6		11-Dec-2015	Decrease	-135	0.00	0	0.00
6.6		31-Mar-2016	At the end of the year	0	0.00	0	0.00
6			Total :	4,492	0.02	83,579	0.37
7.1	Icici Bank Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
7.1		09-Jan-2015	Increase	9,662	0.04	9,662	0.04
7.1		23-Jan-2015	Decrease	-208	0.00	9,454	0.04
7.1		28-Jan-2015	Increase	3,532	0.02	12,986	0.06
7.1		06-Feb-2015	Decrease	-530	0.00	12,456	0.05
7.1		27-Mar-2015	Decrease	-1,567	-0.01	10,889	0.05
7.1		12-Jun-2015	Decrease	-500	0.00	10,389	0.05
7.1		19-Jun-2015	Decrease	-682	0.00	9,707	0.04
7.1		17-Jul-2015	Decrease	-89	0.00	9,618	0.04
7.1		24-Jul-2015	Decrease	-126	0.00	9,492	0.04
7.1		31-Jul-2015	Decrease	-1,550	-0.01	7,942	0.03
7.1		07-Aug-2015	Increase	212	0.00	8,154	0.04
7.1		20-Nov-2015	Increase	6,974	0.03	15,128	0.07
7.1		27-Nov-2015	Decrease	-2,589	-0.01	12,539	0.05
7.1		04-Dec-2015	Decrease	-2,322	-0.01	10,217	0.04
7.1		25-Dec-2015	Decrease	-859	0.00	9,358	0.04
7.1		31-Dec-2015	Decrease	-1,267	-0.01	8,091	0.04
7.1		15-Jan-2016	Increase	10,294	0.05	18,385	0.08
7.1		22-Jan-2016	Decrease	-1,396	-0.01	16,989	0.07
7.1		05-Feb-2016	Decrease	-6,219	-0.03	10,770	0.05
7.1		12-Feb-2016	Increase	7,710	0.03	18,480	0.08
7.1		19-Feb-2016	Decrease	-6,247	-0.03	12,233	0.05
7.1		26-Feb-2016	Decrease	-453	0.00	11,780	0.05
7.1		31-Mar-2016	At the end of the year - Increase	66,996	0.29	78,776	0.35
7			Total :	0	0.00	78,776	0.35
8.1	Reita Gertrude Gomes	01-Oct-2014	At the beginning of the year	68,000	0.30	68,000	0.30
8.1		20-Nov-2015	Increase	2,000	0.01	70,000	0.31
8.1		25-Dec-2015	Decrease	-70,000	-0.31	0	0.00
8.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
8.2	Reita Gertrude Gomes	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
8.2		25-Dec-2015	Increase	70,000	0.31	70,000	0.31
8.2		31-Mar-2016	At the end of the year	0	0.00	70,000	0.31
8			Total :	68,000	0.30	70,000	0.31
9.1	Usha Khaitan	01-Oct-2014	At the beginning of the year	69,000	0.30	69,000	0.30
9.1		31-Mar-2016	At the end of the year	0	0.00	69,000	0.30
9			Total :	69,000	0.30	69,000	0.30
10.1	Bonanza Portfolio Ltd	01-Oct-2014	At the beginning of the year	950	0.00	950	0.00
10.1		03-Oct-2014	Increase	700	0.00	1,650	0.01
10.1		10-Oct-2014	Decrease	-1,505	-0.01	145	0.00
10.1		17-Oct-2014	Increase	1,200	0.01	1,345	0.01

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
10.1		24-Oct-2014	Increase	1,131	0.00	2,476	0.01
10.1		31-Oct-2014	Decrease	-2,226	-0.01	250	0.00
10.1		07-Nov-2014	Increase	1,822	0.01	2,072	0.01
10.1		14-Nov-2014	Increase	3,005	0.01	5,077	0.02
10.1		21-Nov-2014	Decrease	-4,977	-0.02	100	0.00
10.1		28-Nov-2014	Increase	650	0.00	750	0.00
10.1		05-Dec-2014	Decrease	-350	0.00	400	0.00
10.1		12-Dec-2014	Decrease	-400	0.00	0	0.00
10.1		19-Dec-2014	Increase	1,175	0.01	1,175	0.01
10.1		31-Dec-2014	Decrease	-1,052	0.00	123	0.00
10.1		02-Jan-2015	Increase	2,852	0.01	2,975	0.01
10.1		09-Jan-2015	Decrease	-1,250	-0.01	1,725	0.01
10.1		15-Jan-2015	Decrease	-1,651	-0.01	74	0.00
10.1		16-Jan-2015	Decrease	-74	0.00	0	0.00
10.1		28-Jan-2015	Increase	2,527	0.01	2,527	0.01
10.1		30-Jan-2015	Decrease	-1,527	-0.01	1,000	0.00
10.1		06-Feb-2015	Decrease	-1,000	0.00	0	0.00
10.1		13-Feb-2015	Increase	100	0.00	100	0.00
10.1		20-Feb-2015	Increase	2,844	0.01	2,944	0.01
10.1		27-Feb-2015	Decrease	-2,144	-0.01	800	0.00
10.1		06-Mar-2015	Increase	3,700	0.02	4,500	0.02
10.1		13-Mar-2015	Decrease	-450	0.00	4,050	0.02
10.1		20-Mar-2015	Decrease	-3,899	-0.02	151	0.00
10.1		27-Mar-2015	Increase	206	0.00	357	0.00
10.1		31-Mar-2015	Decrease	-357	0.00	0	0.00
10.1		10-Apr-2015	Increase	775	0.00	775	0.00
10.1		17-Apr-2015	Decrease	-375	0.00	400	0.00
10.1		24-Apr-2015	Decrease	-400	0.00	0	0.00
10.1		08-May-2015	Increase	1,212	0.01	1,212	0.01
10.1		15-May-2015	Decrease	-1,212	-0.01	0	0.00
10.1		22-May-2015	Increase	500	0.00	500	0.00
10.1		29-May-2015	Decrease	-500	0.00	0	0.00
10.1		05-Jun-2015	Increase	500	0.00	500	0.00
10.1		12-Jun-2015	Decrease	-495	0.00	5	0.00
10.1		19-Jun-2015	Increase	302	0.00	307	0.00
10.1		26-Jun-2015	Decrease	-287	0.00	20	0.00
10.1		30-Jun-2015	Increase	2,800	0.01	2,820	0.01
10.1		03-Jul-2015	Decrease	-2,820	-0.01	0	0.00
10.1		10-Jul-2015	Increase	520	0.00	520	0.00
10.1		17-Jul-2015	Decrease	-520	0.00	0	0.00
10.1		24-Jul-2015	Increase	575	0.00	575	0.00
10.1		31-Jul-2015	Decrease	-376	0.00	199	0.00
10.1		07-Aug-2015	Increase	201	0.00	400	0.00
10.1		14-Aug-2015	Increase	4,100	0.02	4,500	0.02

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
10.1		21-Aug-2015	Decrease	-4,500	-0.02	0	0.00
10.1		28-Aug-2015	Increase	101	0.00	101	0.00
10.1		04-Sep-2015	Increase	3,499	0.02	3,600	0.02
10.1		11-Sep-2015	Decrease	-3,600	-0.02	0	0.00
10.1		18-Sep-2015	Increase	5	0.00	5	0.00
10.1		25-Sep-2015	Increase	195	0.00	200	0.00
10.1		30-Sep-2015	Increase	350	0.00	550	0.00
10.1		02-Oct-2015	Decrease	-550	0.00	0	0.00
10.1		09-Oct-2015	Increase	400	0.00	400	0.00
10.1		16-Oct-2015	Decrease	-200	0.00	200	0.00
10.1		23-Oct-2015	Increase	1,243	0.01	1,443	0.01
10.1		30-Oct-2015	Decrease	-1,443	-0.01	0	0.00
10.1		06-Nov-2015	Increase	648	0.00	648	0.00
10.1		13-Nov-2015	Increase	2,552	0.01	3,200	0.01
10.1		20-Nov-2015	Decrease	-2,200	-0.01	1,000	0.00
10.1		27-Nov-2015	Increase	3,717	0.02	4,717	0.02
10.1		04-Dec-2015	Decrease	-4,717	-0.02	0	0.00
10.1		11-Dec-2015	Increase	2,000	0.01	2,000	0.01
10.1		18-Dec-2015	Decrease	-416	0.00	1,584	0.01
10.1		25-Dec-2015	Increase	4,600	0.02	6,184	0.03
10.1		31-Dec-2015	Decrease	-4,480	-0.02	1,704	0.01
10.1		01-Jan-2016	Increase	3,910	0.02	5,614	0.02
10.1		08-Jan-2016	Increase	400	0.00	6,014	0.03
10.1		15-Jan-2016	Decrease	-2,490	-0.01	3,524	0.02
10.1		22-Jan-2016	Decrease	-2,524	-0.01	1,000	0.00
10.1		29-Jan-2016	Increase	647	0.00	1,647	0.01
10.1		05-Feb-2016	Increase	1,071	0.00	2,718	0.01
10.1		12-Feb-2016	Decrease	-2,618	-0.01	100	0.00
10.1		19-Feb-2016	Increase	1,900	0.01	2,000	0.01
10.1		26-Feb-2016	Decrease	-1,500	-0.01	500	0.00
10.1		04-Mar-2016	Increase	3,850	0.02	4,350	0.02
10.1		11-Mar-2016	Decrease	-3,234	-0.01	1,116	0.00
10.1		18-Mar-2016	Increase	36	0.00	1,152	0.01
10.1		25-Mar-2016	Increase	353	0.00	1,505	0.01
10.1		31-Mar-2016	At the end of the year - Decrease	-1,505	-0.01	0	0.00
10.2	Bonanza Portfolio Ltd	01-Oct-2014	At the beginning of the year	51,837	0.23	51,837	0.23
10.2		03-Oct-2014	Decrease	-1,315	-0.01	50,522	0.22
10.2		10-Oct-2014	Increase	966	0.00	51,488	0.23
10.2		17-Oct-2014	Increase	1,560	0.01	53,048	0.23
10.2		24-Oct-2014	Increase	1,289	0.01	54,337	0.24
10.2		31-Oct-2014	Increase	6,103	0.03	60,440	0.26
10.2		07-Nov-2014	Increase	2,925	0.01	63,365	0.28

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
10.2		14-Nov-2014	Decrease	-17,280	-0.08	46,085	0.20
10.2		21-Nov-2014	Increase	6,399	0.03	52,484	0.23
10.2		28-Nov-2014	Increase	3,460	0.02	55,944	0.25
10.2		05-Dec-2014	Decrease	-4,040	-0.02	51,904	0.23
10.2		12-Dec-2014	Increase	1,100	0.00	53,004	0.23
10.2		19-Dec-2014	Increase	3,550	0.02	56,554	0.25
10.2		31-Dec-2014	Increase	782	0.00	57,336	0.25
10.2		02-Jan-2015	Decrease	-3,875	-0.02	53,461	0.23
10.2		09-Jan-2015	Increase	1,804	0.01	55,265	0.24
10.2		15-Jan-2015	Increase	1,609	0.01	56,874	0.25
10.2		23-Jan-2015	Decrease	-484	0.00	56,390	0.25
10.2		28-Jan-2015	Decrease	-1,190	-0.01	55,200	0.24
10.2		30-Jan-2015	Decrease	-1,065	0.00	54,135	0.24
10.2		06-Feb-2015	Decrease	-701	0.00	53,434	0.23
10.2		13-Feb-2015	Increase	2,983	0.01	56,417	0.25
10.2		20-Feb-2015	Decrease	-2,112	-0.01	54,305	0.24
10.2		27-Feb-2015	Increase	4,269	0.02	58,574	0.26
10.2		06-Mar-2015	Increase	4,360	0.02	62,934	0.28
10.2		13-Mar-2015	Decrease	-5,616	-0.02	57,318	0.25
10.2		20-Mar-2015	Increase	8,130	0.04	65,448	0.29
10.2		27-Mar-2015	Increase	1,150	0.01	66,598	0.29
10.2		31-Mar-2015	Decrease	-6,085	-0.03	60,513	0.27
10.2		10-Apr-2015	Decrease	-4,158	-0.02	56,355	0.25
10.2		17-Apr-2015	Increase	1,518	0.01	57,873	0.25
10.2		24-Apr-2015	Increase	1,705	0.01	59,578	0.26
10.2		01-May-2015	Increase	643	0.00	60,221	0.26
10.2		08-May-2015	Increase	3,083	0.01	63,304	0.28
10.2		15-May-2015	Increase	100	0.00	63,404	0.28
10.2		22-May-2015	Decrease	-6,545	-0.03	56,859	0.25
10.2		29-May-2015	Decrease	-700	0.00	56,159	0.25
10.2		05-Jun-2015	Decrease	-2,035	-0.01	54,124	0.24
10.2		12-Jun-2015	Increase	330	0.00	54,454	0.24
10.2		19-Jun-2015	Increase	5,780	0.03	60,234	0.26
10.2		26-Jun-2015	Decrease	-5,379	-0.02	54,855	0.24
10.2		30-Jun-2015	Decrease	-2,605	-0.01	52,250	0.23
10.2		03-Jul-2015	Increase	895	0.00	53,145	0.23
10.2		10-Jul-2015	Decrease	-1,290	-0.01	51,855	0.23
10.2		17-Jul-2015	Increase	4,348	0.02	56,203	0.25
10.2		24-Jul-2015	Increase	2,543	0.01	58,746	0.26
10.2		31-Jul-2015	Decrease	-320	0.00	58,426	0.26
10.2		07-Aug-2015	Decrease	-140	0.00	58,286	0.26
10.2		14-Aug-2015	Decrease	-4,974	-0.02	53,312	0.23
10.2		21-Aug-2015	Increase	668	0.00	53,980	0.24
10.2		28-Aug-2015	Increase	3,200	0.01	57,180	0.25

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
10.2		04-Sep-2015	Decrease	-5,385	-0.02	51,795	0.23
10.2		11-Sep-2015	Increase	3,212	0.01	55,007	0.24
10.2		18-Sep-2015	Increase	707	0.00	55,714	0.24
10.2		25-Sep-2015	Decrease	-4,153	-0.02	51,561	0.23
10.2		30-Sep-2015	Decrease	-1,950	-0.01	49,611	0.22
10.2		09-Oct-2015	Decrease	-1,479	-0.01	48,132	0.21
10.2		16-Oct-2015	Increase	510	0.00	48,642	0.21
10.2		23-Oct-2015	Decrease	-384	0.00	48,258	0.21
10.2		30-Oct-2015	Increase	4,664	0.02	52,922	0.23
10.2		06-Nov-2015	Increase	1,317	0.01	54,239	0.24
10.2		13-Nov-2015	Increase	1,053	0.00	55,292	0.24
10.2		20-Nov-2015	Increase	159	0.00	55,451	0.24
10.2		27-Nov-2015	Decrease	-6,354	-0.03	49,097	0.22
10.2		04-Dec-2015	Decrease	-861	0.00	48,236	0.21
10.2		11-Dec-2015	Increase	4,700	0.02	52,936	0.23
10.2		18-Dec-2015	Increase	595	0.00	53,531	0.23
10.2		25-Dec-2015	Decrease	-121	0.00	53,410	0.23
10.2		31-Dec-2015	Decrease	-5,764	-0.03	47,646	0.21
10.2		01-Jan-2016	Increase	11,655	0.05	59,301	0.26
10.2		08-Jan-2016	Decrease	-1,557	-0.01	57,744	0.25
10.2		15-Jan-2016	Increase	8,659	0.04	66,403	0.29
10.2		22-Jan-2016	Decrease	-15,246	-0.07	51,157	0.22
10.2		29-Jan-2016	Decrease	-2,790	-0.01	48,367	0.21
10.2		05-Feb-2016	Increase	980	0.00	49,347	0.22
10.2		12-Feb-2016	Increase	7,569	0.03	56,916	0.25
10.2		19-Feb-2016	Increase	3,014	0.01	59,930	0.26
10.2		26-Feb-2016	Decrease	-3,053	-0.01	56,877	0.25
10.2		04-Mar-2016	Increase	262	0.00	57,139	0.25
10.2		11-Mar-2016	Decrease	-490	0.00	56,649	0.25
10.2		18-Mar-2016	Decrease	-2,467	-0.01	54,182	0.24
10.2		25-Mar-2016	Decrease	-713	0.00	53,469	0.23
10.2		31-Mar-2016	At the end of the year - Decrease	-1,510	-0.01	51,959	0.23
10.3	Bonanza Portfolio Ltd	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
10.3		12-Feb-2016	Increase	1,000	0.00	1,000	0.00
10.3		31-Mar-2016	At the end of the year	0	0.00	1,000	0.00
10.4	Bonanza Portfolio Ltd	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
10.4		21-Nov-2014	Increase	99	0.00	99	0.00
10.4		06-Feb-2015	Decrease	-99	0.00	0	0.00
10.4		31-Mar-2016	At the end of the year	0	0.00	0	0.00
10.5	Bonanza Portfolio Ltd.	01-Oct-2014	At the beginning of the year	888	0.00	888	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
10.5		03-Oct-2014	Decrease	-513	0.00	375	0.00
10.5		10-Oct-2014	Decrease	-325	0.00	50	0.00
10.5		17-Oct-2014	Decrease	-50	0.00	0	0.00
10.5		24-Oct-2014	Increase	50	0.00	50	0.00
10.5		31-Oct-2014	Increase	521	0.00	571	0.00
10.5		07-Nov-2014	Decrease	-571	0.00	0	0.00
10.5		14-Nov-2014	Increase	6,000	0.03	6,000	0.03
10.5		21-Nov-2014	Decrease	-5,970	-0.03	30	0.00
10.5		28-Nov-2014	Increase	20	0.00	50	0.00
10.5		05-Dec-2014	Decrease	-50	0.00	0	0.00
10.5		12-Dec-2014	Increase	100	0.00	100	0.00
10.5		19-Dec-2014	Decrease	-100	0.00	0	0.00
10.5		02-Jan-2015	Increase	1,100	0.00	1,100	0.00
10.5		09-Jan-2015	Decrease	-1,100	0.00	0	0.00
10.5		15-Jan-2015	Increase	500	0.00	500	0.00
10.5		16-Jan-2015	Decrease	-500	0.00	0	0.00
10.5		28-Jan-2015	Increase	550	0.00	550	0.00
10.5		30-Jan-2015	Decrease	-150	0.00	400	0.00
10.5		06-Feb-2015	Decrease	-350	0.00	50	0.00
10.5		13-Feb-2015	Increase	322	0.00	372	0.00
10.5		20-Feb-2015	Increase	43	0.00	415	0.00
10.5		27-Feb-2015	Decrease	-165	0.00	250	0.00
10.5		06-Mar-2015	Increase	250	0.00	500	0.00
10.5		13-Mar-2015	Decrease	-500	0.00	0	0.00
10.5		10-Apr-2015	Increase	235	0.00	235	0.00
10.5		17-Apr-2015	Decrease	-235	0.00	0	0.00
10.5		24-Apr-2015	Increase	300	0.00	300	0.00
10.5		01-May-2015	Decrease	-300	0.00	0	0.00
10.5		22-May-2015	Increase	100	0.00	100	0.00
10.5		29-May-2015	Decrease	-100	0.00	0	0.00
10.5		30-Jun-2015	Increase	410	0.00	410	0.00
10.5		03-Jul-2015	Increase	440	0.00	850	0.00
10.5		10-Jul-2015	Increase	325	0.00	1,175	0.01
10.5		17-Jul-2015	Decrease	-1,175	-0.01	0	0.00
10.5		31-Jul-2015	Increase	100	0.00	100	0.00
10.5		07-Aug-2015	Increase	100	0.00	200	0.00
10.5		14-Aug-2015	Increase	200	0.00	400	0.00
10.5		21-Aug-2015	Decrease	-400	0.00	0	0.00
10.5		11-Sep-2015	Increase	1,100	0.00	1,100	0.00
10.5		18-Sep-2015	Decrease	-1,100	0.00	0	0.00
10.5		16-Oct-2015	Increase	260	0.00	260	0.00
10.5		23-Oct-2015	Increase	415	0.00	675	0.00
10.5		30-Oct-2015	Decrease	-675	0.00	0	0.00
10.5		13-Nov-2015	Increase	2,125	0.01	2,125	0.01

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
10.5		20-Nov-2015	Decrease	-2,125	-0.01	0	0.00
10.5		27-Nov-2015	Increase	430	0.00	430	0.00
10.5		04-Dec-2015	Decrease	-430	0.00	0	0.00
10.5		11-Dec-2015	Increase	100	0.00	100	0.00
10.5		18-Dec-2015	Increase	776	0.00	876	0.00
10.5		25-Dec-2015	Increase	3,234	0.01	4,110	0.02
10.5		31-Dec-2015	Decrease	-3,705	-0.02	405	0.00
10.5		01-Jan-2016	Decrease	-348	0.00	57	0.00
10.5		08-Jan-2016	Decrease	-57	0.00	0	0.00
10.5		29-Jan-2016	Increase	100	0.00	100	0.00
10.5		05-Feb-2016	Decrease	-100	0.00	0	0.00
10.5		12-Feb-2016	Increase	700	0.00	700	0.00
10.5		19-Feb-2016	Decrease	-680	0.00	20	0.00
10.5		26-Feb-2016	Decrease	-20	0.00	0	0.00
10.5		11-Mar-2016	Increase	200	0.00	200	0.00
10.5		18-Mar-2016	Increase	2,801	0.01	3,001	0.01
10.5		25-Mar-2016	Decrease	-2,971	-0.01	30	0.00
10.5		31-Mar-2016	At the end of the year - Decrease	-30	0.00	0	0.00
10.6	Bonanza Portfolio Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
10.6		22-Jan-2016	Increase	15,000	0.07	15,000	0.07
10.6		31-Mar-2016	At the end of the year	0	0.00	15,000	0.07
10			Total :	53,675	0.24	67,959	0.30
11.1	Chiranjilal Rajkumar Exports Pvt Ltd	01-Oct-2014	At the beginning of the year	69,500	0.30	69,500	0.30
11.1		31-Oct-2014	Decrease	-500	0.00	69,000	0.30
11.1		14-Nov-2014	Decrease	-500	0.00	68,500	0.30
11.1		27-Nov-2015	Decrease	-500	0.00	68,000	0.30
11.1		04-Dec-2015	Decrease	-500	0.00	67,500	0.30
11.1		11-Dec-2015	Increase	1,000	0.00	68,500	0.30
11.1		25-Dec-2015	Decrease	-1,000	0.00	67,500	0.30
11.1		31-Mar-2016	At the end of the year	0	0.00	67,500	0.30
11			Total :	69,500	0.30	67,500	0.30
12.1	Vinay Kumar Bahl	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
12.1		31-Dec-2015	Increase	1,200	0.01	1,200	0.01
12.1		08-Jan-2016	Increase	20,995	0.09	22,195	0.10
12.1		05-Feb-2016	Increase	9,765	0.04	31,960	0.14
12.1		12-Feb-2016	Decrease	-10,000	-0.04	21,960	0.10
12.1		19-Feb-2016	Increase	25,000	0.11	46,960	0.21
12.1		26-Feb-2016	Decrease	-15,000	-0.07	31,960	0.14
12.1		18-Mar-2016	Decrease	-20,860	-0.09	11,100	0.05

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
12.1		31-Mar-2016	At the end of the year	0	0.00	11,100	0.05
12.2	Vinay Kumar Bahl	01-Oct-2014	At the beginning of the year	103,023	0.45	103,023	0.45
12.2		10-Oct-2014	Increase	2,500	0.01	105,523	0.46
12.2		31-Oct-2014	Increase	9,000	0.04	114,523	0.50
12.2		07-Nov-2014	Increase	5,000	0.02	119,523	0.52
12.2		14-Nov-2014	Decrease	-23,251	-0.10	96,272	0.42
12.2		21-Nov-2014	Increase	10,000	0.04	106,272	0.47
12.2		28-Nov-2014	Increase	2,000	0.01	108,272	0.47
12.2		05-Dec-2014	Increase	10,000	0.04	118,272	0.52
12.2		02-Jan-2015	Increase	5,000	0.02	123,272	0.54
12.2		15-Jan-2015	Increase	5,000	0.02	128,272	0.56
12.2		31-Mar-2015	Decrease	-40,000	-0.18	88,272	0.39
12.2		17-Apr-2015	Increase	20,000	0.09	108,272	0.47
12.2		26-Jun-2015	Increase	20,000	0.09	128,272	0.56
12.2		27-Nov-2015	Increase	8,500	0.04	136,772	0.60
12.2		04-Dec-2015	Increase	24,500	0.11	161,272	0.71
12.2		11-Dec-2015	Decrease	-9,000	-0.04	152,272	0.67
12.2		18-Dec-2015	Increase	8,247	0.04	160,519	0.70
12.2		31-Dec-2015	Decrease	-9,500	-0.04	151,019	0.66
12.2		08-Jan-2016	Decrease	-21,500	-0.09	129,519	0.57
12.2		15-Jan-2016	Decrease	-20,700	-0.09	108,819	0.48
12.2		22-Jan-2016	Decrease	-65,500	-0.29	43,319	0.19
12.2		29-Jan-2016	Decrease	-20,000	-0.09	23,319	0.10
12.2		12-Feb-2016	Decrease	-23,319	-0.10	0	0.00
12.2		31-Mar-2016	At the end of the year	0	0.00	0	0.00
12			Total :	103,023	0.45	11,100	0.05
13.1	Jainam Share Consultants Pvt Ltd,	01-Oct-2014	At the beginning of the year	50	0.00	50	0.00
13.1		03-Oct-2014	Decrease	-50	0.00	0	0.00
13.1		17-Oct-2014	Increase	10,770	0.05	10,770	0.05
13.1		24-Oct-2014	Decrease	-10,770	-0.05	0	0.00
13.1		31-Oct-2014	Increase	120	0.00	120	0.00
13.1		07-Nov-2014	Decrease	-120	0.00	0	0.00
13.1		28-Nov-2014	Increase	750	0.00	750	0.00
13.1		05-Dec-2014	Decrease	-500	0.00	250	0.00
13.1		12-Dec-2014	Decrease	-250	0.00	0	0.00
13.1		09-Jan-2015	Increase	2,000	0.01	2,000	0.01
13.1		15-Jan-2015	Decrease	-1,750	-0.01	250	0.00
13.1		16-Jan-2015	Decrease	-50	0.00	200	0.00
13.1		23-Jan-2015	Decrease	-200	0.00	0	0.00
13.1		28-Jan-2015	Increase	20	0.00	20	0.00
13.1		30-Jan-2015	Increase	20	0.00	40	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
13.1		06-Feb-2015	Decrease	-40	0.00	0	0.00
13.1		13-Feb-2015	Increase	280	0.00	280	0.00
13.1		20-Feb-2015	Increase	1,045	0.00	1,325	0.01
13.1		27-Feb-2015	Decrease	-1,304	-0.01	21	0.00
13.1		06-Mar-2015	Decrease	-21	0.00	0	0.00
13.1		27-Mar-2015	Increase	5	0.00	5	0.00
13.1		31-Mar-2015	Increase	295	0.00	300	0.00
13.1		10-Apr-2015	Increase	50	0.00	350	0.00
13.1		17-Apr-2015	Decrease	-350	0.00	0	0.00
13.1		22-May-2015	Increase	70	0.00	70	0.00
13.1		29-May-2015	Decrease	-70	0.00	0	0.00
13.1		12-Jun-2015	Increase	490	0.00	490	0.00
13.1		19-Jun-2015	Decrease	-490	0.00	0	0.00
13.1		26-Jun-2015	Increase	750	0.00	750	0.00
13.1		30-Jun-2015	Decrease	-700	0.00	50	0.00
13.1		03-Jul-2015	Decrease	-50	0.00	0	0.00
13.1		17-Jul-2015	Increase	900	0.00	900	0.00
13.1		24-Jul-2015	Increase	14,100	0.06	15,000	0.07
13.1		31-Jul-2015	Decrease	-14,918	-0.07	82	0.00
13.1		07-Aug-2015	Decrease	-82	0.00	0	0.00
13.1		23-Oct-2015	Increase	1,050	0.00	1,050	0.00
13.1		30-Oct-2015	Decrease	-150	0.00	900	0.00
13.1		06-Nov-2015	Decrease	-900	0.00	0	0.00
13.1		27-Nov-2015	Increase	6,095	0.03	6,095	0.03
13.1		04-Dec-2015	Decrease	-5,995	-0.03	100	0.00
13.1		11-Dec-2015	Increase	550	0.00	650	0.00
13.1		18-Dec-2015	Decrease	-650	0.00	0	0.00
13.1		25-Dec-2015	Increase	800	0.00	800	0.00
13.1		31-Dec-2015	Decrease	-72	0.00	728	0.00
13.1		01-Jan-2016	Decrease	-168	0.00	560	0.00
13.1		08-Jan-2016	Increase	437	0.00	997	0.00
13.1		15-Jan-2016	Decrease	-522	0.00	475	0.00
13.1		22-Jan-2016	Decrease	-360	0.00	115	0.00
13.1		29-Jan-2016	Decrease	-115	0.00	0	0.00
13.1		19-Feb-2016	Increase	42	0.00	42	0.00
13.1		26-Feb-2016	Decrease	-42	0.00	0	0.00
13.1		11-Mar-2016	Increase	161	0.00	161	0.00
13.1		18-Mar-2016	Decrease	-161	0.00	0	0.00
13.1		25-Mar-2016	Increase	50	0.00	50	0.00
13.1		31-Mar-2016	At the end of the year - Increase	50	0.00	100	0.00
13.2	Jainam Share Consultants Pvt Ltd	01-Oct-2014	At the beginning of the year	100	0.00	100	0.00
13.2		03-Oct-2014	Decrease	-100	0.00	0	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
13.2		10-Oct-2014	Increase	20	0.00	20	0.00
13.2		17-Oct-2014	Increase	28,480	0.12	28,500	0.12
13.2		24-Oct-2014	Decrease	-28,500	-0.12	0	0.00
13.2		05-Dec-2014	Increase	600	0.00	600	0.00
13.2		12-Dec-2014	Increase	1,500	0.01	2,100	0.01
13.2		19-Dec-2014	Decrease	-2,100	-0.01	0	0.00
13.2		09-Jan-2015	Increase	500	0.00	500	0.00
13.2		15-Jan-2015	Decrease	-500	0.00	0	0.00
13.2		23-Jan-2015	Increase	50	0.00	50	0.00
13.2		28-Jan-2015	Decrease	-50	0.00	0	0.00
13.2		13-Feb-2015	Increase	1,000	0.00	1,000	0.00
13.2		20-Feb-2015	Decrease	-1,000	0.00	0	0.00
13.2		06-Mar-2015	Increase	350	0.00	350	0.00
13.2		13-Mar-2015	Decrease	-350	0.00	0	0.00
13.2		10-Apr-2015	Increase	850	0.00	850	0.00
13.2		17-Apr-2015	Decrease	-850	0.00	0	0.00
13.2		01-May-2015	Increase	50	0.00	50	0.00
13.2		08-May-2015	Decrease	-50	0.00	0	0.00
13.2		15-May-2015	Increase	774	0.00	774	0.00
13.2		22-May-2015	Decrease	-774	0.00	0	0.00
13.2		19-Jun-2015	Increase	9	0.00	9	0.00
13.2		26-Jun-2015	Decrease	-9	0.00	0	0.00
13.2		10-Jul-2015	Increase	125	0.00	125	0.00
13.2		17-Jul-2015	Decrease	-125	0.00	0	0.00
13.2		28-Aug-2015	Increase	100	0.00	100	0.00
13.2		04-Sep-2015	Decrease	-100	0.00	0	0.00
13.2		23-Oct-2015	Increase	25	0.00	25	0.00
13.2		06-Nov-2015	Decrease	-25	0.00	0	0.00
13.2		27-Nov-2015	Increase	50	0.00	50	0.00
13.2		04-Dec-2015	Decrease	-50	0.00	0	0.00
13.2		31-Dec-2015	Increase	400	0.00	400	0.00
13.2		01-Jan-2016	Decrease	-400	0.00	0	0.00
13.2		15-Jan-2016	Increase	200	0.00	200	0.00
13.2		22-Jan-2016	Decrease	-200	0.00	0	0.00
13.2		31-Mar-2016	At the end of the year	0	0.00	0	0.00
13.3	Jainam Share Consultants Pvt Ltd.	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
13.3		28-Nov-2014	Increase	20	0.00	20	0.00
13.3		05-Dec-2014	Decrease	-20	0.00	0	0.00
13.3		01-May-2015	Increase	70	0.00	70	0.00
13.3		08-May-2015	Decrease	-70	0.00	0	0.00
13.3		31-Mar-2016	At the end of the year	0	0.00	0	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
13.4	Jainam Share Consultants Pvt Ltd,	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
13.4		03-Oct-2014	Increase	648	0.00	648	0.00
13.4		10-Oct-2014	Decrease	-648	0.00	0	0.00
13.4		31-Oct-2014	Increase	310	0.00	310	0.00
13.4		07-Nov-2014	Decrease	-60	0.00	250	0.00
13.4		14-Nov-2014	Decrease	-150	0.00	100	0.00
13.4		21-Nov-2014	Decrease	-100	0.00	0	0.00
13.4		16-Jan-2015	Increase	2,000	0.01	2,000	0.01
13.4		23-Jan-2015	Decrease	-1,980	-0.01	20	0.00
13.4		28-Jan-2015	Decrease	-20	0.00	0	0.00
13.4		20-Feb-2015	Increase	89	0.00	89	0.00
13.4		27-Feb-2015	Increase	1	0.00	90	0.00
13.4		06-Mar-2015	Decrease	-90	0.00	0	0.00
13.4		13-Mar-2015	Increase	100	0.00	100	0.00
13.4		20-Mar-2015	Decrease	-90	0.00	10	0.00
13.4		27-Mar-2015	Decrease	-10	0.00	0	0.00
13.4		01-May-2015	Increase	150	0.00	150	0.00
13.4		08-May-2015	Decrease	-150	0.00	0	0.00
13.4		26-Jun-2015	Increase	20	0.00	20	0.00
13.4		30-Jun-2015	Decrease	-20	0.00	0	0.00
13.4		06-Nov-2015	Increase	5,000	0.02	5,000	0.02
13.4		13-Nov-2015	Decrease	-5,000	-0.02	0	0.00
13.4		20-Nov-2015	Increase	500	0.00	500	0.00
13.4		27-Nov-2015	Decrease	-50	0.00	450	0.00
13.4		04-Dec-2015	Decrease	-157	0.00	293	0.00
13.4		11-Dec-2015	Decrease	-293	0.00	0	0.00
13.4		25-Dec-2015	Increase	20	0.00	20	0.00
13.4		31-Dec-2015	Increase	30	0.00	50	0.00
13.4		01-Jan-2016	Decrease	-50	0.00	0	0.00
13.4		31-Mar-2016	At the end of the year	0	0.00	0	0.00
13.5	Jainam Share Consultants Pvt. Ltd	01-Oct-2014	At the beginning of the year	124,548	0.55	124,548	0.55
13.5		03-Oct-2014	Decrease	-20,648	-0.09	103,900	0.46
13.5		10-Oct-2014	Decrease	-900	0.00	103,000	0.45
13.5		17-Oct-2014	Decrease	-43,584	-0.19	59,416	0.26
13.5		24-Oct-2014	Decrease	-40,000	-0.18	19,416	0.09
13.5		31-Oct-2014	Increase	3,866	0.02	23,282	0.10
13.5		07-Nov-2014	Increase	2,103	0.01	25,385	0.11
13.5		14-Nov-2014	Increase	10,107	0.04	35,492	0.16
13.5		21-Nov-2014	Increase	7,000	0.03	42,492	0.19
13.5		28-Nov-2014	Increase	1,220	0.01	43,712	0.19
13.5		05-Dec-2014	Decrease	-1,630	-0.01	42,082	0.18
13.5		12-Dec-2014	Increase	850	0.00	42,932	0.19

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
13.5		19-Dec-2014	Decrease	-6,035	-0.03	36,897	0.16
13.5		31-Dec-2014	Increase	2,090	0.01	38,987	0.17
13.5		09-Jan-2015	Increase	1,625	0.01	40,612	0.18
13.5		15-Jan-2015	Decrease	-1,050	0.00	39,562	0.17
13.5		16-Jan-2015	Decrease	-200	0.00	39,362	0.17
13.5		23-Jan-2015	Decrease	-39,340	-0.17	22	0.00
13.5		28-Jan-2015	Decrease	-20	0.00	2	0.00
13.5		30-Jan-2015	Increase	144	0.00	146	0.00
13.5		06-Feb-2015	Increase	2,874	0.01	3,020	0.01
13.5		13-Feb-2015	Decrease	-1,550	-0.01	1,470	0.01
13.5		20-Feb-2015	Decrease	-1,464	-0.01	6	0.00
13.5		27-Feb-2015	Increase	3	0.00	9	0.00
13.5		06-Mar-2015	Increase	1,655	0.01	1,664	0.01
13.5		13-Mar-2015	Decrease	-456	0.00	1,208	0.01
13.5		20-Mar-2015	Decrease	-930	0.00	278	0.00
13.5		27-Mar-2015	Increase	905	0.00	1,183	0.01
13.5		31-Mar-2015	Increase	1,781	0.01	2,964	0.01
13.5		03-Apr-2015	Decrease	-50	0.00	2,914	0.01
13.5		10-Apr-2015	Decrease	-1,478	-0.01	1,436	0.01
13.5		17-Apr-2015	Decrease	-501	0.00	935	0.00
13.5		24-Apr-2015	Increase	3,473	0.02	4,408	0.02
13.5		01-May-2015	Decrease	-4,395	-0.02	13	0.00
13.5		08-May-2015	Increase	1,362	0.01	1,375	0.01
13.5		15-May-2015	Decrease	-1,324	-0.01	51	0.00
13.5		22-May-2015	Decrease	-45	0.00	6	0.00
13.5		29-May-2015	Increase	100	0.00	106	0.00
13.5		05-Jun-2015	Increase	200	0.00	306	0.00
13.5		12-Jun-2015	Increase	248	0.00	554	0.00
13.5		19-Jun-2015	Increase	1,101	0.00	1,655	0.01
13.5		26-Jun-2015	Increase	7,409	0.03	9,064	0.04
13.5		03-Jul-2015	Decrease	-4,945	-0.02	4,119	0.02
13.5		10-Jul-2015	Increase	1,325	0.01	5,444	0.02
13.5		17-Jul-2015	Increase	125	0.00	5,569	0.02
13.5		24-Jul-2015	Decrease	-100	0.00	5,469	0.02
13.5		31-Jul-2015	Decrease	-525	0.00	4,944	0.02
13.5		07-Aug-2015	Decrease	-75	0.00	4,869	0.02
13.5		14-Aug-2015	Increase	3,982	0.02	8,851	0.04
13.5		21-Aug-2015	Decrease	-8,400	-0.04	451	0.00
13.5		28-Aug-2015	Increase	515	0.00	966	0.00
13.5		04-Sep-2015	Increase	1,088	0.00	2,054	0.01
13.5		11-Sep-2015	Increase	125	0.00	2,179	0.01
13.5		18-Sep-2015	Decrease	-950	0.00	1,229	0.01
13.5		25-Sep-2015	Decrease	-1,197	-0.01	32	0.00
13.5		30-Sep-2015	Increase	470	0.00	502	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
13.5		09-Oct-2015	Decrease	-500	0.00	2	0.00
13.5		16-Oct-2015	Increase	5,096	0.02	5,098	0.02
13.5		23-Oct-2015	Decrease	-871	0.00	4,227	0.02
13.5		30-Oct-2015	Decrease	-775	0.00	3,452	0.02
13.5		06-Nov-2015	Decrease	-3,349	-0.01	103	0.00
13.5		20-Nov-2015	Decrease	-97	0.00	6	0.00
13.5		27-Nov-2015	Increase	495	0.00	501	0.00
13.5		04-Dec-2015	Increase	1,713	0.01	2,214	0.01
13.5		11-Dec-2015	Increase	1,027	0.00	3,241	0.01
13.5		18-Dec-2015	Decrease	-3,241	-0.01	0	0.00
13.5		25-Dec-2015	Increase	1,150	0.01	1,150	0.01
13.5		31-Dec-2015	Increase	10,676	0.05	11,826	0.05
13.5		01-Jan-2016	Decrease	-510	0.00	11,316	0.05
13.5		08-Jan-2016	Decrease	-4,521	-0.02	6,795	0.03
13.5		15-Jan-2016	Decrease	-5,626	-0.02	1,169	0.01
13.5		22-Jan-2016	Increase	614	0.00	1,783	0.01
13.5		29-Jan-2016	Decrease	-1,443	-0.01	340	0.00
13.5		05-Feb-2016	Increase	625	0.00	965	0.00
13.5		12-Feb-2016	Increase	110	0.00	1,075	0.00
13.5		19-Feb-2016	Decrease	-75	0.00	1,000	0.00
13.5		26-Feb-2016	Decrease	-628	0.00	372	0.00
13.5		04-Mar-2016	Decrease	-100	0.00	272	0.00
13.5		11-Mar-2016	Increase	950	0.00	1,222	0.01
13.5		18-Mar-2016	Decrease	-300	0.00	922	0.00
13.5		25-Mar-2016	Decrease	-822	0.00	100	0.00
13.5		31-Mar-2016	At the end of the year - Decrease	-70	0.00	30	0.00
13.6	Jainam Share Consultants Pvt. Ltd.	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
13.6		03-Oct-2014	Increase	20,000	0.09	20,000	0.09
13.6		10-Oct-2014	Decrease	-20,000	-0.09	0	0.00
13.6		20-Feb-2015	Increase	6,100	0.03	6,100	0.03
13.6		27-Feb-2015	Decrease	-5,658	-0.02	442	0.00
13.6		06-Mar-2015	Decrease	-442	0.00	0	0.00
13.6		22-May-2015	Increase	500	0.00	500	0.00
13.6		29-May-2015	Decrease	-500	0.00	0	0.00
13.6		05-Jun-2015	Increase	500	0.00	500	0.00
13.6		12-Jun-2015	Decrease	-500	0.00	0	0.00
13.6		17-Jul-2015	Increase	400	0.00	400	0.00
13.6		24-Jul-2015	Decrease	-400	0.00	0	0.00
13.6		20-Nov-2015	Increase	500	0.00	500	0.00
13.6		27-Nov-2015	Decrease	-500	0.00	0	0.00
13.6		25-Dec-2015	Increase	100	0.00	100	0.00
13.6		01-Jan-2016	Decrease	-100	0.00	0	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
13.6		08-Jan-2016	Increase	200	0.00	200	0.00
13.6		15-Jan-2016	Increase	300	0.00	500	0.00
13.6		22-Jan-2016	Decrease	-500	0.00	0	0.00
13.6		25-Mar-2016	Increase	500	0.00	500	0.00
13.6		31-Mar-2016	At the end of the year - Decrease	-500	0.00	0	0.00
13.7	Jainam Share Consultants Private Limited	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
13.7		10-Oct-2014	Increase	100	0.00	100	0.00
13.7		17-Oct-2014	Decrease	-100	0.00	0	0.00
13.7		10-Jul-2015	Increase	100	0.00	100	0.00
13.7		17-Jul-2015	Decrease	-100	0.00	0	0.00
13.7		27-Nov-2015	Increase	500	0.00	500	0.00
13.7		04-Dec-2015	Decrease	-500	0.00	0	0.00
13.7		25-Dec-2015	Increase	40	0.00	40	0.00
13.7		31-Dec-2015	Decrease	-40	0.00	0	0.00
13.7		31-Mar-2016	At the end of the year	0	0.00	0	0.00
13.8	Jainam Share Consultants Pvt Ltd	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
13.8		28-Aug-2015	Increase	650	0.00	650	0.00
13.8		29-Jan-2016	Decrease	-100	0.00	550	0.00
13.8		31-Mar-2016	At the end of the year - Decrease	-550	0.00	0	0.00
13			Total :	124,698	0.55	130	0.00
14.1	Tarvi J Mehta	01-Oct-2014	At the beginning of the year	86,758	0.38	86,758	0.38
14.1		31-Oct-2014	Decrease	-6,558	-0.03	80,200	0.35
14.1		28-Nov-2014	Decrease	-5,000	-0.02	75,200	0.33
14.1		05-Dec-2014	Decrease	-2,000	-0.01	73,200	0.32
14.1		31-Dec-2014	Decrease	-3,000	-0.01	70,200	0.31
14.1		24-Apr-2015	Decrease	-1,614	-0.01	68,586	0.30
14.1		08-May-2015	Decrease	-6,431	-0.03	62,155	0.27
14.1		26-Jun-2015	Decrease	-6,000	-0.03	56,155	0.25
14.1		30-Jun-2015	Decrease	-6,155	-0.03	50,000	0.22
14.1		10-Jul-2015	Decrease	-5,000	-0.02	45,000	0.20
14.1		17-Jul-2015	Decrease	-6,000	-0.03	39,000	0.17
14.1		24-Jul-2015	Decrease	-3,000	-0.01	36,000	0.16
14.1		07-Aug-2015	Decrease	-9,000	-0.04	27,000	0.12
14.1		30-Sep-2015	Decrease	-2,533	-0.01	24,467	0.11
14.1		02-Oct-2015	Decrease	-6,634	-0.03	17,833	0.08
14.1		09-Oct-2015	Decrease	-14,018	-0.06	3,815	0.02
14.1		16-Oct-2015	Decrease	-3,815	-0.02	0	0.00
14.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
14			Total :	86,758	0.38	0	0.00

(v) Shareholding of Directors and Key Managerial Personnel

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.10.2014		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1.1	MR. R.R. BHINGE	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
1.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
1			Total :	0	0.00	0	0.00
2.1	MR. S. RAMAKRISHNAN	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
2.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
2			Total :	0	0.00	0	0.00
3.1	MR.K.RAGHURAMAN	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
3.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
3			Total :	0	0.00	0	0.00
4.1	MR.K.RAMACHANDRAN	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
4.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
4			Total :	0	0.00	0	0.00
5.1	MS.HEMA HATTANGADY	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
5.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
5			Total :	0	0.00	0	0.00
6.1	MR.P.J.NATH	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
6.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
6			Total :	0	0.00	0	0.00
7.1	MR.GIRISH V.KIRKINDE, COMPANY SECRETARY	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
7.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
7			Total :	0	0.00	0	0.00
8.1	MR.UDAY BANERJEE, CHIEF FINANCIAL OFFICER	01-Oct-2014	At the beginning of the year	0	0.00	0	0.00
8.1		31-Mar-2016	At the end of the year	0	0.00	0	0.00
8			Total :	0	0.00	0	0.00

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Rs in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	346.91	5550.00	-	5896.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	56.42	-	56.42
Total (i+ii+iii)	346.91	5606.42	-	5953.33
Change in Indebtedness during the financial year				
- Addition	307.62	15950.00	-	16257.62
- Reduction	158.82	14250.00	-	14408.82
Net Change	148.80	1700.00	-	1848.80
Indebtedness at the end of the financial year				
i) Principal Amount	495.71	7250.00	-	7745.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	43.47	-	43.47
Total (i+ii+iii)	495.71	7293.47	-	7789.18

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Rs in Lakhs

Sl. No.	Particulars of Remuneration	Mr. P. J. Nath, Executive Director & CEO	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	*228.59	*228.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.54	9.54
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
	*Includes Performance Linked Payment of Rs. 36.00 lakhs pertaining to FY 2013-14 paid in FY 2014-16		
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
6.	Total (A)	238.13	238.13
7.	Ceiling as per the Act	N.A. as the Company incurred loss	

B. Remuneration to other directors:

Rs in Lakhs

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board / committee Meetings*	Commission payable for FY 14-16	Others, please specify	
I.	Independent Directors				
1.	Mr. K.Raghuraman	5.00	-	5.36	10.36
2.	Mr. K.Ramachandran	3.95	-	-	3.95
3.	Ms. Hema Hattangady	3.17	-	4.27	7.44
4.	Mr. P.K.Ghose (ceased w.e.f. 18th March 2015)	1.00	-	-	1.00
5.	Mr. R.Savoor (ceased w.e.f. 18th March 2015)	0.80	-	0.67	1.47
	Total (I)	13.92	-	10.30	24.22
II	Other Non-Executive Directors				
1.	Mr. S.Ramakrishnan	-	-	0.21	0.21
2.	Mr. V.K. Deshpande (ceased w.e.f. 18th March 2015)	0.78	-	0.48	1.26
3.	Mr. Sanjay Dube (ceased w.e.f. 18th March 2015)	0.38	-	-	0.38
4	Mr. R.R. Bhinge	3.10	-	-	3.10
	Total (II)	4.26	-	0.69	4.95
	Total Managerial Remuneration (I+II)	18.18	-	10.99	29.17
	Overall Ceiling as per the Act (@1% of profit calculated under Section 198 of the Companies Act, 2013)				N.A. as the Company incurred Loss

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Rs in Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. P.J. Nath, ED & CEO	Mr. Girish Kirkinde, Company Secretary	Mr. Uday Banerjee, CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	228.59	51.84	72.63	353.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.54	3.14	3.95	16.63
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
6.	Total	238.13	54.98	76.58	369.69

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			None		
Punishment					
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO-ECONOMIC SITUATION

India has emerged as the fastest growing major economy in the world at 7.6 per cent in 2015-16 as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). This compares favorably with the growth in the last 3 years – 7.2 per cent in 2014-15, 6.6 per cent in 2013-14 and 5.6 percent in 2012-13. The macroeconomic stability has improved with continuance of fiscal prudence, lower inflation, lower current account deficit and robust foreign exchange reserves.

The Government launched a series of initiatives in banking and financial services sector for improving financial inclusion and to liberalize and enhance the sector. More than 20 Cr savings bank deposit accounts were opened under the Pradhan Mantri Jan Dhan Yojna. These accounts have a deposit base of over Rs 36,000 Cr currently due to direct benefit transfer and Aadhaar enabled payments. The Government has also come up with Digital India initiative, which focuses on creation of digital infrastructure, delivering services digitally to the remotest of the areas and to increase the digital literacy.

The Government also released the much-awaited reforms in the upstream oil & gas sector which will enhance domestic exploration and production. The Government plans to reduce the oil imports dependence by 10% by 2022. Oil imports account for over a quarter of India's total import bill currently. The Government, in its Maritime Agenda, has identified development of Maritime transport as critical for India's economic development. Moreover, the Government is taking various steps to develop ports and inland waterways infrastructure, improve port performance on par with the best in the world, facilitate hassle free multi-modal transport and promote cruise and coastal tourism.

India is estimated to grow at a potential 8 per cent on an average from fiscal 2016 to 2020 as per IMF World Economic Outlook, powered by greater access to banking, technology adoption, urbanization and other structural and infrastructure reforms.

COMPANY STRATEGY AND DIRECTIONS:

Business Strategy:

Nelco has four business lines, which are:

- a) VSAT services in which the satellite bandwidth services are provided through its Wholly Owned Subsidiary, i.e. Tatanet Services Ltd.(TNSL)
- b) Integrated Security & Surveillance Solutions (ISSS)
- c) Unattended Ground Sensors (UGS) for Defense (divested, pending approval from Ministry of Defense)
- d) Managed Services for remote monitoring of Security & Surveillance and Energy infrastructure. (divested effective from 1st April, 2015)

The Company is amongst the top 3 VSAT service providers in the country. The VSAT service caters to Wide Area Networking requirements for B2B customers using satellite as the medium of transmission. The VSAT service in India is still a niche play, mainly used by the business customers for reliable connectivity in the remote areas. With increasing focus of some of the important industry segments in expanding to the rural markets, e.g. the Banking & Financial Services, the deployment of VSATs is likely to increase in the years to come. There are many Govt. initiatives which are based around expansion to the remote villages across the country which require reliable connectivity, where again VSATs are best suited. Globally VSAT industry is expanding fast due to its use in mobility – mainly Aero and Maritime Communication services. While the Aero and Maritime Communication services revenue is likely to grow to approx. \$ 5 Billion by year 2021 from the current \$ 2 Billion globally, these services are not yet offered in India due to regulatory restrictions. The company believes that the regulatory frame-work would change soon to be in line with the Global best practices, which will aid the growth of VSAT industry in India to 2 - 3 times of the current size in the next 5 years.

The Company has been providing the Integrated Security Surveillance Solutions (ISSS), mainly to the Govt. and Defense customers. This is a System Integration business and the margins have been thin due to low value addition and aggressive bidding due to the Govt. & Defense organizations awarding contracts to only lowest bidder. The project delays further erode the margins and lead to delayed cash flows. Considering these the Company has taken a cautious approach towards this business by focusing on delivering its commitments towards its customers for all the existing projects and restricting its operations.

The Company had provided the UGS systems to Indian Defense starting 2002, which have been deployed in the Northern Border of the country for detecting intrusion across the border. As a part of the agreement with Ministry of Defense, the Company has a long term obligation to provide spares support to the customer. The demand for spares has been very lumpy in nature and there has been no fresh demand for UGS systems. While in the future there will be large demand, it has become very expensive for the Company to sustain the infrastructure without a continuous flow of orders.

The Company offered Managed Services for remote monitoring of Security & Surveillance and Energy Management. The services were meant for monitoring and management of non-IT devices. While there has been significant growth of these services across the globe, in India however, during the period of review these services were still in their early stages and restricted mainly to the Banking sector. The Company believed that these services may take another 4-5 years to get into the main stream market and during this period there is likely to be consolidation in this market.

Considering the different stages of its various business lines and the overall market potential, the Company had decided on the following strategy:

- ◆ Grow the VSAT business aggressively by leveraging its current market positioning as a reliable VSAT operator, as well as get into newer market segments and services.
- ◆ Focus in ISSS business to ensure that all the existing contractual obligations are met towards its existing customers.
- ◆ Divest the UGS business and Managed Services business and realize appropriate value.

Each of the above strategic initiatives has been deployed. Some have been implemented completely during the FY16, whereas the others are at different stages of implementation.

Divestment of the UGS and Managed Services businesses

The underlying principle that the Company followed while divesting its two businesses was that the businesses should have an opportunity for better growth once these are taken over by the new owner and all stakeholders must derive positive value from the same.

The Managed Services were sold on a slump sale basis to the Company's main competitor. The transaction was successfully completed during the year.

The Company sold the UGS business to its parent – The Tata Power Company Ltd., which has a much larger focus in the Defense sector with many other products and its own R&D facilities. The UGS product would help in filling up a gap, which would ensure that the UGS business has a much larger platform for expansion. The business transfer is however pending, awaiting the necessary approval from Ministry of Defense.

VSAT BUSINESS STRATEGY AND DIRECTIONS:

Industry structure and development

The VSAT services are offered under license from Department of Telecom, Govt. of India. This industry is 25+ years old in India, currently growing at around 8% pa. These services are used mainly for data communication and to some extent voice communication in a Closed User Group (CUG). There are 5 main operators for this business in the country, with only two of them being pure play VSAT players and the remaining ones having integrated play with Telecom and/or IT. The operators need to lease satellite transponder space only from Antrix Corporation Ltd. ("Antrix"), a part of ISRO (a Govt. of India Company under Dept. of Space), as per the current regulations. Antrix arranges for the Transponder space in satellites belonging to ISRO as well as foreign operators.

In the past there have been major challenges in acquiring Satellite transponder space due to lack of capacity. However the situation has improved with multiple satellites – owned by foreign operators as well as ISRO, being available over India.

The electronics at the central VSAT Hub and the remote locations are provided by a handful of global technology providers. The VSAT technology is proprietary in nature and as such the services get locked in with the infrastructure technology chosen.

Market opportunities:

The VSATs continue to be the most preferred mode of data communication in the B2B segment in remote and rural locations. While the Telecom industry has been growing, the footprint of MPLS services, which is the main threat for the VSAT services, has not grown substantially to cover more remote locations. On the other hand the 3G and 4G services have not been able to offer predictable Enterprise class services in the remote areas. Thus, VSAT remains the most reliable Enterprise connectivity services for the remote and rural areas, particularly where the bandwidth consumption is low.

A number of market segments have been expanding their businesses to the remote and rural locations. The Banking and Finance sector is one such segment. While the expansion in terms of newer branches and ATMs was subdued in the last 18 months, it was due to market adjustments and policy related issues of the sector. The fundamentals of the sector remain strong and growth in the rural markets is likely to be high. The Govt. has awarded 10 licenses for Small Banks, 11 licenses for Payment Banks and 4 New Banking licenses already. These will also lead to a major expansion of the infrastructure into the rural belts and thereby bringing in opportunities for the VSAT services.

The ATM industry itself is poised for growth as the Banks find it more cost effective to have ATMs in remote locations rather than branches. Moreover with the implementation of White Label ATMs the industry is expanding very fast. The VSATs continue to be the default choice due to the need for high availability, remoteness of the locations and low bandwidth applications.

Currently, there are about 197,000 ATMs deployed in India, out of which 100,000 (approx) are connected on VSAT. The numbers of ATMs are likely to grow to 450,000 by FY21 out of which more than 50% are likely to be on VSAT.

The Oil & Gas exploration in the offshore is a growing market in India. ONGC has been outsourcing the exploration activities to global Rig operators and getting the benefits of the lower prices because of the slump in oil exploration activities in most other parts of the world. The only reliable medium of connectivity for the offshore rigs in India is VSAT currently. Moreover while there are only about 35 rigs currently drilling in the offshore region, the bandwidth consumption is quite high due to the nature of applications being run, which leads to high services revenue for the VSAT operator.

The potential for VSATs in the Government sector is very large due to thrust on panchayat connectivity, public distribution system, education, health and water management. Though the overall potential is more than 100,000 VSATs, but the time frames for implementation are uncertain.

Strengthening presence in the existing market segments

The Company has been focusing in improving its customer support and project implementation capabilities which are tuned towards the specific market segments. In particular the Company has significantly improved its capability to offer customer support services in the remote locations by strengthening its franchisee network. Similarly it has created expertise in handling the end to end data communication requirements of the Oil & Gas exploration customers who have stringent deadlines for installing VSATs in the offshore region. The Company has also created VSATs with power back-up solutions to address the erratic power supply in the remote locations. The Company will continue to have such initiatives to strengthen its position in these market segments.

Getting into newer services and markets

The Company has evaluated the opportunities of offering services for the Aero and Maritime Communication in India. The potential for these services is high. India has a coastline of 7517 km and there are more than 9500 ships traversing in this region. The Company is already a market leader for the communication services in offshore Oil & Gas exploration segment and hence has a competitive advantage for communication in moving vessels. The Aero Communication Services also has a high potential for both the domestic as well as international carriers. India is slated to become the third largest aviation market in the world by 2020, with total flights in the year doubling to more than a million. These flights will offer opportunity to the VSAT industry for providing in-flight connectivity.

The Company has applied for the necessary regulatory permissions from Department of Telecom, Govt of India to offer these services soon after getting the Govt. permission.

Investing in augmenting infrastructure

The Company has been making continuous investments through its Wholly Owned Subsidiary i.e. TNSL in augmenting its infrastructure for providing VSAT services. During the course of the 18 months period the Company made the new VSAT Hub operational in Dehradun with Satellite transponder capacity of 36 MHz in Ku band, which will be further increased in due course. The Company also acquired additional 24 MHz capacity in Extended C band during the year and is in the process of setting up another VSAT Hub in Mahape, Navi Mumbai. These infrastructure augmentations would help the Company in meeting the diverse needs of the market and help fuel its growth.

Differentiated Enterprise Offerings:

The Company has been focusing in significantly augmenting its solutions in all its business lines and particularly in the VSAT services. It has become a preferred VSAT service provider for segments like ATM industry and offshore Oil & Gas exploration. The Company has been driving continuous performance improvement through TL9000, ISO 20000 and ISO27001.

ISSS BUSINESS STRATEGY & DIRECTIONS:

There are market requirements for ISSS solutions, mainly in the Government sector i.e. Railways & homeland security. However the company has refrained from addressing them due to continued challenges of low margins, poor payment terms and delayed decision making. The company is currently operating the ISSS business in a restricted manner.

SEGMENT WISE PERFORMANCE

The Company has two reportable segments viz. (1) Network Systems consisting of VSAT services (including SATCOM) and Managed Services and (2) Automation & Control consisting of Integrated Security and Surveillance Solutions (ISSS) and UGS business. The company has a wholly owned subsidiary – Tatanet Services Ltd., for delivering satellite bandwidth services through VSATs, whose performance is included within the consolidated VSAT services revenue. The current period of review for the Company is 18 months (Oct 1st, 2014 to March 31st, 2016) and hence the figures would not be comparable with the previous year's figures which were for 12 months. For the comparison purpose the annualized figures for the period of review have been made where required.

Network Systems

VSAT Services:

During the period under review, the revenue for the VSAT business on consolidated basis including SATCOM was Rs. 18,696 L as against Rs 10,395 L in the previous year. The annualized revenue for the VSAT business on consolidated basis works out to Rs.12,464 L for the period under review.

On standalone basis the revenue for the VSAT business including SATCOM was Rs. 12,024 L as against Rs 7,241 L in the previous year. The annualized revenue for the VSAT business on standalone basis works out to Rs. 8,016 L for the period under review.

The Company added 15,803 VSATs to its installed base during the 18 month period against 7,404 VSATs in the previous year (12 months period). The VSAT installed base for the company is in excess of 50,000 as on March 31st, 2016, which works out to around 19% of the total installed base of the industry.

The Company has added 7,577 VSATs in the ATMs for various banks, which works out to more than 40% of the VSATs sold for the ATMs during this period. The Company has obtained a fair share of the business in ATMs directly owned by the Banks, out sourced to the major Brown Label ATM services providers as well as White label ATMs.

The Company also fared well in the niche segment of offshore Oil & Gas exploration by bagging contract from one more major global player in solutions for oil rigs to serve them in their exploration activities in India. This further strengthened its position in this segment. The Company now serves more than 70% of the rigs for offshore oil exploration in India. The Company continued its focus in developing newer markets for VSAT services. It successfully provided solution for an early stage company for remote monitoring of rural electrification grid, which is likely to grow as a new segment for VSAT industry in future.

Managed Services:

During the period under review, the revenue for the Managed Services business was Rs 391 L as against Rs 580 L in the previous year. These figures are not comparable as the business was sold w.e.f. April 1st, 2015 and hence the revenue shown for the period under review is only for 6 months.

Automation & Control

The Company had restricted its operations in the ISSS business and the UGS business was under divestment during the period of review. The revenue from Automation & Control was Rs. 1,547 L as against Rs. 2,430 L in the previous year. During the year the Company managed to complete the ISSS projects for two more Zonal Railways.

OUTLOOK

Network Systems

The Company has strengthened its presence in the Banking & Finance segment by deploying close to 9,000 VSATs for off-site ATMs and bank branches. The Company had a 40% market share of the incremental VSAT deployment in off-site ATMs. The dominant position in providing infrastructure for Oil rigs has created potential for future growth in maritime services, which can be rolled out as soon as the regulatory clearances are provided by DoT.

The Company is pursuing for the permissions from Govt. of India to offer the Aero and Maritime Communication services in the country and believes that the permission would be given in the near future. The market potential of these two services will be in excess of Rs. 1000 Crore in the next 5 years, of which the Company expects to get a fair share.

The new VSAT Hub being installed at Mahape to make additional Extended C band satellite transponder capacity available will further give a significant boost to the VSAT business of the Company for the coming years and help to further strengthen its position in the Oil & Gas exploration sector.

The availability of High Throughput Satellites (HTS) can give a significant impetus to the VSAT industry by increasing the applications where it will be able to provide services at a competitive price. HTS has already made a large impact for the VSAT industry in most other countries. HTS capacity demand globally is likely to grow from 50 Gbps currently to over 1000 Gbps. It is expected that HTS would be available for India within the next 2 years time and the Company is poised to leverage on this.

Automation & Control

The Company will be operating the ISSS business in a restricted manner in the near future. The Company has expertise in executing projects in Railways, Oil PSUs and Defense sectors, which are valued in the industry. While there are likely to be new opportunities in the market in the Government and Defense sectors, the Company believes that in the short run, the current challenges of the sector are likely to remain. The Company will therefore concentrate in meeting its existing contractual obligations towards its customers by offering them the highest quality after sales maintenance services.

RISKS AND CONCERNS

Network Systems

- **Technology obsolescence Risk**

Due to proprietary nature of the VSAT technology, the Company is dependent on limited technologies for hardware. Any obsolescence of technology poses a risk for the operations. While there are options available to migrate the services to an alternative technology, there is a cost attached to the same.

- **Threat from alternate technology**

Expansion and spread of terrestrial telecom infrastructure to remote areas to offer MPLS services poses a threat for VSAT services. Some parts of the VSAT services regularly migrate to the MPLS services as and when these are made available in the specific locations, although this is not very high. The 3G and 4G services could also pose a threat if the services are rolled out to cover the remote locations with high availability services. Considering high Capex investment required to roll out infrastructure across the country to achieve the above, this threat may not be very pronounced for the next 3 – 4 years.

- **Operating Risk**

Foreign currency rate fluctuations adversely impact the profitability of operations since the VSAT hardware is majorly imported. Also, though the transponder space is provided by Antrix (a part of ISRO), but the contracts are in foreign currencies.

The Company has a high dependence on few market segments, like Banking & Finance and Oil & Gas, for its revenue and profitability. Any vagaries in these segments can impact Company's performance in the short term.

- **Regulatory Environment**

The satellite communication services are regulated by DoT and the licenses are given for shared hub services based on the Satcom policy of the country. Any major change in the Govt. regulations pertaining to Satcom policy and/or VSAT services could also pose a threat. Newer services like Aero and Maritime Communication are dependent on Govt. giving the necessary approvals.

- **Technical Infrastructure**

The Company's infrastructure is vulnerable to interruptions caused by earthquakes, floods, heavy rainfall, power outages, fire and other similar events. Information technology system failures, security breaches or human errors may affect the quality of services and cause downtime. In addition, any major satellite failure can impact the entire network running on that satellite, till an alternate allocation is received from ISRO, which could also be on a different coordinate requiring adjustment on the remote VSATs.

Automation & Control

- **Technology obsolescence Risk**

The Company continues to support the executed projects by way of Warranty & Annual Maintenance Contracts. As these projects have been executed using hardware and software supplied by multiple OEMs a few years ago, the support provided by the Company is contingent upon availability of the equipment and support from the OEMs. Technological obsolescence and closure of OEMs business may affect this business adversely.

Risk Management

The Company has established a risk management policy based on which risks are identified and assessed across its businesses. The Company's key risks are discussed with the Audit Committee and the Board of Directors on a regular basis. The Risk Management Committee which comprises of the CEO, CFO and key business and operations executives, ensures that existing and future risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed. The Company's framework of risk management process provides clear basis for informed decision making at all levels of the organization on an ongoing basis.

INTERNAL CONTROL ON FINANCIAL RECORDS

The internal Control Systems deployed at the Company are commensurate with its size, scale and complexity of operations. The Control Systems encompasses the policies, processes, tasks, behavior and other aspects of the Company, which taken together, facilitates effective & efficient operations and quality of internal and external reporting and compliances of all applicable laws & regulations. Adequacy of the systems is also assessed periodically.

An independent Internal Audit firm has been mandated to conduct internal audit of the Company and any deviations, observations or recommendations suggested by Internal Auditors are reviewed and suitable action is taken under the aegis of the Audit Committee. During the year the Audit Committee met regularly to review reports of Internal Auditors.

During the year, to further strengthen the internal financial controls, a renowned professional consultant firm was given an assignment to conduct an assessment of existent financial controls and advice on closing of gaps, if any. The Company has taken all necessary steps to ensure that all known control gaps have been addressed.

KEY DEVELOPMENTS IN HUMAN RESOURCES

Company strongly believes that people are its greatest asset and this has been the focal point of all its HRM practices. Keeping in view of the above, major developments include:

- During the period, Company divested its Managed Service business and all the associated employees were transferred to the other company with the full benefit of service continuity and service conditions which were not less favorable than the existing employment conditions. None of the employees related to the business were retrenched due to the divestment of business.
- As on March 31st, 2016 the Company had employee strength of 160. During the year, 21 employees were recruited and 42 employees were separated (including those transferred as part of divestment of Managed Services business).
- In the Industrial Relations front, the Company maintained cordial relations with its employees during the period.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Company subscribes fully to the principles and spirit of sound Corporate Governance and embodies the principles of fairness, transparency, accountability and responsibility into the value systems driving the Company. The Company is committed to attain high standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvements of internal controls and sound investor relations. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value over a sustained period of time. The Company has implemented the mandatory requirement of Corporate Governance as set out under Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

2. Board of Directors Composition

As on 31st May 2016, the Company's Board of Directors comprises 6 members, out of whom 1 is Executive Director and 5 are Non-Executive Directors (NEDs). These Directors bring in a wide range of skills and experience to the Board.

As required by The Companies Act, 2013, the Company has extended its financial year from 30th September 2015 to 31st March 2016. Consequently, the financial year of the Company is 18 Months from 1st October, 2014 to 31st March 2016.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review (FY 2014-16) and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in other companies:

Name of the Directors and Business Relationship	Category of Directorship	# No. of Board Meetings attended	Attendance at the last AGM	*Number of Directorship in other public limited companies as on 31/03/2016	**Number of Committee positions held in other public limited companies as on 31/03/2016	
			Director	Chairman	Member	
Mr.R.R.Bhingde, Chairman	Non-Executive Chairman (Non-Independent)	12	Yes	3	-	1
Mr.K.Raghuraman	Non-Executive Director (Independent)	12	Yes	9	2	3
Mr.K.Ramachandran		9	Yes	1	-	1
Ms.Hema Hattangady		10	No	3	-	-
Mr.P.K.Ghose (Upto 18th March 2015)		4	Yes	4	1	2
Mr.R. Savoor (Upto 18th March 2015)		4	Yes	1	1	1
Mr.S.Ramakrishnan	Non-Executive Director (Non - Independent)	9	Yes	4	-	4
Mr.V.K.Deshpande (Upto 18th March 2015)		3	Yes	5	-	1
Mr.Sanjay Dube (Upto 18th March 2015)		3	Yes	12	2	5
Mr.P.J.Nath	Executive Director & CEO	12	Yes	2	-	-

* Excludes Alternate Directorships and Directorships in private companies, foreign companies and Section 8 companies.

** Represents Chairmanships/Memberships of Audit Committee and Stakeholders Relationship Committee.

Twelve Board Meetings were held during the financial year and the gap between the two meetings did not exceed four months. Following are the dates on which the said meetings were held: 27th November 2014, 7th January 2015, 28th January 2015, 18th March 2015, 28th April 2015, 9th June 2015, 22nd June 2015, 30th July 2015, 28th October 2015, 17th December 2015, 28th January 2016, and 10th March 2016.

§ Pursuant to the revised “Governance Guidelines for Tata Companies on Board Effectiveness” adopted by the Company at its Board meeting held on 18th March, 2015, Mr. R.R.Bhinge do not fall under the category of Independent Director. Hence, effective from 18th March, 2015, his category/status of Directorship has been changed from Independent Director to Non-Independent Director.

Notes:

- a) 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 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015] across all the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.
- b) None of the Directors held directorship in more than 10 public limited companies.
- c) None of the Directors of the Company were related to any Director or member of an extended family.
- d) None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.
- e) Mr. P.J.Nath Executive Director & CEO is not Independent Director of any other listed company.
- f) All Independent Directors of the Company have been appointed as per the provisions of the Companies, Act 2013 (the Act). Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company’s website: www.nelco.in
- g) None of Non – Executive Directors held any shares of the Company.

Web link of Familiarization programmes is: http://www.nelco.in/_content/investor-relations/Familiarisation_Programme.pdf

The information required under Part A of Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is being made available to the Board periodically.

Code of Conduct

The Board has laid down Codes of Conduct for NEDs which includes details as specified in Schedule IV to the Act. The Company has adopted the Tata Code of Conduct for all the employees including Managing Director/Executive Directors. Both the codes of conduct are posted on the Company’s website www.nelco.in. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. The Executive Director and CEO has also confirmed and certified the same. The certification is enclosed at the end of this report.

Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Each Committee of the Board functions according to its role and defined scope.

➤ **Mandatory Committees:**

The Mandatory committees under the Act and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are:

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

3. Audit Committee of Directors

Composition of the Audit Committee of Directors (Audit Committee) and details of meetings attended by the Directors during the financial year under review:

Name of the Director	Category of Directorship	No. of meeting(s) attended
Mr. K.Raghuraman (Appointed as a Chairman w.e.f. 18th March, 2015)	Non-Executive Independent	9
Mr. K.Ramachandran (Appointed w.e.f. 18th March, 2015)		5
Ms. Hema Hattangady (Appointed w.e.f. 18th March, 2015)		5
Mr.P.K.Ghose, Chairman (Upto 18th March 2015)		3
Mr.R.Savoor (Upto 18th March 2015)		3
Mr. S.Ramakrishnan (Appointed w.e.f. 18th March, 2015)	Non-Executive Non-Independent	5
Mr.V.K.Deshpande (Upto 18th March 2015)		2

The Audit Committee met 9 times during the financial year under review on the following dates:

27th November 2014, 7th January 2015, 28th January 2015, 28th April 2015, 30th July 2015, 29th September 2015, 28th October 2015, 29th January 2016 and 10th March 2016.

The terms of reference, role and scope of the Audit Committee are in line with those prescribed by SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. 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 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 include the following:

- Oversight of the Company's Financial Reporting Processes and Financial Statements.
- 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.
- Review the adequacy of internal audit function.
- 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 of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Executive Director & CEO and Chief Financial Officer attend the meetings. The Statutory Auditors are also invited to the meetings. Mr. Girish V. Kirkinde, the Company Secretary, acts as the Secretary of the Committee.

Internal Controls and Risk Management

The Company has robust systems for internal audit and corporate risk assessment and mitigation. The risk based audit plan is prepared and approved by the Audit Committee at the beginning of every year. The Audit Committee 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 Audit Committee.

4. Stakeholders Relationship Committee

In terms of Section 178(5) of the Act, the Company has rechristened the Shareholders'/Investors' Grievance Redressal Committee as Stakeholders Relationship Committee (SRC).

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

Name of the Director	Category of Directorship	No. of meeting(s) attended
Mr.K.Raghuraman (Appointed as Chairman w.e.f. 18th March 2015)	Non-Executive Independent	2
Mr. R. Savor (Upto 18th March 2015)		0
Mr.P.J.Nath	Executive Director & CEO	2

The SRC met twice during the year under review on 29th September 2015 and 10th March 2016.

In accordance with Regulation 40 (2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has authorized Mr. Girish V. Kirkinde, Company Secretary and Compliance Officer, to severally approve share transfers/transmissions, in addition to the powers with the members of the SRC. Share Transfer formalities are regularly attended to at least once a fortnight.

The status of total number of complaints received during the year under review is as follows:

Description	Total		
	Received	Replied	Pending
Letters received from Statutory Bodies			
Securities and Exchange Board of India (SEBI) (SCORES)	1	1	0
Stock Exchanges	0	0	0
Depositories (NSDL/CDSL)	0	0	0
Ministry of Corporate Affairs	0	0	0

- There were no pending Transfers/Demats as on 31st March, 2016.

The responsibilities of the SRC inter alia include:

- Review of statutory compliance relating to all security holders.
- 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.

5. Nominations, HR and Remuneration Committee

In terms of Section 178(1) of the Act, the Company has constituted the Committee titled "Nominations, HR and Remuneration Committee" (NRC).

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

Name of the Director	Category of Directorship	No. of meeting(s) attended
Mr.K.Ramachandran, Chairman (Appointed as Chairman w.e.f. 18th March 2015)	Non-Executive Independent	5
Mr. K.Raghuraman (Appointed w.e.f. 18th March 2015)		4
Mr.P.K.Ghose, Chairman (Upto 18th March 2015)		2
Mr. S.Ramakrishnan	Non-Executive / Non Independent	4
Mr.R.R.Bhinge		6
Mr.V.K.Deshpande (Upto 18th March 2015)		2

The NRC met 6 times during the year under review on 29th October 2014, 27th November 2014, 21st May 2015, 29th September 2015, 16th February 2016 and 10th March 2016.

At its meeting held on 9th June 2015, the Board adopted the amended Charter of the NRC which specifies the principles and objectives, composition, meetings, authority and power, responsibilities, reporting, evaluation etc. of the Committee.

The Board has delegated the following powers to the NRC:

- Investigate any matter within the scope of its Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Ask for any records or documents of the Company.

The role and responsibilities of the NRC include the following:

- Board Composition and succession related
- Evaluation related
- Remuneration related
- Board Development related
- Review of HR Strategy, Philosophy and Practices
- Other functions

In terms of the provisions of Section 178(3) of the Act and Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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, which is reproduced in Annexure-I and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in Annexure-II to the Directors' Report.

Remuneration to Executive Director

The details of remuneration and perquisites paid and/or value calculated as per the Income Tax Act, 1961 to the Executive Director and Chief Executive Officer for the period ended 31st March 2016 are as under:-

Terms of Agreement	Mr. P. J. Nath, Executive Director & CEO
Period of Appointment	13th June, 2015 to 12th June, 2018
Salary and allowance	Rs.147.57 lakhs
Perquisites	Rs.9.54 lakhs
Performance Linked Incentives	Rs.37.48 lakhs
Contribution to Provident Fund & Superannuation Fund, Leave encashment, gratuity and other benefits	Rs.7.72 lakhs
Retirement Benefits	-
Notice Period	By either party giving six months notice or the Company paying six months' salary 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 Rs.12,500/- per meeting and with effect from 1st April 2015 Rs. 20,000/- per meeting to the NEDs for attending meetings of the Board and Committee except Stakeholders Relationship Committee for which sitting fees is Rs. 10,000/- per meeting. The details of sitting fees paid to NEDs during the financial year under review are as under:-

Name of the Directors	Sitting fees paid (Rs.)
Mr.R.R.Bhinge	3,10,000/-
Mr.P.K.Ghose	1,00,000/-
Mr.S.Ramakrishnan	Nil
Mr.V.K.Deshpande	77,500/-
Mr.Sanjay Dube	37,500/-
Mr.R. Savoor	80,000/-
Mr.K.Raghuraman	5,00,000/-
Mr.K.Ramachandran	3,95,000/-
Ms. Hema Hattangady	3,17,500/-

None of the NEDs had any pecuniary relationship or transactions with the Company other than the Directors fees received by them.

Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company is posted on Company's website at http://www.nelco.in/_content/investor-relations/RemunerationPolicyforDirectors,KMPandOther%20employees.pdf.

6. Executive Committee of the Board

The Executive Committee of the Board comprises of Mr. R.R. Bhinge (Chairman), Mr.K. Ramachandran, Mr. S. Ramakrishnan and Mr. P. J. Nath (Executive Director & CEO). This Committee covers a detailed review of the following items before being presented to the full Board:

- Business and strategy review
- Long-term financial projections and cash flows
- Capital and Revenue Budgets and capital expenditure programmes
- Acquisitions, divestments and business restructuring proposals
- Senior management succession planning
- Any other item as may be decided by the Board

7. Subsidiary Company

Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a “material Subsidiary” whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the listed holding company and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company has one “Material Subsidiary” during the year under review viz. Tatanet Services Ltd. An Independent Director of the Company has been appointed on the Board of the said Subsidiary Company. The minutes of Board meetings of the Subsidiary Company are placed before the Board of Directors of the Company for review.

8. Prevention of Insider Trading

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 14th May 2015) (the Regulations), the Board of Directors of the Company has adopted the Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Practice (the Code) to be followed by Directors, Employees and other connected persons. The Code is based on the principle that Directors and Employees of a Tata Company owe a fiduciary duty to, among others, the Members of the Company, to place the interest of the Members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the Code. Under the Code, the Audit Committee is empowered:

- To approve policies in relation to the implementation of the Code and to supervise implementation of the Code;
- To note and take on record the status reports detailing the dealings by Designated Persons in securities of the Company, as submitted by the Compliance Officer on a quarterly basis;
- To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.

9. General Body Meetings

The last three Annual General Meetings (AGMs) were held as under:

Financial year ended	Day & Date	Time	Venue
30th September 2012	Tuesday, 22nd January 2013	3.00 p.m.	Ebony, Hotel Regenza By Tunga, Ground floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703
30th September 2013	Wednesday, 22nd January 2014	3.00 p.m.	Ebony, Hotel Regenza By Tunga, Ground floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703
30th September 2014	Wednesday, 28th January 2015	3.00 p.m.	Unison, Hotel Four Points By Sheraton, 2nd Floor, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701

Details of Special Resolutions passed in the previous three AGMs

30th September 2012	Appointment of Mr.P.J.Nath as Executive Director & Chief Executive Officer
30th September 2013	Nil
30th September 2014	Approval for payment of Remuneration to Mr. P.J.Nath, Executive Director & CEO

All the Special Resolutions moved at the previous AGMs were passed with requisite majority.

None of the business required to be transacted at this AGM is proposed to be passed by Postal Ballot.

Postal Ballot

The Company successfully completed the two Postal Ballot process pursuant to Section 110 of the Companies Act, 2013 (“Act”) for obtaining the approval of its Members on the Special Resolutions :

- a) Pursuant to Section 180(1)(a), 188 and other applicable provisions of the Act for:
 - i) Transfer of the Company’s Unattended Ground Sensors (UGSs) business to The Tata Power Co. Ltd. as a going concern on a slump sale basis.
 - ii) Transaction with The Tata Power Co. Ltd., being a Related Party for transfer of the Company’s Unattended Ground Sensors (UGSs) business as going concerns on a slump sale basis.
 - iii) Transfer of the Company’s Managed Services business (“ E- Surveillance business”) to Securens Systems Pvt. Ltd. as a going concern on a slump sale basis.
- b) Pursuant to Section 196, 197 and other applicable provisions of the Act for Reappointment of Mr. P.J. Nath as Executive Director & CEO.

The Company appointed Mr. Mitesh Dhaliwala of M/s. Parikh & Associates, Practicing Company Secretaries as Scrutinizer who carried out both the Postal Ballot process in a fair and transparent manner.

Voting Pattern and procedure for Postal Ballot

Particulars	Pursuant to Section 180(1)(a), 188 and other applicable provisions of the Act for <ul style="list-style-type: none"> • Transfer of the Company's Unattended Ground Sensors (UGSs) business to The Tata Power Co. Ltd. as a going concern on a slump sale basis. • Transaction with The Tata Power Co. Ltd., being a Related Party for transfer of the Company's Unattended Ground Sensors (UGSs) business as going concern on a slump sale basis. • Transfer of the Company's Managed Services business ("E-Surveillance business") to Securens Systems Pvt. Ltd. as a going concern on a slump sale basis. 	Pursuant to Section 196, 197 and other applicable provisions of the Act for Reappointment of Mr. P.J.Nath as Executive Director & CEO
Appointment of Scrutinizer	28th April 2015	15th July 2015
Dispatch of postal ballot forms along with postage prepaid business reply envelopes to its Members	20th May 2015	3rd August 2015
The last date and time fixed by the Company for receipt of the forms	Up to the close of working hours on 19th June 2015.	Up to the close of working hours on 2nd September 2015.
The results of the Postal Ballot via postal ballot forms and e-voting facility was announced on	29th June 2015	8th September 2015
Special Resolutions set out in the Notice duly passed by	Requisite majority of the Shareholders.	Requisite majority of the Shareholders.

No Court convened meetings were held during last three financial years.

10. Disclosures

1. There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. during the financial year, that may have potential conflict with the interests of the Company at large.
2. 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.
3. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
4. The Board of Directors of the Company has adopted a Whistle Blower 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 intranet site. The Company affirms that no employee has been denied access to the Audit Committee.
5. All mandatory requirements as prescribed under Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied by the Company.
6. The URL of policy for determining 'material' subsidiaries is http://www.nelco.in/_content/investor-relations/Policy_for_determining_Material_Subsidiaries.pdf

7. The URL of policy on dealing with related party transaction is http://www.nelco.in/_content/investor-relations/Related_Party_Transaction_Policy.pdf
8. The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
9. In terms of part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Executive 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.

11. Means of Communication

- i) **Quarterly and half yearly Results** are published in the Free Press Journal (English) and Navashakti (Marathi) newspapers and displayed on the Company's website www.nelco.in
- ii) **NSE Electronic Application Processing System (NEAPS) and BSE Online Portal:** The Company also submits to NSE, all disclosures and communications through NSE's NEAPS portal. Similar filings are made to BSE on their Online Portal – BSE Corporate Compliance & Listing Centre.
- iii) **Extensive Business Reporting Language (XBRL):** XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its Circular No.8/2012 dated 10th May, 2012 [as amended on 29th June, 2012], has already mandated all cost auditors and the concerned companies to file their Cost Audit Reports and Compliance Reports for the year 2011-12 onwards [including the overdue reports relating to any previous year(s)] only in the XBRL mode. The Company has filed its Cost Audit Report and Compliance Report on MCA through XBRL.
- iv) **SEBI Complaints Redress System (SCORES):** A centralized web-based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.
- v) **Website:** Comprehensive information about the Company, its business and operations, and Investor information can be viewed at the Company's website. The 'Investor Relations' section serves to inform the investors by providing key and timely information like Financial Results, Annual Reports, Shareholding Pattern, etc.

12. General Shareholder Information

- i) The AGM of the Company is scheduled to be held on Monday, 25th July 2016 at 3.00 p.m. at Ebony, Hotel Regenza by Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703.
As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars of Director seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on 25th July 2016.
- ii) Financial Year: 1st October 2014 to 31st March 2016.
- iii) Book Closure: From 12th July 2016 to 14th July 2016 (both days inclusive).
- iv) Listing on Stock Exchanges : The Company's Equity Shares are listed on the following two Stock Exchanges in India:

BSE Limited (BSE)	The National Stock Exchange of India Limited (NSE)
(Regional Stock Exchange)	'Exchange Plaza', Bandra-Kurla Complex
Phiroze Jeejeebhoy Towers	Bandra (E), Mumbai 400 051.
Dalal Street, Mumbai 400 001.	

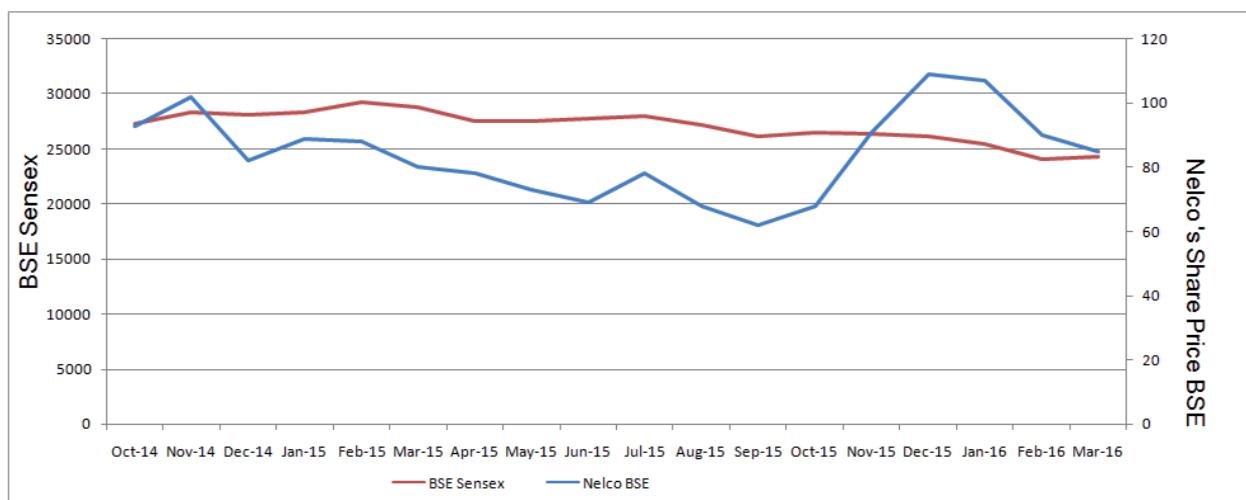
The Company has paid the Annual Listing fees to BSE and NSE for the year 2015-16.
- v) Stock Code and Corporate Identification Number (CIN)
BSE Ltd. (Physical segment) – 4112, Demat Segment- 504112
National Stock Exchange of India Ltd. – NELCO EQ
CIN allotted to the Company by the Ministry of Corporate Affairs, Govt. of India is L32200MH1940PLC003164.

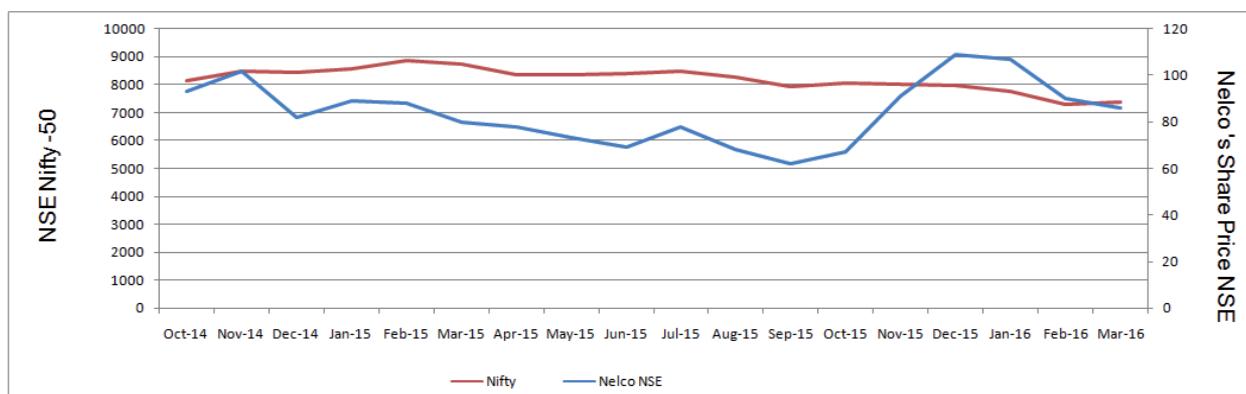
vi) Market Information:

- (a) Market Price Data: High, Low during each month and trading volumes of the Company's Equity Shares during the period 1st October 2014 to 31st March 2016 at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) are given below:-

Stock Exchange Months	BSE			NSE		
	High (Rs.)	Low (Rs.)	No. of shares traded	High (Rs.)	Low (Rs.)	No. of shares traded
October 2014	104	81	2903978	104	81	7268504
November 2014	112	91	3098653	112	92	7439498
December 2014	96	68	1816900	96	68	677558
January 2015	98	81	2499319	98	80	449972
February 2015	100	75	2964808	100	75	625766
March 2015	97	63	1533545	97	63	742660
April 2015	90	66	1508878	90	67	928143
May 2015	80	66	642899	80	66	778302
June 2015	80	59	1205019	80	59	747957
July 2015	84	71	1391962	84	71	945921
August 2015	81	56	852656	81	55	964673
September 2015	69	54	705777	69	54	720202
October 2015	73	63	1314789	72	63	571263
November 2015	118	64	4684559	118	64	313333
December 2015	127	92	4909784	127	92	13688330
January 2016	129	86	3038481	128	86	8219085
February 2016	109	71	1350030	110	71	4146501
March 2016	97	74	1843854	97	74	49227668

- b) Performance of Company's share price in comparison to BSE and NSE nifty sensex.





vii. Registrars and Transfer Agents:

TSR Darashaw Limited (TSRD)

6-10, Haji Moosa Patrawala Industrial Estate
(Near Famous Studio), 20, Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011.

Tel.: 022 6656 8484, Fax: 022 6656 8494

Email: csg-unit@tsrdarashaw.com

Website: www.tsrdarashaw.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 TSRD.

Branches of TSRD

- | | |
|--|--|
| <p>1. 503, Barton Centre, 5th Floor,
84, Mahatma Gandhi Road,
Bengaluru 560 001.
Tel: 080 25320321. Fax: 080 25580019
E-mail: tsrdlbg@tsrdarashaw.com</p> | <p>2. Bungalow No.1, 'E' Road
Northern Town, Bistupur,
Jamshedpur 831 001.
Tel: 0657 2426616. Fax: 0657 2426937
E-mail: tsrdljsr@tsrdarashaw.com</p> |
| <p>3. Tata Centre, 1st Floor,
43, Jawaharlal Nehru Road,
Kolkata 700 071.
Tel: 033 22883087. Fax: 033 22883062
E-mail: tsrdlcal@tsrdarashaw.com</p> | <p>4. Plot No.2/42, Sant Vihar,
Ansari Road, Darya Ganj,
New Delhi 110 002.
Tel: 011 23271805 Fax: 011 23271802
E-mail: tsrdldel@tsrdarashaw.com</p> |

Agent of TSRD

Shah Consultancy Services Pvt. Limited

3, Sumatinath Complex, Pritam Nagar, Akhada Road, Ellisbridge, Ahmedabad 380 006.

Telefax: 079 2657 6038 E-mail: shahconsultancy8154@gmail.com

- viii) Share Transfer System: Share Transfers in physical form can be lodged with TSRD at the above mentioned address or at their branch Transfer offices, addresses of which are available on website: www.tsrdarashaw.com. Transfers are normally processed within 15 days from the date of receipt. If the documents are complete in all respects, Mr. Girish V. Kirkinde Company Secretary and Compliance Officer is empowered to approve transfers, in addition to the powers with the Members of the Stakeholders Relationship Committee.

ix) **Distribution of Shares as on 31st March 2016.**

No. of shares held (Range)	Shareholding	% of total Shareholding	No. of Shareholders	% of total Shareholders
1-5000	2933579	12.85	21,413	87.60
5001 to 10000	1321925	5.79	1588	6.50
10001 to 20000	1098938	4.82	711	2.91
20001 to 30000	682213	2.99	261	1.07
30001 to 40000	414862	1.82	115	0.47
40001 to 50000	617561	2.71	130	0.53
50001 to 100000	1052463	4.61	146	0.60
100001 and above	14696859	64.41	79	0.32
Total	22818400	100.00	24443	100.00

x) **Shareholding pattern as on 31st March 2016.**

Sr. No.	Category	No. of shares	Percentage
1	TATA Companies	11432590	50.10
2	Financial Institutions/ Banks	118248	0.52
3	Mutual Funds	10850	0.05
4	State Government / Government Companies / Central Government	82162	0.36
5	Bodies Corporate / Trusts	1667899	7.31
6	Individuals	8513961	37.31
7	FII's/NRI/Foreign Corporate Bodies	993690	4.35

xi) **Top 10 Shareholders of the Company as on 31st March 2016.**

Sr. No.	Name of Shareholder	Account number	Total holdings	Percentage to capital
1	The Tata Power Company Limited	IN30152430005534	11099630	48.64
2	Schlumberger Limited	NES0000110	866460	3.80
3	Aftaab Investment Company Limited	IN30064410449162	318460	1.40
4	Hitesh Ramji Javeri	IN30036020087818	275000	1.21
5	Digvijay Commerce And Trading Pvt. Ltd	IN30021410675971	150000	0.66
6	Roopa Corporate Services Pvt. Ltd.	1302340000397614	116023	0.51
7	Edelweiss Securities Ltd	IN30134820013743 IN30371910121510	72795 26331	0.32 0.12
8	India Infoline Limited	IN30226912144461 IN30226912166081 IN30226910000005	81351 1132 1096	0.36 0.00 0.00
9	Icici Bank Limited	IN30134820016807	78776	0.35
10	Reita Gertrude Gomes	IN30154953042516	70000	0.31
		Total	1,31,57,054	57.66

xii) **Dematerialization of Shares as on 31st March 2016 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).

Particulars of Shares	Equity Shares of Rs. 10/- each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialized form				
NSDL	1,82,26,910	79.88	13838	56.61
CDSL	31,78,864	13.93	8122	33.23
Sub-total	2,14,05,774	93.81	21960	89.84
Physical form	14,12,626	6.19	2483	10.16
Total	2,28,18,400	100.00	24443	100.00

Under the Depository Systems, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE045B01015.

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

xiv) Works, facilities and address for correspondence

EL-6, TTC Industrial Area,
MIDC Electronics Zone, Mahape, Navi Mumbai – 400 710.
Telephone : 022 67399100,
Fax : 022 67398787.

Email : services@nelco.in, Website : www.nelco.in

13. 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 this AGM. The MCA has authorized NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form. The Company has entered into agreement with NSDL for availing e-voting facilities.

14. Compliance with Non-Mandatory Requirements

i) The Board

The Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's Office.

ii) Shareholder Rights

The Company posts the quarterly, half yearly and annual financial results on its website www.nelco.in

iii) Audit qualifications

During the financial year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

iv) Training of Board Members

The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They Endeavour to keep themselves updated with changes in the economy, legislation and technologies.

v) Mechanism for evaluation of Non-Executive Board Members (NEDs)

The Board of Directors of the Company, at present, comprises five NEDs. The Directors appointed are from diverse fields which are relevant to the Company's business and they have long-standing experience and are experts in their respective fields. They have gained considerable experience in managing large corporate and have been in public life for decades. The enormously rich and diverse background of the Directors is of considerable value to the Company.

vi) The NEDs add substantial value through discussions and deliberations at the Board and Committee Meetings. Besides contributing at the Board and Committee meetings, the NEDs also have detailed deliberations with the Management Team and add value through such deliberations.

vii) The Company has appointed separate persons to the post of Chairperson and Executive Director & Chief Executive Officer.

viii) The internal auditor of the Company report directly to the audit committee.

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

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

DECLARATION

As provided under Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I affirm that the Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended 31st March 2016.

For NELCO Limited

P. J. Nath

Executive Director & CEO

Navi Mumbai, 31st May 2016.

INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF NELCO LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **NELCO LIMITED** ("the Company"), for the eighteen months ended on March 31, 2016, as stipulated in:
 - Clause 49 [excluding clause 49(VII)(E)] of the Listing Agreements of the Company with stock exchange(s) for the period from October 01, 2014 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from October 01, 2014 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 [excluding regulation 23(4)] and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the eighteen months ended on March 31, 2016.
5. We 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 **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

Place: Mumbai

Date: May 31, 2016

Gurvinder Singh

(Membership No. 110128)

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NELCO LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NELCO LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the eighteen months period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the eighteen months period ended on that date.

Emphasis of Matter

We draw attention to Note 27 to the standalone financial statements which states that the Company has accumulated losses as at 31st March 2016 and its net worth has been substantially eroded and the Company has incurred a net loss during the current eighteen months period. However, the standalone financial statements of the Company have been prepared on a going concern in view of the Company's business plan and the support letter from the Parent Company.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure 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 that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)

Gurvinder Singh
(Partner)
(Membership No. 110128)

Place: Mumbai
Date: 4th May, 2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. Accordingly, paragraph (v) of the Order is not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the statute	Nature of the dues	Forum where the dispute is pending	Financial Year relates to which the matter pertains	Amount (Rs. in Lakhs)
Income – Tax Laws	Income –Tax	Appellate Authority – Commissioner Level	2010-11	631.33
Sales – Tax Laws	Sales-Tax	Appellate Authority - High Court Level	1989-90 and 1990-91	17.43
		Appellate Authority - Commissioner Level	1985-86 to 1990-91, 1992-93, 1996-97, 2003-04, 2012-13	33.99
		Appellate Authority –Joint Commissioner Level	2005-06, 2008-09 to 2009-10	158.07
Customs Duty Laws	Customs Duty	Appellate Authority - Assessing Officer Level	1991 to 1993	9.40
Excise Duty Laws	Excise Duty	Appellate Authority - Commissioner Level	1983-84 to 1985-86	56.43
Service Tax Laws	Service Tax	Appellate Authority – up to Commissioner Level	2003-04, 2005-06, 2006-07	217.69

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

8. The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
10. In our opinion and according to the information and explanations given to us, the Company has given guarantees for loans taken by subsidiary company from banks which are *prima facie* not prejudicial to the interest of the Company.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)

Gurvinder Singh
(Partner)
(Membership No. 110128)

Place: Mumbai
Date: 4th May, 2016

Balance Sheet as at 31st March, 2016

(Rs in Lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 30th September, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	2281.75	2,281.75
(b) Reserves and surplus	3	(1861.55)	(1,245.15)
		420.20	1,036.60
2 Non-current liabilities			
(a) Long-term borrowings	4	29.38	48.81
(b) Deferred tax liability (Net)	35	-	-
(c) Other long-term liabilities	5	47.58	95.88
(d) Long-term provisions	6	450.47	504.65
		527.43	649.34
3 Current liabilities			
(a) Short-term borrowings	7	7897.23	6,201.69
(b) Trade payables	8		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2759.84	3,320.51
(c) Other current liabilities	9	543.68	627.16
(d) Short-term provisions	10	366.53	437.13
		11567.28	10,586.49
TOTAL		12514.91	12,272.43
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	1408.67	1,842.69
(ii) Intangible assets	11	132.93	469.42
(iii) Capital work-in-progress		52.25	17.73
		1593.85	2,329.84
(b) Non-current investments	12	696.25	212.25
(c) Long-term loans and advances	13	2871.07	2,601.27
		5161.17	5,143.36
2 Current assets			
(a) Inventories	14	1346.82	1,514.40
(b) Trade receivables	15	4179.25	3,679.16
(c) Cash and Cash Equivalents	16	474.95	130.44
(d) Short-term loans and advances	17	456.56	614.13
(e) Other current assets	18	896.16	1,190.94
		7353.74	7,129.07
TOTAL		12514.91	12,272.43
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants'

Gurvinder Singh
Partner

Place: Mumbai
Date : 4th May, 2016

For and on behalf of the Board of Directors

R.R. Bhinge
Chairman

Uday Banerjee
Chief Financial Officer

P. J. Nath
Executive Director & CEO

Girish V. Kirkinde
Company Secretary

Place: Mumbai
Date : 4th May, 2016

Statement of Profit and Loss for the eighteen months period ended 31st March, 2016

(Rs in Lakhs)

Particulars	Note No.	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
A Continuing Operations			
1 Revenue from operations (gross)	19	13,370.57	9,241.82
Less: Excise duty		0.25	69.37
Revenue from operations (net)		13,370.32	9,172.45
2 Other income	20	482.49	320.67
3 Total revenue (1+2)		13,852.81	9,493.12
4 Expenses			
(a) Cost of materials consumed	43A	127.56	390.26
(b) Purchases of stock-in-trade	43G	4,078.19	2,938.97
(c) Changes in inventories of work-in-progress, contract-in-progress and stock-in-trade	21	7.67	472.41
(d) Employee benefits expense	22	2,826.81	1,781.61
(e) Finance costs	23	1,142.66	619.36
(f) Depreciation and amortisation expense	11 & 29	781.10	512.74
(g) Other expenses	24	4,890.51	3,135.03
Total expenses		13,854.50	9,850.38
5 (Loss) before exceptional items and tax (3 - 4)		(1.69)	(357.26)
6 Exceptional items	44	-	1,240.90
(Refer note 44 for twelve months ended 30th September, 2014)			
7 (Loss) / Profit before tax (5+6)		(1.69)	883.64
8 Less: Tax expense			
Current tax		-	-
Deferred tax	29	46.68	-
		46.68	-
9 (Loss)/ Profit after tax from Continuing Operations (7-8)		(48.37)	883.64
B Discontinuing Operations			
10 (Loss) from Discontinuing Operations (before exceptional item and tax)	25 & 26	(625.63)	(755.02)
11 Add :-Exceptional Profit	26(a)	162.00	-
12 Add / (less) : Tax expense of Discontinuing Operations		-	-
13 (Loss) after tax from Discontinuing Operations (10+11-12)	25 & 26	(463.63)	(755.02)
C Total Operations			
14 (Loss) / Profit after tax from Total Operations (9+13)		(512.00)	128.62
15 Earnings per share (Face value of Rs 10/- per share) :			
Basic and Diluted (In Rs.)			
(i) Continuing Operations	34	(0.21)	3.87
(ii) Total Operations	34	(2.24)	0.56
See accompanying notes forming part of the financial statements			

 In terms of our report attached
 For **Deloitte Haskins & Sells LLP**
 Chartered Accountants

For and on behalf of the Board of Directors
R.R. Bhinge
 Chairman

P. J. Nath
 Executive Director & CEO

Gurvinder Singh
 Partner

Uday Banerjee
 Chief Financial Officer

Girish V. Kirkinde
 Company Secretary

 Place: Mumbai
 Date : 4th May, 2016

 Place: Mumbai
 Date : 4th May, 2016

Cash Flow Statement for the eighteen months period ended 31st March, 2016

(Rs in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX (INCLUDING DISCONTINUING OPERATIONS)	(627.32)	(1,112.28)
ADJUSTMENTS FOR :		
Depreciation	1,113.10	570.74
Interest Income	(220.85)	(192.68)
Dividend Income on long term investment	(2.29)	(6.88)
Profit on sale of investment in Associate	-	(5.45)
Provision for debts/advances	106.84	140.09
Doubtful advance written off	22.52	-
Interest Expense	1,275.81	886.91
(Profit) / Loss on Sale of Fixed Assets	(4.72)	3.05
	2,290.41	1,395.78
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	1,663.09	283.50
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	167.58	449.07
Trade receivables	(606.93)	1,344.04
Short-term loans and advances	157.57	(96.28)
Long-term loans and advances	(35.46)	0.02
Other current assets	294.78	309.16
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(560.67)	(827.66)
Other current liabilities	(66.60)	(49.41)
Other long-term liabilities	(48.30)	(47.18)
Short-term provisions	(70.60)	(33.42)
Long-term provisions	(54.18)	(12.63)
	(822.81)	1,035.71
CASH GENERATED / (USED IN) FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS	840.28	1,319.21
Cash flow from Exceptional items (Refer note 26 for current year ended 31st March 2016, and note 44 for previous year ended 30th September 2014).	162.00	1,240.90
CASH GENERATED / (USED IN) FROM OPERATIONS AFTER EXCEPTIONAL ITEMS	1,002.28	2,560.11
Net Income Tax (paid)/ refund	(585.86)	(146.10)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	416.42	2,414.01
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(529.99)	(601.80)
Sale of fixed assets	6.52	5.11
Purchase of investment	(484.00)	(17.86)
Sale of investment	-	9.96
Loan given to subsidiary	-	(125.00)
Loan repaid by subsidiary	329.00	500.00
Interest received	220.85	192.68
Dividend received	2.29	6.88
Bank balance not considered as Cash and Cash Equivalents	(2.52)	(0.73)
NET CASH FLOW (USED) IN INVESTING ACTIVITIES	(457.85)	(30.76)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long-term borrowings	(22.48)	(54.56)
Proceeds from Short-term borrowings	7,307.62	1,596.91
Repayment of Short-term borrowings	(4,658.82)	(1,721.51)
Increase/(Decrease) in cash credit balances including bank overdraft (Net)	(153.94)	267.42
Matured deposit paid	(0.05)	(0.43)
Proceeds from Inter-corporate deposits	8,950.00	4,300.00

Cash Flow Statement for the eighteen months period ended 31st March, 2016

(Rs in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September 2014
Repayment of Inter-corporate deposits	(9,750.00)	(5,870.00)
Dividend paid	(0.15)	(0.06)
Finance cost	(1,288.76)	(930.27)
NET CASH FROM / (USED) IN FINANCING ACTIVITIES (C)	383.42	(2,412.50)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	341.99	(29.25)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD	98.55	127.80
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (Refer note 1 below)	440.54	98.55
Reconciliation of Cash and cash equivalents with the Balance Sheet Cash and cash equivalents (Refer note 16)	440.54	98.55
Less :- Other bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements :		
In earmarked accounts (Refer note 3 below)		
- Unpaid dividend accounts	11.72	11.87
- Unpaid matured deposits	-	0.05
- Balance held as margin money against letter of credit and bank guarantees	22.69	19.97
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (as defined in AS 3 cash flow statements) included in Note 16 (refer note 1 below)	440.54	98.55

Notes :

- 1) Cash and cash equivalents include:

(Rs. In Lakhs)

Particulars	As at 31.03.2016	As at 30.9.2014
i) Cash in hand	2.96	1.01
ii) Cheques on Hand	271.9	53.93
iii) Balances with Banks		
In current accounts	165.68	43.61
Total cash and cash equivalents as per AS 3	440.54	98.55

- 2) The cashflow statement reflects the combine cashflows pertaining to continuing and discontinuing operations.
-
- 3) These earmarked accrued balances with banks can be utilised only for the specific identified purposes.
-
- 4) Previous year's figures have been regrouped wherever necessary.

 In terms of our report attached
 For **Deloitte Haskins & Sells LLP**
 Chartered Accountants`

For and on behalf of the Board of Directors
R.R. Bhinge
 Chairman

P. J. Nath
 Executive Director & CEO

Gurvinder Singh
 Partner

Uday Banerjee
 Chief Financial Officer

Girish V. Kirkinde
 Company Secretary

 Place: Mumbai
 Date : 4th May, 2016

 Place: Mumbai
 Date : 4th May, 2016

Notes forming part of the Financial Statements

Note 1

A. Background

The Company was formed in the year 1940 as National Ekco Radio & Engineering Co Ltd (JV between E K Cole & Fazalbhoy). The Company became "Nelco Limited" in 1969.

In 1969, the Company was pre-dominantly the manufacturer of audio-visual appliances like Television, calculator, Servo Voltage Stabilizers and such other office equipment. In late 90's the Company entered in Automation business (SCADA, Traction & Drives), which was divested in 2010. In 1995 the Company through its subsidiary, Tatanet Services Limited (TNSL) first installed VSAT captive hub for Tata Group Companies connectivity and in 2003 it entered into the public domain in VSAT services.

Nelco is today focused in providing systems and solutions in the areas of VSAT connectivity. It also provides solutions in the area of Integrated Security & Surveillance.

The Company offers a range of innovative and customized solutions for businesses and government institutions under one roof.

B. Significant Accounting Policies

1.1 Basis of Accounting and preparation of financial statements

The financial statements of the Company have been prepared under the historical cost convention, on an accrual basis, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

In order to be in compliance with the Companies Act, 2013, the Company has extended its financial year end of its financial statements from 30th September, 2015 to 31st March, 2016. Consequently, the financial statements of the Company are for 18 months from 1st October, 2014 to 31st March, 2016. Accordingly, the corresponding figures for twelve months ended 30th September, 2014 are not comparable.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.5 Fixed Assets and Depreciation

Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold land is amortized over the duration of the lease.

1.6 Intangible Assets

Intangible assets are initially measured at cost and amortized over their estimated useful life on straight line method as follows:

Software Expenditure incurred is amortized over a period of five years from the date of acquisition.

Technical knowhow is amortized over a period of five years from the date of acquisition.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

1.7 Inventory Valuation

- a) Inventories comprise all costs of purchases, conversion and other costs incurred in bringing the inventories to their present location and condition.
- b) Raw materials are valued at the lower of cost or net realizable value. Cost is determined on the basis of the moving weighted average method.
- c) Finished goods produced and purchased for sale, semi finished products and spares are carried at cost or net realizable value, whichever is lower.

1.8 Investments

Investments, being long term, are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

1.9 Revenue Recognition

1.9.1 Sale of product is recognized when risk and rewards of ownership of the product are passed on to the customers on the basis of terms of contract, which is generally on the dispatch of goods.

1.9.2 Sales from services are recognized when services are performed.

1.9.3 Income on Investment

- i) Interest income is accounted on accrual basis.
- ii) Dividend income is accounted when right to receive payment is established.

1.10 Accounting for Contracts

Contract revenue are accounted on "Percentage of Completion" basis measured by the proportion that the cost incurred up to the reporting date bears to the estimated total cost of the contract.

1.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the period is recognized as income or expense, as the case may be. Any premium or discount arising at the inception of a forward exchange contract is recognized as income or expense over the life of contract.

1.12 Provision for Warranty

In respect of warranties given by the company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

1.13 Employee Benefits

Defined Contribution Plan

- (a) Company's contributions paid/payable during the period towards Provident Fund, Superannuation Fund and ESIC are recognized in the Statement of Profit and Loss.

- (b) Company's Contribution towards Provident Fund is based on a percentage of salary which is made to a trust administered by the company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the company.

Defined Benefit Plan

Company's liability towards gratuity and long term compensated absences are determined by independent actuaries, using projected unit credit method. Past services are recognized on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized immediately in the Statement of Profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to the market yields at the balance sheet date on Government Bonds where currency and terms of Government Bonds are consistent with the currency and estimated terms of the benefit obligation.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

1.14 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities."

1.15 Lease Rentals

The company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc.), plant, machinery and equipments taken on lease. The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

1.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.17 Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

1.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Note 2 Share capital

Particulars	As at 31st March, 2016		As at 30th September, 2014	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Authorised				
Equity Shares of Rs.10/- each with voting rights	25,000,000	2500.00	25,000,000	2,500.00
Redeemable Preference Shares of Rs.100/- each	2,500,000	2500.00	2,500,000	2,500.00
		5000.00		5,000.00
Issued:				
Equity shares of Rs 10/- each with voting rights (including 939 equity shares pending allotment)	22,818,400	2281.85	22,818,400	2,281.85
		2281.85		2,281.85
Subscribed and fully paid up				
Equity shares of Rs 10/- each with voting rights	22,817,461	2281.75	22,817,461	2281.75
Total	22,817,461	2281.75	22,817,461	2,281.75

Refer Notes (i) to (iv) below

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2016		As at 30th September, 2014	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Equity shares - Subscribed Opening and Closing balance	22,817,461	2281.75	22,817,461	2,281.75

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31st March, 2016		As at 30th September, 2014	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Equity shares				
The Tata Power Company Limited (48.65%) (Holding Company)	11,099,630	1,109.96	11,099,630	1,109.96
Aftaab Investment Company Limited (1.44%) (Subsidiary of Holding Company)	328,410	32.84	328,410	32.84

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Notes forming part of the Financial Statements

- iii) The company has issued only one class of equity shares having a par value of Rs.10 /- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of 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 shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2016		As at 30th September, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights The Tata Power Company Limited	11,099,630	48.65%	11,099,630	48.65%

Note 3 Reserves and surplus

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
General reserve		
Opening balance and closing balance	250.00	250.00
(Deficit) in Statement of Profit and Loss		
Opening balance	(1495.15)	(1623.77)
Add: (Loss)/ profit for the period	(512.00)	128.62
Closing balance	(2007.15)	(1495.15)
Less : Depreciation on transition to schedule II of the Companies Act, 2013 on tangible assets with nil remaining useful life (Net of deferred tax) (refer note 29).	(104.40)	-
Closing balance	(2111.55)	(1495.15)
Total	(1861.55)	(1245.15)

Note 4 Long-term borrowings

(Rs in Lakhs)

Particulars	As at 31st March, 2016			As at 30th September, 2014		
	Long Term	Current Maturities (Refer Note 9)	Total	Long Term	Current Maturities (Refer Note 9)	Total
Deferred Sales tax liability (Under the Sicom Incentive Scheme) - Unsecured	29.38	19.43	48.81	48.81	22.48	71.29
Total	29.38	19.43	48.81	48.81	22.48	71.29

Note :-Terms of repayment

Particulars	As at 31st March, 2016	As at 30th September, 2014	Start date	Maturity Date	Repayment of installments	Remarks
Deferred Sales tax liability (Under the Sicom Incentive Scheme) - Unsecured	48.81	71.29	26-Apr-04	26-Apr-18	Various	Repayable in five equal annual installments after ten years from the year of availment of respective loan.

Notes forming part of the Financial Statements
Note 5 Other long-term liabilities

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Other payables		
Liability towards voluntary retirement scheme	47.58	95.88
Total	47.58	95.88

Note 6 Long-term provisions

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Provision for employee benefits:		
Compensated absences	143.47	108.91
Gratuity (Refer note 30)	240.19	185.57
	<u>383.66</u>	<u>294.48</u>
Provision - Others:		
Estimated losses on onerous contracts (Refer note 37)	66.81	210.17
Total	450.47	504.65

Note 7 Short-term borrowings

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Term loans		
From Banks - Secured (Refer note (ii) below)	495.71	346.91
Loans repayable on demand		
Cash credit from Banks - Secured (Refer note (i) below)	151.52	304.78
From Banks - Unsecured	3750.00	1250.00
Other loans and advances		
Inter corporate deposits - Unsecured		
- from Holding Company	-	500.00
- from others	3500.00	3800.00
Total	7897.23	6201.69

Note:

- (i) Cash credit from Banks are secured by hypothecation of all tangible moveable assets, including stocks of raw materials, finished goods, goods-in-process, book debts, monies receivable and a second charge on fixed assets of the Company.
- (ii) Term Loans from The Zoroastrian Co-operative Bank Limited are secured by pari-passu first charge both on the present and future fixed assets, (all tangible moveable machinery and plant) of the company.

Note 8 Trade payables

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Trade payables:		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 41)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprise	2759.84	3,320.51
Total	2,759.84	3,320.51

Notes forming part of the Financial Statements**Note 9 Other current liabilities**

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Current maturities of long-term debt (Refer note 4)	19.43	22.48
Interest accrued but not due on borrowings	43.47	56.42
Overdrawn Balances as per Books	-	0.68
Income received in advance	13.54	25.08
Unclaimed dividends*	11.72	11.87
Unclaimed matured deposits*	-	0.05
Other payables		
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes)	51.99	43.48
Trade / security deposits received	58.06	24.06
Advances from customers	317.11	399.45
Liability towards voluntary retirement scheme	28.36	43.59
Total	543.68	627.16

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 10 Short-term provisions

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Provision for employee benefits		
Compensated absences	23.29	18.21
Gratuity (Refer note 30)	22.10	26.25
	45.39	44.46
Provision - Other		
Warranty (Refer note 37)	226.76	310.67
Estimated losses on onerous contracts (Refer note 37)	94.38	82.00
Total	366.53	437.13

Notes forming part of the Financial Statements
Note 11 Fixed Assets

(Rs. in Lakhs)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION AND AMORTISATION						NET BLOCK		
	As at 1st Oct, 2014	Additions	Deduction	Transfer on sale of Business	As at 31st Mar, 2016	As at 1st Oct, 2014	Transition adjustment recorded against surplus balance in statement of profit and loss (Refer Note 29)	For the eighteen months ended March, 2016 (Refer Note 3 below)	Deduction	Transfer on sale of Business	As at 31st Mar, 2016	As at 30th Sep, 2014
Tangible Assets												
Land:Leasehold	35.90	-	-	-	35.90	9.83	-	0.54	-	-	10.37	26.07
	35.90	-	-	-	35.90	9.45	-	0.38	-	-	9.83	26.45
Building	335.90	-	-	-	335.90	196.69	-	18.23	-	-	214.92	139.21
	335.90	-	-	-	335.90	185.56	-	11.13	-	-	196.69	150.34
Plant and machinery	1,274.31	317.96	-	4.10	1,588.18	556.20	0.01	280.92	-	0.82	836.31	718.11
	1,144.75	133.31	3.75	-	1,274.31	450.78	-	106.22	0.80	-	556.20	693.97
Electrical Installation	203.72	-	0.76	-	202.96	91.47	8.92	48.08	0.57	-	147.91	112.25
	209.25	-	5.53	-	203.72	84.51	-	9.28	2.32	-	91.47	124.74
Office equipments												
Own	2,230.56	11.11	106.61	1.76	2,133.31	1,870.20	142.15	150.36	105.00	0.74	2,056.97	360.36
	2,217.47	13.68	0.58	-	2,230.56	1,783.92	-	86.42	0.14	-	1,870.20	433.54
Lease	2,108.79	175.48	-	-	2,284.27	1,631.39	-	279.09	-	-	1,910.48	477.40
	2,072.53	40.75	4.49	-	2,108.79	1,350.30	-	284.02	2.93	-	1,631.39	722.23
Vehicles	26.93	-	-	-	26.93	17.64	-	4.17	-	-	21.81	9.29
	26.93	-	-	-	26.93	15.98	-	1.66	-	-	17.64	10.95
Total Tangible Assets	6,216.11	504.55	107.37	5.86	6,607.42	4,373.42	151.08	781.40	105.57	1.56	5,198.77	1,842.69
Previous year	6,042.72	187.74	14.35	-	6,216.11	3,880.50	-	499.11	6.19	-	4,373.42	2,162.22
Intangible Assets												
Testing Software	378.71	6.79	-	17.08	368.42	330.65	-	27.58	-	5.50	352.73	48.06
	378.71	-	-	-	378.71	290.70	-	39.95	-	-	330.65	88.01
Technical Know-how	1,536.15	-	-	-	1,536.15	1,114.79	-	304.12	-	-	1,418.91	421.36
	1,083.11	453.04	-	-	1,536.15	1,083.11	-	31.68	-	-	1,114.79	-
Total Intangible Assets	1,914.86	6.79	-	17.08	1,904.58	1,445.44	-	331.70	-	5.50	1,771.64	469.42
Previous year	1,461.82	453.04	-	-	1,914.86	1,373.81	-	71.63	-	-	1,445.44	88.01
Grand Total	8,130.97	511.34	107.37	22.94	8,512.00	5,818.86	151.08	1,113.10	105.57	7.06	6,970.41	2,312.11
Previous year	7,504.54	640.78	14.35	-	8,130.97	5,254.31	-	570.74	6.19	-	5,818.86	2,250.23

Notes :- 1) Figures in italics pertains to previous year.

Notes forming part of the Financial Statements

2) Depreciation and amortisation expense relating to continuing operations :

(Rs. in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Depreciation and amortisation for the period on Tangible assets as per note above	781.40	499.11
Depreciation and amortisation for the period on Intangible assets as per note above	331.70	71.63
Depreciation and amortisation relating to total operations	1,113.10	570.74
Less :- Depreciation relating to Discontinuing operations	332.00	58.00
Depreciation and amortisation relating to Continuing Operations	781.10	512.74

3) Depreciation for the eighteen months ended 31st March, 2016 includes impairment loss of Rs 166.00 Lakhs (Previous Year Rs Nil) with respect to technical Know-how, recognised in statement of profit and loss (refer note 25(b)).

Note 12 Non-current investments (At cost, less provision other than temporary, if any)

(Rs. in Lakhs)

Particulars	Number of Shares	Face value per unit (Rs.)	As at 31st March, 2016	As at 30th September, 2014
Unquoted - Equity Shares Trade				
In subsidiary				
Tatanet Services Limited (Purchased 48,40,000 shares during the current period)	49,00,000	10	490.00	6.00
In Associate Company				
Nelito Systems Limited	4,58,877	10	205.25	205.25
In Other Companies				
Technopolis Knowledge Park Limited	18,10,000	10	181.00	181.00
Other investments				
Ordinary Shares of Zoroastrian Co-operative Bank Limited.	4,000	25	1.00	1.00
Total			877.25	393.25
Less: Provision for diminution in value of investments in respect of Technopolis Knowledge Park Limited.			181.00	181.00
Total			696.25	212.25
Note: Aggregate amount of unquoted investments			696.25	212.25

Note 13 Long-term loans and advances (Unsecured, considered good)

(Rs. in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Security deposits	44.49	44.49
Loans & advances to Subsidiary (Tatanet Services Limited)	1,110.32	1,439.32
Advance income tax (net of provision for tax Rs. 1,809.30 lakhs (previous year : Rs 1,809.30 lakhs))	1,625.95	1,040.09
Balances with government authorities	90.31	42.43
Other recoverables	-	34.94
Total	2,871.07	2,601.27

Notes forming part of the Financial Statements
Note 14 Inventories

(Rs. in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Raw material - Goods-in-transit	-	170.69
Raw materials	-	257.16
Work-in-progress	-	175.13
Stock - in - trade	1,245.00	678.39
Contracts in Progress	84.46	233.03
Trading Materials - Goods-in-transit	17.36	-
Total	1,346.82	1,514.40

Note 15 Trade receivables (Unsecured and considered good, unless otherwise stated)

(Rs. in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	613.00	534.15
Doubtful	165.00	291.67
	778.00	825.82
Less: Provision for doubtful trade receivables	165.00	291.67
Total	613.00	534.15
Other Trade receivables (refer note (i) below)		
Considered good	3,566.25	3,145.01
Doubtful	21.00	15.39
	3,587.25	3,160.40
Less: Provision for doubtful trade receivables	21.00	15.39
Total	3,566.25	3,145.01
Total	4,179.25	3,679.16

Note:

- (i) Other Trade receivables include Rs. 2,188.81 lakhs (Previous year: Rs.620.71 lakhs), which in accordance with the terms of contracts, were not due for payment as at the period end.

Notes forming part of the Financial Statements**Note 16 Cash and Cash Equivalents**

(Rs. in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
A. Cash and cash equivalents (as per AS 3 Cash flow statements)		
(a) Cash on hand	2.96	1.01
(b) Cheques on hand	271.90	53.93
(c) Balances with banks		
In current accounts	165.68	43.61
Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (A)	440.54	98.55
B. Other bank balances		
In earmarked accounts		
- Unpaid dividend accounts		
- Unpaid matured deposits	11.72	11.87
- Balances held as margin money against letter of credit and bank guarantees	22.69	19.97
Total - Other bank balances (B)		
Total Cash and Cash Equivalents (A+B)	34.41	31.89
	474.95	130.44

Note 17 Short-term loans and advances - (Unsecured and considered good, unless otherwise stated) (Rs. in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Security deposits		
Considered good	91.00	87.65
Doubtful	21.00	21.44
	112.00	109.09
Less: Provision for doubtful deposits	21.00	21.44
	91.00	87.65
Loans and advances to employees	9.56	12.56
Prepaid expenses	41.42	68.24
Balances with government authorities		
Cenvat credit receivables	74.08	32.54
Value Added Tax/Work Contract Tax	39.72	162.12
Advance to suppliers	76.14	209.91
Other recoverables	124.64	41.11
Total	456.56	614.13

Note 18 Other current assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Unbilled revenue	883.71	1183.12
Unamortised expenses		
Premium on Forward Contract	12.45	7.82
Total	896.16	1190.94

Notes forming part of the Financial Statements
Note 19 Revenue from operations

(Rs. in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Sale of products (refer note 43 F)	5,581.22	4,826.57
Sale of Services (refer note 43 F)	7,743.37	4,389.46
Total A	<u>13,324.59</u>	<u>9,216.03</u>
Other Operating revenue		
Scrap sales	2.27	-
Commission income	43.71	25.79
Total B	<u>45.98</u>	<u>25.79</u>
Total A+B	<u>13,370.57</u>	<u>9,241.82</u>
Less: Excise duty	(0.25)	(69.37)
Total- Revenue from Operations	<u>13,370.32</u>	<u>9,172.45</u>

Note 20 Other income

(Rs. in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Interest income comprises:		
Interest on Bank deposits	8.20	3.72
Interest on Income tax refund	-	23.77
Interest on advance to subsidiary	212.65	165.19
Dividend income from long term investments		
Associate	2.29	6.88
Other non-operating income comprises:		
Commission from Subsidiary	10.80	-
Insurance claims recovered	0.18	0.19
Liabilities/Provisions no longer required, written back	98.33	19.49
Bad Debts Recovered	33.95	25.84
Profit on sale of investment in associate	-	5.45
Profit on sale of fixed assets (net)	4.72	-
Provision for doubtful advances written back	-	62.50
Rent Income	56.46	-
Foreign exchange gain (net)	1.40	-
Provision for foreseeable losses written back (Refer note 37)	52.56	-
Miscellaneous income	0.95	7.64
Total	<u>482.49</u>	<u>320.67</u>

Notes forming part of the Financial Statements**Note 21. Changes in inventories of work-in-progress, contracts in progress and Stock-in-trade.** (Rs. in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Inventories at the beginning of the period :		
Stock - in - trade	678.39	1,133.08
Work-in-progress	175.13	427.08
Contracts in progress	233.03	74.06
	1,086.55	1,634.22
Add:- Raw Materials converted into Stock- in -trade (refer note 39)	349.73	-
Less : Inventories at the end of the period :		
Stock - in - trade	1,245.00	678.39
Work-in-progress	-	175.13
Stock - in - transit	17.36	-
Contracts in progress	84.46	233.03
	1,346.82	1,086.55
Net (increase) / decrease	89.46	547.67
Less :- Changes in inventories of stock in trade in respect of Discontinuing Operations (refer note 25(c) and 26(b))	81.79	75.26
Net changes in inventories of work-in-progress, contracts in progress and Stock-in-trade in respect of Continuing Operations	7.67	472.41

Note 22 Employee benefit expenses (Rs. in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Salaries and wages	2,402.75	1,521.35
Contributions to provident fund, superannuation fund, etc. (refer note 30)	111.22	67.06
Gratuity (refer note 30)	75.84	35.81
Staff welfare expenses	237.00	157.39
Total	2,826.81	1,781.61

Note 23 Finance costs (Rs. in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Interest expense on:		
Borrowings	1,075.77	562.45
Trade payables	14.32	3.83
Bank charges	52.57	53.08
Total	1,142.66	619.36

Notes forming part of the Financial Statements
Note 24 Other expenses

(Rs. in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Consumption of loose tools	26.63	14.69
Subcontracting expenses	1,363.54	908.46
Power and fuel	227.57	75.94
Rent including lease rentals	122.77	103.60
Repairs and maintenance - Buildings	3.33	-
Repairs and maintenance - Others	256.21	133.40
Insurance	20.09	16.59
Rates and taxes	17.44	12.58
Travelling and conveyance	318.03	241.91
Freight and forwarding	320.65	240.50
Legal and professional charges	143.14	81.38
Consultancy charges	320.00	193.91
Installation expenses	730.28	396.49
Foreign exchange loss /(gain) (net)	-	2.67
Payments to auditors (refer note below)	63.83	40.83
Bad debts written off	226.72	220.97
Less: Provision for doubtful debts made in earlier years written back	(226.72)	(220.97)
doubtful advances written off		
Provision for doubtful debts	22.52	-
Loss on fixed assets sold (net)	106.84	140.09
Provision for foreseeable losses (Refer note 37)	-	3.05
Provision for warranty (net) (Refer note 37)	-	9.65
Miscellaneous expenses	4.81	(10.59)
	822.83	529.88
Total	4,890.51	3,135.03

Note:

(Rs. in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Payments to the auditors comprises (net of service tax where applicable)		
As auditors - statutory audit	16.00	12.00
For taxation matters*	8.63	7.00
For other services	38.65	21.50
Reimbursement of expenses	0.55	0.33
Total	63.83	40.83

*Represents payment of Rs. 8.63 lakhs (Previous year Rs. 7.00 lakhs) for taxation matters to an affiliated firm in view of the networking arrangement which is registered with the Institute of Chartered Accountants of India.

25.a) The Company vide its letter dated 3rd April, 2014 had informed the Stock Exchange about the approval of the Board of Directors to restructure the operations of Company's Integrated Security & Surveillance Solutions business (ISSS business) which inter alia, includes the business of Unattended Ground Sensors (UGS) and forms part of the 'Automation & Control' segment. As part of such restructuring, the Board of Directors of the Company at its meeting held on 28th January, 2015 accepted an offer made by The Tata Power Company Limited, for its Strategic Engineering Division to purchase the business of UGS as a going concern on a slump sale basis at a consideration of Rs. 831 Lakhs with effect from 1st October 2014. The shareholders by postal ballot on 25th June, 2015 approved the transaction. The Business Transfer Agreement (BTA) was signed on 5th August, 2015. This shall be subject to concluding various approvals and consents yet to be received.

Notes forming part of the Financial Statements

- b) The assets attributable to the UGS business have been impaired during the eighteen months ended 31st March, 2016 to the tune of Rs. 166.00 Lakhs and the same has been included in "Depreciation and amortization expense" below.
- c) The financial parameters in respect of the ordinary activities attributable to the UGS business are as follows:

(Rs. in Lakhs)

Particulars	Eighteen months ended 31st March, 2016	Twelve months ended 30th September, 2014
Sale of Products (refer note 43 F)	252.16	570.10
Sale of Services (refer note 43 F)	-	-
Less :- Excise Duty	5.47	46.10
Revenue from Operation (net)	246.69	524.00
Other Income	-	-
Total Revenue (A)	246.69	524.00
Expenses		
Cost of Materials Consumed (Refer note 43A)	125.80	101.22
Changes in Inventories of Work In progress, Contract Work in Progress and Stock in trade (Refer note 21)	-	99.78
Employee Benefit Expenses	211.60	173.08
Finance Costs	120.40	102.64
Depreciation and amortization Expense (Refer note 25(b) above)	329.57	53.85
Other Expenses	76.17	101.47
Total Expenses (B) *	863.54	632.04
Loss Before Tax (A-B)	(616.85)	(108.04)
Less :- Tax Expenses	-	-
Loss After Tax	(616.85)	(108.04)
Carrying amount of assets as at the balance sheet date relating to the discontinuing operation to be disposed off	783.58	997.18
Carrying amount of liabilities at the balance sheet date relating to the discontinuing operation to be settled	-	-
Net Cash flow attributable to the discontinuing operation		
Cash flow from / (used in) operating activities	(273.46)	51.78
Cash flow from / (used in) investing activities	(9.39)	(417.89)
Cash flow from / (used in) financing activities	(120.40)	(102.64)

* includes Rs. 142.00 Lakhs (Previous year Rs 209.00 Lakhs) expenses attributable to UGS business.

The transfer being effective from 1st October, 2014, the results of operation for the eighteen months ended 31st March, 2016, includes a portion attributable to The Tata Power Company Limited which will be given effect to on completion of transaction.

- 26 a) Further, as part of restructuring, the Board of Directors of the Company at its meeting held on 18th March, 2015 accepted the offer received from a company for the transfer of Managed Services business (MS Business) forming part of Network System segment as a going concern on a slump sale basis at a consideration of Rs.210 Lakhs with effect from 1st April, 2015. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. The said transaction is concluded

on 31st August, 2015 after entering into definitive agreement and after obtaining various approvals as required under applicable laws. The said transaction was given effect during the current period with effect from 1st April, 2015. An amount of Rs.162.00 Lakhs is accounted as Profit on Sale of this business in current period as disclosed under exceptional item.

- b) The financial parameters in respect of the ordinary activities attributable to the MS business are as follows :
(Rs. In Lakhs)

Particulars	Eighteen months ended 31st March, 2016	Twelve months ended 30th September, 2014
Sale of Products (refer note 43 F)	334.42	370.13
Sale of Services (refer note 43 F)	219.00	209.87
Less :- Excise Duty	-	-
Revenue from Operation (net)	553.42	580.00
Other Income	-	-
Total Revenue (A)	553.42	580.00
Expenses		
Purchase of stock in Trade (Refer note 43G)	154.64	315.52
Changes in Inventories of Work In progress, Contract Work in Progress and Stock in trade (Refer note no. 21)	81.79	(24.52)
Employee Benefit Expenses	107.50	445.61
Finance Costs	14.11	164.91
Depreciation and amortization Expense	2.43	4.15
Other Expenses	213.41	320.85
Total Expenses (B) *	573.88	1226.52
Loss Before Tax (A-B)	(20.46)	(646.52)
Less :- Tax Expenses	-	-
Loss After Tax**	(20.46)	(646.52)
Carrying amount of assets as at the balance sheet date relating to the discontinuing operation to be disposed off	-	100.05
Carrying amount of liabilities at the balance sheet date relating to the discontinuing operation to be settled	-	-
Net Cash flow attributable to the discontinuing operation		
Cash flow from / (used in) operating activities	77.87	(501.99)
Cash flow from / (used in) investing activities	15.83	(1.10)
Cash flow from / (used in) financing activities	(14.11)	(164.91)

* includes Rs. 51.00 Lakhs (Previous year Rs 554.00 Lakhs) expenses attributable to MS business.

** includes Loss after tax of Rs.11.68 Lakhs in respect of MS business run on behalf of other company for the period from 1st April, 2015 to 31st August, 2015.

27. The Company has accumulated losses as at 31st March, 2016 which has substantially eroded the Company's net worth and has incurred a net loss during the current eighteen months period. Notwithstanding this, these audited financial statements have been prepared on going concern basis in view of support letter from the parent company.

Notes forming part of the Financial Statements

28. Information required as per Accounting Standard-7 "Construction Contracts" is as follows :

(Rs. in Lakhs)

Particulars	Eighteen months ended 31st March, 2016	Twelve months ended 30th September, 2014
Contract revenue recognised during the period	698.29	760.86
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to period end	8,701.59	8,355.76
Retention money for contracts in progress as at Balance Sheet date	372.17	322.39
Gross amount due from customers for contract work (Asset) as at Balance Sheet date	968.59	1,358.52
Gross amount due to customers for contract work (Liability) as at Balance Sheet date	-	10.52

For the method used to determine the contract revenue recognised and the stage of completion on contract in progress, refer note 1.10

29. Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st October 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act. Consequently, the depreciation charge for the eighteen months ended 31st March 2016 is higher by Rs 302.26 Lakhs and on account of transition provision Rs.104.40 Lakhs (net of tax Rs. 46.68 Lakhs) has been adjusted to Reserves and surplus as on 1st October, 2014.

30. EMPLOYEE BENEFIT PLAN :**I. Defined Contribution Plans**

Company's contribution paid/payable during the period to provident fund, superannuation fund and ESIC contribution are recognised as an expense and included in note 22 under the heading "Contributions to provident fund, superannuation fund, etc." and are as under:

(Rs. in Lakhs)

Sr. No	Particulars	Eighteen months ended 31st March, 2016		Twelve months ended 30th September, 2014	
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
a)	Contribution to Employees' Superannuation Fund	27.86	5.07	17.58	6.28
b)	Contribution to Employees' State Insurance Scheme	0.63	-	0.28	0.04
c)	Contribution to Provident Fund	82.73	8.39	49.20	18.58
	Total	111.22	13.46	67.06	24.90

Provident Fund:

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by the Trust formed by the Company. The Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

The Rules of the Company's provident fund administered by a Trust require 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.

Notes forming part of the Financial Statements
II) Gratuity (Unfunded)

(Rs.in Lakhs)

	Particulars	Eighteen months ended 31st March, 2016			Twelve months ended 30th September, 2014	
		31st March, 2016	30th September, 2014	30th September, 2013	30th September, 2012	30th September, 2011
1	Expenses recognized in Statement of Profit and Loss for the period ended					
	Current Service cost		24.89			16.38
	Interest cost		28.25			18.77
	Expected return on plan assets		-			-
	Net Actuarial (Gain)/Loss		34.27			12.38
	Total Expense (Refer Note 1 below)		87.41			47.53
2	Net Asset/(Liability) recognized in the Balance Sheet as at end of the period					
	Present value of Defined Benefit obligations as at the end of period		(262.29)			(211.82)
	Fair value of plan assets as at the end of the period		-			-
	Net Asset/(Liability) as at		(262.29)			(211.82)
3	Changes in present value of obligations during the period					
	Present value of obligations as at beginning of period		211.82			202.86
	Interest cost		28.25			18.77
	Current Service cost		24.89			16.38
	Liabilities transferred out		-			(0.86)
	Benefits Paid		(36.94)			(37.71)
	Actuarial (Gain)/Loss		34.27			12.38
	Present value of Defined Benefit obligations as at end of period		262.29			211.82
	Current (Refer note 10)		22.10			26.25
	Non-current (Refer note 6)		240.19			185.57
4	Experience Adjustments					
	a) Experience (Gain)/ Loss on adjustments on plan assets	-	-	-	-	-
	b) Experience (Gain)/ Loss on adjustments on plan liabilities	7.47	7.14	12.42	2.92	4.14
	Experience Adjustments (Total)	7.47	7.14	12.42	2.92	4.14
5	Assumptions	31st March, 2016	30th September, 2014	30th September, 2013	30th September, 2012	30th September, 2011
	Discount Rate	7.56%	8.89%	9.25%	8.25%	8.50%
	Salary Escalation	6.00%	6.00%	6.00%	6.00%	6.00%

Attrition Rate	14.70% -For service 4 years and below 5.30%- For service 5 years and above	2.00%	2.00%	2.00%	2.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (94-96) Ultimate	LIC (94-96) Ultimate

Note:

- 1) Includes Rs 11.57 Lakhs (Previous year Rs 11.72 Lakhs) in respect of Discontinuing Operations.

III. Long Term Employee Benefit – Compensated Absences

Provision for compensated absences has been made on the basis of actuarial valuation report as at the Balance Sheet date. The charge for the period of Rs 69.84 Lakhs (Previous Year: Rs. 41.42 Lakhs) has been made in the Statement of Profit and Loss.

31. Segment Reporting:

The Company has presented data relating to its segment based on its Consolidated Financial Statements. Accordingly, in terms of paragraph 4 of the Accounting Standard 17 (AS-17) "Segment Reporting", no disclosure related to segments are presented in the Standalone Financial Statements.

32. Related Party Disclosure:

- I. Holding company – The Tata Power Company Limited.
- II. Related Parties where control exists
 - a. Subsidiary – Tatanet Services Limited.
- III. Other parties with whom transactions have taken place during the period
 - a. Associate – Nelito Systems Limited.
- IV. Key Management Personnel
 - a. Mr. P. J. Nath- Executive Director and CEO

The related party transactions are as under:

(Rs. in Lakhs)

Sr. no	Particulars	The Tata Power Company Limited	Tatanet Services Limited	Nelito Systems Limited	Key Management Personnel
		(Holding Co.)	(Subsidiary)	(Associate)	
1)	Sales :				
a)	Goods	101.00	-	-	-
		(1.20)	(-)	(-)	(-)
b)	Services	6.34	2,871.50	0.45	-
		(0.70)	(1,680.00)	(0.90)	(-)
2)	Other Income	2.33	9.88	-	-
		(1.19)	(-)	(-)	(-)
3)	Finance :				

Sr. no	Particulars	The Tata Power Company Limited	Tatanet Services Limited	Nelito Systems Limited	Key Management Personnel
		(Holding Co.)	(Subsidiary)	(Associate)	
a)	Inter Corporate Loans Re-payment (net)	500.00	-	-	-
		<i>(770.00)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>
b)	Interest Paid/Payable	41.69	-	-	-
		<i>(120.70)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>
c)	Loans and Advances repaid during the period (net)	-	329.00	-	-
		<i>(-)</i>	<i>(375.00)</i>	<i>(-)</i>	<i>(-)</i>
d)	Dividend received	-	-	2.29	-
		<i>(-)</i>	<i>(-)</i>	<i>(6.88)</i>	<i>(-)</i>
e)	Interest Received	-	212.65	-	-
		<i>(-)</i>	<i>(165.19)</i>	<i>(-)</i>	<i>(-)</i>
3)	Other Transactions :				
a)	Guarantees and collaterals given	-	1,075.00	-	-
		<i>(-)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>
b)	Reimbursements received from parties	-	25.28	-	-
		<i>(-)</i>	<i>(45.17)</i>	<i>(-)</i>	<i>(-)</i>
C)	Equity Contribution	-	484.00	-	-
		<i>(-)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>
4)	Balance Outstanding as at the end of the period.				
a)	Trade Receivables	0.70	607.94	-	-
		<i>(0.28)</i>	<i>(156.51)</i>	<i>(-)</i>	<i>(-)</i>
b)	Inter Corporate Loans Taken	-	-	-	-
		<i>(500.00)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>
c)	Interest Accrued, but not due	-	-	-	-
		<i>(13.25)</i>	<i>(-)</i>	<i>(-)</i>	<i>(-)</i>
d)	Loans and advances given	-	1,110.32	-	-
		<i>(-)</i>	<i>(1,439.32)</i>	<i>(-)</i>	<i>(-)</i>
e)	Guarantees and collaterals	-	3,075.00	-	-
		<i>(-)</i>	<i>(2,000.00)</i>	<i>(-)</i>	<i>(-)</i>
f)	Other Recoverable	-	-	-	-
		<i>(-)</i>	<i>(-)</i>	<i>(0.28)</i>	<i>(-)</i>
6)	Managerial Remuneration (Refer note 38)	-	-	-	202.31
		<i>(-)</i>	<i>(-)</i>	<i>(-)</i>	<i>(129.43)</i>

Note: 1) Related Party relationship is as identified by the Company and relied upon by the auditors.

2) Figures in italic and brackets pertain to the previous year.

Notes forming part of the Financial Statements

33. In respect of equipments given on operating leases, no refundable deposits are taken and the lease rentals recognised in the Statement of Profit and Loss for the period included under Sale of Services under Revenue from Operations aggregate to Rs.331.61 Lakhs (Previous Year : Rs.244.43 Lakhs).

34. Earnings per Share (EPS)

Sr. No	Particulars	Eighteen months ended 31st March, 2016	Twelve months ended 30th September, 2014
A)	Weighted Average Number of Equity Shares (Nos.)	22,817,461	22,817,461
B)	Net (Loss)/Profit after Tax available for Equity Shareholders for the period - Total Operations (Rs. in Lakhs)	(512.00)	128.62
C)	Net (Loss)/Profit after Tax available for Equity Shareholders for the period - Continuing Operations (Rs. in Lakhs)	(48.37)	883.65
D)	Basic and Diluted Earnings (Loss)/Earnings Per Share (Rs.) (Face Value of Rs 10/- share)		
	Total Operations (B/A)	(2.24)	0.56
	Continuing Operations (C/A)	(0.21)	3.87

35. The components of Deferred Tax Assets /(Liabilities) are as under:

(Rs.in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Deferred Tax Assets relating to		
a) Unpaid Liabilities under Section 43B of the Income Tax Act,1961*	47.19	112.24
b) Provision for Doubtful debts	*	106.58
c) Voluntary Retirement costs	*	9.02
d) Provision for foreseeable losses	*	94.79
e) Unabsorbed tax depreciation *	-	27.37
Total (A) :	47.19	350.00
Less : Deferred Tax Liability relating to		
On difference between book balance and tax balance of fixed assets	47.19	350.00
Total (B) :	47.19	350.00
Net Deferred Tax Assets / (Liabilities) (A-B)	-	-

* Considered to the extent that there are compensating timing differences, reversal of which will result in sufficient income against which this can be realized.

Notes forming part of the Financial Statements
36. Contingent Liabilities

(Rs. in Lakhs)

Sr. No.	Particulars	As at 31st March, 2016	As at 30th September, 2014
a)	Guarantees issued by the company on behalf of its subsidiary (Tatanet Services Limited) (amount of loan outstanding against this guarantee is Rs. 553.40 Lakhs (Previous year: Rs. 371.00 Lakhs))	3,075.00	2,000.00
b)	Claims against the company not acknowledged as debt comprises of:		
	i) Excise duty, sales tax and service tax claims disputed by the company relating to issues of applicability and classification	558.05	654.77
	ii) Other matters (excluding claims where amounts are not ascertainable)	29.28	29.28
c)	Income Tax Demand against the company not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which company is in appeal. Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums / authorities	631.33	631.33

37. Disclosure as required by Accounting Standard 29 – “Provisions, Contingent Liabilities and Contingent Assets” as at period end are as follows:

- 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.
- Provision for future losses pertains to certain onerous contracts where the unavoidable costs of meeting the obligations as per the contracts exceed the economic benefits expected to be received from it.
- The movement and provision during the period are as follows:

(Rs. in Lakhs)

Particulars	Warranties		Future foreseeable losses on contracts	
	Eighteen months ended 31st March, 2016	Twelve months ended 30th September, 2014	Eighteen months ended 31st March, 2016	Twelve months ended 30th September, 2014
Opening Balance	310.67	373.82	292.17	282.52
Add: Provision during the period	106.76	162.31	11.81	28.58
Less: Utilisation during the period	84.39	60.31	78.42	-
Less: Reversal during the period	106.28	165.15	64.37	18.93
Closing Balance	226.76	310.67	161.19	292.17
Current (Refer note 10)	226.76	310.67	94.38	82.00
Non-current (Refer note 6)	-	-	66.81	210.17

38. Managerial Remuneration

(Rs. in Lakhs)

Sr. No.	Particulars	Eighteen months ended 31st March, 2016	Twelve months ended 30th September, 2014
i)	Salary and allowances	185.05	115.94
ii)	Contribution to provident and superannuation funds	7.72	4.52
iii)	Other perquisites	9.54	8.97
	Total (Refer note (ii) and (iii) below)	202.31	129.43

Notes forming part of the Financial Statements**Note :-**

- i) Ministry of Corporate Affairs vide its letter dated 6th January, 2016 has approved remuneration of Rs. 84.00 Lakhs per annum for the period of 3 years from 13th June, 2015 to 12th June, 2018. The Company has represented to the Central Government to increase this limit on various grounds, the response of which is awaited. Meanwhile, the Company has restricted the remuneration to Rs. 84.00 lakhs while making the payment of remuneration for the period from 13th June, 2015 to 31st March, 2016.
- ii) Above excludes charge for gratuity, provision for leave encashment as separate actuarial valuation figures are not available.
- iii) Managerial Remuneration above excludes Director's sitting fees of Rs. 18.18 Lakhs (Previous Year Rs.11.85 Lakhs) paid to Non Whole time Directors during the eighteen months ended 31st March, 2016.

39. During the current period, the Company has surrendered its factory license, as the Company does not intend to carry out any manufacturing activity.

40 Capital Commitment

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances paid)	122.25	58.50

41. Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. This information has been relied upon by the Auditors. There are no outstanding dues of Micro, Small and Medium Enterprises, which are outstanding for more than the stipulated period. There is no amount of interest due and payable.

42. The period end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are:

Particulars	Foreign Currency	As at 31st March, 2016	As at 30th September, 2014
		Amount in Foreign currency (in Lakhs)	
Receivable	USD	0.19	0.33
Payable	USD	1.13	2.84
	EUR	0.20	0.40
	NOK	0.12	0.12

Foreign currency exposures in respect of payable that have been hedged by a forward exchange contracts as at the period-end USD 10.63 Lakhs (Previous Year: USD 7.89 Lakhs).

43. Additional Information pursuant to the Part II of Schedule III to the Companies Act, 2013.

A. Costs of Materials consumed:

(Rs in Lakhs)

Particulars	Eighteen months ended 31st March, 2016		Twelve months ended 30th September, 2014	
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Battery and U.P.S	7.72	109.45	1.43	20.12
Cabinet & Panels	9.50	0.07	23.09	0.46
Cable and wires	36.67	5.81	78.68	12.62
Camera, Monitor & Lens	25.54	0.36	85.24	-
Electronic Modules	22.76	1.21	20.15	26.57
Others	25.37	8.90	181.67	41.45
Total	127.56	125.80	390.26	101.22

Notes forming part of the Financial Statements

Note:

The consumption in value has been ascertained on the basis of opening stock plus purchase less closing stock and includes adjustment in respect of write-off of obsolete raw materials and components.

B. Details of consumption of Imported and Indigenous Raw Materials. (Rs. in Lakhs)

Particulars	Eighteen months ended 31st March, 2016				Twelve months ended 30th September, 2014			
	Continuing Operations		Discontinuing Operations		Continuing Operations		Discontinuing Operations	
	%	Value	%	Value	%	Value	%	Value
Imported	33	41.71	89	112.02	14	54.23	61	62.05
Indigenous	67	85.85	11	13.78	86	336.03	39	39.17
Total	100	127.56	100	125.80	100	390.26	100	101.22

C. Expenditure in Foreign Currency (Rs in Lakhs)

Sr. No.	Particulars	Eighteen months ended 31st March, 2016		Twelve months ended 30th September, 2014	
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
i)	Foreign Travel	24.19	-	3.33	-
ii)	Bank Charges	-	-	0.26	-
iii)	Sub-contracting Expenses	223.26	0.44	117.23	-
iv)	Others	9.66	-	-	1.18

D. Earnings in Foreign Exchange (Rs in Lakhs)

Sr. No.	Particulars	Eighteen months ended 31st March, 2016		Twelve months ended 30th September, 2014	
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
i)	Engineering / Software Services	77.12	-	145.90	-
ii)	Exports of goods calculated on FOB basis	97.28	-	44.46	-

E. Value of Imports calculated on CIF basis (Rs in Lakhs)

Sr. No.	Particulars	Eighteen months ended 31st March, 2016		Twelve months ended 30th September, 2014	
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
i)	Raw Materials and Components	28.48	216.90	66.12	41.45
ii)	Finished Goods	2,380.51	9.85	1,541.19	27.31
iii)	Capital Goods	285.15	-	102.83	-

Notes forming part of the Financial Statements

F. Details of Revenue from Operations (Gross)

(Rs. in Lakhs)

Sr. No.	Particulars	Eighteen months ended 31st March, 2016		Twelve months ended 30th September, 2014	
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
1	Sale of Manufactured Products				
i	UGS/GPS - Assemblies & Equipments	-	252.16	2.03	570.10
ii	Fencing Equipments & Networking	-	-	1.34	-
iii	CCTV Systems	105.27	-	847.27	-
	Total	105.27	252.16	850.64	570.10
2	Sale of Traded Products				
i	Network Related Systems	225.77	-	678.35	-
ii	Camera	106.24	-	17.84	-
iii	Under Vehicle Scanning System	5.68	-	-	-
iv	Network Related Systems Integration	4,830.82	334.42	3,259.28	370.13
v	Others	307.44	-	20.46	-
	Total	5,475.95	334.42	3,975.93	370.13
3	Sale of Services	7,743.37	219.00	4,389.46	209.87
	Grand Total (1+2+3)	13,324.59	805.58	9,216.03	1,150.10

G. Details of Purchases of Stock in trade

(Rs in Lakhs)

Sr. No.	Particulars	Eighteen months ended 31st March, 2016		Twelve months ended 30th September, 2014	
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
1	Network Related Systems	142.83	-	730.71	-
2	Camera	78.60	-	117.66	-
3	Under Vehicle Scanning System	-	-	5.00	-
4	Real Time Viewing System (RTVS)	75.06	-	-	-
5	Network Related Systems Integration	3,690.77	154.64	1,998.25	315.52
6	Others	90.93	-	87.35	-
	TOTAL	4,078.19	154.64	2,938.97	315.52

Notes forming part of the Financial Statements

44. In the year 2006, the Company had filed arbitration proceedings against Jawaharlal Nehru Port Trust (JNPT) for enforcement of its claim in respect of the additional work carried out, wrongful deduction of liquidated damages and encashment of bank guarantee by JNPT. The Arbitration award was passed in favour of the Company on 6th February, 2012. The said award, however, was challenged by JNPT in the Hon'ble Bombay High Court which dismissed the plea on 6th February, 2014 and awarded the claim to the Company. JNPT paid Rs. 1,240.90 Lakhs as decretal dues in June 2014 quarter.
45. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

Signature to Notes forming part of financial statements " 1" to "45"

For and on behalf of the Board of Directors

R.R. Bhinge
Chairman

P. J. Nath
Executive Director & CEO

Uday Banerjee
Chief Financial Officer

Girish V. Kirkinde
Company Secretary

Place: Mumbai
Date : 4th May, 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NELCO LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NELCO LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the eighteen months period then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2016 and their consolidated loss and their consolidated cash flows for the eighteen months period ended on that date.

Emphasis of Matter

We draw attention to Note 27 to the consolidated financial statements which states that the Group has accumulated losses as at 31st March 2016 and its net worth has been substantially eroded and the Group has incurred a net loss during the current eighteen months period. However, the consolidated financial statements of the Group have been prepared on a going concern in view of the Group's business plan and the support letter from the Parent Company.

Our opinion is not modified in respect of this matter.

Other Matters

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 4,043.70 lakhs as at 31st March, 2016, total revenues of Rs. 9,544.25 lakhs and net cash outflows amounting to Rs. 307.74 lakhs for the eighteen months period ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 42.61 lakhs for the eighteen months period ended 31st March, 2016, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary company and an associate company, to the extent applicable we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company and associate company incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W /W-100018)

Place: Mumbai
Date: 4th May, 2016

Gurvinder Singh
(Partner)
(Membership No. 110128)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Company's accounting year is commenced from 1st October, 2014, accordingly, requirements of the Companies (Auditor's Report) Order, 2015 are applicable for the Company. Our reporting on the Order includes one subsidiary company and one associate company incorporated in India, to which the Companies (Auditor's Report) Order, 2016 is applicable. The financial statements of these companies, have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Companies (Auditor's Report) Order, 2015 in the case of the consolidated financial statements.

1. In respect of the fixed assets of the Holding Company, subsidiary company and associate company incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and in the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
2. In respect of the inventories of the Holding Company and associate company incorporated in India:
 - (a) As explained to us and the other auditor, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
The clause (ii) is not applicable to the subsidiary company.
3. The Holding Company, subsidiary company, and associate company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
4. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary company and an associate company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
5. According to the information and explanations given to us, the Holding Company, subsidiary company and an associate company incorporated in India have not accepted any deposit during the year. Accordingly, paragraph (v) of the Order is not applicable to the Company, its subsidiary and associate.
6. According to the information and explanations given to us and the other auditors, in our opinion and in the opinion of the other auditors, the Holding Company and subsidiary company have, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section(1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with view to determine whether they are accurate or complete. According to the information and explanations given to the auditor of the associate company and in the opinion of the said auditor, the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the associate company.
7. According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary company and an associate company incorporated in India:
 - a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
 - b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and

other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- c) Details of dues which have not been deposited as on March 31, 2016 on account of disputes by the aforesaid entities are given below:

Name of the statute	Nature of the dues	Forum where the dispute is pending	Financial Year relates to which the matter pertains	Amount (Rs. in Lakhs)
Income – Tax Laws	Income –Tax	Appellate Authority – Commissioner Level	2010-11	631.33
			2011-12	1.68
Sales – Tax Laws	Sales-Tax	Appellate Authority - High Court Level	1989-90 and 1990-91	17.43
			1985-86 to 1990-91, 1992-93, 1996-97, 2003-04, 2012-13	33.99
			2005-06, 2008-09 to 2009-10	158.07
		Appellate Authority Joint Commissioner Level	2006-07 to 2010-11	3835.57
Customs Duty Laws	Customs Duty	Appellate Authority - Assessing Officer Level	1991 to 1993	9.40
Excise Duty Laws	Excise Duty	Appellate Authority - Commissioner Level	1983-84 to 1985-86	56.43
Service Tax Laws	Service Tax	Appellate Authority – up to Commissioner Level	2003-04, 2005-06, 2006-07	217.69

- d) There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
8. The consolidated accumulated losses of the Group and its associate at the end of the financial year are not less than fifty percent of the consolidated net worth and the Group and its associate have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
 9. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary company and an associate company incorporated in India have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company, subsidiary company and an associate company incorporated in India have not issued any debentures.
 10. According to the information and explanations given to us, the Holding Company, subsidiary company and an associate company incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
 11. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary company and an associate company incorporated in India during the year for the purposes for which they were obtained.
 12. To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary company and an associate company incorporated in India and no material fraud on the Holding Company, its subsidiary company and an associate company incorporated in India has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
 Chartered Accountants
 (Firm's Registration No. 117366W /W-100018)

Gurvinder Singh
 (Partner)
 (Membership No. 110128)

Place: Mumbai
 Date: 4th May, 2016

Consolidated Balance sheet as at 31st March, 2016

(Rs in Lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 30th September, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	2,281.75	2,281.75
(b) Reserves and surplus	3	(1,313.77)	(591.59)
		967.98	1,690.16
2 Non-current liabilities			
(a) Long-term borrowings	4	322.88	323.09
(b) Other long-term liabilities	5	47.58	95.88
(c) Long-term provisions	6	450.47	504.65
		820.93	923.62
3 Current liabilities			
(a) Short-term borrowings	7	8,000.89	6,201.69
(b) Trade payables	8		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,104.06	3,548.91
(c) Other current liabilities	9	1,735.94	1,845.96
(d) Short-term provisions	10	366.53	437.13
		13,207.42	12,033.69
		14,996.33	14,647.47
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	2414.99	3,036.99
(ii) Intangible assets	11	168.77	508.76
(iii) Capital work-in-progress		611.34	335.96
		3,195.10	3,881.71
(b) Non-current investments	12	873.77	833.45
(c) Deferred tax assets (net)	35	52.00	-
(d) Long-term loans and advances	13	2,695.72	1,829.66
		6,816.59	6,544.82
2 Current assets			
(a) Inventories	14	1,346.82	1,514.40
(b) Trade receivables	15	4,585.38	3,864.13
(c) Cash and Cash Equivalents	16	527.30	490.53
(d) Short-term loans and advances	17	671.86	1,006.21
(e) Other current assets	18	1,048.38	1,227.38
		8,179.74	8,102.65
		14,996.33	14,647.47
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants'

For and on behalf of the Board of Directors

R.R. Bhinge
Chairman

P. J. Nath
Executive Director & CEO

Gurvinder Singh
Partner

Uday Banerjee
Chief Financial Officer

Girish V. Kirkinde
Company Secretary

Place: Mumbai
Date : 4th May, 2016

Place: Mumbai
Date : 4th May, 2016

Consolidated Statement of Profit and Loss for the eighteen months period ended 31st March, 2016

(Rs in Lakhs)

Particulars	Note No.	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
A Continuing Operations			
1 Revenue from operations (gross)	19	20,044.23	12,396.10
Less: Excise duty		0.25	69.37
Revenue from operations (net)		<u>20,043.98</u>	<u>12,326.73</u>
2 Other income	20	297.44	158.39
3 Total revenue (1+2)		<u>20,341.42</u>	<u>12,485.12</u>
4 Expenses			
(a) Cost of materials consumed		127.56	390.26
(b) Purchases of stock-in-trade		4,078.19	2,938.97
(c) Changes in inventories of work-in-progress, contract-in-progress and stock-in-trade	21	7.67	472.41
(d) Employee benefits expense	22	2,826.81	1,781.61
(e) Finance costs	23	1,293.51	682.23
(f) Depreciation and amortisation expense	11 & 29	1,409.32	861.28
(g) Other expenses	24	10,748.44	5,627.09
Total expenses		<u>20,491.50</u>	<u>12,753.85</u>
5 Loss before exceptional items and tax (3 - 4)		(150.08)	(268.73)
6 Exceptional items		-	1,240.90
(Refer note 41 for twelve months ended 30th September, 2014)			
7 (Loss) / Profit before tax (5+6)		<u>(150.08)</u>	<u>972.17</u>
8 Less: Tax expense			
Current tax		52.00	52.00
Deferred tax		(5.32)	-
		<u>46.68</u>	<u>52.00</u>
9 (Loss) / Profit after tax from Continuing Operations before share of profit in associate (7-8)		(196.76)	920.17
10 Add: Share of profit in associate		42.61	27.81
11 Profit after tax from Continuing Operations (9+10)		<u>(154.15)</u>	<u>947.98</u>
B Discontinuing Operations			
12 (Loss) from Discontinuing Operations (before exceptional item and tax)	25 & 26	(625.63)	(755.02)
13 Add:- Exceptional profit	26(a)	162.00	-
14 Add / Less :- Tax expenses of Discontinuing Operations		-	-
15 (Loss) after tax from Discontinuing Operations (12+13-14)	25 & 26	<u>(463.63)</u>	<u>(755.02)</u>
C Total Operations			
16 (Loss) / Profit after tax from Total Operations (11+15)		<u>(617.78)</u>	<u>192.96</u>
17 Earnings per share (Face value of Rs 10/- per share) :			
Basic and Diluted (in Rs.)			
(i) Continuing Operations	34	(0.68)	4.15
(ii) Total Operations	34	(2.71)	0.85
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants`

Gurvinder Singh
Partner

Place: Mumbai
Date : 4th May, 2016

For and on behalf of the Board of Directors

R.R. Bhinge
Chairman

Uday Banerjee
Chief Financial Officer

P. J. Nath
Executive Director & CEO

Girish V. Kirkinde
Company Secretary

Place: Mumbai
Date : 4th May, 2016

Consolidated Cash Flow Statement for the eighteen months period ended 31st March, 2016			
(Rs. In Lakhs)			
Particulars	For the eighteen months ended 31st March, 2016		For the twelve months ended 30th September, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES			
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX (INCLUDING DISCONTINUING OPERATIONS)		(775.71)	(1,023.75)
ADJUSTMENTS FOR			
Depreciation	1,741.32		919.28
Interest Income	(48.13)		(42.64)
Dividend Income on long term investment	-		(0.08)
Loss on sale of investment in Associate	-		9.15
Provision for doubtful debts and advances	106.84		(52.41)
Doubtful advances written off	22.52		-
Interest Expense	1,426.66		949.78
(Profit) / Loss on Sale of Fixed Assets	(5.00)	3244.21	3.05 1,786.13
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		2468.50	762.38
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	167.58		449.08
Trade receivables	(828.09)		1,787.27
Short-term loans and advances	311.83		(293.36)
Long-term loans and advances	(10.50)		1.98
Other current assets	179.00		293.07
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	(444.85)		(787.91)
Other current liabilities	(335.46)		209.29
Other long-term liabilities	(48.28)		(47.18)
Short-term provisions	(70.60)		(33.42)
Long-term provisions	(54.18)	(1,133.56)	(12.63) 1,566.19
CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS		1,334.95	2,328.57
Cash flow from Exceptional items (refer note 26 for current year ended 31st March, 2016 and note 41 for previous year ended 30th September, 2014)		162.00	1,240.90
CASH GENERATED / (USED IN) FROM OPERATIONS AFTER EXCEPTIONAL ITEMS		1,496.95	3,569.47
Net Income Tax (paid) / refund		(907.56)	(316.55)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		589.39	3,252.92
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(1,024.76)	(766.05)
Purchase of Investment		-	(17.84)
Sale of fixed assets		6.79	5.01
Sale of Investments		-	9.96
Interest received		48.13	42.64
Dividend received		-	0.08
Dividend received from Associate		2.29	6.88

Consolidated Cash Flow Statement for the eighteen months period ended 31st March, 2016 (contd.)

(Rs. In Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Bank balance not considered as Cash and Cash Equivalents	(2.52)	(0.73)
NET CASH FLOW (USED) IN INVESTING ACTIVITIES (B)	(970.07)	(720.05)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term borrowings	297.51	119.64
Repayment of Long-term borrowings	(241.28)	(138.91)
Proceeds from Short-term borrowings	7,307.62	1,596.91
Repayment of Short-term borrowings	(4,658.82)	(1,721.50)
Increase/(Decrease) in cash credit balances Including bank overdft (Net)	(50.28)	267.89
Matured deposit paid	(0.05)	(0.43)
Proceeds from Inter-corporate deposits	8,950.00	4,300.00
Repayment of Inter-corporate deposits	(9,750.00)	(5,870.00)
Dividend paid	(0.15)	(0.07)
Interest paid	(1,439.62)	(993.14)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES (C)	414.93	(2,439.61)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	34.25	93.26
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD	458.64	365.38
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (Refer note 1 below)	492.89	458.64
Reconciliation of Cash and cash equivalents with the Balance Sheet		
Cash and cash equivalents (Refer Note 16)	492.89	458.64
Less :- Other bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements :		
In earmarked accounts (refer note 3 below)		
- Unpaid dividend accounts	11.72	11.87
- Unpaid matured deposits	-	0.05
-Balance held as margin money against letter of credit and bank guarantees	22.69	19.97
	34.41	31.89
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (as defined in AS 3 cash flow statements) included in Note 16 (refer note 1 below)	492.89	458.64

Notes:

1) Cash and cash equivalents include:

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
i) Cash in hand	2.96	1.01
ii) Cheques on Hand	271.90	53.92
iii) Balances with banks		
In current accounts	218.03	403.71
Total cash and cash equivalents as per AS 3	<u>492.89</u>	<u>458.64</u>

- 2) The Cash flow statement reflects the combined cashflows pertaining to continuing and discontinuing operations.
- 3) These earmarked account balances with banks can be utilised only for the specific identified purposes.
- 4) Previous year's figures have been regrouped wherever necessary.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants`

For and on behalf of the Board of Directors

R.R. Bhinge
Chairman

P. J. Nath
Executive Director & CEO

Gurvinder Singh
Partner

Uday Banerjee
Chief Financial Officer

Girish V. Kirkinde
Company Secretary

Place: Mumbai
Date : 4th May, 2016

Place: Mumbai
Date : 4th May, 2016

Notes forming part of the Consolidated Financial Statements

Note 1

A. Background

The Company was formed in the year 1940 as National Ekco Radio & Engineering Co Ltd (JV between E K Cole & Fazalbhoy). The Company became "Nelco Limited" in 1969.

In 1969, the Company was pre-dominantly the manufacturer of audio-visual appliances like Television, calculator, Servo Voltage Stabilizers and such other office equipment. In late 90's the Company entered in Automation business (SCADA, Traction & Drives), which was divested in 2010. In 1995 the Company through its subsidiary, Tatanet Services Limited (TNSL) first installed VSAT captive hub for Tata Group Companies connectivity and in 2003 it entered into the public domain in VSAT services.

Nelco is today focused in providing systems and solutions in the areas of VSAT connectivity. It also provides solutions in the area of Integrated Security & Surveillance.

The Company offers a range of innovative and customized solutions for businesses and government institutions under one roof.

B. Principles of Consolidation:

- a. The consolidated financial statements relate to Nelco Limited (the 'Company') its subsidiary company and the group's share of profit / (loss) in its associate.

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS – 21) – "Consolidated Financial Statements" and Accounting Standard 23 (AS – 23) – "Accounting for Investments in Associates in Consolidated Financial Statements".

The audited financial statements of the subsidiary and associate company considered in consolidation are drawn up to the same reporting date as that of the Company i.e. eighteen months ended 31st March, 2016.

- (i) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- (ii) The consolidated financial statements include the share of profit / (loss) of an associate, which is accounted under the "Equity method" as per which the share of profit/ (loss) of the associate has been added/deducted to/from the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- (iii) The excess of cost to the company of its investments in its subsidiary over its equity of the subsidiary at the date on which the investments in the subsidiary is made, is recognised as 'Goodwill', being an asset in the consolidated financial statements and is tested for impairment.
- b. The subsidiary (which along with Nelco Limited, the Parent, constitute the Group) considered in the preparation of these consolidated financial statements is :

Name	Country of Incorporation	% of voting power held as at 31st March, 2016.	% of voting power held as at 30th September, 2014.
Tatanet Services Limited	India	100 %	100 %

- c. Investments in Associate

The Group's Associate is:

Name	Country of Incorporation	% of ownership Interest held as at 31st March, 2016.	% of ownership Interest held as at 30th September, 2014.
Nelito Systems Limited	India	22.25 %	22.25 %

Notes forming part of the Consolidated Financial Statements

- d. The breakup of Investment in Associates is as under:

Sr. No.	Particulars	Nelito Systems Limited	
		As at 31st March, 2016	As at 30th September, 2014
(i)	Number of Equity Shares (Nos.)	458,877	458,877
(ii)	Percentage holding	22.25%	22.25%
(iii)	Cost of Investments (Equity Shares) (Rs. in Lakhs)	205.25	205.25
(iv)	Including Goodwill/ (Capital Reserve) (Rs. in Lakhs)	(68.83)	(68.83)
(v)	Share in accumulated profits net of dividends received upto March 31st, 2016 / September 30th, 2014 (Rs. in Lakhs)	626.70	605.77
(vi)	Share of profit / (losses) for the period (Rs. in Lakhs)	42.61	27.81
	Less: Dividend received during the period (Rs.in Lakhs)	(2.29)	(6.88)
(vii)	Carrying Cost (Rs.in Lakhs)	872.27	831.95

- e) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.

C. Significant Accounting Policies**1.1 Basis of Accounting and preparation of consolidated financial statements**

The consolidated financial statements of the Company have been prepared under the historical cost convention, on an accrual basis, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

As required by the Companies Act, 2013, the Company has extended its financial year end of its consolidated financial statements from 30th September, 2015 to 31st March, 2016. Consequently, the consolidated financial statements of the Company are for 18 months from 1st October, 2014 to 31st March, 2016. Accordingly, the corresponding figures for twelve months ended 30th September, 2014 are not comparable.

1.2 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Notes forming part of the Consolidated Financial Statements

1.5 Fixed Assets and Depreciation

Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold land is amortized over the duration of the lease.

1.6 Intangible Assets

Intangible assets are initially measured at cost and amortized over their estimated useful life on straight line method as follows:

Software Expenditure incurred is amortized over a period of five years from the date of acquisition.

Technical knowhow is amortized over a period of five years from the date of acquisition.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

1.7 Inventory Valuation

- a) Inventories comprise all costs of purchases, conversion and other costs incurred in bringing the inventories to their present location and condition.
- b) Raw materials are valued at the lower of cost or net realizable value. Cost is determined on the basis of the moving weighted average method.
- c) Finished goods produced and purchased for sale, semi finished products and spares are carried at cost or net realizable value, whichever is lower.

1.8 Investments

Investments, being long term, are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

1.9 Revenue Recognition

1.9.1 Sale of product is recognized when risk and rewards of ownership of the product are passed on to the customers on the basis of terms of contract, which is generally on the dispatch of goods.

1.9.2 Sales from services are recognized when services are performed.

1.9.3 Income on Investment

- i) Interest income is accounted on accrual basis.
- ii) Dividend income is accounted when right to receive payment is established.

1.10 Accounting for Contracts

Contract revenue are accounted on "Percentage of Completion" basis measured by the proportion that the cost incurred up to the reporting date bears to the estimated total cost of the contract.

1.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the period is recognized as income or expense, as the case may be. Any premium or discount arising at the inception of a forward exchange contract is recognized as income or expense over the life of contract.

Notes forming part of the Consolidated Financial Statements

1.12 Provision for Warranty

In respect of warranties given by the company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

1.13 Employee Benefits

Defined Contribution Plan

- (a) Company's contributions paid/payable during the period towards Provident Fund, Superannuation Fund and ESIC are recognized in the Statement of Profit and Loss.
- (b) Company's Contribution towards Provident Fund is based on a percentage of salary which is made to a trust administered by the company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the company.

Defined Benefit Plan

Company's liability towards gratuity and long term compensated absences are determined by independent actuaries, using projected unit credit method. Past services are recognized on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized immediately in the Statement of Profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to the market yields at the balance sheet date on Government Bonds where currency and terms of Government Bonds are consistent with the currency and estimated terms of the benefit obligation.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

1.14 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities."

1.15 Lease Rentals

The company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc.), plant, machinery and equipments taken on lease. The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

Notes forming part of the Consolidated Financial Statements

1.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.17 Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

1.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Note 2 Share capital

Particulars	As at 31st March, 2016		As at 30th September, 2014	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Authorised				
Equity Shares of Rs.10/- each with voting rights	25,000,000	2500.00	25,000,000	2500.00
Redeemable Preference Shares of Rs.100/- each	2,500,000	2500.00	2,500,000	2500.00
		5000.00		5000.00
Issued:				
Equity shares of Rs 10/- each with voting rights (including 939 equity shares pending allotment)	22,818,400	2281.85	22,818,400	2281.85
		2281.85		2281.85
Subscribed and fully paid up				
Equity shares of Rs 10/- each with voting rights	22,817,461	2281.75	22,817,461	2281.75
Total	22,817,461	2281.75	22,817,461	2,281.75

Refer Notes (i) to (iv) below

Notes forming part of the Consolidated Financial Statements**Notes:**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2016		As at 30th September, 2014	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Equity shares - Subscribed Opening and Closing balance	22,817,461	2,281.75	22,817,461	2,281.75

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at 31st March, 2016		As at 30th September, 2014	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Equity shares				
The Tata Power Company Limited (48.65%) (Holding Company)	11,099,630	1,109.96	11,099,630	1,109.96
Aftaab Investment Company Limited (1.44%) (Subsidiary of Holding Company)	328,410	32.84	328,410	32.84

(iii) The company has issued only one class of equity shares having a par value of Rs. 10 /- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of 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 shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2016		As at 30th September, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
The Tata Power Company Limited	11,099,630	48.65%	11,099,630	48.65%

Notes forming part of the Consolidated Financial Statements
Note 3 Reserves and surplus

(Rs.in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
General reserve		
Opening balance and closing balance	250.00	250.00
(Deficit) in Statement of Profit and Loss		
Opening balance	(841.59)	(940.97)
Add: (Loss) / Profit for the period	(617.78)	192.96
	(1,459.37)	(748.01)
Less : Depreciation on transition to schedule II of the Companies Act, 2013 on tangible assets with nil remaining useful life (Net of deferred tax) (refer note 29)	104.40	93.58
	104.40	93.58
Closing balance	(1,563.77)	(841.59)
Total	(1,313.77)	(591.59)

Notes forming part of the Consolidated Financial Statements
Note 4 Long-term borrowings

(Rs.in Lakhs)

Particulars	As at 31st March, 2016			As at 30th September, 2014		
	Long-term	Current Maturities (Refer Note 9)	Total	Long-term	Current Maturities (Refer Note 9)	Total
Term loans from Bank - Secured	293.50	156.22	449.72	274.28	96.73	371.01
Deferred Sales tax liability (Under the Sicom Incentive Scheme) - Unsecured	29.38	19.43	48.81	48.81	22.48	71.29
Total	322.88	175.65	498.53	323.09	119.21	442.30

Note :-Terms of repayment as at 31st March, 2016

(Rs.in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014	Start date	Maturity Date	Repayment of installment	Remarks
Term loans from Bank- Secured	449.72	371.01	1-Oct-12	1-Dec-20	Monthly	-
Deferred Sales tax liability (Under the Sicom Incentive Scheme) - Unsecured	48.81	71.29	26-Apr-04	26-Apr-18	Various	Repayable in five equal annual installments after ten years from the year of availment of respective loan.

Notes forming part of the Consolidated Financial Statements**Note 5 Other long-term liabilities**

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Other payables		
Liability towards voluntary retirement scheme	47.58	95.88
Total	47.58	95.88

Note 6 Long-term provisions

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Provision for employee benefits:		
Compensated absences	143.47	108.91
Gratuity (Refer note 30)	240.19	185.57
	<u>383.66</u>	<u>294.48</u>
Provision - Others:		
Estimated losses on onerous contracts (Refer note 37)	66.81	210.17
Total	450.47	504.65

Note 7 Short-term borrowings

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Term loans		
From banks- Secured (Refer note (ii) below)	495.71	346.91
Loan repayable on Demand		
Cash credit from Banks - Secured (Refer note (i) below)	255.18	304.78
From banks- Unsecured	3,750.00	1,250.00
Other loans and advances		
Inter corporate deposit - Unsecured		
- from Holding Company	-	500.00
- from others	3,500.00	3,800.00
Total	8,000.89	6,201.69

Note:

- (i) Cash credit from Banks are secured by hypothecation of all tangible moveable assets, including stocks of raw materials, finished goods, goods-in-process, book debts, monies receivable and a second charge on fixed assets of the Company.
- (ii) Term Loans from The Zoroastrian Co-operative Bank Limited are secured by pari-passu first charge both on the present and future fixed assets, (all tangible moveable machinery and plant) of the company.

Notes forming part of the Consolidated Financial Statements
Note 8 Trade payables

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Trade payables:		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,104.06	3,548.91
Total	3,104.06	3,548.91

Note 9 Other current liabilities

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Current maturities of long-term debt (Refer note 4)	175.65	119.21
Interest accrued but not due on borrowings	43.47	56.42
Overdrawn Balances as per Books	-	0.68
Income received in advance	495.75	665.21
Unclaimed dividends*	11.72	11.87
Unclaimed matured deposits*	-	0.05
Other payables		
Statutory remittances (Contributions to PF, ESIC and Withholding Taxes)	78.29	65.75
Liability towards Department Of Telecommunications	3.54	98.27
Liability towards Standing Advisory Committee on Radio Frequency Allocation	-	20.26
Payables in respect of Fixed assets	523.99	341.14
Trade / security deposits received	58.06	24.06
Advances from customers	317.11	399.45
Liability towards voluntary retirement scheme	28.36	43.59
Total	1,735.94	1,845.96

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 10 Short-term provisions

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Provision for employee benefits		
Compensated absences	23.29	18.21
Gratuity (Refer note 30)	22.10	26.25
	45.39	44.46
Provision - Other		
Warranty (Refer note 37)	226.76	310.67
Estimated losses on onerous contracts (Refer note 37)	94.38	82.00
Total	366.53	437.13

Notes forming part of the Consolidated Financial Statements

Note 11 Fixed Assets

(Rs in Lakhs)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION AND AMORTISATION					NET BLOCK		
	As at 1st Oct, 2014	Additions	Deduction	Transfer on sale of Business	As at 31st Mar, 2016	Transition adjustment recorded against surplus balance in statement of profit and loss (Refer Note 29)	For the eighteen months ended 31st March, 2016 (refer note 3 below)	Deduction	Transfer on sale of Business	As at 31st Mar, 2016	As at 30th Sep, 2014
Tangible Assets											
Land -Leasehold	35.90	-	-	-	35.90	-	0.54	-	-	10.37	25.53
Building	35.90	-	-	-	35.90	-	0.38	-	-	9.83	26.07
	335.90	-	-	-	335.90	-	18.23	-	-	214.92	120.98
	335.90	-	-	-	335.90	-	11.13	-	-	196.69	139.21
Plant and machinery	4,962.96	726.39	-	4.10	5,685.25	0.01	892.30	-	0.82	3,942.82	1,501.34
	4,668.45	298.26	3.75	-	4,962.96	93.59	449.63	0.90	-	3,051.33	2,159.44
Electrical Installation	203.72	-	0.76	-	202.96	8.92	48.08	0.57	-	147.90	112.25
	209.25	-	5.53	-	203.72	-	9.28	2.32	-	91.47	124.74
Office equipments											
Own	2,231.45	30.61	106.61	1.76	2,153.69	142.15	154.89	105.01	0.74	2,061.60	361.14
Lease	2,217.46	14.57	0.58	-	2,231.45	-	86.53	0.14	-	1,870.31	433.54
	2,108.79	175.48	-	-	2,284.27	-	279.09	-	-	1,910.48	477.40
	2,072.53	40.75	4.49	-	2,108.79	-	284.02	2.93	-	1,631.39	722.23
Vehicles	26.93	-	-	-	26.93	-	4.17	-	-	21.81	9.29
	26.93	-	-	-	26.93	-	1.66	-	-	17.64	10.95
Total Tangible Assets - A	9,905.65	932.48	107.37	5.86	10,724.91	151.08	1,397.31	105.58	1.56	8,309.90	3,036.99
Previous year	9,566.42	353.58	14.35	-	9,905.65	93.59	842.63	6.29	-	6,868.66	3,027.69
Intangible Assets											
Goodwill on consolidation	0.40	-	-	-	0.40	-	-	-	-	-	0.40
	0.40	-	-	-	0.40	-	-	-	-	-	0.40
License Fees - VSAT	30.00	-	-	-	30.00	-	2.25	-	-	21.00	11.25
	30.00	-	-	-	30.00	-	1.50	-	-	18.75	12.75
License Fees - ISP	20.00	-	-	-	20.00	-	2.00	-	-	10.60	11.40
	20.00	-	-	-	20.00	-	1.33	-	-	8.60	12.73
Testing Software	397.19	15.60	-	17.08	395.71	-	35.64	-	5.50	362.98	64.35
	378.71	18.48	-	-	397.19	-	42.14	-	-	332.84	88.01
Technical Know-how	1,536.15	-	-	-	1,536.15	-	304.12	-	-	1,418.91	421.36
	1,083.11	453.04	-	-	1,536.15	-	31.68	-	-	1,114.79	421.36
Total Intangible Assets - B	1,983.74	15.60	-	17.08	1,982.26	-	344.01	-	5.50	1,813.49	508.76
Previous year	1,512.22	471.52	-	-	1,983.74	-	76.65	-	-	1,474.98	113.89
Grand Total - A+B	11,889.39	948.08	107.37	22.94	12,707.17	151.08	1,741.32	105.58	7.06	10,123.39	3,545.75
Previous year	11,078.64	825.10	14.35	-	11,889.39	93.59	919.28	6.29	-	8,343.64	3,741.58

Notes forming part of the Consolidated Financial Statements

Notes :-

- 1) Figures in Italics pertains to previous year.
- 2) Depreciation and amortisation expense relating to continuing operations :

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Depreciation and amortisation for the period on Tangible assets as per note above	1,397.31	842.63
Depreciation and amortisation for the period on Intangible assets as per note above	344.01	76.65
Depreciation and amortisation relating to total operations	1,741.32	919.28
Less :- Depreciation relating to Discontinuing operations	332.00	58.00
Depreciation and amortisation relating to Continuing Operations	1,409.32	861.28

- 3) Depreciation for the eighteen months ended 31st March, 2016 includes impairment loss of Rs 166.00 Lakhs (Previous Year Rs Nil) with respect to technical Know-how, recognised in statement of profit and loss (refer note 25(b))

Note 12 Non-current investments (At cost, less provision other than temporary , if any)

(Rs in Lakhs)

Particulars	Number of Shares	Face value per unit (Rs.)	As at 31st March, 2016	As at 30th September, 2014
Unquoted - Equity Shares				
Trade				
In Associate Companies				
Nelito Systems Limited (refer note 1B (d))	458,877	10	872.27	831.95
In Other Companies				
Technopolis Knowledge Park Limited	1,810,000	10	181.00	181.00
Other investments				
Ordinary Shares of Zoroastrian Co-operative Bank Limited.	6,000	25	1.50	1.50
Total			1,054.77	1,014.45
Less: Provision for diminution in value of investments in respect of Technopolis Knowledge Park Limited.			181.00	181.00
Total			873.77	833.45
Note: Aggregate amount of unquoted investments			873.77	833.45

note 13 Long-term loans and advances (Unsecured, considered good)

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Security deposits	44.49	44.49
Advance income tax (net of provision for tax of Rs 2042.66 Lakhs Rs. (previous year : Rs 1,879.07 Lakhs))	2,560.92	1,705.36
Balances with government authorities	90.31	42.43
Unamortised portion of term loan processing charges	-	2.44
Other recoverables	-	34.94
Total	2,695.72	1,829.66

Notes forming part of the Consolidated Financial Statements**Note 14 Inventories**

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Raw materials - Goods-in-transit	-	170.69
Raw materials	-	257.16
Work-in-progress	-	175.13
Stock - in - trade	1,245.00	678.39
Contracts in Progress	84.46	233.03
Traded stock -in-transit	17.36	-
Total	1,346.82	1,514.40

Note 15 Trade receivables (Unsecured and considered good, unless otherwise stated)

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	654.38	551.07
Doubtful	200.33	391.79
	854.71	942.86
Less: Provision for doubtful trade receivables	200.33	391.79
TOTAL	654.38	551.07
Other Trade receivables (refer note (i) below)		
Considered good	3931.00	3,313.06
Doubtful	47.00	15.39
	3978.00	3,328.45
Less: Provision for doubtful trade receivables	47.00	15.39
TOTAL	3931.00	3,313.06
Total	4585.38	3,864.13

(i) Other Trade receivables include Rs. 2,188.81 lakhs (Previous year: Rs.620.71 lakhs), which in accordance with the terms of contracts, were not due for payment as at the period end.

Notes forming part of the Consolidated Financial Statements
Note 16 Cash and Cash Equivalents

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
A. Cash and cash equivalents (as per AS 3 cash flow statements)		
(a) Cash on hand	2.96	1.01
(b) Cheques on hand	271.90	53.92
(c) Balances with banks		
In current accounts	218.03	403.71
Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (A)	492.89	458.64
B. Other bank balances		
In earmarked accounts		
- Unpaid dividend accounts	11.72	11.87
- Unpaid matured deposits	-	0.05
- Balances held as margin money against letter of credit and bank guarantees	22.69	19.97
Total - Other bank balances (B)	34.41	31.89
Total Cash and Cash Equivalents (A+B)	527.30	490.53

Note 17 Short-term loans and advances - (Unsecured and considered good, unless otherwise stated)

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Security deposits		
Considered good	116.59	226.34
Doubtful	21.43	21.43
	138.02	247.77
Less: Provision for doubtful deposits	21.43	21.43
	116.59	226.34
Loans and advances to employees	9.56	12.56
Prepaid expenses	76.35	144.57
Balances with government authorities		
Cenvat credit receivables	228.86	209.60
Value Added Tax/Work Contract Tax	39.72	162.12
Advance to suppliers	76.14	209.91
Other recoverables	124.64	41.11
Total	671.86	1,006.21

Notes forming part of the Consolidated Financial Statements**Note 18 Other current assets**

(Rs in Lakhs)

Particulars	As at 31st March, 2016	As at 30th September, 2014
Unbilled revenue	1,035.93	1,219.56
Unamortised expenses		
Premium on Forward Contract	12.45	7.82
Total	1,048.38	1,227.38

Note 19 Revenue from operations

(Rs in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Sale of products	5581.22	4,826.58
Sale of Services	14416.12	7,543.73
Total (A)	19,997.34	12,370.31
Other Operating revenue		
Scrap sales	2.27	-
Commission income	44.62	25.79
Total (B)	46.89	25.79
Total (A)+(B)	20,044.23	12,396.10
Less: Excise duty	(0.25)	(69.37)
Total- Revenue from Operations	20,043.98	12,326.73

Note 20 Other income

(Rs in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Interest income comprises:		
Interest on Bank deposits	8.79	3.72
Interest on Income tax refund	39.34	38.92
Dividend income from long term investments	-	0.08
Other non-operating income comprises:		
Insurance claims recovered	0.18	0.19
Liabilities / Provisions no longer required written back	98.33	19.49
Bad Debts Recovered	33.95	25.84
Profit on sale of Fixed Assets (net)	4.72	-
Provision for doubtful advances written back	-	62.50
Rent Income	56.46	-
Foreign exchange gain (net)	2.16	-
Provision for foreseeable losses (refer note 37)	52.56	-
Miscellaneous income	0.95	7.65
Total	297.44	158.39

Notes forming part of the Consolidated Financial Statements
Note 21. Changes in inventories of work-in-progress, contracts in progress and Stock-in-trade

(Rs in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Inventories at the beginning of the period :		
Stock - in - trade	678.39	1,133.08
Work-in-progress	175.13	427.08
Contracts in progress	233.03	74.06
	1,086.55	1,634.22
Add:- Raw Materials converted into Stock- in -trade (refer note 38)	349.73	-
Less : Inventories at the end of the period :		
Stock - in - trade	1,245.00	678.39
Work-in-progress	-	175.13
Stock - in - transit	17.36	-
Contracts in progress	84.46	233.03
	1,346.82	1,086.55
Net (increase) / decrease	89.46	547.67
Less :- Changes in inventories of stock in trade in respect of Discontinuing Operations (refer note 25(c) and 26 (b))	81.79	75.26
Net changes in inventories of work-in-progress, contracts in progress and Stock-in-trade in respect of Continuing Operations	7.67	472.41

Note 22 Employee benefits expense

(Rs in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Salaries and wages	2,402.75	1,521.35
Contributions to provident fund, superannuation fund, etc. (refer note 30)	111.22	67.06
Gratuity (refer note 30)	75.84	35.81
Staff welfare expenses	237.00	157.39
Total	2,826.81	1,781.61

Note 23 Finance costs

(Rs in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Interest expense on:		
Borrowings	1,188.16	605.15
Trade payables	14.32	3.83
Bank charges	91.03	73.25
Total	1,293.51	682.23

Notes forming part of the Consolidated Financial Statements**Note 24 Other expenses**

(Rs in Lakhs)

Particulars	For the eighteen months ended 31st March, 2016	For the twelve months ended 30th September, 2014
Consumption of loose tools	26.63	14.69
License fees to Department of Telecommunications	1,153.26	579.84
Transponder charges	3,966.85	1,621.14
Subcontracting expenses	1,488.74	908.46
Power and fuel	276.50	118.04
Rent including lease rentals	277.72	120.96
Repairs and maintenance - Machinery	64.78	45.30
Repairs and maintenance - Others	266.57	133.19
Insurance	22.18	17.41
Rates and taxes	17.44	12.58
Travelling and conveyance	318.05	241.91
Freight and forwarding	320.65	240.50
Legal and professional	195.09	105.79
Consultancy charges	335.68	193.91
Installation expenses	730.28	396.49
Foreign exchange loss (net)	-	2.67
Bad debts/advances written off	295.36	242.32
Less: Provision for doubtful debts/advances made in earlier years written back	(295.36)	(242.32)
Provision for doubtful advances	22.52	-
Provision for doubtful debts and advances	106.84	189.91
Loss on sale of investment	-	9.15
Loss on fixed assets sold (net)	-	3.05
Provision for foreseeable losses (refer note 37)	-	9.65
Provision for warranty (refer note 37)	4.81	(10.59)
Miscellaneous expenses	1,153.85	673.04
Total	<u>10,748.44</u>	<u>5,627.09</u>

Notes forming part of the Consolidated Financial Statements

25. a) The Company vide its letter dated 3rd April, 2014 had informed the Stock Exchange about the approval of the Board of Directors to restructure the operations of Company's Integrated Security & Surveillance Solutions business (ISSS business) which inter alia, includes the business of Unattended Ground Sensors (UGS) and forms part of the Automation & Control' segment. As part of such restructuring, the Board of Directors of the Company at its meeting held on 28th January, 2015 accepted an offer made by The Tata Power Company Limited for its Strategic Engineering Division to purchase the business of UGS as a going concern on a slump sale basis at a consideration of Rs. 831 Lakhs with effect from 1st October 2014. The shareholders by postal ballot on 25th June, 2015 approved the transaction. The Business Transfer Agreement (BTA) was signed on 5th August, 2015. This is subject to concluding various approvals and consents to be received.
- b) The assets attributable to the UGS business have been impaired during the Eighteen months ended 31st March, 2016 to the tune of Rs. 166 Lakhs, and the same is included in "Depreciation and amortization expense" below.
- c) The financial parameters in respect of the ordinary activities attributable to the UGS business are as follows:

(Rs. In Lakhs)

Particulars	Eighteen months ended 31 st March, 2016	Twelve months ended 30 th September, 2014
Sale of Products	252.16	570.10
Sale of Services	-	-
Less :- Excise Duty	5.47	46.10
Revenue from Operation (net)	246.69	524.00
Other Income	-	-
Total Revenue (A)	246.69	524.00
Expenses		
Cost of Materials Consumed	125.80	101.22
Changes in Inventories of Work In progress, Contract Work in Progress and Stock in trade (refer Note 21)	-	99.78
Employee Benefit Expenses	211.60	173.08
Finance Costs	120.40	102.64
Depreciation and amortization Expense (Refer note 25(b) above)	329.57	53.85
Other Expenses	76.17	101.47
Total Expenses (B) *	863.54	632.04
Loss Before Tax (A-B)	(616.85)	(108.04)
Less :- Tax Expenses	-	-
Loss After Tax	(616.85)	(108.04)
Carrying amount of assets as at the balance sheet date relating to the discontinuing operation to be disposed off	783.58	997.18
Carrying amount of liabilities at the balance sheet date relating to the discontinuing operation to be settled	-	-
Net Cash flow attributable to the discontinuing operation		
Cash flow from / (used in) operating activities	(273.46)	(51.78)
Cash flow from / (used in) investing activities	(9.39)	(417.89)
Cash flow from / (used in) financing activities	(120.40)	(102.64)

* includes Rs. 142.00 Lakhs (Previous year Rs 209.00 Lakhs) expenses attributable to UGS business.

Notes forming part of the Consolidated Financial Statements

The transfer being effective from 1st October, 2014, the results of operation for the eighteen months ended 31st March, 2016, includes a portion attributable to The Tata Power Company Limited which will be given effect to on completion of transaction.

- 26 a) Further, as part of restructuring, the Board of Directors of the Company at its meeting held on 18th March, 2015 accepted the offer received from a company for the transfer of Managed Services business (MS Business) forming part of Network System segment as a going concern on a slump sale basis at a consideration of Rs. 210 Lakhs with effect from 1st April, 2015. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. The said transaction is concluded on 31st August, 2015 after entering into definitive agreement and after obtaining various approvals as required under applicable laws. The said transaction was given effect during the current period with effect from 1st April, 2015. An amount of Rs.162.00 Lakhs is accounted as Profit on Sale of this business in as disclosed under exceptional item.
- b) The financial parameters in respect of the ordinary activities attributable to the MS business are as follows :

(Rs. In Lakhs)

Particulars	Eighteen months ended 31 st March, 2016	Twelve months ended 30 th September, 2014
Sale of Products	334.42	370.13
Sale of Services	219.00	209.87
Less :- Excise Duty	-	-
Revenue from Operation (net)	553.42	580.00
Other Income	-	-
Total Revenue (A)	553.42	580.00
Expenses		
Purchase of Stock In Trade	154.64	315.52
Changes in Inventories of Work In progress, Contract Work in Progress and Stock in trade (refer note 21)	81.79	(24.52)
Employee Benefit Expenses	107.50	445.61
Finance Cost	14.11	164.91
Depreciation and amortization Expense	2.43	4.15
Other Expenses	213.41	320.85
Total Expenses (B) *	573.88	1,226.52
Loss Before Tax (A-B)	(20.46)	(646.52)
Less :- Tax Expenses	-	-
Loss After Tax **	(20.46)	(646.52)
Carrying amount of assets as at the balance sheet date relating to the discontinuing operation to be disposed off	-	100.05
Carrying amount of liabilities at the balance sheet date relating to the discontinuing operation to be settled	-	-
Net Cash flow attributable to the discontinuing operation		
Cash flow from / (used in) operating activities	77.81	(501.99)
Cash flow from / (used in) investing activities	15.83	(1.10)
Cash flow from / (used in) financing activities	(14.11)	(164.91)

*includes Rs.51.00 Lakhs (Previous year Rs.554.00 Lakhs) expenses attributable to MS business.

** includes Loss after tax of Rs.11.68 Lakhs in respect of MS business run on behalf of other company for the period from 1st April, 2015 to 31st August, 2015.

Notes forming part of the Consolidated Financial Statements

27. The Company has accumulated losses as at 31st March, 2016 which has substantially eroded the Company's net worth and has incurred a net loss during the current eighteen months period. Notwithstanding this, these audited financial statements have been prepared on going concern basis in view of business plan and the support letter from the parent company.
28. Information required as per Accounting Standard-7 "Construction Contracts", is as follows :

(Rs. in Lakhs)

Particulars	Eighteen months ended 31 st March, 2016		Twelve months ended 30 th September, 2014	
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Contract revenue recognised during the period	698.29		760.86	
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to period end	8,701.59		8,355.76	
Retention money for contracts in progress as at Balance Sheet date	372.17		322.39	
Gross amount due from customers for contract work (Asset) as at Balance Sheet date	968.59		1,358.52	
Gross amount due to customers for contract work (Liability) as at Balance Sheet date	-		10.52	

For the method used to determine the contract revenue recognised and the stage of completion on contract in progress, refer note 1.10

29. Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st October 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act. Consequently, the depreciation charge for the eighteen months ended 31st March 2016 is higher by Rs 471.42 Lakhs and Rs.104.40 Lakhs (net of tax Rs. 46.68 Lakhs) on account of transition provision has been adjusted to Reserves and Surplus as on 1st October, 2014.

Since the enactment of the Act was applicable to Tatanet Services Limited (TNSL) (wholly owned subsidiary) with effect from 1st April, 2014, TNSL has effective list April, 2014, revived and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act and as per the transitional provision the carrying amount of assets aggregating Rs. 93.98 lakhs where the remaining useful life of the asset as on March 31, 2014, is Nil is debited to Reserves and Surplus.

30. EMPLOYEE BENEFIT PLAN :

I. Defined Contribution Plans

Company's contribution paid/payable during the period to provident fund, superannuation fund and ESIC contribution are recognised as an expense and included in note 22 under the heading "Contributions to provident and superannuation fund, etc." and are as under:

(Rs. in Lakhs)

Sr. No	Particulars	Eighteen months ended 31 st March, 2016		Twelve months ended 30 th September, 2014	
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
a)	Contribution to Employees' Superannuation Fund	27.86	5.07	17.58	6.28
b)	Contribution to Employees' State Insurance Scheme	0.63	-	0.28	0.04
c)	Contribution to Provident Fund	82.73	8.39	49.20	18.58
	Total	111.22	13.46	67.06	24.90

Notes forming part of the Consolidated Financial Statements**Provident Fund:**

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by the Trust formed by the Company. The Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

The Rules of the Company's provident fund administered by a Trust require 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.

II) Gratuity (Unfunded)

(Rs.in Lakhs)

Sr. No.	Particulars	Eighteen months ended 31 st March, 2016	Twelve months ended 30 th September, 2014
1	Expenses recognized in Statement of Profit and Loss for the period ended		
	Current Service cost	24.89	16.38
	Interest cost	28.25	18.77
	Expected return on plan assets	-	-
	Net Actuarial (Gain)/Loss	34.27	12.38
	Total Expense (Refer Note 1 below)	87.41	47.53
2	Net Asset/(Liability) recognized in the Balance Sheet as at end of the period		
	Present value of Defined Benefit obligations as at the end of period	(262.29)	(211.82)
	Fair value of plan assets as at the end of the period	-	-
3	Changes in present value of obligations during the period		
	Net Asset/(Liability) as at	(262.29)	(211.82)
	Present value of obligations as at beginning of period	211.82	202.86
	Interest cost	28.25	18.77
	Current Service cost	24.89	16.38
	Liabilities transferred out	-	(0.86)
	Benefits Paid	(36.94)	(37.71)
	Actuarial (Gain)/Loss	34.27	12.38
	Present value of Defined Benefit obligations as at end of period	262.29	211.82
	Current (Refer note 10)	22.10	26.25
	Non-current (Refer note 6)	240.19	185.57

Notes forming part of the Consolidated Financial Statements

		31 st March, 2016	30 th September, 2014	30 th September, 2013	30 th September, 2012	30 th September, 2011
4	Experience Adjustments					
	a) Experience (Gain)/Loss on adjustments on plan assets	-	-	-	-	-
	b) Experience (Gain)/Loss on adjustments on plan liabilities	7.47	7.14	12.42	2.92	4.14
	Experience Adjustments (Total)	7.47	7.14	12.42	2.92	4.14
5	Assumptions	31st March, 2016	30th September, 2014	30th September, 2013	30th September, 2012	30th September, 2011
	Discount Rate	7.56%	8.89%	9.25%	8.25%	8.50%
	Salary Escalation	6.00%	6.00%	6.00%	6.00%	6.00%
	Attrition Rate	14.70% -For service 4 years and below 5.30% - For service 5 years and above	2.00%	2.00%	2.00%	2.00%
	Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (94-96) Ultimate	LIC (94-96) Ultimate

Note: Includes Rs 11.57 Lakhs (Previous year Rs 11.72 Lakhs) in respect of Discontinuing Operations.

III. Long Term Employee Benefit – Compensated Absences

Provision for compensated absences has been made on the basis of actuarial valuation report as at the Balance Sheet date. The charge for the period of Rs 69.84 Lakhs (Previous Year: Rs. 41.42 Lakhs) has been made in the Statement of Profit and Loss.

31. Segment Reporting:

Primary Segment:

The group has considered business segment as the primary segment for disclosure. The segment have been identified taking in to account the organisational structure as well as the differing risks and returns of these segments.

Automation and control comprises of sales of security and surveillance products.

Network systems comprises of sales of solution for management of network connectivity, networking services and turnkey communication systems supply and integration.

Secondary Segment:

The company caters mainly to the needs of the domestic market, the export turnover of Rs 174.40 Lakhs (Previous Year Rs. 190.36 Lakhs) is not significant in the context of the total external revenue of Rs.20,634.82 Lakhs (Previous Year Rs. 13,404.94 Lakhs).

Further, segment assets and capital expenditure incurred outside India are not significant in relation to the total assets and total capital expenditure incurred during the period, as such there are no reportable geographical segments.

Notes forming part of the Consolidated Financial Statements

Primary Segment Disclosure - Business Segment for the eighteen months period ended 31st March, 2016

(Rs. in Lakhs)

Sr.no	Paticulars	Automation & Control	Network Systems	Total
A	Segment Revenue from Continuing Operations			
	External Revenue	1,300.90	18,696.44	19,997.34
		1,974.78	10,395.53	12,370.31
	Less : Excise Duty	0.25	-	0.25
		69.37	-	69.37
	Net External Revenue	1,300.65	18,696.44	19,997.09
		1,905.41	10,395.53	12,300.94
	Intersegment Revenue	-	-	-
		-	-	-
	Total Segment revenue from Continuing Operations	1,300.65	18,696.44	19,997.09
		1,905.41	10,395.53	12,300.94
B	Segment Results from Continuing Operations	(592.53)	3,381.03	2,788.50
		(740.76)	2,331.78	1,591.02
	Less :- Finance Cost unallocable to Segments			1,293.51
				682.23
	Less :- Unallocable Corporate Expenses (Net of Income)			1,693.20
				1,220.16
	Add : Interest Income unallocable to segments			48.13
				42.64
	Add:- Exceptional Items (Net) unallocable to Segment			-
				1,240.90
	Profit/(Loss) before Taxes from Continuing Operations			(150.08)
				972.17
	Less :- Provision for Tax			
a)	Current tax			52.00
				52.00
b)	Deferred Tax			(5.32)
				-
	Profit/ (Loss) after Taxes from Continuing Operations			(196.76)
				920.17
C	Segment Revenue from Discontinuing Operations*			
	External Revenue	252.16	391.04	643.20
		570.10	580.00	1,150.10
	Less : Excise Duty	5.47	-	5.47
		46.10	-	46.10
	Total Segment revenue from Discontinuing Operations	246.69	391.04	637.73
		524.00	580.00	1,104.00
D	Segment Results from Discontinuing Operations	(496.47)	3.99	(492.48)
		(5.40)	(482.07)	(487.47)
	Unallocable Corporate Expenses (Net of Income)			-
	Less : Finance Costs attributable to Discontinuing Operations*			133.15
				267.55
	Add:- Exceptional Items (Net) attributable to Discontinuing Operations			162.00

Notes forming part of the Consolidated Financial Statements

Sr.no	Paticulars	Automation & Control	Network Systems	Total
	Loss before Taxes from Discontinuing Operations*			-
				(463.63)
				(755.02)
	Less : Provision for Tax			-
	Tax expenses (net)			-
	Loss after Tax from Discontinuing Operations*			(463.63)
				(755.02)
	Add :- Share of profit in Associate			42.61
				27.81
	Profit / (Loss) after tax from Total Operations			(617.78)
				192.96
E	Segment Assets from Continuing Operations	3,129.91	6,655.73	9,785.64
		4,087.15	6,014.83	10,101.98
	Segment Assets from Discontinuing Operations	783.58	-	783.58
		997.18	100.05	1,097.23
	Add: Unallocable Corporate Assets			4,427.11
				3,448.26
	Total Assets			14,996.33
				14,647.47
F	Segment Liabilities from Continuing Operations	1,206.26	3,437.21	4,643.47
		1,613.51	3,719.65	5,333.16
	Segment Liabilities from Discontinuing Operations	-	-	-
		-	-	-
	Add: Unallocable Corporate Liabilities			9,384.88
				7,624.15
	Total Liabilities			14,028.35
				12,957.31
G	Capital Expenditure from Continuing Operations	6.30	1,217.16	1,223.46
		3.63	630.21	633.84
	Capital Expenditure from Discontinuing Operations	-	-	-
		454.00	-	454.00
	Capital Expenditure from Total Operations	6.30	1,217.16	1,223.46
		457.63	630.21	1,087.84
H	Depreciation from Continuing Operations	91.65	1,317.67	1,409.32
		25.45	835.83	861.28
	Depreciation from Discontinuing Operations	329.57	2.43	332.00
		53.85	4.15	58.00
	Depreciation from Total Operations	421.22	1,320.10	1,741.32
		79.30	839.98	919.28
I	Non Cash expenses from Continuing Operations			
	Provision for doubtful debts/advances	7.56	99.28	106.84

Sr.no	Paticulars	Automation & Control	Network Systems	Total
		<i>106.30</i>	<i>83.61</i>	189.91
	Non Cash expenses from Discontinuing Operations	-	-	-
	Provision for doubtful debts/advances	-	-	-

* Excludes transactions of MS Business with effect from 1st April, 2015, being the effective date for sale of business (Refer Note 26)

Note: Figures in italics pertains to the previous year.

32. Related Party Disclosure:

- I. Holding company – The Tata Power Company Limited.
- II. Other parties with whom transactions have taken place during the period
 - a. Associate – Nelito Systems Limited.
- III. Key Management Personnel
 - a. Mr. P. J. Nath- Executive Director and CEO

The related party transactions are as under:

(Rs. in Lakhs)

Sr.no	Paticulars	The Tata Power Company Limited	Nelito Systems Limited	Key Management Personnel
		(Holding Co.)	(Associate)	
1)	Sales :			
a)	Goods	101.00	-	
		<i>(1.20)</i>	<i>(-)</i>	<i>(-)</i>
b)	Services	6.34	0.45	
		<i>(0.70)</i>	<i>(0.90)</i>	<i>(-)</i>
2)	Other Income	2.33	-	-
		<i>(1.19)</i>	<i>(-)</i>	<i>(-)</i>
3)	Finance :			
a)	Inter Corporate Loans Repayment (net)	500.00	-	-
		<i>(770.00)</i>	<i>(-)</i>	<i>(-)</i>
b)	Interest Paid/Payable	41.69	-	-
		<i>(120.70)</i>	<i>(-)</i>	<i>(-)</i>
c)	Dividend received	-	2.29	-
		<i>(-)</i>	<i>(6.88)</i>	<i>(-)</i>
3)	Balance Outstanding as at the end of the period.			
a)	Trade Receivables	0.70	-	-
		<i>(0.28)</i>	<i>(-)</i>	<i>(-)</i>
b)	Inter Corporate Loans taken	-	-	-
		<i>(500.00)</i>	<i>(-)</i>	<i>(-)</i>
c)	Interest Accrued, but not due	-	-	-

Sr.no	Particulars	The Tata Power Company Limited	Nelito Systems Limited	Key Management Personnel
		(Holding Co.)	(Associate)	
		<i>(13.25)</i>	<i>(-)</i>	<i>(-)</i>
d)	Other Recoverable	-	-	-
		<i>(-)</i>	<i>(0.28)</i>	<i>(-)</i>
4)	Managerial Remuneration	-	-	202.31
		<i>(-)</i>	<i>(-)</i>	<i>(129.43)</i>

Note: 1) Related Party relationship is as identified by the Company and relied upon by the auditors.
2) Figures in italic and brackets pertain to the previous year.

33. In respect of equipments given on operating leases, no refundable deposits are taken and the lease rentals recognised in the Statement of Profit and Loss for the period included under Sale of Services under Revenue from Operations aggregate to Rs.331.61 Lakhs (Previous Year : Rs.244.43 Lakhs).

34. Earnings per Share (EPS)

Sr. No	Particulars	Eighteen months ended 31 st March, 2016	Twelve months ended 30 th September, 2014
A)	Weighted Average Number of Equity Shares (Nos.)	22,817,461	22,817,461
B)	Net (Loss) / Profit after Tax available for Equity Shareholders for the period Total Operations (Rs.In Lakhs)	(617.78)	192.96
C)	Net (Loss) / Profit after Tax available for Equity Shareholders for the period Continuing Operations (Rs .in Lakhs)	(154.15)	947.98
D)	Basic and Diluted Earnings (Loss)/ Earning Per Share (Rs.) (Face Value of Rs 10/- share)		
	Total Operations (B/A)	(2.71)	0.85
	Continuing Operations (C/A)	(0.68)	4.15

Notes forming part of the Consolidated Financial Statements**35. The components of Deferred Tax Assets /(Loss) Earnings (Liabilities) are as under:**

A. In respect of the Company

(Rs.in Lakhs)

Particulars	As at 31 st March, 2016	As at 30 th September, 2014
Deferred Tax Assets relating to		
a) Unpaid Liabilities under Section 43B of the Income Tax Act, 1961*	47.19	112.24
b) Provision for Doubtful debts	*	106.58
c) Voluntary Retirement costs	*	9.02
d) Provision for foreseeable losses	*	94.79
e) Unabsorbed tax depreciation*	-	27.37
Total (A) :	<u>47.19</u>	<u>350.00</u>
Less: Deferred Tax Liability relating to		
On difference between book balance and tax balance of fixed assets	47.19	350.00
Total (B) :	<u>47.19</u>	<u>350.00</u>
Net Deferred Tax Assets / (Liabilities) (A-B)	-	-

* Considered to the extent that there are compensating timing differences, reversal of which will result in sufficient income against which this can be realized.

B. In respect of Subsidiary Company

(Rs. in Lakhs)

Particulars	As at 31 st March, 2016	As at 30 th September, 2014
Deferred Tax Assets relating to		
a) Provision for Doubtful debts	11.68	*
b) Unabsorbed tax depreciation*	40.32	-
Total (A) :	<u>52.00</u>	<u>-</u>
Less: Deferred Tax Liability (B) :	<u>-</u>	<u>-</u>
Net Deferred Tax Assets / (Liabilities) (A-B)	<u>52.00</u>	<u>-</u>

* Considered to the extent that there are compensating timing differences, reversal of which will result in sufficient income against which this can be realized.

36. Contingent Liabilities

(Rs. in Lakhs)

Sr. No	Particulars	As at 31 st March, 2016	As at 30 th September, 2014
a)	Claims against the company not acknowledged as debt comprises of:		
	i) Excise duty, sales tax and service tax claims disputed by the company relating to issues of applicability and classification	4,393.62	4,490.34
b)	ii) Other matters (excluding claims where amounts are not ascertainable)	29.28	29.28
	Income Tax Demand against the company not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which company is in appeal.	631.33	631.33
	Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums / authorities		

Notes forming part of the Consolidated Financial Statements

37. Disclosure as required by Accounting Standard 29 – “Provisions, Contingent Liabilities and Contingent Assets” as at period end are as follows:

- a) 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.
- b) Provision for future losses pertains to certain onerous contracts where the unavoidable costs of meeting the obligations as per the contracts exceed the economic benefits expected to be received from it.
- c) The movement and provision during the period are as follows: (Rs. in Lakhs)

Particulars	Warranties		Future foreseeable losses on contracts	
	Eighteen months ended 31 st March, 2016	Twelve months ended 30 th September, 2014	Eighteen months ended 31 st March, 2016	Twelve months ended 30 th September, 2014
Opening Balance	310.67	373.82	292.17	282.52
Add: Provision during the period	106.76	162.31	11.81	28.58
Less: Utilisation during the period	84.39	60.31	78.42	-
Less: Reversal during period	106.28	165.15	64.37	18.93
Closing Balance	226.76	310.67	161.19	292.17
Current (Refer note 10)	226.76	310.67	94.38	82.00
Non-current (Refer note 6)	-	-	66.81	210.17

38. During the current period, the Company has surrendered its factory license, as the Company does not intend to carry out any manufacturing activity.

39. Capital Commitment

(Rs. in Lakhs)

Particulars	As at 31 st March, 2016	As at 30 th September, 2014
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances paid)	122.25	70.04
Other Commitments (in respect of backhaul connectivity charges)	17.55	-

40. The period end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are:

Particulars	Foreign Currency	As at 31 st March, 2016	As at 30 th September, 2014
		Amount in Foreign currency (in Lakhs)	
Receivable	USD	0.19	0.33
Payable	USD	1.13	2.84
	EUR	0.20	0.40
	NOK	0.12	0.12

Foreign currency exposures in respect of payable that have been hedged by a forward exchange contracts as at the period-end USD 10.63 Lakhs (Previous Year: USD 7.89 Lakhs).

Notes forming part of the Consolidated Financial Statements

- 41 In the year 2006, the Company had filed arbitration proceedings against Jawaharlal Nehru Port Trust (JNPT) for enforcement of its claim in respect of the additional work carried out, wrongful deduction of liquidated damages and encashment of bank guarantee by JNPT. The Arbitration award was passed in favour of the Company on 6th February, 2012. The said award, however, was challenged by JNPT in the Hon'ble Bombay High Court which dismissed the plea on 6th February, 2014 and awarded the claim to the Company. JNPT paid Rs. 1,240.90 Lakhs as decretal dues in June 2014 quarter.
- 42 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

Name of the Entity	Net assets, i.e., Total Assets minus Total Liabilities		Share of Profit or (Loss)	
	As % of consolidated net assets	Amount Rs in Lakhs	As % of consolidated profit or (loss)	Amount Rs in Lakhs
Nelco Limited	(208%)	(2,015.19)	(83%)	(512.00)
Subsidiaries				
Indian - Tatanet Services Ltd	218%	2,110.90	(24%)	(148.39)
Associates (Investment as per the equity method)				
Indian - Nelito System Ltd	90%	872.27	7%	42.61
Total	100%	967.98	(100%)	(617.78)

43. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

Signature to Notes forming part of financial statements " 1" to "43"**For and on behalf of the Board of Directors**

R.R. Bhinge
Chairman

P. J. Nath
Executive Director & CEO

Uday Banerjee
Chief Financial Officer

Girish V. Kirkinde
Company Secretary

Place: Mumbai
Date : 4th May, 2016

Form AOC-1 Statement containing salient features of the financial statement of Subsidiary/Associate Company/Joint Venture

Part "A": Subsidiaries

Rs in Lakhs

Sr. No	1
Name of the Subsidiary Company	Tatanet Services Ltd
Reporting period	1.4.15 to 31.3.16
Reporting Currency	INR
Exchange Rate as at 31st March, 2016	1
Share Capital (incl. Pref. Shares)	490
Reserves & Surplus	(97.35)
Total Assets	4,043.70
Total Liabilities (Excluding Share Capital & Reserves)	3,651.05
Investments	0.50
Turnover	6,908.37
Other Income	39.52
Total Revenue	6,947.89
Profit/ (Loss) before Taxation	225.02
Provision for Taxation (including Deferred Tax)	-
Profit/ (Loss) after Taxation	225.02
Proposed Dividend on Equity Shares (%)	Nil
Proposed Dividend on Equity Shares	Nil
% of Shareholding	100%

Part "B": Associates and Joint Ventures

Sr. No.	1
Name of the Associate/Joint Venture Company	Nelito System Ltd
Latest audited Balance Sheet Date	31/03/2016
Reporting Currency	INR
Exchange Rate as at 31st March, 2016	1
Shares of Associate/Joint Venture Company held by the Company on the year end (No.)	4,58,877.00
Amount of Investment in Associate /Joint Venture companies	205.25
Extent of Holding %	22.25%
Description of how there is significant influence	There is significant influence due to shareholding.
Reason why the Associate Company is not consolidated	N. A
Net worth attributable to Shareholding as per latest audited Balance Sheet (in Rs. Lakhs)	872.27
Profit/ (Loss) after Taxation (Rs.in lakhs) (for 18 months period ended 31st Mar, 2016)	191.31
Considered in Consolidation (Rs. In lakhs) (for 18 months period ended 31st Mar, 2016)	42.61
Not considered in Consolidation	Not Applicable



NELCO LIMITED

CIN No. L32200MH1940PLC003164

Regd. Office: MIDC Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710

Tel: 91 22 67399100 **Fax:** 91 22 6739877, **Email:** services@nelco.in **Website:** www.nelco.in

ATTENDANCE SLIP

73rd Annual General Meeting on Wednesday, 25th July, 2016 at 3.00 p.m.
at Ebony, Hotel Regenza By Tunga, Ground floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703

Folio No. DP ID No.* & Client ID No.*

Name of the Member Signature

Name of the Proxy Holder Signature

1. Only Member/ Proxy Holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for referenace at the Meeting



NELCO LIMITED

CIN No. L32200MH1940PLC003164

Regd. Office: MIDC Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710

Tel: 91 22 67399100 **Fax:** 91 22 6739877, **Email:** services@nelco.in **Website:** www.nelco.in

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : NELCO Limited,

Registered Office: MIDC Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710

Name of the member(s) :	Email ID:
Registered address :	
.....	
Folio No/Client ID:	

I/We being the member(s) of _____ Shares of Nelco Limited, hereby appoint :

1. Name : E-mail ID :
Address:
..... Signature: or failing him
2. Name : E-mail ID :
Address:
..... Signature: or failing him
3. Name : E-mail ID :
Address:
..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 73rd Annual General Meeting of the Company to be held on Monday, 25th July, 2016 at 3.00 p.m. at Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

Resolution No.	Description of Resolution	For	Against
1	To receive, consider and adopt the Audited Financial Statements for the Financial year ended 31st March, 2016 together with the Reports of the Board of Directors and the Auditors thereon		
2	To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial year ended 31st March 2016 together with the Report of the Auditors thereon.		
3	To appoint a Director in place of Mr. R.R.Bhinge (DIN:00036557), who retires by rotation and is eligible for re-appointment.		
4	Ratification of appointment of Statutory Auditors and fixing their Remuneration.		
5	Ratification of Cost Auditors' Remuneration for the Financial year ended 31st March 2016.		
6	Ratification of Cost Auditors' Remuneration for FY-2016-17		

Signed this day of, 2016

Signature of the shareholder :

Signature of Proxy holder(s) :

Affix Rupee One Revenue Stamp
--

Note:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710, not less than 48 hours before the commencement of the Meeting.
2. Members are requested to Select by placing a tick (✓) mark against the resolution. It is optional for the member to indicate his/her preference. In case no specific direction is given, your proxy may vote or abstain as he/she thinks fit.
3. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.



OPEN HOUSE



FIRE SAFETY DRILL



FOUNDER'S DAY



TRAINING INITIATIVES



NELCO CRICKET TOURNAMENT



NELCO MUSICAL EVENING



REWARD & RECOGNITION



WORKSHOP ON WOMEN SAFETY



ISO 20000-1:2011 | ISO 27001:2013 | TL 9000

Registered Office: Nelco Limited, EL-6, Electronics Zone,
MICD, Mahape, Navi Mumbai - 400 710, India
Tel.: +91 22 6791 8728, 67399100 **Fax:** +91 22 67918787
Web: www.nelco.in **E:-**services@nelco.in

Regional Office:

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Jamshedpur: +91-0657-222 7766/7
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New Delhi: +91-011-2586 3876/77
Secunderabad: +91-040-2790 3419

CIN No. L32200MHI940PLC003164