

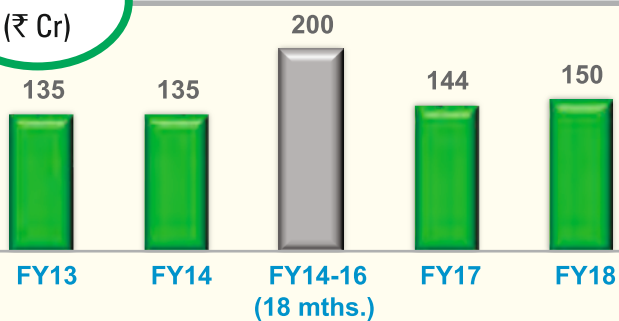
75th Annual Report 2017-18



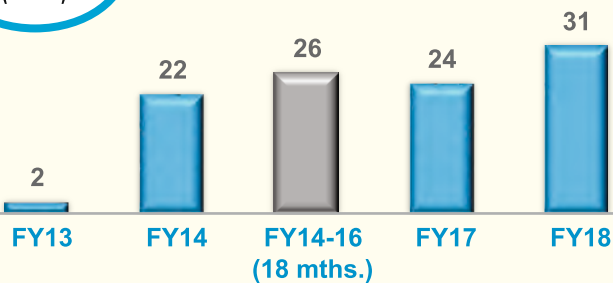


HIGHLIGHTS OF NELCO-CONSOLIDATED

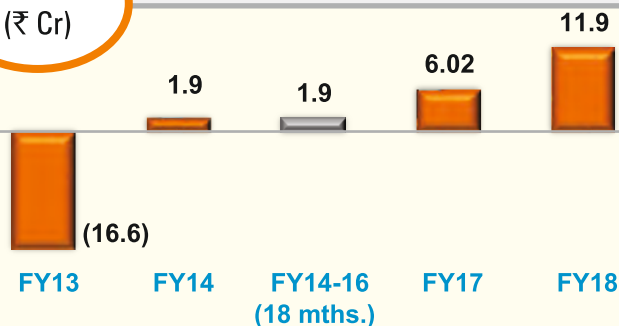
Revenue (₹ Cr)



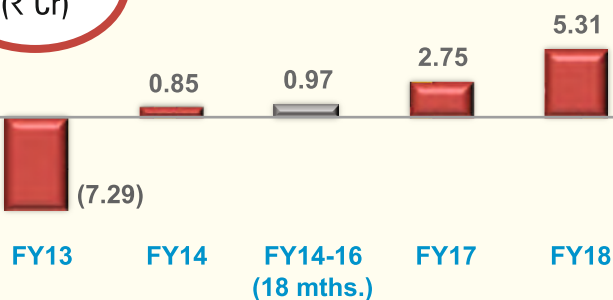
EBIDTA (₹ Cr)



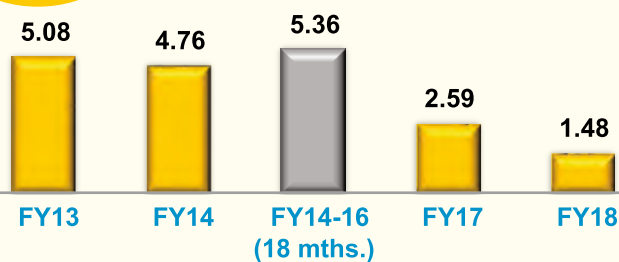
PAT (₹ Cr)



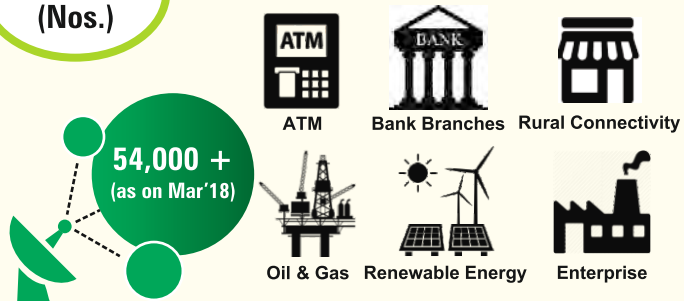
EPS (₹ Cr)



Debt: Equity



VSAT Base (Nos.)



".....Moving towards a brighter tomorrow"



CORPORATE INFORMATION (As on 31st May, 2018)

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, Managing Director & CEO
Chief Financial Officer	Mr. Uday Banerjee
Company Secretary & Head - Legal	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	Price Waterhouse Chartered Accountants LLP
Bankers	Bank of India Union Bank of India The Zoroastrian Co-Op. Bank Ltd. ICICI Bank Ltd. South Indian Bank Ltd. IDFC Bank
Registered Office	EL-6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai – 400 710 Email: services@nelco.in Investor relations : girish.kirkinde@nelco.in Website: www.nelco.in Tel: +91 22 6739 9100
Corporate Identity No (CIN)	L32200MH1940PLC003164

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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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75th Annual General Meeting

Date : Friday, 20th July 2018

Time : 3.30 p.m.

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

NOTICE

The SEVENTY FIFTH ANNUAL GENERAL MEETING of NELCO LIMITED will be held on Friday, the 20th day of July, 2018 at 3.30 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:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018 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, 2018 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, being eligible, offers himself for Re-appointment.

SPECIAL BUSINESS:

4. Re-appointment of Mr. P. J. Nath as Managing Director & CEO

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

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. P.J.Nath (DIN: 05118177) as the Managing Director & Chief Executive Officer of the Company for the period of 3 years commencing from 13th June 2018 to 12th June 2021, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Nath.

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

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 No.4 above and the relevant details of the Directors seeking re-appointment under Item No.3 & 4 above as required by Regulations 26(4) and 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, 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 on their behalf at the Meeting.

4. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance slip enclosed herewith to attend the AGM
5. 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.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 11th July 2018 to Friday, 13th July 2018 (both days inclusive).
7. Members are requested to notify immediately any change in their addresses, email addresses, telephone/mobile numbers, Permanent Account Number (PAN), Nominations, Power of Attorney, and/or the Bank Mandate details to their DPs in case the share are held in electronic form and to Company's Registrars and Share Transfer Agents, TSR Darashaw Limited (TSRDL) in case the shares are held in physical form.
8. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management.
9. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
10. Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details of unclaimed dividend and shares transferred to IEPF please refer to Company's website viz. www.nelco.in.

Members who have not yet encashed their dividend warrant(s) for the financial year 2011-12 onwards, are requested to make their claims to the Company accordingly, without any delay.
11. The Notice of the AGM along with the Seventy Fifth Annual Report 2017-18 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. Members may note that the Notice and Annual Report 2017-18 will also be available on the Company's website viz. www.nelco.in
12. The route map showing directions to reach the venue of the Seventy Fifth AGM is annexed.
13. To support the 'Green Initiative', the Members who have not registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TSRDL in case the shares are held by them in physical form

14 Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Members are provided with the facility to cast their vote electronically through the e-voting services provided by National Securities Depository Limited (NSDL) on all the resolutions set forth in this Notice.
- II. Members are provided with the facility for voting through "tablet based voting" 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 17th July 2018 (9.00 a.m. IST) and ends on 19th July 2018 (5.00 p.m. IST). Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 13th July 2018, 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:

The process and manner to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

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

Details on Step 1 are mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nelco.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
4. 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 13th July 2018. 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 electronic voting system or polling paper at the meeting.
- (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. 13th July 2018, may obtain the login ID and Password by sending a request at evoting@nsdl.co.in or nelcoagm2018@tsrdarashaw.com.
- (iii) Mr. P.N. Parikh, Company Secretary (FCS No. 327) or failing him Mr. Mitesh Dhabliwala, Company Secretary (FCS No. 8331) of M/s. Parikh and Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner.
- (iv) 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 "tablet based voting" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (v) 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.
- (vii) The results declared along with the Scrutinizer's Report, shall be placed on the Company's website viz. www.nelco.in and on the website of NSDL immediately. The Company shall simultaneously forward the result to 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.

By Order of the Board of Directors

Girish V Kirkinde
Company Secretary & Head - Legal

Navi Mumbai, 31st May 2018

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
CIN: L32200MH1940PLC003164

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.4 of the accompanying Notice dated 31st May 2018.

Item No. 4.

Mr. P. J. Nath was earlier re-appointed by the Board as Executive Director & CEO of the Company for the period commencing from 13th June 2015 to 12th June 2018. The Members also approved his reappointment by passing special resolution through postal ballot on 2nd September, 2015. He was re-designated as Managing Director & CEO effective from 1st June 2017.

Based on the recommendation made by the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 31st May 2018, passed a resolution for re-appointment of Mr. Nath as Managing Director & CEO of the Company for a period of 3 years commencing from 13th June 2018 to 12th June 2021, subject to approval of the Members.

Mr. Nath, aged 56 years, joined the Company on 21st February 2011, as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13th June 2012. Mr. Nath is a professional having a graduate level qualification with expert and specialized knowledge in the field of his profession. He has a Master of Management Studies (MMS) degree from BITS Pilani. He has over 30 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 20 years he has been in leadership roles. His varied experience over such long period has resulted into a wide and deep understanding of all the aspects of business. This enables him to drive operational excellence and strategic growth in the organization and deliver effectively across the breadth of responsibilities.

One of the key objectives of appointing Mr. Nath was to lead the restructuring of the Company and to change the direction towards the businesses which are growth oriented and profitable. The Company was making losses when he joined in the year 2011. While the Company made marginal profits in the previous three financial years, and the general health of the organization was improving, the substantial profitability has not been reflected due to losses of the earlier years. A complete turnaround of performance has been reflected for FY 2017-18 as the Company earned Operating PBT of ₹1151 lakhs on standalone basis and ₹ 1522 lakhs on Consolidated basis being the highest in preceding 15 years.

As the MD & CEO, he is responsible for managing the day-to-day business affairs of the Company. This includes formulation & implementation of strategic business plans, brand strategy, implementation of organization structure, ramping up visibility of the Company with the external customers and partners, establishing strong business & operational processes and overseeing various compliances.

Under the leadership of Mr. Nath, the Company and its wholly owned subsidiary, Tatanet Services Ltd. achieved continuous improvement in operating parameters and registered robust operating performance year on year especially in past 3 years which has reflected in improved operating profits. His sustained and focused efforts on improving operational performance, building relationships with key stakeholders and improving internal processes have led to achieving of financial performance goals. He has actively led the regulatory and advocacy efforts to ensure smooth working of business operations with Government, Regulators, Customers and other key stakeholders to overcome challenges and hurdles. He guided the setting up of new VSAT hub at Dehradun and an additional hub in Mahape by Tatanet Services Ltd.

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

1. Term and Termination:

- 1.1 From 13th June 2018 to 12th June 2021.
- 1.2 The Agreement may be terminated earlier, without any cause, by Mr. Nath or the Company by giving six months' notice of such termination to the other party or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

2. Duties and Powers:

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

- 2.2 The Managing Director & CEO shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.
- 2.3 The Managing Director & CEO undertakes to employ the best of his skill and ability and to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- 2.4 Mr. Nath shall undertake his duties from such location as may be directed by the Board.

3. Remuneration:

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

- a) Salary: Basic Salary ₹ 4,77,400 per month upto a maximum of ₹ 8,00,000 per month, with authority to the Board to fix his salary within the said maximum amount from time to time. The annual increments which will be effective 1st April each year, will be decided by the Board based on recommendation of the NRC and will be merit-based and take into account the Company's performance as well.

- b) Benefits, Perquisites, Allowances:

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

- (i) House Rent, House Maintenance and Utility Allowances aggregating 85% of basic Salary per annum.
- (ii) Reimbursement of hospitalisation and major medical expenses incurred as per Company Rules including Medclaim insurance premium for coverage of Rs 12 lakhs (floater coverage).
- (iii) a car alongwith driver for official and personal uses with reimbursement of fuel charges and maintenance costs at actual. The value of the car to be provided shall not be exceed ₹ 20.00 lakhs (ex.showroom)

or

In case he opt to use his own car, he will be entitled for fixed allowance of ₹ 41,720/- (for use of his own car) and ₹ 40,800/- (for fuel and maintenance). The driver will be provided by the Company.

- (iv) Telecommunication facility as per Rules of the Company.
- (v) Other perquisites and allowances given below subject to a maximum of 55% of basic Salary per annum. This includes:
 - a. Medical allowance – 8.33%
 - b. Leave Travel Concession/Allowance – 8.33%
 - c. Meal vouchers and Other Allowances -33.34%
 - d. Personal Accident Insurance Premium } @ actual subject
 - e. Annual club membership fees } to a cap of 5%

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

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

- c) Performance Linked Payment (PLP):

In addition to the Basic Salary, Benefits, Perquisites & Allowances, Mr. Nath will be paid annually such remuneration by way of performance linked payment not exceeding 200% of annual Basic Salary based on certain performance criteria and such other parameters as may be considered appropriate by the Board from time to time.

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

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

- 3.2 Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits, or its profits are inadequate, the Company will pay to the Managing Director & CEO remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.
- 3.3 Insurance: The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire Term, subject to the terms of such policy in force from time to time.
4. The terms and conditions of the appointment of the Managing Director & CEO and/or the Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.
5. The Managing Director & CEO, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
6. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.
7. The employment of the Managing Director and CEO may be terminated by the Company without notice or payment in lieu of notice:
 - a. if the Managing Director and CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
 - b. in the event of any serious or repeated or continuing breach (after warning) or non-observance by the Managing Director & CEO of any of the stipulations contained in the Agreement; or
 - c. in the event the Board expresses its loss of confidence in the Managing Director & CEO.
8. In the event the Managing Director & CEO is not able to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
9. Upon the termination by whatever means of his employment under the Agreement:
 - a. the Managing Director & CEO shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company;
 - b. the Managing Director & CEO shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.
10. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Nath will cease to be the Managing Director & CEO and cease to be a Director of the Company. If at any time, the Managing Director & CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO and the Agreement shall forthwith terminate. If at any time, the Managing Director & CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director & CEO of the Company.
11. The terms and conditions of the appointment of the Managing Director & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, maintenance of confidentiality, non-competition and non-solicitation.

12. Remuneration paid/payable to the Managing Director & CEO for FY 2018-19 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them.

The Directors are of the view that the reappointment of Mr. Nath as Managing Director & CEO will be beneficial to the functioning and future growth opportunities of the Company. The remuneration payable to him is commensurate with his abilities and experience and, accordingly, commend the Special Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Other than Mr. Nath, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.4 of the accompanying Notice. Mr. Nath is not related to any other Director or KMP of the Company.

Information pursuant to Schedule V of the Act.

I. General Information:

1. Nature of Industry: Electronics and Telecommunications (ISP) activities.
2. Date of /expected date of commencement of commercial production:
The Company was incorporated on 31st August, 1940 and started commercial production immediately.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus: Not applicable.
4. Financial performance based on given indicators:

(₹ in lakhs)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Consolidated Revenue from Operations (Gross)	14,961	14,367
Standalone Revenue from Operations (Gross)	3,190**	2,569**
Consolidated Profit/ (Loss) for the period	1,211	628
Standalone Profit/(Loss) for the period	977	667
Profit/Loss pursuant to Section 198 of the Companies Act, 2013.	(11,686)	(12,809)

**Continuing operation

The Company earned profits during FY 2016-17 and FY 2017-18 as well as consistently in all the preceding eight quarters, as shown below:

(₹ in lakhs)

Profit After Tax (PAT)	Quarter Ended Jun'16	Quarter Ended Sep'16	Quarter Ended Dec'16	Quarter Ended Mar'17	Quarter Ended Jun '17	Quarter Ended Sep'17	Quarter Ended Dec'17	Quarter Ended Mar'18
Standalone	154	101	162	250	161	249	278	289
Consolidated	179	122	229	98	199	285	343	384

5. Foreign investments or collaborators, if any:

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

II. Information about the Appointee:

1. Background details

Mr. Nath, aged 56 years, joined the Company on 21st February 2011 as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13th June 2012. and subsequently as Managing Director & CEO effective 1st June 2017. Mr. Nath is a professional having a graduate level qualification with expert and specialized knowledge in the field of his profession. He has a Master of Management Studies (MMS) degree from BITS Pilani. He has over 30 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 20 years have been in leadership roles in the various companies that he has worked for. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.

2. Past Remuneration

(₹ in lakhs)

Particulars	FY 2017-18 (₹)	FY 2016-17 (₹)
Basic Salary	52.80	38.12
Perquisites & Allowance	79.10	48.62
Retirals (PF + Gratuity)	8.87	6.68
Performance Linked Payment	36.04	-
Total	176.81	93.42

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

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

3. Recognition and Awards

In his previous organizations, Mr. Nath, on multiple occasions has received many recognitions and appreciations for building up new businesses as well as turning around existing businesses.

4. Job Profile and his suitability

Taking into consideration the size of the Company, the complex nature of its operations, the strategic and operational restructuring and transformation required and Mr. Nath's broad functional and general management skills, his rich experience of over 30 years in growing organizations and developing new markets, the Board reappointed Mr. Nath effective from 13th June 2018. Also, as a Director, he is nominated on the Board of Company's wholly owned Subsidiaries and Associate Company.

5. Remuneration proposed

Please refer to the principal terms of remuneration as mentioned herein above of this Notice. In monetary terms the proposed remuneration for tenure from 13th June 2018 to 12th June 2021 is given hereunder:

Particulars	13 th June 2018 to 12 th June 2019 (₹)	13 th June 2019 to 12 th June 2020 (₹)	13 th June 2020 to 12 th June 2021 (₹)
Basic Salary	57.29	4,77,400 (per month) + Increment*	
Perquisites & Allowance including car	90.11	140% of Basic Salary	
Retirals (PF + Gratuity)	9.63	16.81% of Basic Salary	
Performance Linked Payment	114.57	Upto 200% of Basic Salary#	
Total	271.60		

Assumed at maximum level of 200% of basic salary.

* Actual Basic salary would be decided by the Board subject to performance and within the said maximum Basic salary of ₹ 8,00,000/- per month. The remaining salary components are a function of the Basic salary as given above. The Company's annual increment cycle is currently applicable from 1st April to 31st March.

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

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

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

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

III. Other information

1. Reasons for inadequate profits in earlier years:

The Company made loss of ₹ 512 lakhs in the 18 months period of year 2014-16 majorly on account of losses during the first 3 quarters of the year. These losses were incurred in certain business segments which the Company is now operating in a tapered down mode. The Networking segment of the Company has been steadily and continuously growing and making profits. Also, since Sep'15 quarter onwards the Company has been making profits on quarter on quarter basis. The loss in the past was due to some of the specific business lines having inherent challenges due to market conditions. In earlier years, the Company was more severely impacted in view of certain sectors performing more adversely, which impacted segments in which the Company had larger volumes and profits.

2. Steps taken by the Company to improve performance:

The Company has divested some of the loss-making business undertakings and tapered off the others to reduce the losses. While such important steps have been taken, it takes time to cut all the losses due to the residual impact of doing such businesses for many years in the past and fulfilling long term contractual obligations with the customers.

Under the leadership of Mr. Nath, the Company is continuously evaluating its business lines and is now focussing in building its strong position in the profitable businesses like the VSAT Services using Satellite communication and will pursue further synergistic opportunities in related areas. In the short to medium term the Company has started investing in expansion of its infrastructure for the VSAT services business. The Company is planning to create new market opportunities for the VSAT services, where the satellite communication has major advantages. The Company has significantly augmented its satellite transponder capacities which will continue to give further boost to the revenue and profitability. In the medium term and long run, the profits of the company are expected to increase further significantly, as the services revenue component grows on the strength of the additional capacities created.

The Company is concentrating more on the core competence areas in satellite communication, improving customer focus and marketing, increasing productivity and process improvements, enlarging subscription base into related customer segments and deeper geographies, efforts to reduce debts through improved Networking Capital Management, addressing the adjacent markets through alliances and expansion of products and services. Mr. Nath alongwith the Senior Management Team is in the process of leading the Company in a major strategic and operational transformation for significant and sustained improvement in the overall business and financial performance. This transformation initiative under his leadership will comprehensively cover all areas of operations in the Company like Company strategy, service chain, employee and managerial productivity, cost reduction & efficiency improvements, improved effectiveness in sales & marketing and customer satisfaction/relationships and breakthrough improvements in achieving best quality standards. The Company has earned improved profits in the financial years 2016-17 and 2017-18. The overall financial performance in 2017-18 has been particularly very encouraging. Considering these, the medium to long term prospects of the Company are quite promising.

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

With more improved and additional services in multiple segments and geographies which are in the pipeline and the number of initiatives/actions underway, the Company expects to significantly step up its operating and financial performance in the next few quarters and in the coming financial years. It is difficult to predict the increase in revenue and profit of the Company for future years as in the short and medium term the business plans envisage making investments to grow scale and not just profitability. Moreover, there are external dependencies on regulatory changes by the Govt., which are difficult to predict accurately in terms of time lines.

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

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

Except Mr. Nath and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the aforesaid resolution.

By Order of the Board of Directors

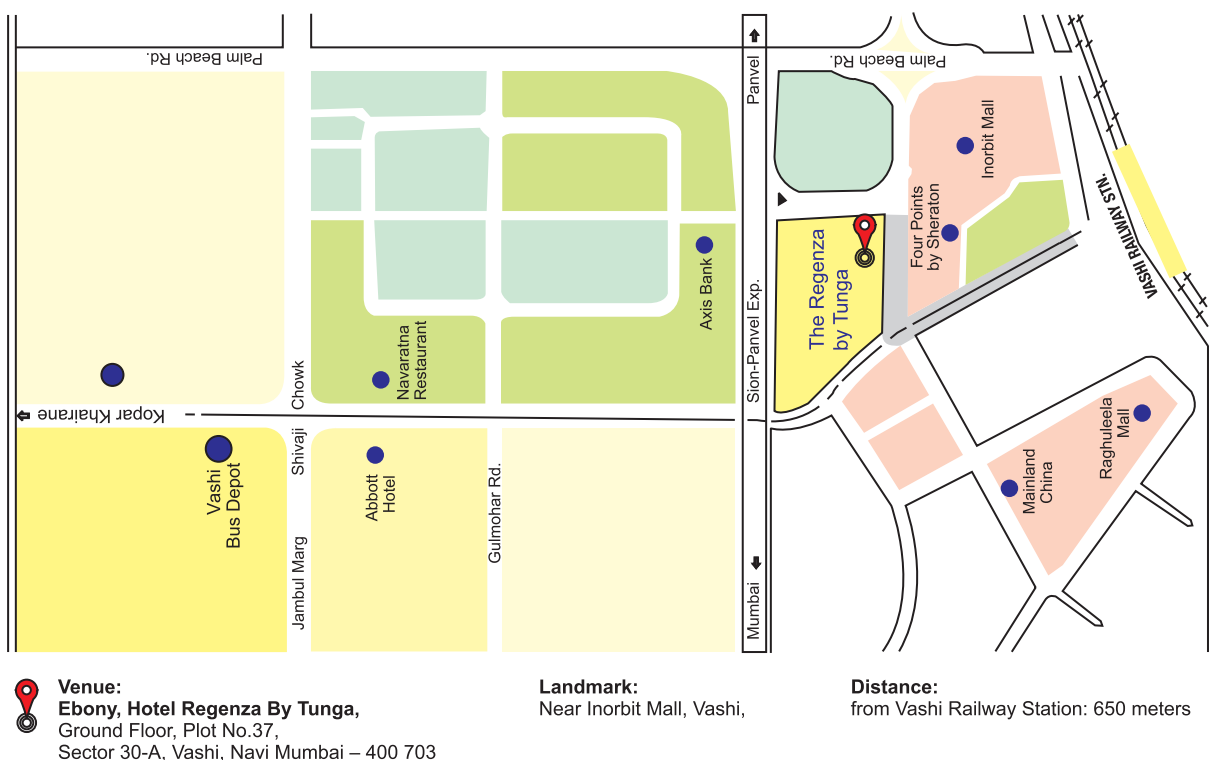
Girish V Kirkinde

Company Secretary & Head - Legal

Navi Mumbai, 31st May 2018

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
CIN: L32200MH1940PLC003164



Details of the Director seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulations 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 on General Meetings.

Name of the Director	Mr. R.R.Bhinge	Mr. P.J.Nath
Date of Birth	29 th May 1952	1 st February 1962
Date of Appointment	29 th August 2003	13 th June 2012
Expertise in Specific Functional Area.	He has over 43 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. He retired as Executive Director of Tata Industries Ltd.	He has over 30 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 20 years have been in leadership roles in the various companies that he has worked for. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.
Qualifications	B.Tech.Hons.(Electrical) from IIT, Mumbai. Post Graduation in Business Administration from IIM.	Graduate from BITS Pilani in Master of Management Studies (MMS)
Relationship between Directors inter se	Mr. Bhinge is not related to any other Directors of the Company.	Mr. Nath is not related to any other Directors of the Company.
Directorship held in other Companies (excluding Foreign Companies)	<ul style="list-style-type: none"> Infiniti Retail Ltd. Tatanet Services Ltd. Nelco Network Products Ltd. Mahindra Consulting Engineers Ltd. Tata Foundation (Registeed under Section 25 of the Companies Act, 1956). 	<ul style="list-style-type: none"> Tatanet Services Ltd. Nelco Network Products Ltd. Nelito Systems Ltd.
Committee positions held in other Companies	<p>Audit Committee Member : Infiniti Retail Ltd.</p> <p>Nomination & Remuneration Committee Member : Infiniti Retail Ltd.</p> <p>Corporate Social Responsibility Committee Chairman : Infiniti Retail Ltd.</p> <p>Executive Committee Chairman: Infiniti Retail Ltd</p>	None
Remuneration	Except sitting fees for attending the meetings of Board and Committees as mentioned in Report on Corporate Governance, no other remuneration is paid.	As mentioned in the Explanatory Statement to the Notice dated 31 st May 2018 and also in Report on Corporate Governance.
No. of meetings of Board attended during the year	10	10
No. of shares held (a) Own (b) For other persons on a beneficial basis	NIL NIL	NIL NIL

DIRECTORS' REPORT

To

The Members,

Your directors have pleasure in presenting their Seventy Fifth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2018.

The Members of the Company at their meeting convened on the orders of Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench has approved the Scheme of Arrangement and Amalgamation (Scheme) involving the internal restructuring of the various businesses of the Company and its two wholly owned subsidiaries viz. Tatanet Services Ltd. (TNSL) and Nelco Network Products Ltd. (NNPL). In the first phase of the Scheme, Nelco will transfer its two businesses to NNPL on a going concern basis by way of slump sale. These businesses are (a) ISSS and (b) sale and maintenance of VSAT and related equipment. In the second phase 2, TNSL will amalgamate with Nelco. Post the said restructuring, the VSAT Communication service business will be in Nelco, which is the listed parent entity and the related equipment business will be in NNPL. The VSAT license will be transferred from TNSL to Nelco.

The Scheme has been approved by SEBI, BSE & NSE and is subject to approval from Dept. of Telecommunications (DoT), NCLT, other regulatory approvals such as ROC, Regional Director, etc.

1. Financial Results

(₹ in lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
A	Continuing Operations				
a	Net Sales / Income from Other Operations	3,190	2,569	14,961	14,367
b	Operating Expenditure	3,064	2,683	12,448	12,522
c	Operating Profit	126	(114)	2,513	1,845
d	Add:- Other Income	290	702	494	461
e	Less:- Finance Cost	478	687	593	850
f	Profit before Depreciation and Tax	(62)	(99)	2,414	1,456
g	Less :- Depreciation / Amortization/ Impairment	61	30	949	802
h	Less : Minority Interest	-	-	-	-
i	Add : Share of Profit of Associates	-	-	57	39
j	Net Profit / (Loss) after Minority interest and Share of Profit of Associates	(123)	(129)	1,522	693
k	Exceptional items	-	-	-	-
l	Current / Deferred Tax Expenses	-	-	311	65
m	Net Profit / (Loss) after Tax, Minority interest and Share of Profit of Associates from Continuing operations	(123)	(129)	1,211	628
B	Discontinuing Operations* (being transferred to Wholly Owned Subsidiary)				
n	Profit from Discontinuing operations (before exceptional item and tax)	1,274	796	-	-
o	Add:- Exceptional Profit	-	-	-	-
p	Tax Expenses	174	-	-	-
q	Profit after Tax from Discontinuing operations	1100	796	-	-
C	Profit after tax from Total operations	977	667	1,211	628
r	Add : Other Comprehensive Income/ (expenses)	(18)	(25)	(21)	(26)
s	Total Comprehensive Income	959	642	1,190	602

* Operations that are being transferred to Nelco Network Products Ltd. (Wholly Owned Subsidiary) as a part of internal restructuring.

2. Dividend

Considering the profits available after providing for accumulated losses of the previous years and inadequacy of amount compared to what is required under the Companies Act, 2013 for declaration of dividend, the Board has not recommended dividend for the year 2017-18.

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

3.1 Standalone

On a Standalone basis, your Company achieved revenue of ₹3,190 Lakhs in FY 2017-18 from Continuing Operations as against ₹ 2,569 Lakhs in FY 2016-17. On a total operation basis, your Company achieved revenue of ₹ 9,363 Lakhs in FY 2017-18 as against ₹ 8,939 Lakhs in FY 2016-17.

In FY 2017-18 the Company earned a net profit after tax of ₹ 977 Lakhs from Total Operations as against profit of ₹ 667 Lakhs in FY 2016-17. This profit was higher due to higher margin in service income of VSAT division, reduction of losses in Automation & Control division and reduction in interest expenses.

Profit from Discontinuing Operations are calculated considering the direct cost of those Operations and interest on identifiable loans that are being transferred under the Scheme. The entire corporate overheads are considered part of Continuing Operations.

3.2 Consolidated

On a Consolidated basis, revenue from Operations was ₹ 14,961 Lakhs in FY 2017-18 as against ₹ 14,367 Lakhs in FY 2016-17 i.e. increase by 4% over previous year.

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

The revenue from Automation & Control segment was ₹ 243 Lakhs in FY 2017-18 as against ₹ 394 Lakhs in FY 2016-17. The segment loss was ₹340 Lakhs in FY 2017-18 as against loss of ₹466 Lakhs in FY 2016-17. This segment is being operated on a restricted mode and currently completing only its existing contractual obligations.

The revenue from Network Systems segment was ₹ 14,718 Lakhs in FY 2017-18 as against ₹ 13,973 Lakhs in FY 2016-17. The segment profit was ₹3,633 Lakhs in FY 2017-18 as against profit of ₹2,956 Lakhs in FY 2016-17.

The Company added 9450 VSATs during FY 2017-18 and the installed base is approximately 54,000 as on 31st March 2018.

The Company earned a net profit after tax of ₹ 1,211 Lakhs from Total Operations as against profit of ₹ 628 Lakhs in FY 2016-17. There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the year under review and the date of this Report.

3.3 Operations

The Consolidated revenue (% wise) from each segment was as under:

	FY2017-18	FY2016-17
Network Systems comprising of VSAT and SATCOM business	98.38%	97.26%
Automation & Control	1.62%	2.74%

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

4. Reserves

The Board of Directors has not proposed any amount for transfer to reserves for the year ended 31st March 2018.

5. Subsidiary and Associate Company

The Company has two wholly owned subsidiaries viz. Tatanet Services Ltd. (TNSL) & Nelco Network Products Ltd. (NNPL) and one Associate Company i.e. Nelito Systems Ltd. (NSL).

TNSL holds the VSAT License issued by Department of Telecommunication (DoT). The Revenue of TNSL for FY 2017-18 was ₹ 8787 Lakhs against ₹7997 Lakhs for FY 2016-17. The Profit after tax was ₹ 213 Lakhs against ₹224 Lakhs in the previous year. The profit was lower mainly due to increase in tax of ₹48 Lakhs and increase in depreciation on assets bought for setting up new VSAT Hub.

The organizational and operational structure would be simplified on implementation of the Scheme of Arrangement and Amalgamation with the VSAT communication service business vesting in the Company, the flagship listed parent entity and the related hardware business vesting in NNPL. This would result in the recurring revenue from VSAT communication service being in the Company and the revenue from sale of hardware including VSAT equipment being in NNPL. The enhanced net worth of the Company after the Scheme will improve its ability to bid for larger projects and pursue bigger opportunities. Also there will be increase in overall efficiency in terms of utilization of assets, employees, etc.

There has been no major change business of the aforesaid Companies. Also, none of the existing Subsidiaries or Associates of the previous year ceased to be Subsidiary/ Associate of the Company during the year under review. The report on the performance and financial position of each of the Subsidiaries and Associate Company has been provided in Form AOC-1.

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

<http://www.nelco.in/pdf/Policies/Policy%20for%20determining%20Material%20Subsidiaries.pdf>

6. Directors and Key Managerial Personnel

In terms of Section 149 of the Companies Act, 2013 ("Act") the Members at the AGM held on 28th January 2015 appointed the following Independent Directors of the Company till 27th January 2020:

- Mr. K.Raghuraman
- Mr. K.Ramachandran
- Ms. Hema Hattangady

In accordance with the requirements of the Act and the Articles of Association of the Company, Mr. R.R. Bhinge, Director 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 (Listing Regulations) and Secretarial Standards - 2 on General Meetings with respect to Mr. Bhinge being a Director seeking re-appointment is annexed to the Notice of AGM.

On the recommendation of the Nominations, HR & Remuneration Committee, the Board of Directors of the Company approved the reappointment of Mr. P. J. Nath as Managing Director & CEO for a period of 3 years effective from 13th June 2018. The reappointment as also the terms thereof (including remuneration) has been placed for approval of the Members at the ensuing AGM of the Company scheduled on 20th July 2018.

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, Managing Director & CEO
- Mr. Uday Banerjee, Chief Financial Officer
- Mr. Girish Kirkinde, Company Secretary & Head Legal

During the year under review, ten 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 Listing Regulations.

Governance Guidelines:

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

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

As required under the Act and Listing Regulations, the Board has carried out 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 his/her views on the performance of the Board covering various criteria such as degree of fulfilment 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. The Nominations, HR 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 about Board performance, 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 improvement 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 fulfilment 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
- Corporate Social Responsibility 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/pdf/Policies/Programme%20for%20familiarisation%20of%20Board%20Members.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 Managing 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 Listing Regulations, the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity, which is reproduced in Annexure-I 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 Managing Director & CEO has neither received any commission from the Company nor from its Holding or Subsidiary Company. With the approval of the Board (on the recommendation of the NRC) he has received fees for rendering professional services to TNSL, the wholly owned subsidiary of the 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 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 year under review.

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

Maharashtra Sales Tax Department (Dept.) has issued orders against TNSL demanding payment of MVAT on the entire satellite communication services provided by TNSL claiming "The facility to use the transponders is a 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 are for financial year 2006-07 to 2010-11 and aggregate amount under dispute is ₹ 38.36 Crores. The Company filed writ petition in Bombay High Court for the financial year 2008-09. The said Writ Petition was disposed by the Bombay High Court and referred to Maharashtra Sales Tax Tribunal (MSTT) to decide the above-mentioned matter.

MSTT in its order dated 29th April 2017, allowed the appeal of TNSL and set aside the demand of the Dept. made for financial year 2008-09. However, the Dept. has filed appeal in Bombay High Court against the order passed by MSTT for the year 2008-09.

Since, the facts of the above matter are similar for other financial years viz. 2006-07, 2007-08, 2009-10 and 2010-11, the Joint Commissioner of Sales Tax (JCST) has passed order against the Company demanding payment of MVAT for these financial years also. The Company has filed Appeals to MSTT against the said orders of JCST.

Income Tax matters of Nelco Ltd:-

Income Tax Department has reduced certain liabilities of ₹1,893.00 Lakhs while computing long term Capital Gain on a business sold under slump sale for Assessment Year 2011-12, due to which a Tax demand of ₹ 631.00 Lakhs has been raised on the Company. The said liabilities are not directly related to the businesses sold and as such the Company has gone in appeal against the demand. As per legal opinion sought by Company, it has a very strong case. This matter is presently lying with the Commissioner of Appeal.

8.1 Corporate Governance

Pursuant to Listing Regulations, 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 Counsellor (CEC) as well as the 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, Senior Lead –Business Analytics and Risk Management and key business and operations heads, ensures that existing and future risk exposures of the Company are identified, assessed, quantified, minimized, managed and appropriately mitigated. The Company's framework of risk management process provides clear basis for informed decision making at all levels of the organization on an ongoing basis, having duly evaluated likely risks and their mitigation plans being controllable and within risk appetite of the Company. There are no elements of risk, which in the opinion of the Board may threaten the existence of the Company.

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

As per the Audit Committee Charter adopted by the Board and as per provisions of Section 177 of the Companies Act, 2013 (the Act) one of the responsibilities of the Audit Committee is to review the effectiveness of the Company's Internal control system, including Internal Financial Controls. Internal controls have been discussed in detail in Management Discussion & Analysis in this report.

Process Robustness: The Company assesses the process maturity and robustness for its key functions on the following:

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

The Company also carries out internal audits and process deep-dives through external agencies to establish and improve efficiency and effectiveness of processes in various key functions. In addition, the statutory auditors carry out an audit at quarterly intervals and these reports have not reported any adverse findings.

10. Sustainability

10.1 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 (Act), every Company having a net worth of ₹ 500.00 Crores or more, or turnover of ₹ 1,000 Crores or more, or net profit of ₹ 5.00 Crores or more during any financial year shall be required to constitute Corporate Social Responsibility Committee (CSRC). Accordingly, your Company has formed a committee comprising of the following Directors :

Mr. R. R. Bhinge, Chairman
Mrs. Hema Hattangady and
Mr. P. J. Nath

Though your Company has made a net profit of more than ₹ 5.00 Crores in the year under review, the said profit calculated as defined in Section 198 of the Act is lower than ₹ 5.00 Crores. As such, the Company need not mandatorily spend any amount on CSR activity.

10.2 Safety, Health and Environment:

The Company now operates in the services business category which does not involve any hazardous work. However, the Company maintains high standards of Safety, Health and Environment in its own premises as well as contractor work sites. During construction related activities like new satellite dish antenna installation and office renovation, all safety interventions like building stability certification, monitoring contractor safety, etc were undertaken. Safety awareness programme on promoting safety culture at Nelco, safe working environment, safe storage of materials, equipment, machinery etc. was conducted through external agency to cover permanent and contractual staff from all critical functions of the Company. Safety walkthrough of each department was also conducted to assess current preparedness to critical situations and suggested precautions to be taken. Tata Safety Code of Conduct drive was launched to ensure commitment of every employee towards safety. During National Safety Week, safety training, awareness sessions and promotion campaigns were conducted for Nelco employees, contract staff, suppliers & customers. Free health check-up camp through local hospital, regular health consultation through company doctor and annual health check-up through medical service provider were organised for employees. Company has been issued green certificate from pollution control board for adhering to environment norms.

11. Human Resources

As on 31st March 2018, the Company had employee strength of 149. During the year under review, 31 employees were recruited, and 18 employees were separated.

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

- Employee Engagement: Workforce engagement initiatives are rigorously deployed to enhance level of people connect in a geographically spread organization. Avenues such as Voices, Engagement Action Planning, Open House, Employee Connect, HR Connect, Manager connect, Skip level meetings, weekly review meetings like AHM (All Hands Meet) help in promoting open dialogues with employees and empowering them. There are various reward and recognition schemes to motivate employees like Quarterly Individual/ Team performance awards, HoD spot awards, Nelco Innovista awards and peer recognition. Employee recreation activities are also planned across locations to ensure employee engagement.

- **Capability Development:** Organizational capability development is a focused agenda for the Company. To strengthen and build its core functional competencies, the company has developed a Skill Inventory which is used to evaluate current resources and plan mitigation of gaps through learning interventions and job exposure. Tata Group level initiatives like Innovista and Tata Business Leadership Awards promote innovative thinking and entrepreneurship as a way of life amongst employees. Nelco also has a pool of certified internal trainers to cater to the various training requirements across locations. Learning & Development needs are identified through business inputs, strategic challenges, inputs from management discussions, board meetings, etc. In addition, individual level training & development needs are identified through assessment of KRAs and leadership behaviours during annual performance appraisal (PRD). Training effectiveness is tracked to ensure that training objectives are achieved.
- **Performance & Talent Management:** Employee performance was systematically monitored starting from goal-setting stage to year end appraisal with initiation of quarterly performance dialogues to encourage continuous conversations between manager and team members. Career conversations and counselling for high performing officers were organised.
- **Succession Planning:** There is a Succession Planning process in place to identify successors for all critical positions and to make them ready for the role.
- The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Gender sensitization workshops have been conducted for all managers and employees to create the desired level of awareness and sensitivity of dealing with situations involving sexual harassment. Internal Complaint Committee members are also trained on latest statutes and practices. During the year under review, the Company has not received any complaints in this regard.

12. Credit Rating

During the year CARE Ratings has upgraded the long term and short-term ratings of the Company as under:

CARE Ratings has revised the ratings on the company's long term and short-term bank facilities to CARE A/Stable and CARE A1 from CARE A- and CARE A2+ respectively.

The upgrade reflects the improvement in the financial and operational performance of the Company.

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.

(₹ in lakhs)

Particulars – Standalone	Year ended 31 st March 2018	Year ended 31 st March 2017
Foreign Exchange Earnings	215.39	64.39
Foreign Exchange Outflow	2302.88	2,758.92

15. Auditors

At the 74th Annual General Meeting (AGM), the Members appointed Price Waterhouse Chartered Accountants LLP, Chartered Accountants (ICAI Firm Registration No. 012754N/N500016) as Statutory Auditors to hold the office for the period of five years from the conclusion of 74th AGM till the conclusion of 79th AGM of the Company to be held in the year 2022 on such remuneration as may mutually agreed between the Board of Directors of the Company and the Auditors.

16. Auditors' Report

The Auditors Report does not contain any qualifications, reservations or adverse remarks. 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. 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 year ended 31st March 2018. 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.

18. Conservation of Energy and Technology Absorption

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

19. Related Party Transactions

All related party transactions entered during the year under review were on an arm's length basis and were in the ordinary course of business. There were no other materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel and Body Corporate(s) which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of these Related Party Transactions as required under Section 134 (3) (h) of the Act in Form AOC 2 is not applicable for the year under review. The Directors draw attention of the Members to Note no. 38 to the Financial Statements (Standalone) 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/pdf/Policies/Related%20Party%20Transaction%20Policy.pdf>

20. Deposits

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

21. 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 given in Annexure-VII forming part of this report.

22. 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 believes 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 2018 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the of the Company for the period ended 31st March 2018 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the 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.

23. 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, 2018.

Annexure – I : Board Diversity Policy

(Ref: Board's Report, Section 7.2)

1. PURPOSE

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

2. SCOPE

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

3. POLICY STATEMENT

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

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

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

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

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

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

Accordingly, the Committee shall:

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

The Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Article of Association of Nelco, the Companies Act, 2013, Listing 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 Clause 49(IV)(B)(1) of the Equity Listing Agreement ("Listing Agreement"). 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 could attract talent or companies to which the company could lose 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.
- In terms of remuneration mix or composition,
 - o 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.
 - o Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - o 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-imbursements or insurance cover and also accidental death and dismemberment through personal accident insurance.
 - o The company provides retirement benefits as applicable.
 - o 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:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.
 - o 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.

¹Excludes 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.

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	0.9
Mr. K. Ramachandran	1.1
Mr. S. Ramakrishnan	1.3
Ms. Hema Hattangady	1.1
Mr. K. Raghuraman	1.3
Executive Director	
Mr. P. J. Nath	27.4

Note: Remuneration includes sitting fees and Performance Linked Payment (PLP) wherever applicable. The PLP for FY 2017-18 will be paid during FY 2018-19.

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

Name of the Director and Key Managerial Personnel	Percentage increase in remuneration in the financial year
Mr. R. R. Bhinge	104%
Mr. K. Ramachandran	21%
Mr. S. Ramakrishnan	33%
Ms. Hema Hattangady	20%
Mr. K. Raghuraman	27%
Mr. P. J. Nath, Managing Director & CEO*	90.87%
Mr. Uday Banerjee, Chief Financial Officer	15.42%
Mr. Girish Kirkinde, Company Secretary	19.05%

- (c) Percentage increase in the median remuneration of employees in the Financial year 2017-18: 13.70%

- (d) Number of permanent employees on the rolls of Company as on 31st March 2018: 149.

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

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	8.76% (on CTC)
Average increase in remuneration of managerial personnel*	54.14% (on CTC)

Note: Salary of MD & CEO in previous year was lower because of ceiling on Managerial remuneration under the erstwhile provisions of Companies Act, 2013. After the amendment to the said provisions and with the shareholders' approval by passing special resolution, the enhanced remuneration was paid

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

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

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

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

Sl. No	Date of Investment	Details of Investee	No of Shares of ₹ 10/- each	Amount ₹	Nature of Transactions
NIL	NIL	NIL	NIL	NIL	N.A.

- b) The details of corporate guarantees provided during the year are as under as a collateral security:

Sl. No	Date of Investment	Guarantee given in favour of	Amount ₹	Nature of Transactions
1	12 th March, 2018	ICICI Bank Ltd.	850.00	Rupee Term Loan sanctioned by the Bank to Tatanet Services Ltd. (wholly owned subsidiary of the Company)

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 17)

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[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"). 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, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.#
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009#;
 - d. 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 and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998#.

The Regulations or Guidelines, were not applicable for the period under review

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]

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

We further report that-

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

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

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, Board of Directors of the Company at its meeting held on September 01, 2017, subject to requisite approval of the members and regulatory authorities has approved the Composite Scheme of Arrangement and Amalgamation between the Company with Nelco Network Products Limited and Tatanet Services Limited.

For **Bhandari & Associates**
Company Secretaries

S. N. Bhandari
Partner

FCS No: 761; C P No. : 366

Mumbai, April 19, 2018

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

'Annexure A'

To
The Members,
NELCO LIMITED
CIN: L32200MH1940PLC003164

Our Secretarial Audit Report for the Financial Year ended on March 31, 2018 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**
Company Secretaries

S. N. Bhandari
Partner

FCS No: 761; CP No: 366

Mumbai, April 19, 2018

Annexure VI – Conservation of Energy and Technology Absorption

(Ref.: Board's Report, Section 18)

A. Conservation of Energy

- (i) The steps taken for impact on conservation of energy: Although energy is not a major element of the cost for the Company, constant endeavours have been made to conserve energy and consequently minimize power and diesel costs.
- (ii) The steps taken by the Company for utilizing alternate sources of energy: Power requirement of company is too low to utilize alternate sources of energy at the current juncture
- (iii) The capital investment on energy conservation equipment: Nil

B. Technology Absorption

(i) Efforts made towards Technology Absorption:

The major thrust of technology absorption has been in the areas of VSAT services. The Company's wholly owned subsidiary, Tatanet Services Ltd has set up one newer VSAT Hub in its facility in Mahape to augment its total satellite bandwidth capacity. The new capacities are also obtained from a new satellite and thereby increasing diversity.

Tatanet Services Ltd. has also deployed latest technologies for the baseband of the new VSAT hub, which will help in catering to newer market segments such as Aero and Maritime.

Future plan of action: As the regulations in India are opening and mobility applications are likely to be allowed over VSATs, company is gearing up in terms of infrastructure readiness and skill/resources augmentation to launch these services as soon as licenses are issued to the Company. The Company is making endeavour in building expertise in varied technologies for satellite communication, rather than getting fixed to only one technology. Company is building expertise to use data analytics and other digital technologies for improving quality of service and customer experience.

Technology absorption, adaptation and innovation: Constant endeavours 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 value-added 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 Oil Retail, 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: NA
- c. Has technology been fully absorbed : NA
- d. It not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action: NA

C. Foreign Exchange earnings and outgo (Standalone)

₹ In Lakhs

Total foreign exchange earned:	215.39
Total foreign exchange used	2,302.88

Annexure – VII Extract of Annual Return

(Ref.: Board's Report, Section 21)

FORM No. MGT-9

as on the financial year ended on 31st March 2018 [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: MIDC, Plot No. EL-6, TTC Industrial Area, 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	98%
2.	Automation & Control	80200	2%

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 Limited, 3 rd floor, Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001	L28920MH1919PLC000567	Holding	48.64	2(46)
2.	Af-Taab Investment Company Limited, 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 Limited, MIDC, Plot No. EL-6, TTC Industrial Area, Electronic Zone, Mahape, Navi Mumbai – 400710	U67120MH1987PLC044351	Subsidiary	100	2(87)
4.	Nelco Network Products Limited MIDC, Plot No. EL-6, TTC Industrial Area, Electronic Zone, Mahape, Navi Mumbai – 400710	U32309MH2016PLC285693	Subsidiary	100	2(87)
5.	Nelito Systems Limited 205-208, Millennium Business Park, Bldg 2, Sector 1, Mahape, Navi Mumbai 400701	U72900MH1995PLC088816	Associate	12.30	2(6)

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

(i) Category-wise Share Holding

Category code (I)	"Category of Shareholder (II)"	Number of shares held at the beginning of the year 1 st April, 2017				Number of shares held at the end of the year 31 st March, 2018				% 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	1,14,19,090	13,500	1,14,32,590	50.10	1,14,19,090	10,200	1,14,29,290	50.09	-0.01
(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)	1,14,19,090	13,500	1,14,32,590	50.10	1,14,19,090	10,200	1,14,29,290	50.09	-0.01
(2)	Foreign									0.00
(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)	1,14,19,090	13,500	1,14,32,590	50.10	1,14,19,090	10,200	1,14,29,290	50.09	-0.01
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	0	10,850	10,850	0.05	0	600	600	0.00	-0.04
(b)	Banks / Financial Institutions	56,690	12,990	69,680	0.31	1,36,283	12,990	1,49,273	0.65	0.35
(c)	Central Government	52,182	0	52,182	0.23	52,182	0	52,182	0.23	0.00
(d)	State Governments(s)	0	29,980	29,980	0.13	0	19,240	19,240	0.08	-0.05
(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
(g)	Foreign Institutional Investors	0	650	650	0.00	0	0	0	0.00	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
	- OCBs/Foreign Cos	0	8,69,360	8,69,360	3.81	0	8,68,760	8,68,760	3.81	0.00
	Sub-Total (B) (1)	1,08,872	9,23,830	10,32,702	4.53	1,88,465	9,01,590	10,90,055	4.78	0.25
(2)	Non-Institutions									
(a)	Bodies Corporate									
i	Indian	14,21,077	8,390	14,29,467	6.26	13,03,739	5,380	13,09,119	5.74	-0.53
ii	Overseas	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 1 st April, 2017				Number of shares held at the end of the year 31 st March, 2018				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	74,66,297	4,53,470	79,19,767	34.71	68,01,041	3,14,319	71,15,360	31.18	-3.53
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,00,187	0	10,00,187	4.38	16,58,836	0	16,58,836	7.27	2.89
(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	300	0	300	0.00	0.00
	FPI-CORPS	0	0	0	0.00	14,479	0	14,479	0.06	0.06
	Foreign National - DR	0	0	0	0.00	800	0	800	0.00	0.00
	IEPF Account	0	0	0	0.00	1,86,493	0	1,86,493	0.82	0.82
	- BC NBFC	3,087	0	3,087	0.01	13,668	0	13,668	0.06	0.05
	Sub-total (B) (2)	98,91,248	4,61,860	1,03,53,108	45.37	99,79,356	3,19,699	102,99,055	45.13	-0.24
	Total Public Shareholding (B) = (B)(1) + (B)(2)	1,00,00,120	13,85,690	1,13,85,810	49.90	1,01,67,821	12,21,289	1,13,89,110	49.91	0.01
	TOTAL (A)+(B)	2,14,19,210	13,99,190	2,28,18,400	100.00	2,15,86,911	12,31,489	2,28,18,400	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)	2,14,19,210	13,99,190	2,28,18,400	100.00	2,15,86,911	12,31,489	2,28,18,400	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	"Shareholding at the beginning of the year 1 st April, 2017"			"Shareholding at the end of the year 31 st March, 2018"			% 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	1,10,99,630	48.64	0.00	1,10,99,630	48.64	0.00	0.00
2	Aftaab Investment Company Limited	3,28,410	1.44	0.00	3,28,310	1.44	0.00	0.00
3	Tata Sons Limited	2,150*	0.01	0.00	0	0.00	0.00	-0.01
4	Tata Hydro Electric Power Supply Co Ltd	1,050*	0.00	0.00	0	0.00	0.00	0.00
5	Titan Industries Limited	1,000	0.00	0.00	1,000	0.00	0.00	0.00
6	Tata Investment Corporation Ltd	350	0.00	0.00	350	0.00	0.00	0.00
	TOTAL	1,14,32,590	50.10	0	1,14,29,290	50.09	0.00	-0.01

* Shares transferred to IEPF during the year 2017-18

(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 01.04.2017		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	The Tata Power Company Limited	01-Apr-2017	At the beginning of the year	1,10,99,630	48.64	1,10,99,630	48.64
1.1		31-Mar-2018	At the end of the year	0	0.00	1,10,99,630	48.64
1			Total :	1,10,99,630	48.64	1,10,99,630	48.64
2.1	Af-Taab Investment Company Limited	01-Apr-2017	At the beginning of the year	3,18,460	1.40	3,18,460	1.40
2.1		31-Mar-2018	At the end of the year	0	0.00	3,18,460	1.40
2.2	Aftaab Investment Company Limited	01-Apr-2016	At the beginning of the year	9,950	0.04	9,950	0.04
2.2		31-Mar-2017	At the end of the year	0	0.00	9,950	0.04
2			Total :	3,28,410	1.44	3,28,410	1.44
3.1	Titan Company Limited	01-Apr-2017	At the beginning of the year	1,000	0.00	1,000	0.00
3.1		31-Mar-2018	At the end of the year	0	0.00	1,000	0.00
3			Total :	1,000	0.00	1,000	0.00
4.1	Tata Investment Corporation Limited	01-Apr-2017	At the beginning of the year	350	0.00	350	0.00
4.1		31-Mar-2018	At the end of the year	0	0.00	350	0.00
4			Total :	350	0.00	350	0.00
5.1	Tata Sons Limited	01-Apr-2017	At the beginning of the year	2,150	0.01	2,150	0.01
5.1		01-Dec-2017	Decrease	-2,150	-0.01	0	0.00
5.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
5			Total :	2,150	0.01	0	0.00
6.1	The Tata Hydro Electric Power Supply Co Ltd	01-Apr-2017	At the beginning of the year	1,050	0.00	1,050	0.00
6.1		16-Mar-2018	Decrease	-1,050	0.00	0	0.00
6.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
6			Total :	1,050	0.00	0	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 01.04.2017		Cummulative Shareholding during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
1.1	M/S Schlumberger Limited	01-Apr-2017	At the beginning of the year	8,66,460	3.80	8,66,460	3.80
1.1		31-Mar-2018	At the end of the year	0	0.00	8,66,460	3.80
1			Total :	8,66,460	3.80	8,66,460	3.80
2.1	Prasoon Harshad Bhatt	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
2.1		09-Feb-2018	Increase	27,900	0.12	27,900	0.12

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
2.1		16-Feb-2018	Decrease	-27,900	-0.12	0	0.00
2.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
2.2	Prasoon Harshad Bhatt	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
2.2		09-Feb-2018	Increase	2,700	0.01	2,700	0.01
2.2		16-Feb-2018	Increase	1,40,664	0.62	1,43,364	0.63
2.2		02-Mar-2018	Increase	36,636	0.16	1,80,000	0.79
2.2		09-Mar-2018	Increase	45,000	0.20	2,25,000	0.99
2.2		31-Mar-2018	At the end of the year	0	0.00	2,25,000	0.99
2			Total :	0	0.00	2,25,000	0.99
3.1	Parul Prasoon Bhatt	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
3.1		02-Feb-2018	Increase	1,08,009	0.47	1,08,009	0.47
3.1		09-Feb-2018	Increase	1,16,991	0.51	2,25,000	0.99
3.1		31-Mar-2018	At the end of the year	0	0.00	2,25,000	0.99
3			Total :	0	0.00	2,25,000	0.99
4.1	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
4.1		01-Dec-2017	Increase	1,53,108	0.67	1,53,108	0.67
4.1		08-Dec-2017	Increase	1,504	0.01	1,54,612	0.68
4.1		23-Mar-2018	Increase	31,881	0.14	1,86,493	0.82
4.1		31-Mar-2018	At the end of the year	0	0.00	1,86,493	0.82
4.2	Deputy Director , Directorate Of Enforcement,Mumbai	01-Apr-2017	At the beginning of the year	2	0.00	2	0.00
4.2		31-Mar-2018	At the end of the year	0	0.00	2	0.00
4			Total :	2	0.00	1,86,495	0.82
5.1	Roopa Corporate Services Pvt. Ltd.	01-Apr-2017	At the beginning of the year	1,23,023	0.54	1,23,023	0.54
5.1		31-Mar-2018	At the end of the year	0	0.00	1,23,023	0.54
5			Total :	1,23,023	0.54	1,23,023	0.54
6.1	Icici Bank Limited	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
6.1		02-Mar-2018	Increase	1,000	0.00	1,000	0.00
6.1		09-Mar-2018	Decrease	-1,000	0.00	0	0.00
6.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
6.2	Icici Bank Limited	01-Apr-2017	At the beginning of the year	23,260	0.10	23,260	0.10
6.2		14-Apr-2017	Decrease	-200	0.00	23,060	0.10
6.2		28-Apr-2017	Increase	1,041	0.00	24,101	0.11
6.2		05-May-2017	Decrease	-21	0.00	24,080	0.11
6.2		12-May-2017	Decrease	-153	0.00	23,927	0.10
6.2		19-May-2017	Decrease	-110	0.00	23,817	0.10
6.2		26-May-2017	Decrease	-500	0.00	23,317	0.10
6.2		09-Jun-2017	Increase	158	0.00	23,475	0.10
6.2		23-Jun-2017	Decrease	-5,081	-0.02	18,394	0.08

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
6.2		30-Jun-2017	Decrease	-708	0.00	17,686	0.08
6.2		07-Jul-2017	Decrease	-544	0.00	17,142	0.08
6.2		14-Jul-2017	Increase	1,000	0.00	18,142	0.08
6.2		21-Jul-2017	Increase	3,165	0.01	21,307	0.09
6.2		28-Jul-2017	Decrease	-690	0.00	20,617	0.09
6.2		04-Aug-2017	Increase	31,251	0.14	51,868	0.23
6.2		08-Sep-2017	Increase	12,400	0.05	64,268	0.28
6.2		14-Sep-2017	Increase	89	0.00	64,357	0.28
6.2		29-Sep-2017	Decrease	-64,357	-0.28	0	0.00
6.2		24-Nov-2017	Increase	98,402	0.43	98,402	0.43
6.2		01-Dec-2017	Decrease	-4,348	-0.02	94,054	0.41
6.2		22-Dec-2017	Increase	6,604	0.03	1,00,658	0.44
6.2		29-Dec-2017	Decrease	-6,603	-0.03	94,055	0.41
6.2		12-Jan-2018	Increase	2,626	0.01	96,681	0.42
6.2		26-Jan-2018	Increase	11	0.00	96,692	0.42
6.2		09-Mar-2018	Decrease	-100	0.00	96,592	0.42
6.2		16-Mar-2018	Increase	8,770	0.04	1,05,362	0.46
6.2		23-Mar-2018	Decrease	-6,043	-0.03	99,319	0.44
6.2		30-Mar-2018	Increase	4,977	0.02	1,04,296	0.46
6.2		31-Mar-2018	At the end of the year	0	0.00	1,04,296	0.46
6			Total :	23,260	0.10	1,04,296	0.46
7.1	Reita Gertrude Gomes	01-Apr-2017	At the beginning of the year	71,000	0.31	71,000	0.31
7.1		18-Aug-2017	Increase	400	0.00	71,400	0.31
7.1		25-Aug-2017	Increase	1,900	0.01	73,300	0.32
7.1		08-Sep-2017	Increase	1,700	0.01	75,000	0.33
7.1		20-Oct-2017	Increase	1,000	0.00	76,000	0.33
7.1		27-Oct-2017	Increase	2,000	0.01	78,000	0.34
7.1		08-Dec-2017	Increase	3,000	0.01	81,000	0.35
7.1		15-Dec-2017	Increase	1,000	0.00	82,000	0.36
7.1		22-Dec-2017	Increase	1,000	0.00	83,000	0.36
7.1		19-Jan-2018	Increase	1,000	0.00	84,000	0.37
7.1		26-Jan-2018	Increase	1,000	0.00	85,000	0.37
7.1		31-Mar-2018	At the end of the year	0	0.00	85,000	0.37
7			Total :	71,000	0.31	85,000	0.37
8.1	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	1	0.00	1	0.00
8.1		01-Sep-2017	Increase	4,166	0.02	4,167	0.02
8.1		08-Sep-2017	Increase	11,560	0.05	15,727	0.07
8.1		11-Sep-2017	Decrease	-410	0.00	15,317	0.07
8.1		14-Sep-2017	Increase	185	0.00	15,502	0.07
8.1		15-Sep-2017	Increase	1,304	0.01	16,806	0.07
8.1		21-Sep-2017	Decrease	-9,400	-0.04	7,406	0.03
8.1		22-Sep-2017	Decrease	-200	0.00	7,206	0.03
8.1		29-Sep-2017	Decrease	-165	0.00	7,041	0.03
8.1		06-Oct-2017	Decrease	-75	0.00	6,966	0.03
8.1		13-Oct-2017	Increase	12	0.00	6,978	0.03
8.1		20-Oct-2017	Increase	2	0.00	6,980	0.03
8.1		27-Oct-2017	Decrease	-5	0.00	6,975	0.03
8.1		10-Nov-2017	Decrease	-12	0.00	6,963	0.03
8.1		17-Nov-2017	Increase	45	0.00	7,008	0.03
8.1		08-Dec-2017	Decrease	-50	0.00	6,958	0.03
8.1		15-Dec-2017	Decrease	-110	0.00	6,848	0.03

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
8.1		05-Jan-2018	Increase	2	0.00	6,850	0.03
8.1		12-Jan-2018	Decrease	-247	0.00	6,603	0.03
8.1		26-Jan-2018	Increase	250	0.00	6,853	0.03
8.1		09-Feb-2018	Decrease	-14	0.00	6,839	0.03
8.1		16-Feb-2018	Decrease	-280	0.00	6,559	0.03
8.1		23-Feb-2018	Decrease	-45	0.00	6,514	0.03
8.1		02-Mar-2018	Increase	98	0.00	6,612	0.03
8.1		23-Mar-2018	Increase	673	0.00	7,285	0.03
8.1		30-Mar-2018	Decrease	-278	0.00	7,007	0.03
8.1		31-Mar-2018	At the end of the year	4	0.00	7,011	0.03
8.2	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	9,530	0.04	9,530	0.04
8.2		07-Apr-2017	Decrease	-1,641	-0.01	7,889	0.03
8.2		14-Apr-2017	Increase	3,079	0.01	10,968	0.05
8.2		21-Apr-2017	Increase	14,621	0.06	25,589	0.11
8.2		28-Apr-2017	Increase	557	0.00	26,146	0.11
8.2		05-May-2017	Increase	1,468	0.01	27,614	0.12
8.2		12-May-2017	Decrease	-1,711	-0.01	25,903	0.11
8.2		19-May-2017	Increase	11,365	0.05	37,268	0.16
8.2		26-May-2017	Decrease	-4,981	-0.02	32,287	0.14
8.2		02-Jun-2017	Decrease	-960	0.00	31,327	0.14
8.2		09-Jun-2017	Decrease	-2,436	-0.01	28,891	0.13
8.2		16-Jun-2017	Increase	603	0.00	29,494	0.13
8.2		23-Jun-2017	Decrease	-440	0.00	29,054	0.13
8.2		30-Jun-2017	Increase	254	0.00	29,308	0.13
8.2		07-Jul-2017	Increase	1,557	0.01	30,865	0.14
8.2		14-Jul-2017	Increase	2,317	0.01	33,182	0.15
8.2		21-Jul-2017	Decrease	-9,902	-0.04	23,280	0.10
8.2		28-Jul-2017	Increase	17,445	0.08	40,725	0.18
8.2		04-Aug-2017	Decrease	-14,766	-0.06	25,959	0.11
8.2		11-Aug-2017	Increase	6,365	0.03	32,324	0.14
8.2		18-Aug-2017	Decrease	-16,850	-0.07	15,474	0.07
8.2		25-Aug-2017	Increase	4,674	0.02	20,148	0.09
8.2		01-Sep-2017	Decrease	-4,190	-0.02	15,958	0.07
8.2		08-Sep-2017	Decrease	-3,559	-0.02	12,399	0.05
8.2		11-Sep-2017	Decrease	-3,920	-0.02	8,479	0.04
8.2		14-Sep-2017	Increase	2,860	0.01	11,339	0.05
8.2		15-Sep-2017	Increase	841	0.00	12,180	0.05
8.2		21-Sep-2017	Decrease	-1,677	-0.01	10,503	0.05
8.2		22-Sep-2017	Increase	3,391	0.01	13,894	0.06
8.2		29-Sep-2017	Increase	3,953	0.02	17,847	0.08
8.2		06-Oct-2017	Increase	9,196	0.04	27,043	0.12
8.2		13-Oct-2017	Decrease	-23,210	-0.10	3,833	0.02
8.2		20-Oct-2017	Decrease	-2,344	-0.01	1,489	0.01
8.2		27-Oct-2017	Increase	830	0.00	2,319	0.01
8.2		31-Oct-2017	Decrease	-1,907	-0.01	412	0.00
8.2		03-Nov-2017	Increase	1,327	0.01	1,739	0.01
8.2		10-Nov-2017	Increase	4,449	0.02	6,188	0.03
8.2		17-Nov-2017	Increase	374	0.00	6,562	0.03
8.2		24-Nov-2017	Decrease	-2,782	-0.01	3,780	0.02
8.2		01-Dec-2017	Decrease	-980	0.00	2,800	0.01
8.2		08-Dec-2017	Decrease	-2,070	-0.01	730	0.00
8.2		15-Dec-2017	Increase	8,718	0.04	9,448	0.04
8.2		22-Dec-2017	Decrease	-7,878	-0.03	1,570	0.01

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				No. of Shares	% of total Shares of the company		% of total Shares of the company
8.2		29-Dec-2017	Increase	1,198	0.01	2,768	0.01
8.2		05-Jan-2018	Increase	3,336	0.01	6,104	0.03
8.2		12-Jan-2018	Increase	8,222	0.04	14,326	0.06
8.2		19-Jan-2018	Decrease	-4	0.00	14,322	0.06
8.2		26-Jan-2018	Decrease	-6,399	-0.03	7,923	0.03
8.2		02-Feb-2018	Increase	2,400	0.01	10,323	0.05
8.2		09-Feb-2018	Decrease	-4,999	-0.02	5,324	0.02
8.2		16-Feb-2018	Increase	15,005	0.07	20,329	0.09
8.2		23-Feb-2018	Decrease	-10,702	-0.05	9,627	0.04
8.2		02-Mar-2018	Increase	4,954	0.02	14,581	0.06
8.2		09-Mar-2018	Decrease	-2,439	-0.01	12,142	0.05
8.2		16-Mar-2018	Increase	1,122	0.00	13,264	0.06
8.2		23-Mar-2018	Decrease	-6,153	-0.03	7,111	0.03
8.2		30-Mar-2018	Increase	1,492	0.01	8,603	0.04
8.2		31-Mar-2018	At the end of the year	0	0.00	8,603	0.04
8.3	Angel Broking Private Limited.	01-Apr-2017	At the beginning of the year	2,343	0.01	2,343	0.01
8.3		07-Apr-2017	Increase	3,641	0.02	5,984	0.03
8.3		14-Apr-2017	Increase	2,870	0.01	8,854	0.04
8.3		21-Apr-2017	Increase	12,797	0.06	21,651	0.09
8.3		28-Apr-2017	Decrease	-798	0.00	20,853	0.09
8.3		05-May-2017	Decrease	-1,130	0.00	19,723	0.09
8.3		12-May-2017	Decrease	-8,239	-0.04	11,484	0.05
8.3		19-May-2017	Increase	834	0.00	12,318	0.05
8.3		26-May-2017	Increase	288	0.00	12,606	0.06
8.3		02-Jun-2017	Decrease	-754	0.00	11,852	0.05
8.3		09-Jun-2017	Decrease	-3,371	-0.01	8,481	0.04
8.3		16-Jun-2017	Decrease	-218	0.00	8,263	0.04
8.3		23-Jun-2017	Increase	3,216	0.01	11,479	0.05
8.3		30-Jun-2017	Decrease	-1,164	-0.01	10,315	0.05
8.3		07-Jul-2017	Decrease	-3,944	-0.02	6,371	0.03
8.3		14-Jul-2017	Increase	7,214	0.03	13,585	0.06
8.3		21-Jul-2017	Decrease	-7,247	-0.03	6,338	0.03
8.3		28-Jul-2017	Increase	7,070	0.03	13,408	0.06
8.3		04-Aug-2017	Decrease	-3,757	-0.02	9,651	0.04
8.3		11-Aug-2017	Decrease	-27	0.00	9,624	0.04
8.3		18-Aug-2017	Increase	880	0.00	10,504	0.05
8.3		25-Aug-2017	Decrease	-1,064	0.00	9,440	0.04
8.3		01-Sep-2017	Decrease	-1,856	-0.01	7,584	0.03
8.3		08-Sep-2017	Decrease	-280	0.00	7,304	0.03
8.3		11-Sep-2017	Decrease	-649	0.00	6,655	0.03
8.3		14-Sep-2017	Decrease	-550	0.00	6,105	0.03
8.3		15-Sep-2017	Increase	1,200	0.01	7,305	0.03
8.3		21-Sep-2017	Decrease	-5,039	-0.02	2,266	0.01
8.3		22-Sep-2017	Increase	2,637	0.01	4,903	0.02
8.3		29-Sep-2017	Increase	8,445	0.04	13,348	0.06
8.3		06-Oct-2017	Decrease	-1,866	-0.01	11,482	0.05
8.3		13-Oct-2017	Increase	1,002	0.00	12,484	0.05
8.3		20-Oct-2017	Decrease	-1,924	-0.01	10,560	0.05
8.3		27-Oct-2017	Decrease	-1,489	-0.01	9,071	0.04
8.3		31-Oct-2017	Decrease	-390	0.00	8,681	0.04
8.3		03-Nov-2017	Increase	796	0.00	9,477	0.04
8.3		10-Nov-2017	Increase	1,231	0.01	10,708	0.05
8.3		17-Nov-2017	Decrease	-682	0.00	10,026	0.04

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8.3		24-Nov-2017	Decrease	-684	0.00	9,342	0.04
8.3		01-Dec-2017	Decrease	-666	0.00	8,676	0.04
8.3		08-Dec-2017	Decrease	-2,376	-0.01	6,300	0.03
8.3		15-Dec-2017	Increase	2,035	0.01	8,335	0.04
8.3		22-Dec-2017	Decrease	-3,689	-0.02	4,646	0.02
8.3		29-Dec-2017	Decrease	-200	0.00	4,446	0.02
8.3		05-Jan-2018	Increase	2,753	0.01	7,199	0.03
8.3		12-Jan-2018	Increase	2,658	0.01	9,857	0.04
8.3		19-Jan-2018	Increase	1,340	0.01	11,197	0.05
8.3		26-Jan-2018	Increase	111	0.00	11,308	0.05
8.3		02-Feb-2018	Increase	1,539	0.01	12,847	0.06
8.3		09-Feb-2018	Decrease	-2,321	-0.01	10,526	0.05
8.3		16-Feb-2018	Decrease	-5,579	-0.02	4,947	0.02
8.3		23-Feb-2018	Increase	1,017	0.00	5,964	0.03
8.3		02-Mar-2018	Increase	1,106	0.00	7,070	0.03
8.3		09-Mar-2018	Decrease	-637	0.00	6,433	0.03
8.3		16-Mar-2018	Decrease	-3,002	-0.01	3,431	0.02
8.3		23-Mar-2018	Increase	1,973	0.01	5,404	0.02
8.3		30-Mar-2018	Decrease	-1,163	-0.01	4,241	0.02
8.3		31-Mar-2018	At the end of the year	0	0.00	4,241	0.02
8.4	Angel Broking Private Ltd.	01-Apr-2017	At the beginning of the year	128	0.00	128	0.00
8.4		07-Apr-2017	Increase	1,461	0.01	1,589	0.01
8.4		14-Apr-2017	Increase	8,048	0.04	9,637	0.04
8.4		21-Apr-2017	Decrease	-7,234	-0.03	2,403	0.01
8.4		28-Apr-2017	Increase	1,301	0.01	3,704	0.02
8.4		05-May-2017	Decrease	-2,604	-0.01	1,100	0.00
8.4		12-May-2017	Increase	2,701	0.01	3,801	0.02
8.4		19-May-2017	Decrease	-3,767	-0.02	34	0.00
8.4		26-May-2017	Increase	78	0.00	112	0.00
8.4		02-Jun-2017	Decrease	-112	0.00	0	0.00
8.4		09-Jun-2017	Increase	1,625	0.01	1,625	0.01
8.4		16-Jun-2017	Decrease	-24	0.00	1,601	0.01
8.4		23-Jun-2017	Increase	3,207	0.01	4,808	0.02
8.4		30-Jun-2017	Decrease	-1,418	-0.01	3,390	0.01
8.4		07-Jul-2017	Increase	933	0.00	4,323	0.02
8.4		14-Jul-2017	Increase	166	0.00	4,489	0.02
8.4		21-Jul-2017	Decrease	-2,093	-0.01	2,396	0.01
8.4		28-Jul-2017	Decrease	-1,786	-0.01	610	0.00
8.4		04-Aug-2017	Increase	814	0.00	1,424	0.01
8.4		11-Aug-2017	Decrease	-1,064	0.00	360	0.00
8.4		18-Aug-2017	Increase	931	0.00	1,291	0.01
8.4		25-Aug-2017	Decrease	-291	0.00	1,000	0.00
8.4		01-Sep-2017	Increase	2,450	0.01	3,450	0.02
8.4		08-Sep-2017	Decrease	-3,050	-0.01	400	0.00
8.4		11-Sep-2017	Increase	233	0.00	633	0.00
8.4		14-Sep-2017	Increase	867	0.00	1,500	0.01
8.4		15-Sep-2017	Decrease	-1,150	-0.01	350	0.00
8.4		21-Sep-2017	Increase	939	0.00	1,289	0.01
8.4		22-Sep-2017	Increase	2,060	0.01	3,349	0.01
8.4		29-Sep-2017	Decrease	-899	0.00	2,450	0.01
8.4		06-Oct-2017	Decrease	-2,100	-0.01	350	0.00
8.4		13-Oct-2017	Increase	1,150	0.01	1,500	0.01
8.4		20-Oct-2017	Decrease	-441	0.00	1,059	0.00

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8.4		27-Oct-2017	Decrease	-386	0.00	673	0.00
8.4		31-Oct-2017	Increase	382	0.00	1,055	0.00
8.4		03-Nov-2017	Decrease	-785	0.00	270	0.00
8.4		17-Nov-2017	Increase	730	0.00	1,000	0.00
8.4		24-Nov-2017	Increase	227	0.00	1,227	0.01
8.4		01-Dec-2017	Decrease	-727	0.00	500	0.00
8.4		08-Dec-2017	Increase	3,075	0.01	3,575	0.02
8.4		15-Dec-2017	Decrease	-3,361	-0.01	214	0.00
8.4		22-Dec-2017	Increase	6,523	0.03	6,737	0.03
8.4		29-Dec-2017	Decrease	-6,422	-0.03	315	0.00
8.4		05-Jan-2018	Decrease	-115	0.00	200	0.00
8.4		12-Jan-2018	Increase	5,099	0.02	5,299	0.02
8.4		19-Jan-2018	Decrease	-5,171	-0.02	128	0.00
8.4		26-Jan-2018	Increase	148	0.00	276	0.00
8.4		02-Feb-2018	Decrease	-263	0.00	13	0.00
8.4		09-Feb-2018	Increase	3,378	0.01	3,391	0.01
8.4		16-Feb-2018	Decrease	-1,612	-0.01	1,779	0.01
8.4		23-Feb-2018	Decrease	-432	0.00	1,347	0.01
8.4		02-Mar-2018	Decrease	-1,147	-0.01	200	0.00
8.4		09-Mar-2018	Increase	3,100	0.01	3,300	0.01
8.4		16-Mar-2018	Decrease	-2,940	-0.01	360	0.00
8.4		23-Mar-2018	Increase	1,035	0.00	1,395	0.01
8.4		30-Mar-2018	Increase	2,323	0.01	3,718	0.02
8.4		31-Mar-2018	At the end of the year	0	0.00	3,718	0.02
8.5	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
8.5		23-Mar-2018	Increase	4,057	0.02	4,057	0.02
8.5		30-Mar-2018	Decrease	-3,989	-0.02	68	0.00
8.5		31-Mar-2018	At the end of the year	0	0.00	68	0.00
8.6	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	1,501	0.01	1,501	0.01
8.6		07-Apr-2017	Increase	3,080	0.01	4,581	0.02
8.6		14-Apr-2017	Increase	14,029	0.06	18,610	0.08
8.6		21-Apr-2017	Decrease	-18,401	-0.08	209	0.00
8.6		28-Apr-2017	Increase	1,689	0.01	1,898	0.01
8.6		05-May-2017	Decrease	-1,801	-0.01	97	0.00
8.6		12-May-2017	Increase	2,409	0.01	2,506	0.01
8.6		19-May-2017	Decrease	-2,506	-0.01	0	0.00
8.6		26-May-2017	Increase	176	0.00	176	0.00
8.6		02-Jun-2017	Increase	824	0.00	1,000	0.00
8.6		09-Jun-2017	Increase	842	0.00	1,842	0.01
8.6		16-Jun-2017	Decrease	-1,219	-0.01	623	0.00
8.6		23-Jun-2017	Increase	15,471	0.07	16,094	0.07
8.6		30-Jun-2017	Decrease	-8,062	-0.04	8,032	0.04
8.6		07-Jul-2017	Increase	6,675	0.03	14,707	0.06
8.6		14-Jul-2017	Decrease	-12,493	-0.05	2,214	0.01
8.6		21-Jul-2017	Increase	6,174	0.03	8,388	0.04
8.6		28-Jul-2017	Decrease	-1,243	-0.01	7,145	0.03
8.6		04-Aug-2017	Decrease	-5,955	-0.03	1,190	0.01
8.6		11-Aug-2017	Decrease	-314	0.00	876	0.00
8.6		18-Aug-2017	Decrease	-13	0.00	863	0.00
8.6		25-Aug-2017	Increase	18	0.00	881	0.00
8.6		01-Sep-2017	Increase	9,180	0.04	10,061	0.04

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8.6		08-Sep-2017	Decrease	-3,795	-0.02	6,266	0.03
8.6		11-Sep-2017	Decrease	-1,626	-0.01	4,640	0.02
8.6		14-Sep-2017	Decrease	-2,081	-0.01	2,559	0.01
8.6		15-Sep-2017	Decrease	-829	0.00	1,730	0.01
8.6		21-Sep-2017	Increase	15,690	0.07	17,420	0.08
8.6		22-Sep-2017	Decrease	-5,985	-0.03	11,435	0.05
8.6		29-Sep-2017	Decrease	-8,143	-0.04	3,292	0.01
8.6		06-Oct-2017	Decrease	-3,005	-0.01	287	0.00
8.6		13-Oct-2017	Increase	1,565	0.01	1,852	0.01
8.6		20-Oct-2017	Decrease	-1,487	-0.01	365	0.00
8.6		27-Oct-2017	Decrease	-316	0.00	49	0.00
8.6		31-Oct-2017	Increase	151	0.00	200	0.00
8.6		03-Nov-2017	Increase	694	0.00	894	0.00
8.6		10-Nov-2017	Decrease	-479	0.00	415	0.00
8.6		17-Nov-2017	Decrease	-315	0.00	100	0.00
8.6		24-Nov-2017	Increase	805	0.00	905	0.00
8.6		01-Dec-2017	Decrease	-440	0.00	465	0.00
8.6		08-Dec-2017	Increase	791	0.00	1,256	0.01
8.6		15-Dec-2017	Decrease	-161	0.00	1,095	0.00
8.6		22-Dec-2017	Increase	3,469	0.02	4,564	0.02
8.6		29-Dec-2017	Decrease	-969	0.00	3,595	0.02
8.6		05-Jan-2018	Increase	3,735	0.02	7,330	0.03
8.6		12-Jan-2018	Decrease	-5,155	-0.02	2,175	0.01
8.6		19-Jan-2018	Decrease	-1,570	-0.01	605	0.00
8.6		26-Jan-2018	Decrease	-376	0.00	229	0.00
8.6		02-Feb-2018	Increase	197	0.00	426	0.00
8.6		09-Feb-2018	Increase	3,794	0.02	4,220	0.02
8.6		16-Feb-2018	Increase	19,141	0.08	23,361	0.10
8.6		23-Feb-2018	Decrease	-17,612	-0.08	5,749	0.03
8.6		02-Mar-2018	Increase	3,313	0.01	9,062	0.04
8.6		09-Mar-2018	Decrease	-1,610	-0.01	7,452	0.03
8.6		16-Mar-2018	Decrease	-1,295	-0.01	6,157	0.03
8.6		23-Mar-2018	Decrease	-4,567	-0.02	1,590	0.01
8.6		30-Mar-2018	Increase	7,639	0.03	9,229	0.04
8.6		31-Mar-2018	At the end of the year	0	0.00	9,229	0.04
8.7	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	52	0.00	52	0.00
8.7		31-Mar-2018	At the end of the year	0	0.00	52	0.00
8.8	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	35	0.00	35	0.00
8.8		28-Apr-2017	Increase	54	0.00	89	0.00
8.8		05-May-2017	Decrease	-1	0.00	88	0.00
8.8		07-Jul-2017	Increase	100	0.00	188	0.00
8.8		14-Jul-2017	Decrease	-154	0.00	34	0.00
8.8		21-Jul-2017	Increase	34	0.00	68	0.00
8.8		04-Aug-2017	Increase	23,066	0.10	23,134	0.10
8.8		11-Aug-2017	Decrease	-1,042	0.00	22,092	0.10
8.8		18-Aug-2017	Decrease	-409	0.00	21,683	0.10
8.8		25-Aug-2017	Decrease	-989	0.00	20,694	0.09
8.8		01-Sep-2017	Decrease	-5,056	-0.02	15,638	0.07
8.8		08-Sep-2017	Decrease	-11,844	-0.05	3,794	0.02
8.8		14-Sep-2017	Decrease	-235	0.00	3,559	0.02
8.8		15-Sep-2017	Decrease	-1,902	-0.01	1,657	0.01

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
8.8		21-Sep-2017	Decrease	-758	0.00	899	0.00
8.8		29-Sep-2017	Decrease	-270	0.00	629	0.00
8.8		13-Oct-2017	Decrease	-12	0.00	617	0.00
8.8		20-Oct-2017	Decrease	-2	0.00	615	0.00
8.8		03-Nov-2017	Decrease	-100	0.00	515	0.00
8.8		17-Nov-2017	Decrease	-25	0.00	490	0.00
8.8		09-Feb-2018	Decrease	-150	0.00	340	0.00
8.8		16-Mar-2018	Decrease	-190	0.00	150	0.00
8.8		31-Mar-2018	At the end of the year	0	0.00	150	0.00
8.9	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	1,000	0.00	1,000	0.00
8.9		07-Apr-2017	Decrease	-1,000	0.00	0	0.00
8.9		14-Apr-2017	Increase	450	0.00	450	0.00
8.9		21-Apr-2017	Decrease	-450	0.00	0	0.00
8.9		14-Jul-2017	Increase	50	0.00	50	0.00
8.9		21-Jul-2017	Decrease	-50	0.00	0	0.00
8.9		18-Aug-2017	Increase	25	0.00	25	0.00
8.9		25-Aug-2017	Decrease	-25	0.00	0	0.00
8.9		01-Sep-2017	Increase	280	0.00	280	0.00
8.9		08-Sep-2017	Increase	1,485	0.01	1,765	0.01
8.9		11-Sep-2017	Decrease	-433	0.00	1,332	0.01
8.9		14-Sep-2017	Increase	584	0.00	1,916	0.01
8.9		15-Sep-2017	Decrease	-1,716	-0.01	200	0.00
8.9		21-Sep-2017	Increase	3,110	0.01	3,310	0.01
8.9		22-Sep-2017	Decrease	-2,290	-0.01	1,020	0.00
8.9		29-Sep-2017	Decrease	-420	0.00	600	0.00
8.9		06-Oct-2017	Decrease	-500	0.00	100	0.00
8.9		27-Oct-2017	Increase	20	0.00	120	0.00
8.9		31-Oct-2017	Increase	2,722	0.01	2,842	0.01
8.9		03-Nov-2017	Decrease	-2,738	-0.01	104	0.00
8.9		10-Nov-2017	Increase	396	0.00	500	0.00
8.9		17-Nov-2017	Increase	500	0.00	1,000	0.00
8.9		24-Nov-2017	Decrease	-723	0.00	277	0.00
8.9		01-Dec-2017	Increase	231	0.00	508	0.00
8.9		08-Dec-2017	Increase	1,707	0.01	2,215	0.01
8.9		15-Dec-2017	Decrease	-2,105	-0.01	110	0.00
8.9		22-Dec-2017	Increase	115	0.00	225	0.00
8.9		29-Dec-2017	Increase	2,400	0.01	2,625	0.01
8.9		05-Jan-2018	Increase	1,036	0.00	3,661	0.02
8.9		12-Jan-2018	Decrease	-3,442	-0.02	219	0.00
8.9		19-Jan-2018	Increase	81	0.00	300	0.00
8.9		26-Jan-2018	Increase	900	0.00	1,200	0.01
8.9		02-Feb-2018	Decrease	-1,127	0.00	73	0.00
8.9		09-Feb-2018	Increase	3,868	0.02	3,941	0.02
8.9		16-Feb-2018	Decrease	-1,955	-0.01	1,986	0.01
8.9		23-Feb-2018	Decrease	-1,985	-0.01	1	0.00
8.9		02-Mar-2018	Increase	192	0.00	193	0.00
8.9		09-Mar-2018	Increase	2,434	0.01	2,627	0.01
8.9		16-Mar-2018	Decrease	-161	0.00	2,466	0.01
8.9		23-Mar-2018	Decrease	-850	0.00	1,616	0.01
8.9		30-Mar-2018	Decrease	-1,145	-0.01	471	0.00
8.9		31-Mar-2018	At the end of the year	0	0.00	471	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
8.10	Angel Broking Pvt Ltd	01-Apr-2017	At the beginning of the year	1,353	0.01	1,353	0.01
8.10		14-Apr-2017	Decrease	-450	0.00	903	0.00
8.10		21-Apr-2017	Decrease	-60	0.00	843	0.00
8.10		26-May-2017	Decrease	-842	0.00	1	0.00
8.10		18-Aug-2017	Increase	13,747	0.06	13,748	0.06
8.10		25-Aug-2017	Decrease	-5,050	-0.02	8,698	0.04
8.10		01-Sep-2017	Decrease	-1,199	-0.01	7,499	0.03
8.10		08-Sep-2017	Increase	11,327	0.05	18,826	0.08
8.10		11-Sep-2017	Decrease	-1,682	-0.01	17,144	0.08
8.10		14-Sep-2017	Decrease	-2,266	-0.01	14,878	0.07
8.10		15-Sep-2017	Increase	5,791	0.03	20,669	0.09
8.10		21-Sep-2017	Decrease	-13,748	-0.06	6,921	0.03
8.10		22-Sep-2017	Increase	2,598	0.01	9,519	0.04
8.10		29-Sep-2017	Increase	18,521	0.08	28,040	0.12
8.10		06-Oct-2017	Decrease	-4,196	-0.02	23,844	0.10
8.10		13-Oct-2017	Increase	27,924	0.12	51,768	0.23
8.10		20-Oct-2017	Increase	134	0.00	51,902	0.23
8.10		27-Oct-2017	Decrease	-2,483	-0.01	49,419	0.22
8.10		31-Oct-2017	Increase	2,127	0.01	51,546	0.23
8.10		03-Nov-2017	Decrease	-1,659	-0.01	49,887	0.22
8.10		10-Nov-2017	Decrease	-8,675	-0.04	41,212	0.18
8.10		17-Nov-2017	Increase	4,259	0.02	45,471	0.20
8.10		24-Nov-2017	Decrease	-449	0.00	45,022	0.20
8.10		01-Dec-2017	Decrease	-4,958	-0.02	40,064	0.18
8.10		08-Dec-2017	Increase	2,394	0.01	42,458	0.19
8.10		15-Dec-2017	Decrease	-6,270	-0.03	36,188	0.16
8.10		22-Dec-2017	Increase	2,064	0.01	38,252	0.17
8.10		29-Dec-2017	Decrease	-4,669	-0.02	33,583	0.15
8.10		05-Jan-2018	Increase	3,258	0.01	36,841	0.16
8.10		12-Jan-2018	Decrease	-5,650	-0.02	31,191	0.14
8.10		19-Jan-2018	Increase	2,756	0.01	33,947	0.15
8.10		26-Jan-2018	Increase	5,770	0.03	39,717	0.17
8.10		02-Feb-2018	Decrease	-4,158	-0.02	35,559	0.16
8.10		09-Feb-2018	Decrease	-2,853	-0.01	32,706	0.14
8.10		16-Feb-2018	Decrease	-14,533	-0.06	18,173	0.08
8.10		23-Feb-2018	Increase	55,128	0.24	73,301	0.32
8.10		02-Mar-2018	Decrease	-17,910	-0.08	55,391	0.24
8.10		09-Mar-2018	Increase	13,942	0.06	69,333	0.30
8.10		16-Mar-2018	Decrease	-16,952	-0.07	52,381	0.23
8.10		23-Mar-2018	Decrease	-52,381	-0.23	0	0.00
8.10		31-Mar-2018	At the end of the year	0	0.00	0	0.00
8.11	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
8.11		23-Jun-2017	Increase	50	0.00	50	0.00
8.11		30-Jun-2017	Decrease	-50	0.00	0	0.00
8.11		14-Jul-2017	Increase	285	0.00	285	0.00
8.11		21-Jul-2017	Decrease	-285	0.00	0	0.00
8.11		21-Sep-2017	Increase	250	0.00	250	0.00
8.11		22-Sep-2017	Decrease	-250	0.00	0	0.00
8.11		29-Sep-2017	Increase	600	0.00	600	0.00
8.11		06-Oct-2017	Decrease	-600	0.00	0	0.00
8.11		13-Oct-2017	Increase	50	0.00	50	0.00
8.11		20-Oct-2017	Decrease	-50	0.00	0	0.00

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
8.11		31-Oct-2017	Increase	58	0.00	58	0.00
8.11		03-Nov-2017	Decrease	-58	0.00	0	0.00
8.11		10-Nov-2017	Increase	50	0.00	50	0.00
8.11		17-Nov-2017	Decrease	-50	0.00	0	0.00
8.11		01-Dec-2017	Increase	1,000	0.00	1,000	0.00
8.11		08-Dec-2017	Increase	1,100	0.00	2,100	0.01
8.11		15-Dec-2017	Decrease	-2,100	-0.01	0	0.00
8.11		29-Dec-2017	Increase	100	0.00	100	0.00
8.11		05-Jan-2018	Decrease	-100	0.00	0	0.00
8.11		19-Jan-2018	Increase	50	0.00	50	0.00
8.11		26-Jan-2018	Decrease	-50	0.00	0	0.00
8.11		09-Feb-2018	Increase	125	0.00	125	0.00
8.11		16-Feb-2018	Decrease	-125	0.00	0	0.00
8.11		23-Mar-2018	Increase	470	0.00	470	0.00
8.11		30-Mar-2018	Increase	37	0.00	507	0.00
8.11		31-Mar-2018	At the end of the year	0	0.00	507	0.00
8.12	Angel Broking Private Limited	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
8.12		23-Mar-2018	Increase	35,366	0.15	35,366	0.15
8.12		30-Mar-2018	Increase	1,522	0.01	36,888	0.16
8.12		31-Mar-2018	At the end of the year	0	0.00	36,888	0.16
8			Total :	15,943	0.07	70,938	0.31
9.1	II & Fs Securities Services Limited	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
9.1		06-Oct-2017	Increase	205	0.00	205	0.00
9.1		13-Oct-2017	Decrease	-205	0.00	0	0.00
9.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
9.2	II & Fs Securities Services Limited	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
9.2		07-Apr-2017	Increase	1,500	0.01	1,500	0.01
9.2		14-Apr-2017	Decrease	-1,500	-0.01	0	0.00
9.2		08-Sep-2017	Increase	300	0.00	300	0.00
9.2		11-Sep-2017	Decrease	-300	0.00	0	0.00
9.2		08-Dec-2017	Increase	600	0.00	600	0.00
9.2		15-Dec-2017	Decrease	-600	0.00	0	0.00
9.2		31-Mar-2018	At the end of the year	0	0.00	0	0.00
9.3	II And Fs Securities Services Limited	01-Apr-2017	At the beginning of the year	21,335	0.09	21,335	0.09
9.3		07-Apr-2017	Decrease	-4	0.00	21,331	0.09
9.3		14-Apr-2017	Increase	18,491	0.08	39,822	0.17
9.3		21-Apr-2017	Decrease	-10,827	-0.05	28,995	0.13
9.3		28-Apr-2017	Decrease	-500	0.00	28,495	0.12
9.3		05-May-2017	Decrease	-1,000	0.00	27,495	0.12
9.3		12-May-2017	Decrease	-230	0.00	27,265	0.12
9.3		19-May-2017	Decrease	-300	0.00	26,965	0.12
9.3		26-May-2017	Increase	44,947	0.20	71,912	0.32
9.3		09-Jun-2017	Increase	5,950	0.03	77,862	0.34
9.3		16-Jun-2017	Decrease	-3,596	-0.02	74,266	0.33
9.3		23-Jun-2017	Decrease	-10,337	-0.05	63,929	0.28
9.3		30-Jun-2017	Decrease	-37,222	-0.16	26,707	0.12

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
9.3		07-Jul-2017	Increase	10,802	0.05	37,509	0.16
9.3		14-Jul-2017	Decrease	-2,192	-0.01	35,317	0.15
9.3		21-Jul-2017	Increase	17,795	0.08	53,112	0.23
9.3		28-Jul-2017	Decrease	-1,597	-0.01	51,515	0.23
9.3		04-Aug-2017	Decrease	-24,641	-0.11	26,874	0.12
9.3		11-Aug-2017	Decrease	-2,325	-0.01	24,549	0.11
9.3		18-Aug-2017	Decrease	-500	0.00	24,049	0.11
9.3		25-Aug-2017	Increase	14,987	0.07	39,036	0.17
9.3		01-Sep-2017	Decrease	-2,360	-0.01	36,676	0.16
9.3		08-Sep-2017	Decrease	-8,752	-0.04	27,924	0.12
9.3		11-Sep-2017	Decrease	-3,188	-0.01	24,736	0.11
9.3		14-Sep-2017	Increase	1,900	0.01	26,636	0.12
9.3		15-Sep-2017	Increase	708	0.00	27,344	0.12
9.3		21-Sep-2017	Decrease	-6,648	-0.03	20,696	0.09
9.3		22-Sep-2017	Decrease	-7,138	-0.03	13,558	0.06
9.3		29-Sep-2017	Decrease	-7,129	-0.03	6,429	0.03
9.3		06-Oct-2017	Decrease	-4,050	-0.02	2,379	0.01
9.3		13-Oct-2017	Increase	1,050	0.00	3,429	0.02
9.3		20-Oct-2017	Decrease	-2,275	-0.01	1,154	0.01
9.3		27-Oct-2017	Increase	1,956	0.01	3,110	0.01
9.3		03-Nov-2017	Decrease	-2,800	-0.01	310	0.00
9.3		10-Nov-2017	Increase	2,380	0.01	2,690	0.01
9.3		17-Nov-2017	Decrease	-1,481	-0.01	1,209	0.01
9.3		24-Nov-2017	Decrease	-150	0.00	1,059	0.00
9.3		01-Dec-2017	Decrease	-100	0.00	959	0.00
9.3		08-Dec-2017	Increase	5,413	0.02	6,372	0.03
9.3		15-Dec-2017	Decrease	-5,454	-0.02	918	0.00
9.3		22-Dec-2017	Increase	2,298	0.01	3,216	0.01
9.3		29-Dec-2017	Decrease	-2,285	-0.01	931	0.00
9.3		05-Jan-2018	Increase	212	0.00	1,143	0.01
9.3		12-Jan-2018	Decrease	-1,123	0.00	20	0.00
9.3		19-Jan-2018	Increase	3,766	0.02	3,786	0.02
9.3		26-Jan-2018	Increase	325	0.00	4,111	0.02
9.3		02-Feb-2018	Increase	5,821	0.03	9,932	0.04
9.3		09-Feb-2018	Decrease	-9,932	-0.04	0	0.00
9.3		16-Feb-2018	Increase	501	0.00	501	0.00
9.3		23-Feb-2018	Increase	4,884	0.02	5,385	0.02
9.3		02-Mar-2018	Decrease	-2,285	-0.01	3,100	0.01
9.3		09-Mar-2018	Decrease	-2,900	-0.01	200	0.00
9.3		16-Mar-2018	Increase	200	0.00	400	0.00
9.3		23-Mar-2018	Increase	1,550	0.01	1,950	0.01
9.3		30-Mar-2018	Increase	8,050	0.04	10,000	0.04
9.3		31-Mar-2018	At the end of the year	-1,900	-0.01	8,100	0.04
9.4	II And Fs Securities Services Limited	01-Apr-2017	At the beginning of the year	17,429	0.08	17,429	0.08
9.4		04-Aug-2017	Increase	34,439	0.15	51,868	0.23
9.4		29-Sep-2017	Decrease	-11,000	-0.05	40,868	0.18
9.4		27-Oct-2017	Decrease	-3,000	-0.01	37,868	0.17
9.4		10-Nov-2017	Decrease	-2,000	-0.01	35,868	0.16
9.4		17-Nov-2017	Decrease	-2,000	-0.01	33,868	0.15
9.4		01-Dec-2017	Decrease	-10,000	-0.04	23,868	0.10
9.4		08-Dec-2017	Decrease	-1,000	0.00	22,868	0.10
9.4		15-Dec-2017	Increase	6,922	0.03	29,790	0.13
9.4		22-Dec-2017	Increase	11,918	0.05	41,708	0.18

Serial no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative during the year	Shareholding
				No. of Shares	% of total Shares of the company		% of total Shares of the company
9.4		12-Jan-2018	Decrease	-1,467	-0.01	40,241	0.18
9.4		19-Jan-2018	Increase	20,087	0.09	60,328	0.26
9.4		26-Jan-2018	Increase	4,086	0.02	64,414	0.28
9.4		02-Feb-2018	Decrease	-200	0.00	64,214	0.28
9.4		09-Feb-2018	Decrease	-2,124	-0.01	62,090	0.27
9.4		16-Feb-2018	Decrease	-7,377	-0.03	54,713	0.24
9.4		23-Feb-2018	Increase	8,011	0.04	62,724	0.27
9.4		02-Mar-2018	Increase	1,939	0.01	64,663	0.28
9.4		09-Mar-2018	Decrease	-5,919	-0.03	58,744	0.26
9.4		16-Mar-2018	Decrease	-1,778	-0.01	56,966	0.25
9.4		23-Mar-2018	Increase	4,139	0.02	61,105	0.27
9.4		31-Mar-2018	At the end of the year	0	0.00	61,105	0.27
9			Total :	38,764	0.17	69,205	0.30
10.1	Usha Khaitan	01-Apr-2017	At the beginning of the year	69,000	0.30	69,000	0.30
10.1		31-Mar-2018	At the end of the year	0	0.00	69,000	0.30
10			Total :	69,000	0.30	69,000	0.30
11.1	Shrey Baxi	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
11.1		29-Sep-2017	Increase	50,000	0.22	50,000	0.22
11.1		10-Nov-2017	Increase	8,000	0.04	58,000	0.25
11.1		31-Mar-2018	At the end of the year	0	0.00	58,000	0.25
11			Total :	0	0.00	58,000	0.25
12.1	Digvijay Commerce And Trading Pvt Ltd	01-Apr-2017	At the beginning of the year	1,50,000	0.66	1,50,000	0.66
12.1		11-Aug-2017	Decrease	-9,853	-0.04	1,40,147	0.61
12.1		29-Sep-2017	Decrease	-10,000	-0.04	1,30,147	0.57
12.1		24-Nov-2017	Decrease	-10,809	-0.05	1,19,338	0.52
12.1		08-Dec-2017	Decrease	-5,000	-0.02	1,14,338	0.50
12.1		29-Dec-2017	Decrease	-5,000	-0.02	1,09,338	0.48
12.1		12-Jan-2018	Decrease	-3,000	-0.01	1,06,338	0.47
12.1		09-Feb-2018	Decrease	-2,000	-0.01	1,04,338	0.46
12.1		02-Mar-2018	Decrease	-40,000	-0.18	64,338	0.28
12.1		09-Mar-2018	Decrease	-50,000	-0.22	14,338	0.06
12.1		30-Mar-2018	Decrease	-14,338	-0.06	0	0.00
12.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
12.2	Digvijay Commerce And Trading Pvt Ltd	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
12.2		14-Apr-2017	Increase	26,000	0.11	26,000	0.11
12.2		21-Apr-2017	Decrease	-6,000	-0.03	20,000	0.09
12.2		28-Apr-2017	Decrease	-20,000	-0.09	0	0.00
12.2		11-Aug-2017	Increase	9,853	0.04	9,853	0.04
12.2		24-Nov-2017	Increase	10,809	0.05	20,662	0.09
12.2		30-Mar-2018	Decrease	-20,662	-0.09	0	0.00
12.2		31-Mar-2018	At the end of the year	0	0.00	0	0.00
12			Total :	1,50,000	0.66	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 01.04.2017		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-Apr-2017	At the beginning of the year	0	0.00	0	0.00
1.1		31-Mar-2018	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-Apr-2017	At the beginning of the year	0	0.00	0	0.00
2.1		31-Mar-2018	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-Apr-2017	At the beginning of the year	0	0.00	0	0.00
3.1		31-Mar-2018	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-Apr-2017	At the beginning of the year	0	0.00	0	0.00
4.1		31-Mar-2018	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-Apr-2017	At the beginning of the year	0	0.00	0	0.00
5.1		31-Mar-2018	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-Apr-2017	At the beginning of the year	0	0.00	0	0.00
6.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
6			Total :	0	0.00	0	0.00
7.1	Mr. Uday Banerjee Chief Financial Officer	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
7.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
7			Total :	0	0.00	0	0.00
8.1	Mr. Girish V. Kirinde Company Secretary & Head - Legal	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
8.1		31-Mar-2018	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.

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	335	4,100	-	4,435
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	3	-	3
Total (i+ii+iii)	335	4,103	-	4,438
Change in Indebtedness during the financial year				
- Addition	833	12,994	-	13,827
- Reduction	(240)	(13,581)	-	(13,821)
Net Change	593	(587)	-	6
Indebtedness at the end of the financial year				
i) Principal Amount	928	3,513	-	4,441
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1	-	1
Total (i+ii+iii)	928	3513		4,441

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ 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	165.08	165.08
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.20	9.20
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- as % of profit		
	- others, specify...		
5.	Others, please specify	Nil	Nil
6.	Total (A)	174.28	174.28
7.	Ceiling as per the Act	No ceiling as it is approved by shareholders by passing special resolution	

B. Remuneration to other directors:

(₹ in Lakhs)

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board / committee Meetings*	Commission payable for FY 2017-18	Others, please specify	
I.	Independent Directors				
1.	Mr. K.Raghuraman	8.40	-	-	8.40
2.	Mr. K.Ramachandran	6.90	-	-	6.90
3.	Ms. Hema Hattangady	7.20	-	-	7.20
	Total (I)	22.50	-	-	22.50
II.	Other Non-Executive Directors				
1.	Mr. S.Ramakrishnan	8.40	-	-	8.40
2.	Mr. R.R. Bhinge	5.70	-	-	5.70
	Total (II)	14.10	-	-	14.10
	Total Managerial Remuneration (I + II)	36.60	-	-	36.60
	Overall Ceiling as per the Act (@1% of profit calculated under Section 198 of the Companies Act, 2013)		Not applicable as no commission paid to any non-Executive Director		

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Girish Kirkinde, Company Secretary & Head - Legal	Mr. Uday Banerjee, CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.33	57.27	98.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.55	4.11	6.66
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
6	Total	43.88	61.38	105.26

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

The macro-economic conditions in India continued to be on a stable footing with slowing inflation, current account deficits remaining in control and fiscal deficit not exceeding the previous year's level. The Economic Survey 2017-18 forecasts a growth rate of 7 to 7.5 per cent for 2018-19, as compared to 6.7 per cent in 2017-18. Focus on private investments and exports, two truly sustainable engines of economic growth, will be crucial in improving the climate for rapid economic growth.

The global and domestic economic landscape witnessed significant shifts in 2017-18 which led to wide ranging implications on various sectors. The Government (Govt.) had taken several initiatives in 2017-18 in the areas of infrastructure, easing the process of doing business, allowing further FDI, starting campaigns on smart cities and encouraging start-ups. There were some transformation reforms including also the implementation of GST during the year.

The Govt strengthened the reforms to enhance domestic oil exploration and production and open newer opportunities for collaboration with private players as well as global oil and gas companies, to reduce import dependence for crude oil by 10% by 2022 and 50% by 2030. The Govt. also plans to have complete automation and real-time monitoring of approximately 55,000 outlets of Oil Marketing Companies (OMCs) in the country by March 2019 to reduce adulteration and diversion of fuel, provide transparency to customers on the daily fuel rate and enable digital transactions linked to dispensing system.

In the run up to India's target of achieving 175 GW of renewable energy capacity addition by 2022, the country achieved 70 GW project capacities while an additional 38 GW is under implementation, as per data available till March 31st, 2018. This is likely to increase private sector participation in the energy sector as a whole.

The Govt. plans to extend the reach of its services to the remotest parts of the country with the use of digital technologies, social media, mobility, analytics and cloud are enabling Digital India by providing "governance and services on demand" and "digitally empowering citizens". Along with the public sector, the private sector will play a significant role in improving digital connectivity in the country by providing the last mile access, location specific Wi-Fi access (e.g., schools, public Wi-Fi) and development of applications that provide on-demand cloud-based services such as branchless banking, remote health, remote education, skill development and e-justice.

The Govt.'s initiative to develop one hundred 'Smart Cities' is powered by technologies like Internet of Things (IoT) which will help the citizens in services like transport system, parking, electricity, waste management, water management and women's safety, smart health services, smart manufacturing and smart agriculture, etc. This has a potential to open newer opportunities for various sectors.

With an objective to propel economic and technological growth and investment, the Department of Telecommunications (DoT) has released the draft of National Digital Communications Policy – 2018. This will act as a framework for all future legal and regulatory changes/ development in Information and Communications Technology.

COMPANY STRATEGY AND DIRECTIONS:

Business Strategy:

The Company has two business lines as given below. The Company decided to have different strategies for each of the businesses considering the market potential, its own strengths and focus.

- o VSAT business: To grow the business aggressively in the existing segments by leveraging its current market positioning as a reliable and credible VSAT operator as well as get into newer market segments and services.
- o ISSS business: To Operate in restricted mode. Focus in meeting the existing contractual obligations towards warranty and maintenance services.

The VSAT business is the focus for profitable growth of the Company. This business contributes for more than 98% of the total revenue and this ratio will keep going up in future. The ISSS business, as mentioned above is carried only to fulfil the contractual obligations.

VSAT BUSINESS STRATEGY AND DIRECTIONS:

The Company is one of the major VSAT service providers in India providing highly reliable data connectivity solutions across the country for the B2B sector using satellite communication. The Company is leveraging on the increasing focus of some of the important industry segments in expanding to the remote locations, e.g. the Banking & Financial Services, Renewable Energy, Mining, offshore Oil & Gas Exploration etc., where the deployment of VSATs is likely to further increase in the years to come. The Company is evaluating various Govt. initiatives which are based around expansion to the remote

villages across the country which require reliable VSAT connectivity and will participate in these selectively. The Company is also planning to launch soon the VSAT services for the mobility segments, especially digital communication on aircrafts and ships.

Industry structure and development

The VSAT services is a regulated industry operating under the license from Department of Telecom, Govt. of India. As per the current regulations, the VSAT operators are required to lease satellite transponder space only from Antrix Corporation Ltd. ("Antrix"), a part of ISRO (a Govt. of India Company under Dept. of Space), who arranges for the transponder space in satellites belonging to ISRO or foreign satellite operators. In the recent past however, Antrix has been allocating transponder capacities only on Indian satellites operated by ISRO. The VSAT services are used mainly for data communication and to some extent voice communication in a closed user group (CUG) without any connection to the PSTN.

The operators are required to set up VSAT hubs in India for enabling the VSAT services. The VSAT technology is proprietary in nature. The electronics at the central VSAT Hub are provided by a handful of global technology providers and the electronics at the remote locations need to be of the same technology as the central VSAT hub. There are no Indian manufacturers for VSAT technology yet.

There are 5 main VSAT operators for this business in the country, with diverse backgrounds ranging from pure play VSAT operators to large Telecom operators, private sector to PSU enterprises, domestic players to foreign operators. There has been no new entrant in this space in the country in more than a decade so far. The industry has been growing at around 8% p.a. so far.

Market opportunities:

The VSATs continue to be the most preferred mode of data communication in the B2B segment in remote and rural locations due to its ability to offer predictable and high availability services at same price points as the metro locations. The growing need for expanding to remote locations for sectors like Banking which needs to reach out to the unbanked locations, Renewable Energy, Mining etc. gives the boost to the VSAT business in the country.

VSATs also continue to be the most widely accepted mode of connectivity for expanding the footprint of ATMs across the country, especially in remote locations, due to the need for high availability services. Currently there are about 115,000 ATMs connected on VSATs, which number is likely to grow to around 200,000 in the next 4 years. ATMs will evolve in future, offering newer banking applications for consumers which have traditionally been offered through the bank branches. The ATMs are also likely to get further boost as they become an integral part of the newer payment channels' eco-system. These developments will positively impact the VSAT industry.

The digital communication service for the offshore oil & gas exploration sector is an important application for VSAT services in India. The exploration activities are accelerated by Govt.'s drive to reduce import of crude oil. Further, newer reforms and initiatives by the Govt. are opening up the sector for private players as well as global oil and gas companies. Currently, the most reliable medium of connectivity for the offshore rigs in India is VSAT. The importance for reliable digital communication services in this segment is high due to the sensitive nature of applications, which is likely to further go up with newer applications like IoT and analytics being deployed by the industry.

The Govt.'s mandate to automate and connect oil retail outlets by March 2019 is creating large volume opportunities for VSATs. The potential for VSATs in the Govt. sector is large due to thrust on panchayat connectivity, education, healthcare, public distribution system and water management. Though the overall potential is more than 100,000 VSATs, the time frames for implementation are however uncertain.

Globally the satellite communication industry is growing at a rapid pace due to wide range of usage of these services, which has been made possible due to advancement in technology and light touch regulations. The advancement in technology is both for the satellites as well as the antenna technologies. The High Throughput Satellites (HTS) have given a major boost to the satellite industry, which has been further augmented by the availability of smaller foot print flat panel antenna. These developments have helped in opening up many new growth sectors like mobility services, mainly for aero and maritime communication, and niche applications like connected cars.

The prospects for the VSAT industry in India are also bright in the coming years based on large potential for new services around mobility - Maritime Communication, Aero in-flight connectivity and Surface transport communication services. These services have not been offered in the country so far due to regulatory restrictions. However, with the new licenses for offering mobility services using satellite communication being framed by the Govt., these services will soon be a reality in the country and will help in expanding the VSAT industry. The Company has been pursuing with the Govt. for considerable time for the necessary regulatory clearances for offering aero in-flight connectivity and maritime communication services in the country and plans to launch these services as soon as the necessary clearances are given. The Company believes that the VSAT industry in India will grow multi-fold in the next 4 – 5 years' time once the license for offering the mobility services are issued.

It is expected that, in India HTS would be available for commercial use within next 1 year which will further boost the viability of VSAT services in many more applications as has been the case in many other countries across the globe.

The availability of Low Earth Orbit (LEO) satellite in future will enhance the industry growth as the VSAT usage will substantially increase with availability of large capacity-low latency satellite bandwidth.

Strengthening presence in the existing market segments

The Company has a continued focus in reinforcing its presence in existing market segments for VSAT services. It has also established as a preferred VSAT service provider for segments like ATMs and offshore oil & gas exploration. The Company has strengthened its presence in the Banking & Finance segment with a base of apx. 45,000 VSATs for off-site ATMs and bank branches. The Company had more than 60% market share of the incremental VSAT deployment in off-site ATMs as well as offshore oil rigs during the year.

The Company has also leveraged its current infrastructure and signed multi-year contracts with two of the largest Public Sector Undertaking (PSU) energy companies for connecting some of their oil retail outlets across the country using VSATs.

The presence in the digital communication services for offshore oil rigs has created potential for future growth in maritime communication services, which is awaiting formal regulatory clearances.

The Company has been focusing in improving its customer support and project implementation capabilities, which are tuned towards the specific market segments. The Company has significantly improved its capability to offer customer support services in the remote locations by enhancing its franchisee network. The Company is building analytics capability to further strengthen its expertise in handling the end to end requirements of the various market segments.

Getting into newer services and markets

There are multiple Enterprise segments which need reliable data connectivity services in remote locations due to their business-critical needs. Many such segments have not yet adopted VSATs in a large scale due to various reasons. The Company's focus is to improve the awareness of VSATs amongst some of these sectors and build stronger presence.

The Company is also pursuing with Govt. of India for permission to offer the aero and maritime communication services in the country and believes that the same would be given in the next few months.

Investing in augmenting infrastructure

The Company has been making continuous investment in augmenting its infrastructure for providing VSAT services. During the year the Company had set up a new Ku VSAT Hub in Mahape which got operational from Dec 2017, with transponder capacity on ISRO satellite. The infrastructure is scalable and will be able to cater to the growth plans of the Company.

There are currently four VSAT Hubs in Mahape (two each for Extended-C band and Ku band) and one Ku band VSAT Hub in Dehradun. The Company has deployed latest technologies for the VSAT hubs, which will help in catering to a wide range of market segments. These infrastructure augmentations would help the Company in meeting the diverse needs of the market and help fuel its growth.

The Company is making endeavour in building expertise in varied areas for satellite communication to prepare for adopting newer technologies in the future. The Company continues to drive performance improvement through TL9000, ISO 20000 and ISO27001.

Differentiated Enterprise Offerings:

The Company has been focusing in continuously augmenting its solutions in the VSAT services, which has helped it to become a preferred VSAT service provider for multiple segments. The Company plans to build layers of services on top of reliable basic connectivity and focus on solution selling to further strengthen its leadership position. The focus is around analytics and digital technologies, which would help its customers achieve their end objectives.

ISSS BUSINESS STRATEGY & DIRECTIONS:

The Company has been providing System Integration services for security and surveillance applications mainly to the Govt., PSU customers, under its Integrated Security Surveillance Solutions (ISSS) business. Considering that the margins in this business have been thin because of low value addition and aggressive bidding by competition, frequent project delays due to issues not in control of the Company and delayed cash flows, the Company decided to refrain from addressing any new requirements for this business. It is focusing only in fulfilling its obligations towards its existing customers, mainly in terms of warranty and maintenance services.

SEGMENT WISE PERFORMANCE

The Company has two reportable segments viz. (1) Network Systems consisting of VSAT services (including equipment sale & maintenance) and (2) Automation & Control consisting of Integrated Security and Surveillance Solutions (ISSS). 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.

On 8th September, 2016 the Company formed a wholly owned subsidiary – Nelco Network Products Limited (NNPL) which has not commenced business operation during the year under review.

The current period of review for the Company is 1st April 2017 to 31st March 2018.

Network Systems

VSAT Services:

During the period under review, the revenue for the VSAT business on consolidated basis was ₹14,718 Lakhs as against ₹13,973 Lakhs in the previous year. On a standalone basis the revenue for the VSAT business was ₹ 9,120 Lakhs as against ₹8,545 Lakhs in the previous year.

The Company added 9,450 VSATs to its installed base as against 15,803 VSATs in the previous year. The VSAT installed base for the company is approximately 54,000 as on 31st March 2018, which works out to around 21% of the total installed base of the industry.

The Company has added 6,450 VSATs in the ATMs for various banks, which works out to more than 60% of the VSATs sold for the ATMs during this period. These ATMs are either directly owned by the banks or out sourced to the major Brown label ATM services providers or are 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 to serve their needs 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.

During the year the Company also bagged orders for connecting large number of Oil Retail outlets of two of the major PSU Energy companies.

The Company continued its focus in developing newer markets for VSAT services.

Automation & Control

The Company had restricted its operations in the ISSS business. The revenue from Automation & Control was ₹243 Lakhs as against ₹ 394 Lakhs in the previous year.

OUTLOOK

Network Systems

The Company has strengthened its presence in the banking & finance segment and the offshore oil & gas exploration segment. It has deployed close to 7,500 VSATs for off-site ATMs and bank branches during the year. The Company expects the VSAT deployment in ATMs and bank branches to go up during 2018-19 and beyond, due to the expansion of the banking infrastructure to the remote unbanked areas.

The Oil exploration activities in the country will continue in the short to medium term, which will make this segment attractive for the VSAT industry. The PSU Energy companies will continue to connect their retail outlets using VSATs and more than 20,000 such outlets are likely to get connected during 2018-19. The Company aims to get a fair share of these markets.

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 during the year 2018-19. The Company is well poised to offer services in these segments due to its technological strengths, understanding of the market and its presence in the eco-system. The market potential of these two services is estimated to be more than ₹1000 Crore per annum by fifth year, of which the Company expects to get a fair share.

The availability of High Throughput Satellites (HTS) can give a significant impetus to the VSAT industry by increasing its ability to address newer markets and applications due to availability of larger satellite capacities and lower price points. The Company is well geared to leverage on these opportunities as and when HTS is made available in the country.

Automation & Control

The Company is refraining from bidding for new projects in ISSS and concentrating only in meeting its obligations towards its existing customers by offering them the highest quality warranty and maintenance services as per its contractual terms.

RESTRUCTURING OF THE COMPANY

The Company is in the process of internal restructuring of its various businesses and its two wholly owned subsidiaries – Tatanet Services Limited (TNSL) and Nelco Network Products Limited (NNPL). under a composite Scheme of Arrangement and Amalgamation (Scheme) which is subject to various Regulatory approvals. Currently TNSL holds the VSAT license and has the revenue from the sale of VSAT communication services, which is recurring in nature. The revenue earned by Nelco comprise mainly of one-time sale of VSAT equipment and recurring revenue from equipment maintenance services.

In the first phase of the Scheme Nelco will transfer its two businesses to NNPL on a going concern basis by way of slump sale. These businesses are (a) ISSS and (b) sale and maintenance of VSAT and related equipment. In the second phase, TNSL will amalgamate with Nelco. Post the said restructuring, the VSAT Communication service business will be in Nelco, which is the listed parent entity and the related equipment business will be in NNPL. The VSAT license will be transferred from TNSL to Nelco.

The primary benefits of this restructuring are likely to be:

1. The listed entity on stand alone basis will hold the VSAT license and will have the more sustainable services revenue which is recurring in nature. The Company will also be able to apply for additional licenses for new business opportunities around Satellite communication.
2. The enhanced net worth of the Company post amalgamation will improve its ability to bid for large projects which require the VSAT license.
3. Increase in overall efficiency in terms of utilization of assets, employees, etc.

RISKS AND CONCERNSNetwork Systems

- **Technology obsolescence Risk**

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

- **Threat from alternate technology**

The expansion and spread of terrestrial telecom infrastructure to remote areas to offer MPLS services poses a threat for VSAT services. The 4G services could also pose a threat if the services are rolled out across the country to cover the remote locations with high availability services, although this may not be very pronounced for the next 3 – 4 years considering high capex investment required for the same. In future 5G services may also pose a challenge for the VSAT industry, once these are rolled out.

- **Operating Risk**

Foreign rate fluctuations adversely impact the profitability of operations since major part of the VSAT hardware is imported. Also, though the transponder space is provided by Antrix, foreign rate fluctuations adversely impact the profitability of operations since the contracts are in foreign currencies.

The Company has a high dependence on market segments like banking & finance and offshore oil & gas exploration, for its revenue and profitability. Any major vagaries in these segments can impact Company's performance in the short term.

- **Regulatory Environment**

The VSAT services are regulated by Department of Telecom and Department of Space. Any major change in the Govt. regulations pertaining to Satellite communication and/or VSAT services could also pose a threat. The mobility services like aero and maritime communication are dependent on Govt. giving the necessary approvals. While the Govt. is favourably looking at allowing these services, the licenses have not been issued as on date. ISRO is pressurizing to migrate all VSATs operating on foreign satellites to Indian satellites, and the cost of such migration if it is needed to be done could impact the profitability of the Company. Any increase in bandwidth prices on a retrospective basis by Antrix/ISRO can also have an impact on profitability.

- **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.

Automation & Control

- **Non availability of spares**

The company continues to support the executed projects by way of Warranty & Maintenance services. As these projects have been executed using hardware and software supplied by multiple Original Equipment Manufacturers (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 Risk Management Committee which comprises of the MD & CEO, CFO and key business and operations executives, ensures that existing and future risk exposures of the Company are identified, assessed, quantified and appropriate mitigation plans are put in place to minimize the risk impact. The Company's framework of risk management process helps in informed decision making at all levels of the organization on an ongoing basis. The Company's key risks are discussed with the Audit Committee and the Board of Directors on a regular basis.

INTERNAL CONTROL ON FINANCIAL RECORDS

The Company has established an Internal Control System commensurate to its size, scale and nature of its operations. The Internal Financial Control Systems are aligned with the requirement of the Companies Act in lines with accepted risk based on framework.

The Control System ensures that a robust internal & financial control exist with respect to operations, financial reporting and compliances. Adequacy of the system is also assessed periodically.

The Company also has an independent Chartered Accountant firm mandated to do Internal Audit of the Company and all observations are reviewed and suitable action taken under the aegis of the Audit Committee. The Internal Audit plans are drawn up in consultation with Statutory Auditors & Audit Committee.

The Management also assessed the effectiveness of the Company's Internal Control over Financial Reporting as of 31st March 2018.

Price Waterhouse Chartered Accountants LLP, the statutory auditors have audited the financial statement included in the Annual Report and has issued an attestation report on Company's Internal Control over Financial Reporting.

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 HR initiatives undertaken have been mentioned in detail at para 11 of Directors' Report:

- As on 31st March 2018, the Company had employee strength of 149. During the year, 31 employees were recruited and 18 employees were separated.
- 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 (Listing Regulations).

2. Board of Directors Composition

As on 31st May 2018, the Company's Board of Directors comprises 6 members, out of whom 1 is Managing Director & Chief Executive Officer and 5 are Non-Executive Directors (NEDs). Out of these 5 NEDs, 3 are Independent Directors. The Board's composition is in compliance with the requirements of Regulation 17(1) of the Listing Regulations.

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

The Board periodically evaluates the need for change in its composition and size.

The names and categories of the Directors on the Board, the number of Directorships and Committee positions held by them in other companies as on 31st March 2018 are as follows:

Name of the Director	Category of Directorship	*Number of Directorship	**Number of Committee positions held	
		Director	Chairman	Member
Mr. R. R. Bhinge, Chairman	Non-Executive (Non-Independent)	4	-	1
Mr. K. Raghuraman	Non-Executive (Independent)	7	1	3
Mr. K. Ramachandran		1	-	1
Ms. Hema Hattangady		3	-	-
Mr. S. Ramakrishnan	Non-Executive (Non-Independent)	4	-	4
Mr. P. J. Nath	Managing Director & CEO [#]	3	-	-

*Excludes Directorship in Nelco Ltd., alternate Directorships and Directorships in private companies, foreign companies and Section 8 companies.

**Represents Chairmanships/Memberships of Audit Committee and Stakeholders Relationship Committee (excluding Nelco Ltd.).

[#] Mr. P. J. Nath re-designated as Managing Director & CEO effective from 1st June 2017. Prior to that his designation was Executive Director and CEO.

Notes:

- There are no inter-se relationships between the Board members.
- None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as prescribed in Listing Regulations) across all the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.
- None of the Directors held Directorship in more than 20 Indian companies including 10 public limited companies.
- None of the Directors of the Company were related to any Director or member of an extended family.
- None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies. None of the Independent Directors is a Whole – Time Director in any other company.
- Mr. P. J. Nath Managing Director & CEO is not Independent Director of any other listed company.
- 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
- None of Non – Executive Directors held any shares of the Company.

3. Board Meetings

Ten Board Meetings were held during the financial year 2017-18 and the gap between the two meetings did not exceed four months. Following are the dates on which the said meetings were held: 9th May 2017, 23rd May 2017, 24th July 2017, 1st September 2017, 21st September 2017, 26th October 2017, 24th November 2017, 6th February 2018, 16th February 2018 and 27th March 2018.

Attendance of Directors at the aforesaid Meetings:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM held on 21 st September 2017.
Mr. R. R. Bhinge, Chairman	Non-Executive (Non-Independent)	10	Yes
Mr. K. Raghuraman	Non-Executive (Independent)	9	No
Mr. K. Ramachandran		7	Yes
Ms. Hema Hattangady		8	No
Mr. S. Ramakrishnan	Non-Executive(Non-Independent)	9	Yes
Mr. P. J. Nath	Managing Director & CEO	10	Yes

The information required under Part A of Schedule II of Listing Regulations is being made available to the Board periodically. The Board periodically reviews the compliance reports pertaining to all laws applicable to the Company. At Board / Committee meetings, department heads and representatives who can provide additional insights into the items being discussed are invited.

Post meeting follow up mechanism

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

Meeting of Independent Directors

During the year, the Independent Directors of the Company met on 27th March 2018, without the presence of Non Executive Directors(Non-Independent), Managing Director & CEO and other members of Management. The Independent Directors reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole. They also assessed the quality and adequacy of the information between the Company's management and the Board.

Annual Strategy Board Meet

During the year, an Annual Strategy Board meet was organized on 16th February 2018. As a part of the agenda, the Board conducted a strategy review of the Company's business segments and also future growth, risk orientation and resource optimization.

Details of familiarisation programmes imparted to Directors including Independent Directors

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

An offsite Board familiarisation programme was held on 24th November 2017 for the Board members where various external speakers provided inputs on varied topics related to the industry. The web link of familiarisation programmes imparted to Directors is <http://www.nelco.in/pdf/Policies/Programme%20for%20familiarisation%20of%20Board%20Members.pdf>

Code of Conduct

The Board has laid down Code 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 Managing Director and CEO has also confirmed and certified the same. The certification is enclosed at the end of this report.

4. 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 Listing Regulations are:

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

Audit Committee of Directors

Composition of the Committee and details of meetings attended by the Directors during the financial year 2017-18:

Name of the Director	Category of Directorship	No. of meetings attended
Mr. K. Raghuraman, Chairman	Non-Executive (Independent)	7
Mr. K. Ramachandran, Member		4
Ms. Hema Hattangady, Member		6
Mr. S.Ramakrishnan, Member	Non-Executive (Non-Independent)	6

The Audit Committee met 7 times during the financial year 2017-18 on the following dates:

9th May 2017, 23rd May 2017, 24th July 2017, 1st September 2017, 26th October 2017, 6th February 2018 and 27th March 2018

Mr. K.Raghuraman, Chairman of the Audit Committee could not make it to attend the last Annual General Meeting (AGM) owing to disruption of flights in Mumbai. In his absence Mr. K.Ramachandran the Independent Director and Member of Audit Committee was appointed as the interim Chairman of Audit Committee for 74th AGM to answer the queries of the Shareholders, if any.

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

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

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

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

- Oversight of the Company's Financial Reporting Processes and Financial Statements of the Company and its material subsidiary.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and terms of appointment.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the internal auditor and the fixation of audit fees and terms of appointment.
- Appointment of Cost Auditor.
- Evaluate on a regular basis the adequacy of risk management systems.
- Review with the management, external and internal auditors and outsourced internal audit firms, the quality, adequacy and effectiveness of internal control systems and any significant deficiencies or material weakness in the internal controls.
- Review the effectiveness of the system for monitoring compliance with applicable laws and regulations.
- To review the functioning of the Whistle Blower mechanism.
- To approve all related party transactions in accordance with the Act.
- Subsidiary company oversight.

The Audit Committee invites such Executives as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Managing 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 & Head - Legal acts as the Secretary of the Committee.

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

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.

5. Stakeholders Relationship Committee

In terms of Section 178(5) of the Act, the Company has constituted Stakeholders Relationship Committee (SRC).

Composition of the SRC and details of meetings attended by the Directors during the financial year 2017-18:

Name of the Director	Category of Directorship	No. of meetings attended
Mr. K. Raghuraman, Chairman	Non-Executive (Independent)	2
Mr. P. J. Nath, Member	Managing Director & CEO	2

The SRC met twice during the financial year 2017-18 on 26th October 2017 and 16th February 2018.

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

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

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

There were no cases pending for Transfer of Shares as on 31st March 2018. There were 3 cases for Demats pending as on 31st March 2018 out of which 1 case was subsequently processed and 2 cases were rejected.

The responsibilities of 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.

6. Nominations, HR and Remuneration Committee

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

Composition of the NRC and the details of meetings attended by the Directors during the financial year 2017-18

Name of the Director	Category of Directorship	No. of meetings attended
Mr. K. Raghuraman, Chairman	Non-Executive Independent	3
Mr. K. Ramachandran, Member		3
Ms. Hema Hattangady, Member		3
Mr. S. Ramakrishnan, Member	Non-Executive / Non Independent	3
Mr. R. R. Bhinge, Member		3

The NRC met three times during the financial year 2017-18 on 23rd May 2017, 19th December 2017 and 27th March 2018.

The Board has delegated inter alia, 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.
- In the context of any of the above, it may also engage independent consultants and other advisors and seek their advice.

The role and responsibilities of the NRC inter alia, 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 Listing Regulations the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity and Director Attributes, 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.

Board Evaluation

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

Remuneration to Managing Director & CEO

The details of remuneration and perquisites paid and/or value calculated as per the Income Tax Act, 1961 to the Managing Director and Chief Executive Officer for the financial year 2017-2018 are as under:-

Terms of Agreement	Mr. P. J. Nath, Managing Director & CEO
Period of Appointment	13 th June, 2015 to 12 th June, 2018
Salary (Basic Salary)	₹ 52,80,000
Perquisites & Allowances	₹ 79,10,352
Performance Linked Incentives	₹ 36,04,516
Contribution to Provident Fund	₹ 6,33,600

Leave encashment, gratuity and other benefits	The Company provides long term benefits in the form of gratuity and leave encashment, the value of the same is not identifiable separately as it is calculated based on actuarial valuation and hence not disclosed
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 of ₹ 40,000/- per meeting per Director with effect from 1st April 2017 to the NEDs for attending meetings of the Board and Committee except Stakeholders Relationship Committee and Executive Committee of Board for which sitting fees is ₹ 20,000/- and ₹ 30,000/- per meeting respectively. The details of sitting fees paid to NEDs during the financial year 2017-18 are as under:-

Name of the Directors	Sitting fees (₹)
Mr.R.R.Bhinge	5,70,000/-
Mr.S.Ramakrishnan	8,40,000/-
Mr.K.Raghuraman	8,40,000/-
Mr.K.Ramachandran	6,90,000/-
Ms. Hema Hattangady	7,20,000/-

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

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

7. Corporate Social Responsibility Committee

In terms of Section 135 (1) of the Act, the Company has constituted Corporate Social Responsibility Committee (CSR).

Composition of the CSR and the details of meetings attended by the Directors during the financial year 2017-18

Name of the Director	Category of Directorship	No. of meetings attended
Mr.R.R.Bhinge, Chairman	Non-Executive (Non-Independent)	1
Ms. Hema Hattangady	Non-Executive (Independent)	1
Mr. P.J.Nath	Managing Director & CEO	1

The CSR met on 27th March 2018 during the financial year 2017-18.

The Company has adopted a CSR policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy (including overview of projects or programs proposed to be undertaken) is provided on the Company website www.nelco.in.

The broad terms of reference of the Committee are as under:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act or as may be prescribed under the Rules thereto.
- Recommend the amount of expenditure to be incurred on the activities referred to in the above clause and
- Monitor the CSR Policy from time to time

8. 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. This Committee reviews 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

9. Material Subsidiary Company

Regulation 16 (1) (c) of Listing Regulations 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 financial year 2017-18 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.

10. Prevention of Insider Trading

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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. The Code contain 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 inter alia, 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.

11. General Body Meetings

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

Financial year ended	Day & Date & Time	Venue	Special Resolutions passed
30 th September 2014 (FY 2013-14)(12 Months)	Wednesday, 28 th January 2015, at 3 p.m.	Unison, Hotel Four Points By Sheraton, 2nd floor, Plot No.39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701	Approval for payment of Remuneration to Mr. P.J.Nath, Executive Director & CEO
31 st March 2016 (FY 2014-16) (18 Months)	Monday, 25 th July 2016, at 3 p.m.	Ebony, Hotel Regenza By Tunga, Ground floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703	Nil
31 st March 2017 (FY 2016-17) (12 Months)	Thursday, 21 st September 2017, at 3 p.m.	Ebony, Hotel Regenza By Tunga, Ground floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703	Nil

The Special Resolution moved at the previous AGMs was passed with requisite majority.

None of the business required to be transacted at the ensuing AGM is proposed to be passed by Postal Ballot. No special resolution passed through Postal Ballot during the year 2017-18

12. 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, its subsidiaries or relatives etc. during the financial year 2017-18, 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 & Vigil Mechanism Policy for establishing a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said policy has been posted on the Company's 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 Listing Regulations have been complied by the Company. The status of compliance with the non-mandatory requirements, as stated under Part E of Schedule-II to the Listing Regulations is as under:
 - The Company posts the quarterly, half yearly and annual financial results on its website www.nelco.in
 - The Company has appointed separate persons to the post of Chairperson and Managing Director & Chief Executive Officer.
 - The Internal Auditor of the Company reports to the Audit Committee.
6. The URL of policy for determining 'material' subsidiaries is <http://www.nelco.in/pdf/Policies/Policy%20for%20determining%20Material%20Subsidiaries.pdf>
7. The URL of policy on dealing with related party transaction is <http://www.nelco.in/pdf/Policies/Related%20Party%20Transaction%20Policy.pdf>
8. The Company follows Ind AS issued by The Institute of Chartered Accountants of India and there are no qualifications in this regard from Statutory Auditors.
9. In terms of part B of Schedule II of Listing Regulations, the Managing Director & CEO and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

13. Means of Communication

- i) **Quarterly and half yearly Results** are published in the Business Standard (English) and Sakal (Marathi) newspapers and displayed on the Company's website www.nelco.in
- ii) **Annual Reports:** The Annual Reports were emailed/posted to members and others entitled to receive them.
- iii) **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.
- 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.

14. General Shareholder Information

- i) The ensuing AGM of the Company is scheduled on Friday, 20th July 2018 at 3.30 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 Listing Regulations, particulars of Directors seeking appointment/re-appointment at the AGM are given in the Annexure to the Notice of the ensuing AGM.

- ii) Financial Year: 1st April 2017 to 31st March 2018.
- iii) Book Closure: From 11th July 2018 to 13th July 2018 (both days inclusive).
- iv) Listing on Stock Exchanges: The Company's Equity Shares are listed on the following Stock Exchanges in India:

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

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

The Company has paid the requisite Annual Listing fees to the stock exchanges for the year 2018-19.

- v) Stock Code and Corporate Identification Number (CIN)

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

National Stock Exchange of India Ltd. – NELCO EQ

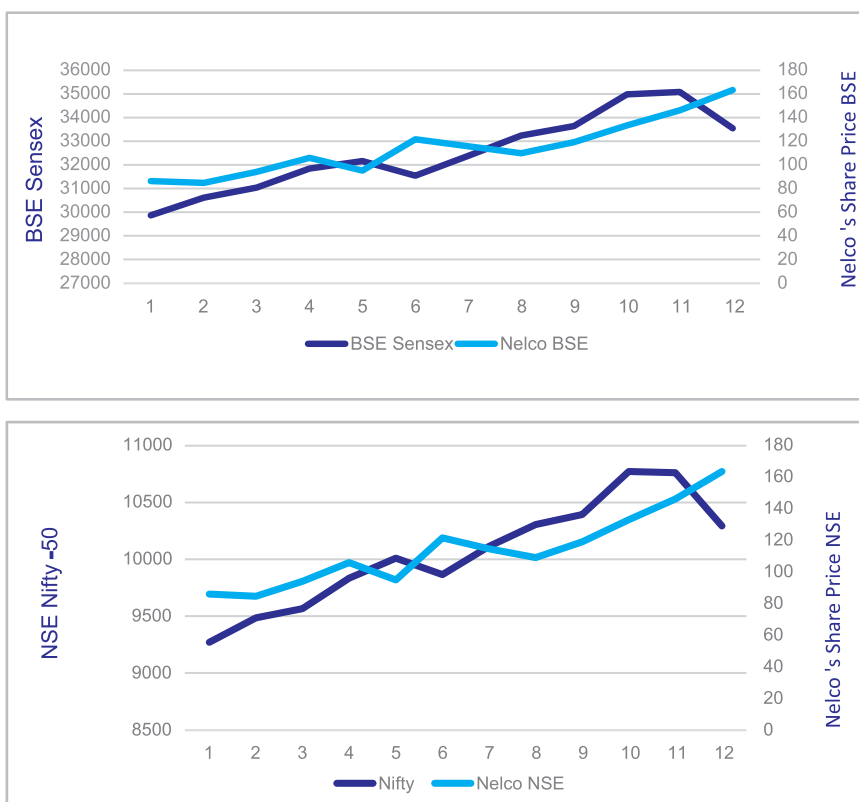
CIN allotted to the Company by the Ministry of Corporate Affairs, Govt. of India is L32200MH1940PLC003164.

- 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 April 2017 to 31st March 2018 at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) are given below:-

Stock Exchange	BSE			NSE		
Month	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
April 2017	92	79	10,96,527	92	79	35,96,313
May 2017	91	77	5,46,341	91	77	22,15,479
June 2017	109	78	33,94,218	110	78	1,51,73,084
July 2017	115	96	47,66,484	115	96	1,41,78,469
August 2017	105	84	11,89,103	105	84	38,46,593
September 2017	146	97	64,50,623	146	97	2,45,57,822
October 2017	124	107	4,63,628	123	106	8,94,858
November 2017	121	98	6,39,749	121	97	17,97,968
December 2017	131	107	11,41,469	131	107	35,66,958
January 2018	148	119	17,96,641	148	118	60,22,472
February 2018	189	104	36,12,204	189	104	1,43,17,446
March 2018	185	142	23,09,203	185	143	67,84,435

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



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

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 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 2018.**

No. of shares held (Range)	Shareholding	% of total Shareholding	No. of Shareholders	% of total Shareholders
1-5000	66,11,126	28.97	22,330	98.85
5001 to 10000	12,67,404	5.55	169	0.75
10001 to 20000	7,35,981	3.23	53	0.23
20001 to 30000	4,29,083	1.88	17	0.08
30001 to 40000	2,51,159	1.10	7	0.03
40001 to 50000	50,000	0.22	1	0.00
50001 to 100000	3,25,285	1.43	5	0.02
100001 and above	1,31,48,362	57.62	8	0.04
Total	2,28,18,400	100.00	22,590	100.00

- x) **Shareholding Pattern as on 31st March 2018.**

Sr. No.	Category	No. of shares	Percentage
1	Tata Companies	1,14,29,290	50.09
2	Financial Institutions/ Banks	1,49,273	0.65
3	Mutual Funds	600	0.00
4	State Government / Government Companies / Central Government	71,422	0.31
5	Bodies Corporate / Trusts/Others	13,23,087	5.80
6	IEPF Account	1,86,493	0.82
7	Individuals	86,16,785	37.77
8	FII's/NRI/Foreign Corporate Bodies	10,41,450	4.56
	Total	22,818,400	100

- xi) **Top 10 Shareholders of the Company as on 31st March 2018.**

Sr. No.	Category	No. of shares	Percentage
1	The Tata Power Company Limited	1,10,99,630	48.64
2	Schlumberger Limited	8,66,460	3.80
3	Aftaab Investment Company Limited	3,28,310	1.44
4	Parul Prasoon Bhatt	2,25,000	0.99
5	Prasoon Harshad Bhatt	2,25,000	0.99
6	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	1,86,493	0.82
7	Roopa Corporate Services Pvt.Ltd.	1,23,023	0.54
8	ICICI Bank Limited	1,04,296	0.46
9	Reita Gertrude Gomes	85,000	0.37
10	Usha Khaitan	69,000	0.30
	Total	1,33,12,212	58.34

xii) **Dematerialization of Shares as on 31st March 2018 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 ₹ 10/- each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialized form				
NSDL	1,79,50,220	78.67	12,575	55.66
CDSL	36,36,691	15.94	8,448	37.40
Sub-total	2,15,86,911	94.61	21,023	93.06
Physical form	12,31,489	5.39	1,567	6.94
Total	2,28,18,400	100.00	22,590	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) **Commodity price risk and hedging activity:**

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

xv) **Currency exchange risk and hedging activity:**

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

xvi) **Works/facilities and address for correspondence:**

Plot No. EL-6, Electronics Zone,
MIDC Mahape, Navi Mumbai – 400 710.
Telephone : 022 67399100; Fax : 022 67398787.
Email : services@nelco.in, Website : www.nelco.in

14. **E-voting**

E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. Investors can now vote on resolutions requiring voting through Postal Ballot as per the applicable rules and regulations without sending their votes through post. The Company will also have the E-voting facility for the items to be transacted at the ensuing AGM. The Ministry of Corporate Affairs has authorized NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form. The Company has made arrangement with NSDL for availing e-voting facilities.

15. **Reconciliation of Share Capital Audit**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL.

16. **Compliance of Share Transfer Formalities**

Pursuant to Regulation 40(9) of the Listing Regulations the certificate on half-yearly basis, have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

17. **Secretarial Audit**

In terms of the Act, the Company appointed M/s. Bhandari & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company for financial year 2017-18. The Secretarial Audit Report is provided as Annexure V to the Board's Report.

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

Pursuant to the provisions of Sections 124 of the Companies Act, 2013, 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. The Company has transferred the applicable Unclaimed Dividend for the FY 2009-10 to IEPF. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

As required under Section 124(6) of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has transferred equity shares on 30th November 2017 and 19th March 2018 to IEPF in respect of which dividend for Financial Year 2008-09 and 2009-10 has not been claimed for seven consecutive years or more. The details of the aforesaid Unclaimed dividend and Equity Shares transferred to IEPF are available on Company's website www.nelco.in.

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 Code of Conduct as applicable to them, for the year ended 31st March 2018.

For NELCO Limited

P. J. Nath

Manging Director & CEO

Navi Mumbai, 31st May 2018.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Nelco Limited

We have examined the compliance of conditions of Corporate Governance by Nelco Limited, for the year ended March 31, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Place: Mumbai
Date: May 31, 2018

Sharmila A. Karve
Partner
Membership No: 43229



Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of Nelco Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of Nelco Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 9, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;
 - (ii) The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;
 - (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mumbai
April 27, 2018

Sharmila A. Karve
Partner
Membership Number: 43229

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Nelco Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Nelco Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mumbai
April 27, 2018

Sharmila A. Karve
Partner
Membership Number: 43229

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Nelco Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company, other than equipment on lease, installed at the customer premises have been physically verified by the Management, during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable. The existence of equipment on lease lying at customer premises is verified by management on the basis of 'active customer status'.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and value added tax, as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In lakhs)*	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1958	Sales Tax including Interest	70	2008-09, 2010-2011, 2012-2013	Appellate authority upto Commissioner Level
The Central Sales Tax Act, 1958	Sales tax	11	2013-14	Assessing Officer
The Maharashtra Value Added Tax Act, 2002	Value Added tax including interest	56	2009-10	Appellate authority upto Commissioner Level

Name of the statute	Nature of dues	Amount (₹ In lakhs)*	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	631	2010-11	Appellate authority upto Commissioner Level
The Finance Act, 1994	Service Tax including Interest and Penalty	180	2000-01 to 2004-05	CESTAT

* Net of amounts paid under protest or otherwise.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company has not issued any debentures as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mumbai
April 27, 2018

Sharmila A. Karve
Partner
Membership Number: 43229

Standalone Balance Sheet as at March 31, 2018

(₹ In Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	313	1846
(b) Capital Work-in-progress	3	-	285
(c) Intangible assets	3	5	9
(d) Financial assets			
(i) Investments	4	619	618
(ii) Trade receivables	8 (a)	-	304
(ii) Loans	5 (a)	-	930
(e) Income tax assets (net)	6	1,386	1,154
(f) Other non-current assets	7 (a)	2	22
Total non-current assets		2,325	5,168
Current assets			
(a) Inventories	9	-	901
(b) Financial assets			
(i) Trade receivables	8 (b)	870	3,075
(ii) Cash and cash equivalents	10 (a)	128	279
(iii) Bank balances other than (ii) above	10 (b)	28	33
(iv) Loans	5 (b)	723	113
(v) Other financial assets	11	49	462
(c) Other current assets	7 (b)	103	400
Assets classified as held for sale	19	7,481	-
Total current assets		9,382	5,263
TOTAL ASSETS		11,707	10,431
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	2,282	2,282
(b) Other equity			
Reserve and surplus	13	160	(798)
Other reserves	13 (a)	9	8
Total equity		2,451	1,492
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14(a)	-	12
(ii) Other financial liabilities	15(a)	10	20
(b) Provisions	16(a)	224	348
Total non-current liabilities		234	380
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 (b)	3,510	4,971
(ii) Trade payables	17	307	1,993
(iii) Other financial liabilities	15 (b)	253	801
(b) Provisions	16 (b)	92	305
(c) Other current liabilities	18	158	489
Liabilities directly associated with assets classified as held for sale	19	4,702	-
Total Current liabilities		9,022	8,559
Total liabilities		9,256	8,939
TOTAL EQUITY AND LIABILITIES		11,707	10,431

The above balance sheet should be read in conjunction with the accompanying notes

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

For and on behalf of the Board of Directors

R. R. Bhinge
Chairman

P.J. Nath
Managing Director and CEO

Sharmila A. Karve
Partner
Membership No.43229

Uday Banerjee
Chief Financial Officer

Girish Kirkinde
Company Secretary & Head - Legal

Place: Mumbai
Date: April 27, 2018

Place: Mumbai
Date: April 27, 2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(₹ In Lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Continuing operations			
Revenue from operations	20	3,190	2,569
Other income	21	290	702
Total income		3,480	3,271
Expenses			
(a) Employee benefits expense	22	1,679	1,371
(b) Voluntary retirement expenses	37	-	159
(c) Finance costs	23	478	687
(d) Depreciation and amortisation expense	3	61	30
(e) Sub contracting Expenses		186	184
(f) Other expenses	24	1,199	969
Total expenses		3,603	3,400
(Loss) before tax from continuing operations		(123)	(129)
Income Tax expense:-			
- Current tax	25	-	-
- Deferred tax	25	-	-
Total tax expense		-	-
(Loss) from continuing operations		(123)	(129)
Discontinued operations			
Profit from discontinued operations before Tax		1,274	796
Tax expense of discontinued operations	25	174	-
Profit from discontinued operations		1,100	796
Profit for the year		977	667
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Continuing operations			
- Net fair value gain on investments in equity shares at FVTOCI		1	1
- Remeasurement of post employment benefit obligations		(11)	(19)
Discontinued operations			
- Remeasurement of post employment benefit obligations		(8)	(7)
Total other comprehensive income for the year		(18)	(25)
Total comprehensive income for the year			
- Continuing Operations		(133)	(147)
- Discontinuing Operations		1,092	789
Total comprehensive income for the year		959	642
Earnings per share (Face value of ₹ 10/- per share) : (Basic and diluted)	39		
Continuing operations		(0.54)	(0.56)
Discontinued operations		4.82	3.49
Total operations		4.28	2.93

The above statement of Profit and loss should be read in conjunction with the accompanying notes

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

Sharmila A. Karve
Partner
Membership No.43229

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors

R. R. Bhinge
Chairman

Uday Banerjee
Chief Financial Officer

Place: Mumbai
Date: April 27, 2018

P.J. Nath
Managing Director and CEO

Girish Kirkinde
Company Secretary & Head - Legal

Standalone Statement of Cash Flow for the year ended March 31, 2018

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash Flow From Operating Activities		
Profit before income tax from		
Continuing operations	(123)	(129)
Discontinued operations	1,274	796
Profit before income tax including discontinued operations	1,151	667
Adjustments for:		
Depreciation and amortisation expense	562	732
Finance costs	515	464
Interest income	(108)	(248)
Dividend on non current investments	(6)	(7)
Provision for foreseeable losses	(45)	(43)
Liabilities no longer required written back	(153)	(91)
Profit on sale of property, plant & equipment	(21)	-
Unwinding of discount on financial asset measured at amortised cost	(43)	(38)
Expected Credit Loss on trade receivables	29	82
Provision for warranty	20	9
Provision for contingent liability	11	21
Profit on sale of investment in associate	-	(288)
Unrealised foreign exchange (gain) / loss	9	(20)
Operating profit before working capital changes	1,921	1,240
Adjustments for changes in working capital:		
Movements in assets		
- (Increase) / Decrease in trade receivables	(953)	515
- (Increase) / Decrease in other current assets	110	(86)
- (Increase) / Decrease in other non current assets	14	68
- (Increase) / Decrease in financial assets - Non current - Loans	(9)	24
- (Increase) / Decrease in inventories	14	(101)
- (Increase) / Decrease in other financial assets - Current	190	687
- (Increase) / Decrease in financial assets - Current - Loans	17	(12)
- (Increase) / Decrease in other bank balances	6	3
Movements in liabilities		
- Increase / (Decrease) in trade payables	685	(70)
- Increase / (Decrease) in other financial liabilities - Non current	(13)	(15)
- Increase / (Decrease) in other liabilities - Non current	30	-
- Increase / (Decrease) in provisions - Non current	55	(89)
- Increase / (Decrease) in other financial liabilities - Current	23	38
- Increase / (Decrease) in Other current liabilities	122	97
- Increase / (Decrease) in provisions - Current	(110)	(116)
Cash generated from operations	2,102	2,183
- Taxes Paid (Net of refunds)	406	(472)
Net Cash generated from operating activities (A)	1,696	2,655
B. Cash Flow From Investing Activities		
Payments for purchase of property, plant and equipment / Intangible assets	(1,259)	(932)
Proceeds from sale of property, plant and equipment / Intangible assets	401	-
Investment in subsidiary	-	(5)
Interest received	108	248
Proceeds received on account of sale of UGS business to holding company in previous year (refer note no 26)	223	1,008
Proceeds on partial sale of investment in Associate that does not involve loss of significant influence	-	380
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	-	(2)
- Matured	1	-
Loans to related parties	(730)	-
Repayment of loans by related party	920	200
Dividend on Equity Instruments	6	7
Net Cash Generated from / (Used in) Investing Activities (B)	(330)	904

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash Flow From Financing Activities		
Proceeds from borrowings	13,091	9,048
Repayment of borrowings	(13,492)	(12,378)
Finance lease payments	(67)	-
Finance costs paid	(517)	(773)
Dividend paid	(6)	(3)
Net Cash (Used In) Financing Activities (C)	(991)	(4,106)
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	375	(547)
Cash and Cash Equivalents as at April 1, 2017	(257)	290
Cash and Cash Equivalents as at March 31, 2018	118	(257)
Non-cash financing activities		
- Acquisition of property, plant and equipment by means of finance lease	443	-

Reconciliation of cash and cash equivalents as per cash flow statement

(₹ In Lakhs)

Cash and Cash Equivalents Comprise of:	As at March 31, 2018	As at March 31, 2017
a) Balance with Scheduled Banks in Current Accounts	43	22
b) Cash on Hand	1	1
c) Cheques on Hand	84	256
d) Bank Overdraft	(10)	(536)
Total	118	(257)

The above standalone statement of cash flow should be read in conjunction with the accompanying notes

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

Sharmila A. Karve
Partner
Membership No.43229

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors

R. R. Bhinge
Chairman

Uday Banerjee
Chief Financial Officer

Place: Mumbai
Date: April 27, 2018

P.J. Nath
Managing Director and CEO

Girish Kirkinde
Company Secretary & Head - Legal

Standalone Statement of Changes in Equity for the year ended March 31, 2018**A. Equity Share Capital**

(₹ in Lakh)

Particulars	Amount
As at April 1, 2016	2,282
Changes in equity share capital	-
As at March 31, 2017	2,282
Changes in equity share capital	-
As at March 31, 2018	2,282

B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Reserves	Total
	General Reserve	Retained earnings	FVOCI Equity instrument	
As at April 1, 2016	250	(1,689)	7	(1,432)
Profit for the year	-	667	-	667
Other comprehensive income for the year	-	(26)	1	(25)
As at March 31, 2017	250	(1,048)	8	(790)
Profit for the year	-	977	-	977
Other comprehensive income for the year	-	(19)	1	(18)
As at March 31, 2018	250	(90)	9	169

The above statement of changes in equity should be read in conjunction with the accompanying notes

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

Sharmila A. Karve
Partner
Membership No.43229

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors

R. R. Bhinge
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Chief Financial Officer

Place: Mumbai
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P.J. Nath
Managing Director and CEO

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Company Secretary & Head - Legal

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

General Information

Nelco Limited (Formerly known as National Ekco Radio & Engineering Co Ltd) herein after referred to as “the Company” was established in 1940. The Company is subsidiary of The Tata Power Company Limited.

The Company is engaged in business of providing systems and solutions in the areas of VSAT connectivity and Integrated Security & Surveillance. The Company offers a range of innovative and customized solutions for businesses and government institutions under one roof.

Equity shares of the Company are listed in India on the Bombay Stock Exchange (“BSE”) and The National Stock Exchange (“NSE”). The registered office of the Company is located at EL-6, TTC Industrial Area, MIDC, Electronic Zone, Mahape, Navi Mumbai – 400710, CIN: L32200MH1940PLC003164.

The standalone financial statements are presented in Indian Rupee (INR) which is also Functional Currency of the Company. The standalone financial statements were authorised for issue by the directors on April 27, 2018.

1. Summary of Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

a. Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b. Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value:
- defined benefit and other long-term employee benefits.
- asset held for sale - measured at fair value less cost to sell.

c. Amended standards adopted by the Company

The Amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities. Refer note No 14.

1.2 Property, plant and equipment

All items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the assets. Subsequent costs are added to existing item’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

a. Capital work-in-progress

Projects under which Property, Plant and equipment which are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

b. Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate cost, net of their estimated residual value, over their estimated useful lives. The property, plant and equipment acquired under finance lease is depreciated over the asset’s useful life or over the shorter of asset’s useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

The useful lives and residual values are as prescribed under schedule II to Companies Act, 2013 except for the following type of assets where useful life is considered as per management estimate, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, replacements generally required from the point of view of operational effectiveness.

Type of Assets	Useful Life
Plant & Machinery (Triple Shift)	Radio Frequency Antenna (RF) – 9 Years Basic Electronics – 6 Years
Office Equipment (VSAT)	Antenna – 10 Years Electronics - 7.50 Years Basic Electronics – 6 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within Other Income / Other expenses.

1.3 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any. The Company amortises testing software using straight line method over 5 years period. The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

1.4 Impairment of non-financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.5 Investments and other financial assets**a. Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For Investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

b. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

c. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, except for specifically identified cases, Company follows a simplified approach permitted by the IND AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

d. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

e. Income Recognition

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend

Dividend income from investments is recognised when the right to receive dividend has been established.

1.6 Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised at cost as per Ind AS 27 "Separate Financial Statements" in these standalone financial statements.

1.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft. Bank overdraft are shown within borrowings in current liabilities in the balance sheet.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**1.8 Trade receivable**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.9 Financial Liabilities**i) Classification**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through statement of profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through statement of profit and loss.

iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

1.10 Trade and other payables

These amounts represent liabilities for goods and services received by the Company prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

1.11 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and includes all other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method and is net of provision for obsolescence and other anticipated losses, wherever considered necessary. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.13 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business, is part of a single co-ordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately in the statement of profit and loss.

1.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below.

The Company recognises revenue as follows:

a. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

b. Rendering of Services

- Revenue from contracts is recognised as and when services are rendered, and as related costs are incurred.
- Revenue from annual maintenance contracts is recognised as per the contract based on the services rendered.

c. Rental Income

The Company's policy for recognition of revenue from operating leases is described in note 1.18 below.

d. Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Variations in contract work, claims and incentive payments are included to the extent that the amount have been agreed with the customers and are capable of being reliably measured and its receipt is considered probable.

1.15 Foreign currency translation

a. **Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**b. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income / other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

1.16 Derivative Financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Standalone Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the Statement of Profit and Loss and the resulting exchange gains or losses are included in the Statement of Profit and Loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

1.17 Current and deferred tax

The Income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

a. Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax assets and liabilities are not recognised if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

1.18 Leases

As a lessee

Leases of property, plant and equipment where the Company as lessee has substantially all the risks and rewards of ownership is classified as finance lease. Finance leases are capitalised at the inception of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.19 Borrowing

Borrowing are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is breach of a material provision of a long-term loan agreement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**1.20 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

1.21 Provisions and contingent liabilities**a. Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessary entailed by the restructuring and not associated with the ongoing activities of the Company.

i) Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii) Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

b. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

c. Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable

1.22 Employee benefits**a. Short-term obligations**

Liabilities for salaries and wages, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

b. Other long-term employee benefit obligations

The liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yield at the end of the reporting period that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

The obligation is presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Post-employment obligations (Defined Benefit Obligations)

The Company operates the following post-employment schemes:

- defined benefit plans – Gratuity and Provident Fund
- defined contribution plans such as Superannuation Fund and Employee State Insurance Corporation (ESIC).

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit provident fund and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Company pays Superannuation Fund and ESIC contributions to publicly administered funds as per local regulations. The Company has no further payment obligation once the contribution has been paid. Company's contribution to Superannuation Fund and ESIC is recognised on accrual basis in the Statement of Profit and Loss.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**1.23 Segment reporting**

The board of directors assesses performance of the Company as Chief Operating Decision Maker.

The Company has identified following 2 reportable segments, in a manner consistent with internal reporting provided to the chief operating decision maker:

- a. Automation and control comprises of sales of security and surveillance products.
- b. Network systems comprises sale of Very Small Aperture Terminals ("VSAT") hardware and providing allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

1.24 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.25 Earnings per share

- (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

- (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.26 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.1 Critical estimates and judgements and key sources of estimation uncertainty: -

In the application of the Company's accounting policies, which are described in note 1 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the Company has made critical judgements and estimates.

a) Useful lives of property, plant and equipment and Intangible assets

The Company reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

b) Estimation of defined benefit obligation

The Company has defined benefit plans for its employees which are actuarially valued. Such valuation is based on many estimates and other factors, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.

c) Recognition of deferred tax assets

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

d) Recognition and measurement of construction contract revenue

Unbilled receivables are for services provided but not yet billed. When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

e) Estimation of provision for warranty claims

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

f) Expected Credit Loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. (Refer Note 29)

g) Estimation of Provisions & Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability. (Refer Note 40)

2.2 Recent accounting pronouncements - Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted.

a. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is evaluating the requirements of the new revenue standard (IND AS 115) and the effect on the financial statements, if any.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The appendix can be applied:

- retrospectively for each period presented applying Ind AS 8;
 - prospectively to items in scope of the appendix that are initially recognised
- a) on or after the beginning of the reporting period in which the appendix is first applied (i.e. April 1, 2018 for entities with March year-end); or
 - b) from the beginning of a prior reporting period presented as comparative information (i.e. April 1, 2017 for entities with March year-end).

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

c. Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

The amendment provides two transition options. Entities can choose to apply the amendment:

- Retrospectively without the use of hindsight; or
- Prospectively to changes in use that occur on or after the date of initial application (i.e. April 1, 2018 for entities with March year-end). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

d. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 3 : Property, Plant and Equipment, Intangible Assets.

[illegible]

Note :-

- Note :-
- 1) Property, Plant and Equipment pledged as security by the company (refer note no 32).
 - 2) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note no 35).
 - 3) Capital work in progress mainly comprises of Office Equipment's given on lease pending for installation.
 - 4) The Lease term in respect of assets acquired under finance lease generally expires within three to five year.
 - 5) * figures below rounding of norm adopted by the company.
- Depreciation and amortisation expenses relating to continuing operations.

Figures in (brackets) represents previous year's figures

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation for the period on tangible assets as per note above	559	454
Amortisation for the period on intangible assets as per note above	3	10
Depreciation and amortisation relating to total operations	562	464
Less :- Depreciation / Amortisation relating to discontinuing operations (refer note no 27)	501	434
Depreciation and amortisation relating to continuing operations	61	30

Note 4 : Investments - Non Current

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Numbers	Amount	Numbers	Amount
Investment in equity instruments (Unquoted, fully paid, at cost)				
Investments in subsidiaries				
Tatanet Services Limited	4,900,000	490	4,900,000	490
Nelco Network Products Limited	50,000	5	50,000	5
Investments in associate				
Nelito Systems Limited (Refer note 1 and 2 below)	253,665	113	253,665	113
Equity investments (Unquoted, fully paid, at FVOCI)				
Technopolis Knowledge Park Limited (net of impairment of ₹181 Lakhs (March 2017 : ₹ 181 Lakhs))	1,810,000	-	1,810,000	-
Zoroastrian co-operative Bank Limited	4,000	11	4,000	10
Total equity instruments		619		618
Total investments		619		618
Aggregate amount of unquoted investments		619		618
Aggregate amount of impairment in the value of investments		(181)		(181)

Notes;

1. Change in the company's ownership interest in an associate

In March 2017, the Company disposed off a 9.95% interest in Nelito Systems Limited to a third party for sale proceeds of ₹ 380 Lakhs, thus reducing the percentage holding to 12.30 % of the equity share capital of Nelito Systems Ltd.

2. Although the Company holds less than 20% of the equity shares of Nelito Systems Limited, and it has less than 20% of the voting power at shareholder meetings, the Company exercises significant influence by virtue of its contractual right to appoint two out of seven directors to the board of directors of that company.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 5 : Loans

(a) Non-Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Loans to Subsidiary (Tatanet Services Limited)	-	910
Security deposit	-	20
Total	-	930

(b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Security deposits	3	108
Loans to Subsidiary (Tatanet Services Limited)	720	-
Loans to Employees	-	5
Unsecured and considered doubtful		
Security deposits	-	21
Less- allowance for doubtful deposits	-	(21)
Total	723	113

Note 6 : Income Tax Assets (net) - Non-Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	1,154	1,626
Add : Tax deducted at source and advance tax	508	307
[Net of provision for tax 2018 : ₹ 174 lakhs (2017: ₹ Nil lakhs)]		
Less: Income tax refund	102	779
Less: Current tax payable for the year	174	-
Closing balance	1,386	1,154

Note 7 : Other assets

(a) Other non-current assets

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with government authorities	2	22
Total	2	22

(b) Other current assets

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	17	43
Advance to suppliers	9	105
Balance with Government authorities	77	240
Others	-	12
Total	103	400

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 8 : Trade receivables

(a) Non- Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables	-	304
Less : Allowance for Doubtful Debts (expected credit loss allowance)	-	-
Total	-	304

Break-up of security details

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured, considered good	-	-
Unsecured, considered good	-	304
Doubtful	-	-
Total	-	304
Allowance for doubtful debts	-	-
Total	-	304

(b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables	2	2565
Receivable from related parties (refer note 38)	868	685
Less : Allowance for doubtful debts (expected credit loss allowance)	-	(175)
Total	870	3,075

Break-up of security details

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured, considered good	-	-
Unsecured, considered good	870	3,075
Doubtful	-	175
Total	870	3,250
Allowance for doubtful debts	-	(175)
Total	870	3,075

1. Trade receivables are dues in respect of goods sold and services rendered in the normal course of business.
2. The Normal credit period allowed by the Company ranges from 0 to 60 days.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables.
4. There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Note 9: Inventories

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Inventories (lower of cost and net realisable value)	-	35
Contract Work-in-progress	-	866
Stock-in-trade	-	-
Total	-	901

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**Note 10 (a) : Cash and cash equivalents**

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balances with banks:-		
In Current accounts	43	22
(b) Cheques on hand	84	256
(c) Cash on hand	1	1
Total	128	279

Details of Specified Bank notes (SBN's) as defined in the MCA notification GSR 308(E) dated March 30, 2017

- a) The reporting on disclosure relating to Specified Bank Note is not applicable to Company for the year ended March 31, 2018.
- b) The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are given below :-

(Amount in ₹)

Particulars	Specified Bank Notes	other Denomination Note	Total
Closing cash on hand as on November 8, 2016	1,26,500*	139,208	265,708
(+) Permitted receipts	-	425,001	425,001
(-) Permitted payments	-	(441,860)	(441,860)
(-) Amounts deposited in banks	(126,500)	-	(126,500)
Closing cash on hand as on December 30, 2016	-	122,349	122,349

* Includes Cash given to employees for maintaining imprest balance.

Note 10 (b) : Bank balance other than cash and cash equivalent

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
In earmarked accounts		
(a) Unpaid dividend accounts	3	9
(b) Balances held as margin money against letter of credit and bank guarantees	25	24
Total	28	33

Note 11 : Other financial assets - Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Receivable from holding company (Refer note 26)	-	223
Unbilled debtors	-	203
Other receivable	49	36
Total	49	462

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 12 : Equity share capital

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised share capital:		
2,50,00,000 (2,50,00,000 as at March 31, 2017) equity shares of ₹ 10/- each	2,500	2,500
Redeemable preference shares of ₹ 100/- each	2,500	2,500
	5,000	5,000
Issued share capital:		
2,28,18,400 (2,28,18,400 as at March 31, 2017) equity shares of ₹ 10/- each	2,282	2,282
	2,282	2,282
Subscribed and paid-up share capital:		
2,28,17,461 (2,28,17,461 as at March 31, 2017) equity shares of ₹ 10/- each	2,282	2,282
Total	2,282	2,282

Notes:

(i) Movement in equity share capital

There has been no movement in issued, subscribed and paid up share capital of the company, during the last five years.

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount ₹ in Lakhs	Number of shares	Amount ₹ in Lakhs
The Tata Power Company Limited (48.65%)(Holding Company)	11,099,630	1,110	11,099,630	1,110
Aftaab Investment Company Limited (1.44%) (Subsidiary of Holding Company)	328,310	33	328,310	33

(iii) Terms and rights attached to equity shares

The company has issued only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity shares is entitled to one vote per share. 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 of dividend and proceeds on liquidation will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
The Tata Power Company Limited	11,099,630	48.65%	11,099,630	48.65%

(v) 939 shares (March 31, 2017 : 939 shares) are kept in abeyance out of the rights issued in the year 1994 pending for final allotment.

(vi) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2018.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 13 : Reserve and surplus

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
General reserve - Refer (i) below	250	250
Retained earnings - Refer (ii) below	(90)	(1,048)
Total	160	(798)

(i) General reserve

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	250	250
Addition during the year	-	-
Closing balance	250	250

(ii) Retained earnings

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	(1,048)	(1,689)
Net Profit for the year	977	667
Items of other comprehensive income recognised directly in retained earning		
- Remeasurements of post employment benefit obligations, net of tax	(19)	(26)
Closing balance	(90)	(1,048)

Note 13 (a) : Other Reserve - Reserve for FVOCI Equity instrument

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	8	7
Changes in fair value of FVOCI equity instruments	1	1
Closing balance	9	8

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to the statement of profit and loss.

Retained Earnings

The same reflects surplus/ (deficit) after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Reserve for FVOCI Equity Instruments

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earning when those assets have been disposed of.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 14 : Borrowings

(a) Non-Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
(i) Deferred sales tax liability (under the SICOM incentive scheme)	-	12
Total	-	12

(b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
(i) Term loans from banks	3,500	3,000
(ii) Inter corporate deposits	-	1,100
	3,500	4,100
Secured		
(i) Term loans from banks (Refer note (i) below)	-	335
(ii) Bank overdraft (Refer note (ii) below)	10	536
	10	871
Total	3,510	4,971

Notes:

- The carrying amount of financial and non-financial assets pledged as security for current and non current borrowings (refer note 32)
- Repayment schedule are as follows:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	Terms of Repayment	Rate of Interest (p.a)	Nature of Security
Bank of India - Bank overdraft	10	536	Payable on Demand	2.55% over MCLR + BSS	1) First pari passu charge on entire current assets by way of hypothecation 2) Second pari passu charge on all present and future fixed assets i.e land and building, plant and machinery situated at EL-6, TTC Industrial Area, MIDC, Electronic Zone, Mahape, Navi Mumbai
The Zoroastrian Co-op Bank Limited	-	335	Payable on Demand	At 3% below bank's MLR	Hypothecation by way of first charge on the equipment's to be purchased out of the Bank's Term Loan
Inter Corporate Deposit	-	1,100	Payable on Demand	9.5% to 10.25 %	Unsecured
IDFC Bank Ltd	1,500	2,500	Bullet repayment payable on May' 2018	9.15 % to 9.85 %	Unsecured
South Indian Bank Limited	-	500	Bullet payment payable on June 2017	MCLR + 0.5%	Unsecured
ICICI Bank Ltd	2,000	-	Payable on Demand	1-MCLR 1 year + 1.30%	Unsecured

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Net Debt Reconciliation

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash & cash equivalents	128	279
Bank overdraft	(10)	(536)
Current borrowings	(3,500)	(4,435)
Non current borrowings (including current maturities of Long Term Debt and interest accrued)	(13)	(32)
Net debts	(3,395)	(4,724)

(₹ In Lakhs)

Particulars	Other Assets	Liabilities from Financial Activities			Total
	Cash & Bank Overdrafts	Finance Lease obligation	Non Current Borrowings	Current Borrowing	
Net debt as at March 31, 2017	(257)	-	(32)	(4,435)	(4,724)
Cash Flow	375	67	(376)	775	841
Acquisitions - Finance leases	-	(443)	-	-	(443)
Interest expenses	-	(16)	(464)	(28)	(508)
Interest paid	-	16	466	28	510
Net debt as at March 31, 2018	118	(376)	(406)	(3,660)	(4,324)

Net debt as at March 31, 2018 includes ₹ 929 Lakhs in respect of discontinued operations.

Note 15 : Other financial Liabilities

(a) Non-Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Liability towards voluntary retirement scheme	10	20
Total	10	20

(b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued	1	3
Liability towards voluntary retirement scheme	13	21
Sundry Deposits received from Customers	-	24
Other security deposits	34	34
Current maturities of long-term debt	12	17
Fair value of foreign exchange forward contracts	-	32
Employee benefit payable	190	484
Capital creditors	-	177
Unclaimed dividend	3	9
Total	253	801

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 16 : Provisions

a) Non-Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits obligations:		
Compensated absences (Refer Note 36)	97	145
Gratuity (Refer Note 36)	127	192
	224	337
Provision-Others:		
Estimated losses on onerous contracts (Refer Note 40)		11
Total	224	348

b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits obligations:		
Compensated absences (Refer Note 36)	12	31
Gratuity (Refer Note 36)	7	35
	19	66
Provision-Others :		
Estimated losses on onerous contracts (Refer Note 40)	-	78
Warranty (Refer Note 40)	-	99
	-	177
Provision for disputes (Refer Note 40)	73	62
Total	92	305

Note 17 : Trade payables

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Payables:		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 43)	-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises	307	1,993
Total	307	1,993

Note 18 : Other current liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance received from customers	37	396
Income received in advance	-	12
Statutory dues payable	121	81
Total	158	489

Note 19 : Assets classified as held for sale

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Disposal Group- Assets (Refer note No 27)	7,481	-
Disposal Group- Liabilities (Refer note No 27)	4,702	-

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 20 : Revenue from operations

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of services	3,190	2,569
Total	3,190	2,569

Note 21 : Other income

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income:		
- On bank deposits	2	4
- On income tax refund	35	132
- On loan to subsidiary	71	112
	108	248
Dividend income from long term investments		
- Associate	6	7
	6	7
Other non-operating income		
Commission from subsidiary	10	8
Insurance claims recovered	-	14
Rent income	95	86
Others	45	29
	150	137
Other gains		
Profit on sale of investment in associate	-	288
Profit on sale of property, plant and equipment (net)	26	-
Foreign exchange gain (net)	-	22
	26	310
Total	290	702

Note 22 : Employee benefits expense

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	1,488	1,193
Contributions to provident fund (Refer note 36)	48	40
Contributions to superannuation and other funds (Refer note 36)	14	15
Gratuity (Refer note 36)	19	3
Staff welfare expenses	110	120
Total	1,679	1,371

Note 23 : Finance costs

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on:		
- Borrowings	449	643
- Trade payables	4	4
Bank charges	25	40
Total	478	687

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 24 : Other expenses

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of loose tools	-	8
Power and fuel	68	80
Rent including lease rentals	46	65
Repairs and maintenance - Others	247	151
Rates and taxes	9	5
Travelling and conveyance	109	106
Freight and forwarding	3	-
Legal and professional charges	261	110
Consultancy charges	100	98
Installation expenses	12	2
Auditors Remuneration (Refer note below)	21	58
Foreign exchange loss (net)	29	-
Computer software expenses	37	44
Director sitting fees	37	27
Vehicle expenses	33	45
Miscellaneous expenses	187	170
Total Other Expenses	1,199	969

Note: Auditors Remuneration

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payments to the auditors comprises		
Audit Fee	17	15
Tax Audit Fee	2	6
Certification Fee	2	36
Other Services	-	1
Total	21	58

Note 25 : Current and deferred tax

25 (a) Statement of profit and loss:

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	174	-
Total current tax expense	174	-
Deferred tax		
Decrease / (Increase) in deferred tax assets	(72)	55
(Decrease) / Increase in deferred tax liabilities	72	(55)
Total deferred tax benefit	-	-
Income tax expense attributable to :-	174	-
Profit from Continuing Operation	-	-
Profit from Discontinuing Operation	174	-

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**25 (b) Reconciliation of tax expense and accounting profit multiplied by India's tax rates:****(₹ In Lakhs)**

Particulars	Year ended March 31, 2018
Profit from continuing operation before Income tax expenses	(123)
Profit from discontinued operation before Income tax expenses	1,274
Total Profit for the year	1,151
Statutory Tax Rate (%)	33.06%
Tax at the Indian Statutory Tax Rate	381
Difference due to:	
Expenses not deductible for tax purposes	2
Income not subject to tax	(2)
Standard deduction on rental income	(9)
MAT Credit available not recognised	174
Difference in future Income tax rate for deferred tax recognition	
Disallowance u/s 43B (provision for Gratuity and leave encashment)	12
Deferred tax asset not recognised on :	
Provision for doubtful debts	9
Provision for sales tax liability	5
Disallowance u/s 43B (provision for Gratuity and leave encashment) on which no deferred tax was recognised	(66)
Disallowance u/s 40(a)(i) of Income Tax Act 1961	5
Carried Forward Brought Forward Loss allowance under Income Tax Act 1961	(320)
Allowance for VRS u/s 35DDA of Income Tax Act 1961	(11)
Other items	(6)
Total tax expense	174

The Company has brought forward unabsorbed tax depreciation and business loss for the year ended March 31, 2017, due to which the company did not have any current tax expenses for the year ended March 31, 2017.

25 (c) Tax Losses

The details of carried forward tax losses and unabsorbed depreciation for which no deferred tax asset is recognised is as follows:

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Carried Forward Business Losses	-	425
Unabsorbed Depreciation	363	906
Long Term Capital Loss	135	135
Potential Tax Benefit		
On Carried forward business loss and unabsorbed depreciation @ 27.553%	100	367
On Carried forward Long Term Capital Loss @ 20.60%	28	28

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 26. Unattended Ground Sensors Business (Discontinued Operations)

- The Company vide its letter dated April 3, 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 January 28, 2015 accepted an offer made by The Tata Power Company Limited (TPCL), for its Strategic Engineering Division to purchase the business of UGS as a going concern on a slump sale basis at a consideration of ₹ 831 Lakhs with effect from October 1, 2014. The shareholders by postal ballot on June 25, 2015 approved the transaction. The Business Transfer Agreement (BTA) was signed on August 5, 2015. During the quarter ended December 31, 2016, all the conditions precedent were satisfied and a joint letter confirming the same was signed subsequently on January 2, 2017.
- The assets attributable to the UGS business have been impaired as at October 1, 2014 to the tune of ₹ 166 Lakhs. The same has been adjusted against opening reserves in earlier year.
- The financial parameters in respect of the ordinary activities attributable to the UGS business are as follows:

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017#
Sale of products @	-	538
Revenue from operations	-	538
Other income	-	-
Total income (A)	-	538
Expenses		
Purchases of stock-in-trade @	-	364
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-	(5)
Employee benefits expense	-	88
Finance costs	-	73
Other expenses	-	27
Total expenses (B)*	-	547
(Loss) before tax (A-B)	-	(9)
Less :- Tax expenses	-	-
(Loss) after tax	-	(9)
Carrying amount of assets as at the balance sheet date relating to the discontinued operation to be disposed off	-	-
Carrying amount of liabilities at the balance sheet date relating to the discontinued operation to be settled	-	-
Net Cash flow attributable to the discontinued operation		
Cash flow from / (used in) operating activities	-	1,005
Cash flow from / (used in) investing activities	-	-
Cash flow from / (used in) financing activities	-	(73)

* includes ₹ Nil Lakhs (Previous year ₹ 78 Lakhs) expenses attributable to UGS business.

The transfer being concluded during the quarter ended December 31, 2016, effective from October 1, 2014, the results of operation for the year ended March 31, 2017, represents transactions performed on behalf of TPCL. The settlement for these transactions have been done during the quarter ended March 31, 2017.

@ At the request of TPCL, the Company has continued with certain operations of the transferred business, during the quarter ended March 31, 2017, pending assignment of certain contracts by the customer to TPCL. Accordingly, Sale of Products (Previous year ₹ 137 Lakhs) and Purchase of stock-in-trade (Previous year ₹ 137 Lakhs) in respect of these contracts have been included above, under the respective heads.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 27 : Discontinued operations

a) Discription

The Company vide its letter dated September 1, 2017 had informed the stock exchange about the approval of the Board of Directors to (i) transfer by way of slump sale on a going concern basis, for a lump sum consideration to its wholly owned subsidiary, Nelco Network Products Ltd (NNPL) of the following : (a) Integrated Security and Surveillance Solution ('ISSS') business and (b) Very Small Aperture Terminals ("VSAT") hardware business and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers other than Tatanet Services Ltd (TNSL); and (ii) the amalgamations of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed scheme). The Proposed scheme has been approved by Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Securities Exchange Board of India (SEBI) and is subject to further approvals and consents. Considering the management intent to transfer the business as noted in (i) above, the noted businesses / operations have been classified as discontinued operations in accordance with IND AS 105 "Non Current Assets held for sale and discontinued operations". The financial parameters in respect of the activities attributable to the business referred to in (i) above are as follows.

b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the year ended March 31, 2018 and the year ended March 31, 2017. (₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	6,387	6,516
Expenses*	5,113	5,720
Profit before income tax	1,274	796
Income tax expense	(174)	-
Profit after income tax from discontinued operation	1,100	796
Items that will not be reclassified to profit or loss		
-Remeasurement of post employment benefit obligation	(8)	(7)
Other comprehensive income from discontinued operations	(8)	(7)
Net cash inflow from operating activities	1,812	2,787
Net cash (outflow) from investing activities	(921)	(962)
Net cash inflow / (outflow) from financing activities	178	(205)
Net increase in cash generated from discontinued operation	1,069	1,620

* Expense includes depreciation on asset held for sale, considering the asset are planned to be transferred to wholly owned Subsidiary, hence have been continued to be utilized and depreciated.

(c) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at March 31, 2018 (with corresponding numbers relating to the previous year):

Particulars	As at March 31, 2018	As at March 31, 2017
Assets classified as held for sale		
Property, plant and equipment	2,332	1,501
Capital Work-in-Progress	468	285
Intangible assets	1	2
Trade receivables	3,476	2,694
Loans	123	133
Inventories	887	901
Other Financial assets	-	206
Other current assets	194	131
Total assets of disposal group held for sale	7,481	5,853

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Liabilities directly associated with assets classified as held for sale		
Borrowings	749	335
Provisions	286	376
Other Current Liabilities	483	426
Trade payables	2,259	1,656
Other Financial Liabilities	925	487
Total liabilities of disposal group held for sale	4,702	3,280

- d) The following assets and liabilities related to continuing operation as at March 31, 2018 (with corresponding numbers relating to previous year)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment	313	345
Intangible assets	5	7
Investment	619	618
Income Tax assets (net)	1,386	1,154
Trade receivables	870	685
Loans	723	910
Cash and Bank balance	156	312
Other Financial assets	49	256
Other current assets	105	291
Total assets	4,226	4,578
Borrowings	3,510	4,648
Provisions	316	277
Other Current Liabilities	158	63
Trade payables	307	337
Other Financial Liabilities	263	334
Total liabilities	4,554	5,659

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 28 : Fair value measurements

28 (a) Financial instrument by category.

(₹ In Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments	-	11	-	-	10	-
Trade receivable	-	-	870	-	-	3,379
Cash and cash equivalent	-	-	128	-	-	279
Other bank balances	-	-	28	-	-	33
Security deposit	-	-	3	-	-	128
Loans to subsidiaries	-	-	720	-	-	910
Loans to Employees	-	-	-	-	-	5
Other financial assets	-	-	49	-	-	462
Total financial assets	-	11	1,798	-	10	5,196
Financial liabilities						
Borrowings	-	-	3,522	-	-	5,000
Trade payables	-	-	307	-	-	1,993
Other financial liabilities	-	-	251	32	-	772
Total financial liabilities	-	-	4,080	32	-	7,765

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ In Lakhs)

Financial assets and liabilities measured at fair value- recurring fair value measurement at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instrument at FVOCI					
Investment in equity shares	4	-	-	11	11
Total Financial Assets		-	-	11	11

(₹ In Lakhs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial liabilities					
Other financial liabilities	15 (a) & 15 (b)	-	-	251	251
Total financial liabilities		-	-	251	251

(₹ In Lakhs)

Financial assets and liabilities measured at fair value- recurring fair value measurement at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instrument at FVOCI					
Investment in equity shares	4	-	-	10	10
Total Financial Assets		-	-	10	10

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

(₹ In Lakhs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Financial instrument at FVPL					
Foreign exchange forward contract	15 (b)	-	32	-	32
Total Financial Liabilities		-	32	-	32

Financial assets and liabilities measured at amortised cost for which fair values are disclosed March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade Receivables	8(a) & 8(b)	-	-	3,415	3,415
Loans	5(a) & 5(b)	-	-	1,039	1,039
Total financial assets		-	-	4,454	4,454
Financial liabilities					
Borrowings	14(a) & 14(b)	-	-	5,000	5,000
Other financial liabilities	15(a) & 15(b)	-	-	772	772
Total Financial Liabilities		-	-	5,772	5,772

Except for those financial assets/liabilities mentioned in the above table, the Company considers that the carrying amounts of financial assets / liabilities recognised in the financial statements approximate their fair values due to their short-term nature. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1 - Level 1 Hierarchy includes financial instruments measured using quoted price. This includes listed equity instruments, traded bonds, mutual funds that have quoted price.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

a) Specific valuation technique used to value financial instruments include:

- The use of quoted market price or dealer quotes for similar instruments.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- b) During the current year, there is no significant movement in the items of fair value measurements categorised within Level 3 of the fair value hierarchy.
- c) The Fair value for investment in unquoted equity share were calculated based on risk adjusted discounted rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- d) The fair value of borrowings were calculated based on discounted cash flow using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk.

(iii) Valuation processes

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO, Audit Committee and the finance team at least once every three months, in line with Company's quarterly reporting periods.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**(iv) Fair value of financial assets and liabilities measured at amortised cost**

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial assets				
Trade Receivables	-	-	3,379	3,415
Loans	-	-	1,043	1,039
Total financial assets	-	-	4,422	4,454
Financial liabilities				
Borrowing	-	-	5,000	5,000
Other financial liabilities	251	251	772	772
Total financial liabilities	251	251	5,772	5,772

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iii) above.

Note 29 :Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explain the sources of risk which the entity is exposed to and how the entity manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, Loans, financial assets measured at amortised cost.	Ageing analysis, credit ratings	Diversification of bank deposit, credit limits
Liquidity risk	Borrowings, Trade Payables and other Financial liabilities	Rolling cash flow forecast	Availability of bank credit lines and borrowings facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupees (INR)	Rolling cash flow forecast Sensitivity analysis	Monitoring Foreign currency fluctuation, Availing Forward Contracts.
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Availability of borrowing facilities at fixed rate, Periodic monitoring of variable interest rates

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with bank and financial institution, Loans and deposits with third party and other financial instruments / assets.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers reasonable and supportive forwarding-looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

(i) Credit Risk Management

Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, Security deposits with counterparties, loans to third parties. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

The Company's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in the standalone financial statements.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

One customer as at March 31, 2018 and Five customers as at March 31, 2017 individually contributed to more than 5% of the total balance of trade receivables. Receivable (Gross) from these customers was ₹ 867 Lakhs and ₹ 1,710 Lakhs as at March 31, 2018 and March 31, 2017 respectively.

The amount of Trade receivable outstanding as at March 31, 2018 and March 31, 2017 is as follows:

(₹ In Lakhs)

Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
As at March 31, 2018	522	348	-	-	870
As at March 31, 2017	2,117	1,304	32	101	3,554

(ii) Reconciliation of loss allowances provision - Trade Receivable (₹ In Lakhs)

Loss Allowances on April 1, 2016	216
Changes in loss allowances	(41)
Loss Allowances on March 31, 2017	175
Changes in loss allowances	(27)
Loss Allowances on March 31, 2018*	148

* Loss allowance provision on Trade Receivable as at March 31, 2018 pertains to discontinued operations.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**(i) Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Floating Rate		
Expiring within one year (Bank overdraft, Term Loans and other facilities)	2,499	1,180
Expiring beyond one year (Term loans)	-	-
Fixed Rate		
Expiring within one year (Term Loans and other facilities)	1,000	2,000
Expiring beyond one year (Term loans)	-	-
Total	3,499	3,180

The Bank has an unconditional right to cancel the undrawn/ unused/ unavailed portion of the loan/ facility sanctioned at any time during the period of the loan/ facility, without any prior notice to the Company.

(ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ In Lakhs)

Contractual maturities of financial liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
March 31, 2018				
Non - Derivative				
Borrowings	3,522	-	-	3,522
Trade payables	307	-	-	307
Other Financial Liabilities	241	5	8	254
Total Non derivative liabilities	4,070	5	8	4,083

(₹ In Lakhs)

Contractual maturities of financial liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
March 31, 2017				
Non - Derivative				
Borrowings	4,988	12	-	5,000
Trade payables	1,993	-	-	1,993
Other Financial Liabilities	784	13	14	811
Total Non derivative liabilities	7,765	25	14	7,804

(C) Market Risk**(i) Foreign currency risk**

Company is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

Notes annexed to and forming part of Standalone Financial Statements for the year ended 31st March , 2018.
 (All amounts in INR lakhs, unless otherwise stated)

The risk is measured through a forecast of highly probable foreign currency cash flows.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period are as follows

(₹ in Lakhs)

Particulars	Foreign Currency	As at March 31,2017	
		In foreign currency	₹ in Lakhs
Financial Liabilities			
Trade Payables	USD	14	901
	EUR	*	13
	NOK	*	1
Derivative Liabilities			
Foreign exchange forward contract			
Buy Foreign Currency	USD	(13)	(872)
Net Exposure to Foreign Currency Liability	USD	*	29
Net Exposure to Foreign Currency Liability	EUR	*	13
Net Exposure to Foreign Currency Liability	NOK	*	1
Financial Assets			
Trade Receivables	USD	*	(17)
	GBP	*	(2)
Advance to Suppliers	USD	*	5
Net Exposure to foreign currency Assets	USD	*	(12)
Net Exposure to foreign currency Assets	GBP	*	(2)

* figures below rounding of norm adopted by the company

(b) Sensitivity

The Sensitivity of profit or loss to changes in the exchange rates arises mainly currency denominated financial instrument.

(₹ in Lakhs)

Particulars	Impact on profit after tax
	As at March 31, 2017
USD sensitivity	
INR/USD - Increase by 5% (March 31, 2017 - 5%)*	(1)
INR/USD - Decrease by 5% (March 31, 2017 - 5%)*	1
GBP sensitivity	
INR/GBP - Increase by 5% (March 31, 2017 - 5%)*	**
INR/GBP - Decrease by 5% (March 31, 2017 - 5%)*	**
EUR sensitivity	
INR/EUR - Increase by 5% (March 31, 2017 - 5%)*	**
INR/EUR - Decrease by 5% (March 31, 2017 - 5%)*	**
NOK sensitivity	
INR/NOK - Increase by 5% (March 31, 2017 - 5%)*	**
INR/NOK - Decrease by 5% (March 31, 2017 - 5%)*	**

* Holding all other variables constant

During the FY 2018, the Company does not have any transactions in foreign currency. Hence, the Company is not exposed to foreign currency risk.

(ii) Interest Rate Risk

The company does not have any long term borrowings at variable rate of interest. Therefore company is not exposed to any interest rate risks.

Notes annexed to and forming part of Standalone Financial Statements for the year ended 31st March , 2018.
(All amounts in INR lakhs, unless otherwise stated)

(iii) Price Risk

The company does not have any financial instrument which is exposed to change in price.

Note 30 : Capital Management

Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:

Standalone net worth to remain positive.

Current ratio of at least 1:1

Debt Equity ratio of maximum 4:1

Company has generally complied with the above covenants except for the requirement of current ratio. Current ratio of company as on March 31, 2018 and March 31, 2017 is 0.70:1 and 0.61:1 respectively.

The company may be liable for penal interest, if any. The financial arrangements for which the above covenant is not complied with is cash credit facility and management has intimated the same to the banking partner.

Note 31 : Offsetting Financial Assets And Financial Liabilities

There are no financial assets and liabilities which are eligible for offset under any arrangement.

Collateral against borrowings

First Pari Passu charge on entire current assets by way of Hypothecation and second Pari Passu charge on all present and future fixed assets of the company.

Note 32 : Assets Pledge As Security

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

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Assets		
Financial Assets		
First Charge		
Trade receivables- Current	4,123	3,075
Cash & cash equivalents	128	279
Bank balances other than above	28	33
Loans	817	113
Other Financial Assets	49	462
Other current assets	291	400
Total Current Assets pledged as Security	5,436	4,362

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current Assets		
Second Charge		
Fixed Assets		
(i) Building	97	109
(ii) Plant & Machinery	708	711
(iii) office Equipment	1,321	943
Total Non-Current Assets pledged as Security	2,126	1,763
Total Assets pledged as Security	7,562	6,125

Note 33 : 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 Indian Accounting Standard 108 (IND AS -108) "Operating Segments", no disclosure related to segments are presented in the Standalone Financial Statements.

Note 34 : Income tax

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

(₹ In Lakhs)

Particulars	As at April 1, 2016	Charged / (Credited) to P&L	As at March 31, 2017	Charged / (Credited) to P&L	As at March 31, 2018
	(a)	(b)	(c=a+b)	(d)	(e=c+d)
i. Items of deferred tax liabilities :					
Property, plant and equipment and intangible assets	116	(55)	61	72	133
Total deferred tax liability (i)	116	(55)	61	72	133
ii. Items of deferred tax assets :					
Disallowances under Section 43B of the income tax act, 1961 *	116*	(55)	61*	65	126
Allowance for doubtful trade receivables and deposits *	.*	-	.*	7	7*
Allowance of expenditure incurred of onerous contracts	.*	-	.*	-	*
Allowance of Voluntary retirement expenses disallowed earlier	.*	-	.*	-	*
Unabsorbed tax depreciation and business losses*	.*	-	.*	-	*
Total Deferred Tax Assets (ii)	116	(55)	61	72	133
Net Deferred Tax Assets (i-ii)	-	-	-	-	-

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

Note 35 : Capital and other Commitments

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	3	108

Note 36 : Employee benefit obligations

a. Short-term Employee Benefits

These benefits include salaries and wages, including other monetary and non-monetary benefits, compensated absences which are either non-accumulating or accumulated and expected to be availed within twelve months after the end of the reporting period.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

b. Long-term Employee Benefits

i) Defined contribution plans

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

(₹ In Lakhs)

Sr. No	Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
		Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
a)	Contribution to employees' superannuation fund	13	5	14	6
b)	Contribution to employees' state insurance scheme	1	1	1	-
	Total	14	6	15	6

ii) Defined Benefit Plans

The Company operates the following funded/unfunded defined benefit plans:

-Provident Fund (Funded):

The Company makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company. The Rules of the Company's provident fund administered by the Trust requires that if the Board of Trustees are unable to pay interest at the rate declared by Central Government under para 60 of the Employees' Provident Fund Scheme, 1952 then the shortfall shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any shortfall in the foreseeable future.

In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at March 31, 2018 and March 31, 2017, respectively.

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

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Plan assets at period end, at fair value	1,877	1,869
Present value of benefit obligation at period end	1,877	1,869
Asset recognized in Balance Sheet	-	-

The Plan assets have been primarily invested in government securities

Assumptions used in determining the present value of obligation of interest rate guarantee under the deterministic approach :

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Government of India (GOI) bond yield	7.82%	7.51%
Remaining term to maturity of portfolio	5.76 years	4.34 years
Expected guaranteed interest rate	8.55%	8.65%

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

The company contributed ₹ 65 Lakhs and ₹ 58 Lakhs during the year ended March 31, 2018 and March 31, 2017 respectively and the same has been recognized in the Statement of Profit and Loss. The amount relating to continuing operations ₹ 48 Lakhs for year ended March 31, 2018 and ₹ 40 Lakhs for year ended March 31, 2017 are disclosed under the employee benefit expenses.

-Gratuity (Unfunded)

The following table sets out the status of the defined benefit scheme and the amount recognised in the standalone financial statements:

Amount recognised in the Statement of Profit and Loss:

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	17	18
Interest cost (Net)	17	20
Total expense recognised in the statement of profit and loss	34	38

Expenses recognized in statement of Profit and loss includes ₹ 15 Lakhs (Previous year ₹ 35 Lakhs) in respect of discontinued operations.

Amount recognised in Other Comprehensive Income (OCI):

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Due to change in demographic assumptions	*	1
Due to change in financial assumptions	18	1
Due to experience	*	24
Total remeasurement (gains)/losses recognised in OCI	19	26

* figures are below rounding of norm adopted by the company

Total remeasurement losses recognised in OCI includes ₹ 8 Lakhs (Previous year ₹ 7 Lakhs) in respect of discontinued operations.

Changes in Defined Benefit Obligation (DBO) during the year

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of DBO at the beginning	228	262
Current service cost	17	18
Interest cost (Net)	17	20
Liabilities transferred In/Acquisitions	6	0
Remeasurement (gain)/loss	19	26
Benefits paid	(29)	(98)
Present value of DBO at the end	258	228

Net liability recognized in the Balance Sheet as at March 31, 2018 includes ₹ 123 Lakhs in respect of discontinued operations.

Principal Actuarial assumptions for valuation of gratuity liability:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.82%	7.51%
Expected rate of escalation in salary	7.50%	6.00%
Rate of employee turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

This plan typically exposes the Company to actuarial risks such as:

- a) **Interest rate risk** - A decrease in the bond interest rate will increase the plan liability.
- b) **Demographic risk** - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.
- c) **Salary risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions (while holding all other assumptions constant) is:

(₹ In Lakhs)

Particulars	Change in Assumption	As at March 31, 2018		As at March 31, 2017	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(15)	17	(12)	14
Expected rate of escalation in salary	1%	17	(15)	14	(13)
Rate of employee turnover	1%	*	*	1	(1)

*figures are below rounding of norm adopted by the company.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employers contributions

The weighted average duration of the projected benefit obligation is 8 years (2017- 7 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
1st following year	14	35
2nd following year	24	12
3rd following year	26	21
4th following year	31	22
5th following year	51	26
Sum of years 6th to 10th	126	120

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

iii) Other Long-term Employee Benefits

Compensated absences which are accumulated and not expected to be availed within twelve months after the end of the reporting period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. Compensated absences is recognised as a liability based on actuarial valuation of the defined benefit obligation as at the balance sheet date.

- An amount of ₹ 47 Lakhs (previous year ₹51 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2018 towards Compensated absences.
- Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the Balance sheet date.
- Expenses recognized in statement of Profit and loss includes ₹ 13 Lakhs (Previous year ₹ 15 Lakhs) in respect of discontinued operations.
- Net liability recognized in the Balance Sheet as at March 31, 2018 includes ₹ 90 Lakhs in respect of discontinued operations.

Principal Actuarial assumptions for valuation of long-term compensated absences

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.82%	7.51%
Expected rate of escalation in salary	7.50%	6.00%
Rate of Employee Turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Note 37 : During the year ended March 31, 2017, the Company had implemented a Voluntary Retirement Scheme (VRS). Accordingly, VRS expenditure of ₹ 159 Lakhs had been debited to the Statement of Profit and Loss for the year ended March 31, 2017.

Note 38 : Related party disclosure

(A) Promotor of holding company

Tata Sons Limited

(B) Parent Entities:

The Company is controlled by the following entity

Name	Type	Place of incorporation	Ownership Interest	
			As at March 31, 2018	As at March 31, 2017
Tata Power Company Limited	Immediate parent entity	India	48.65%	48.65%

(C) Subsidiary Companies :

Name	Type	Place of incorporation	Ownership Interest	
			As at March 31, 2018	As at March 31, 2017
Tatanet Services Limited	Subsidiary	India	100%	100%
Nelco Network Products Limited	Subsidiary	India	100%	100%

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

(D) Associate Entities:

(₹ In Lakhs)

Name of the Entity	Place of Business	% of Ownership interest	Relationship	Accounting Method	Quoted Fair Value		Carrying Amount	
					As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Nelito Systems Limited	India	12.30%	Associate	Equity Method	-*	-*	113	113

* Unlisted entity - no quoted price available

(E) Key Managerial Personnel

(i) Executive Directors

Mr.P.J. Nath (Managing Director and CEO)

(ii) Independent and Non-Executive Directors

Mr. R.R Bhinge (Non-Executive Director)

Mr. Sowmyan Ramakrishnan (Non-Executive Director)

Ms. Hema Hattangady (Independent Director)

Mr. Kailasam Raghuraman (Independent Director)

Mr. Krishnan Ramachandran (Independent Director)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Executive Directors		
Short-term employee benefits	168	87
Post-employment benefits	6	4
Long-term employee benefits*	-	-
(ii) Non Executive and Independent Director		
Directors sitting fees	37	27
Total compensation	211	118

*The company provides long term benefits in the form of gratuity to key managerial person along with all employees, cost of the same is not identifiable separately and hence not disclosed.

Details of transactions between the company and other related parties are disclosed below :

(₹ In Lakhs)

Sr. no.	Particulars	The Tata Power Company Limited	Tata Sons Limited	Tatanet Services Limited	Nelco Network Products Limited	Nelito Systems Limited
		(Holding Co.)	(Promoter of Holding Co.)	(Subsidiary)	(Subsidiary)	(Associate)
1)	Purchase :					
a)	Services	-	15	-	-	-
		(-)	(17)	(-)	(-)	(-)
2)	Sales :					
a)	Services	1	-	3,190	-	-
		(1)	(-)	(2,569)	(-)	(-)
3)	Other income					
a)	Dividend received	-	-	-	-	6
		(-)	(-)	(-)	(-)	(7)
b)	Interest received	-	-	71	-	-
		(-)	(-)	(112)	(-)	(-)

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

(₹ In Lakhs)

Sr. no.	Particulars	The Tata Power Company Limited	Tata Sons Limited	Tatanet Services Limited	Nelco Network Products Limited	Nelito Systems Limited
		(Holding Co.)	(Promoter of Holding Co.)	(Subsidiary)	(Subsidiary)	(Associate)
c)	Guarantee Commission	-	-	10	-	-
		(-)	(-)	(8)	(-)	(-)
4)	Other transactions :					
a)	Guarantees and collaterals given	-	-	1,550	-	-
		(-)	(-)	(-)	(-)	(-)
b)	Loans and advances given during the period (net)	-	-	190	*	-
		(-)	(-)	(200)	(-)	(-)
c)	Reimbursements made to parties		*	105		
		(-)	(-)	(116)	(-)	(-)
d)	Equity contribution	-	-	-	-	-
		(-)	(-)	(-)	(5)	(-)
5)	Balance outstanding at year end					
a)	Trade receivables	1		867		
		(1)	(-)	(685)	(-)	(-)
b)	Trade payables	-	13	-	-	-
		(-)	(17)	(-)	(-)	(-)
c)	Loans and advances given	-	-	720	*	-
		(-)	(-)	(910)	(-)	(-)
d)	Guarantees and collaterals	-	-	4,625	-	-
		(-)	(-)	(3,075)	(-)	(-)
e)	Other recoverable	-	-	-	-	-
		(223)	(-)	(-)	(-)	(-)

* Figures are below rounding of norm adopted by the Company

Note :

- (i) Figures in brackets pertain to the previous year ended March 31, 2017.
- (ii) Related Party relationship is as identified by the Company and relied upon by auditors.

Note 39 : Earnings per share (EPS)

Particulars	As at March 31, 2018	As at March 31, 2017
1. Net profit after tax attributable to equity shareholders (₹ In Lakhs)		
(a) Continuing Operations	(123)	(129)
(b) Discontinued Operations	1100	796
(c) Total Operations	977	667
2. Weighted Average Number of Equity Shares	22,817,461	22,817,461
3. EPS (₹) [Basic and Diluted] (Face value per share ₹ 10)		
(a) Continuing Operations (1(a) / 2)	(0.54)	(0.56)
(b) Discontinued Operations (1(b) / 2)	4.82	3.49
(c) Total Operations (1(c) / 2)	4.28	2.93

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.**Note 40 : Contingent liabilities****(₹ In Lakhs)**

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
a)	Guarantees issued by the company on behalf of its subsidiary (Tatanet Services Limited) [Amount of loan outstanding against this guarantee is ₹ 506 Lakhs (As at March 31, 2017 - ₹ 659 Lakhs)]	4,625	3,075
b)	Claims against the company not acknowledged as debt		
i)	Excise duty, sales tax and service tax claims disputed by the company relating to issues of applicability and classification	278	490
ii)	Other matters (excluding claims where amounts are not ascertainable)	-	29
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.	631	631

Future cash outflows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums / authorities

Disclosure as required by Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets” as at period end are as follows:

- a) Provision for disputes represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities. The information usually required by Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets”, is not disclosed on grounds that it can be expected to prejudice the interests of the Company. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence, the Company is not able to reasonably ascertain the timing of the outflow.

- b) The movement and provision during the period are as follows:

(₹ In Lakhs)

Particulars	Provision of disputes		Warranties*		Future foreseeable losses on contracts#	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	62	41	99	227	89	149
Add: Provision during the year	11	21	30	32	-	-
(Less): Utilisation during the year	-	-	(70)	(137)	(21)	(17)
(Less): Reversal during the year	-	-	(10)	(23)	(47)	(54)
Add: Effects of unwinding of discounts on Provision	-	-	-	-	2	11
Closing balance	73	62	49	99	23	89
Classified as current (Refer note 16(b))	73	62	49	99	23	78
Non-current (Refer note 16(a))	-	-	-	-	-	11

* Provision for warranties recognised in the balance sheet as at March 31, 2018 of ₹ 49 Lakhs (previous year ₹ 99 Lakhs) in respect of discontinued operations.

Provision for Future foreseeable losses on contracts recognised in the balance sheet as at March 31, 2018 of ₹ 23 Lakhs (previous year ₹ 89 Lakhs) in respect of discontinued operations.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 41 : Lease

41.1) Finance lease liabilities

The Company as Lessee

Leasehold land

- (1) Asset acquired on finance lease represents Leasehold land. The lease term is 95 years and the company does not have as option to purchase the land at the end of the lease term.
- (2) There are no minimum lease rentals payable in respect of asset acquired under finance lease.
- (3) No contingent rent recognised /(adjusted) in the Statement of Profit and Loss in respect of finance lease.

41.2) Operating Lease

The Company as Lessor

- (1) Operating leases related to VSATs given on lease, owned by the Company with lease terms between 3 to 7 years.
- (2) The lessee does not have an option to purchase the VSATs at the expiry of the lease period.
- (3) No refundable deposits are taken and the lease rentals recognised in the statement of Profit and Loss for the year ended March 31, 2017 under revenue from Operations aggregate to ₹ 274 Lakhs.

Non- Cancellable operating lease receivables

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017 *
Not Later than 1 year	-	194
Later than 1 year and not longer than 5 years	-	679
Later than 5 years	-	-
Total	-	873

* Non- Cancellable operating lease receivables in the balance sheet as at March 31, 2017 of ₹ 873 Lakhs are in respect of discontinued operations.

Note 42 : Information in respect of "Construction Contracts" is as follows :-

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017 *
Contract revenue recognised during the year	-	264
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto year end	-	4,445
Retention money for contracts in progress as at balance sheet date	-	383
Gross Amount due from Customers for contract work (Assets) as at balance sheet date	-	238
Gross Amount due to customers for contract work (Liability) as at balance sheet date	-	-

* Information in respect of "Construction Contracts" for the year ended March 31, 2017 are in respect of discontinued operations.

Notes annexed to and forming part of Standalone Financial Statements for the year ended March 31, 2018.

Note 43 : There are no Micro and Small Enterprises to whom the company owes dues, which are outstanding as at March 31, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company.

Signature to Notes forming part of the Standalone Financial Statements “1” to “43”

For Price Waterhouse Chartered Accountants LLP For and on behalf of the Board of Directors

Firm Registration Number : 012754N/N500016

Sharmila A. Karve
Partner
Membership No.43229

Place: Mumbai
Date: April 27, 2018

R. R. Bhinge
Chairman

Uday Banerjee
Chief Financial Officer

Place: Mumbai
Date: April 27, 2018

P.J. Nath
Managing Director and CEO

Girish Kirkinde
Company Secretary & Head - Legal



Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Members of Nelco Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Nelco Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and associate company; (refer Note 46 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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, consolidated cash flows and changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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 its associate respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 the effectiveness of the Company's internal control. 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 Ind AS financial statements.
6. 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 sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. The consolidated Ind AS financial statements include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 54 lakhs for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of one associate company, 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 Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associate, is based solely on the report of the other auditors.

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

9. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 9, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and associate company incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary companies and the report of the statutory auditors of the associate company incorporated in India, none of the directors of the Group and its associate company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its associate – Refer Note 44 to the consolidated Ind AS financial statements.
- (ii) The Group and its associate had long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate company incorporated in India during the year ended March 31, 2018.
- (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mumbai
April 27, 2018

Sharmila A. Karve
Partner
Membership Number: 43229

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Nelco Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Page 1 of 2

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Nelco Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mumbai
April 27, 2018

Sharmila A. Karve
Partner
Membership Number: 43229

Consolidated Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	4,886	3,443
(b) Capital work-in-progress	3	468	285
(c) Intangible assets	3	190	117
(d) Financial assets			
(i) Investments	4	576	527
(ii) Trade receivable	10 (a)	223	304
(iii) Loans	6 (a)	29	20
(e) Deferred tax assets (net)	36	38	78
(f) Income tax assets (net)	7	2,208	2,141
(g) Other non-current assets	8 (a)	8	22
Total non current assets		8,626	6,937
Current assets			
(a) Inventories	9	887	901
(b) Financial assets			
(i) Trade receivables	10 (b)	5,473	3,365
(ii) Cash and cash equivalents	11	397	304
(iii) Bank balances other than (ii) above	12	28	54
(iv) Loans	6 (b)	107	114
(v) Other financial assets	5	270	617
(c) Other current assets	8 (b)	423	761
Total current assets		7,585	6,116
TOTAL ASSETS		16,211	13,053
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,282	2,282
(b) Other equity			
Reserves and surplus	14	1,083	(106)
Other reserves	14 (a)	12	11
Total equity		3,377	2,187
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	758	168
(ii) Other financial liabilities	16 (a)	10	20
(b) Provisions	17 (a)	421	348
(c) Other non-current liabilities	19	30	-
Total non-current liabilities		1,219	536
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (b)	3,839	5,232
(ii) Trade payables	18	3,251	2,368
(iii) Other financial liabilities	16 (b)	1,769	1,132
(b) Provisions	17 (b)	181	305
(c) Other current liabilities	20	2,575	1,293
Total current liabilities		11,615	10,330
Total liabilities		12,834	10,866
TOTAL EQUITY AND LIABILITIES		16,211	13,053

The above consolidated balance sheet should be read in conjunction with the accompanying notes

For Price Waterhouse Chartered Accountants LLP

For and on behalf of the Board of Directors

Firm Registration Number : 012754N/N500016

R.R. Bhinge
ChairmanP. J. Nath
Managing Director & CEOSharmila A. Karve
Partner
Membership No.43229
Place: Mumbai
Date : April 27, 2018Uday Banerjee
Chief Financial OfficerGirish V. Kirkinde
Company Secretary & Head - LegalPlace: Mumbai
Date : April 27, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	21	14,961	14,367
Other income	22	494	461
Total Income		15,455	14,828
Expenses			
(a) Purchases of stock-in-trade		1,830	2,640
(b) Changes in inventories of stock-in-trade	23	14	(101)
(c) Employee benefits expense	24	2,256	1,959
(d) Voluntary retirement expenses	41	-	159
(e) Finance costs	25	593	850
(f) Depreciation and amortisation expense	26	949	802
(g) Transponder charges		3,140	2,982
(h) Other expenses	27	5,208	4,883
Total expenses		13,990	14,174
Profit before share of net profit of investment accounted for using equity method and tax		1,465	654
Add: Share of net profit of associate accounted for using the equity method		57	39
Profit before tax		1,522	693
Income tax expense	28		
- Current tax		271	91
- Deferred tax		40	(26)
Total tax expense		311	65
Net profit for the year		1,211	628
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Net fair value gain on investments in equity shares at FVTOCI		1	1
- Share of other comprehensive income of associate accounted for using the equity method		(3)	(1)
- Remeasurement of post employment benefit obligations		(19)	(26)
Total other comprehensive income		(21)	(26)
Total comprehensive income for the period		1,190	602
Earnings per share (Face value of ₹ 10/- per share) (Basic and diluted)	43	5.31	2.75

The above consolidated balance sheet should be read in conjunction with the accompanying notes

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016
Sharmila A. Karve
 Partner

Membership No.43229

 Place: Mumbai
 Date : April 27, 2018

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

Uday Banerjee
 Chief Financial Officer

P. J. Nath
 Managing Director & CEO

Girish V. Kirkinde
 Company Secretary & Head - Legal

 Place: Mumbai
 Date : April 27, 2018

Consolidated Statement of Cash Flows as at March 31, 2018

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash Flow From Operating Activities		
Profit before income tax	1,522	693
Adjustments for:		
Depreciation and amortisation expense	949	802
Finance Costs	593	850
Unrealised foreign exchange (gain) / loss	9	(13)
Provision for doubtful debts	(67)	(30)
Bad debts written off	86	151
Provision for warranty (net)	20	9
Liabilities/Provisions no longer required, written back	-	(91)
Provision for foreseeable losses written back	(45)	(43)
Gain on disposal of property, plant and equipment (net)	(21)	-
Unwinding of discount on financial asset measured at amortised cost	(43)	(38)
Interest Income classified as investing cash flow	(3)	(5)
Change in fair value Investment	(1)	(1)
Interest on income tax refund	(110)	(164)
Provision for contingency	11	21
Loss on sale of Investment in Associate	-	10
Share of net profit of associate accounted for using the equity method	(57)	(39)
Operating Profit Before Working Capital Changes	2,843	2,112
Adjustments For Changes In Working Capital:		
Movements in Assets		
- (Increase) / Decrease in Trade receivables	(2,003)	559
- (Increase) / Decrease in Other Current Assets	338	(256)
- (Increase) / Decrease in Other Non Current Assets	14	24
- (Increase) / Decrease in Financial Assets - Non Current - Loans	(9)	684
- (Increase) / Decrease in Inventories	14	(101)
- (Increase) / Decrease in Other Financial Assets - Current	124	68
- (Increase) / Decrease in Financial Assets - Current - Loans	7	13
- (Increase) / Decrease in Other Bank Balances	6	3
Movements in Liabilities		
- Increase / (Decrease) in Trade Payables	842	(43)
- Increase / (Decrease) in Other Financial Liabilities - Non Current	(13)	(15)
- Increase / (Decrease) in Other Liabilities - Non Current	30	-
- Increase / (Decrease) in Provisions - Non Current	54	(89)
- Increase / (Decrease) in Other Financial Liabilities - Current	24	41
- Increase / (Decrease) in Other current liabilities	1,282	390
- Increase / (Decrease) in Provisions - Current	(110)	(90)
Cash generated from operations	3,443	3,300
- Taxes Paid (Net of refunds)	228	(493)
Net Cash generated from operating activities- (A)	3,215	3,793
B. Cash Flow From Investing Activities		
Payments for Purchase of Property, Plant and Equipment / Intangible Assets	(2,079)	(1,621)
Proceeds from Sale of Property, Plant and Equipment / Intangible Assets	401	-
Interest Received	3	5
Proceeds from sale of investment in Associate Company	-	380
Proceeds received on account of sale of UGS business to holding company in previous year (refer note 29)	223	1,008
Bank balances not considered as Cash and cash equivalents		
- Fixed Deposit Placed	-	(23)
- Matured	20	-
Dividend From associate	6	-
Net Cash (Used in) Investing Activities (B)	(1,426)	(251)

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash Flow From Financing Activities		
Proceeds from Borrowings		
- Receipts	13,316	11,195
- Payments	(13,866)	(14,317)
Finance lease payments	(67)	-
Finance Costs Paid	(596)	(887)
Dividend Paid	(6)	(3)
Net Cash (Used In) Financing Activities- C	(1,219)	(4,012)
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	570	(470)
Cash and Cash Equivalents as at April 1, 2017	(232)	238
Cash and Cash Equivalents as at March 31, 2018	338	(232)
Non-cash financing activities		
- Acquisition of property, plant and equipment by means of finance lease	443	-

Reconciliation of cash and cash equivalents as per cash flow statement

(₹ in Lakhs)

Cash and Cash Equivalents Comprise of :	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalents Comprise of :		
Balance with Scheduled Banks in Current Accounts	233	47
Cash on Hand	1	1
Cheques on Hand	163	256
Bank Overdraft	(59)	(536)
Total	338	(232)

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

For Price Waterhouse Chartered Accountants LLP

For and on behalf of the Board of Directors

Firm Registration Number : 012754N/N500016

R.R. Bhinge
Chairman

P. J. Nath
Managing Director & CEO

Sharmila A. Karve
Partner

Uday Banerjee
Chief Financial Officer

Girish V. Kirkinde
Company Secretary & Head - Legal

Membership No.43229

Place: Mumbai
Date : April 27, 2018

Place: Mumbai
Date : April 27, 2018

Consolidated Statement of Changes in Equity for the year ended March 31, 2018**A. Equity share capital**

(₹ in Lakhs)

Particulars	Amount
As at April 1, 2016	2,282
Changes in equity share capital	-
As at March 31, 2017	2,282
Changes in equity share capital	-
As at March 31, 2018	2,282

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus		Other reserves	Total
	General reserve	Retained earnings	FVOCI Equity Instruments	
As at April 1, 2016	250	(957)	10	(697)
Profit for the year	-	628	-	628
Other comprehensive income for the year	-	(27)	1	(26)
As at March 31, 2017	250	(356)	11	(95)
Profit for the year	-	1,211	-	1,211
Other comprehensive income for the year	-	(22)	1	(21)
As at March 31, 2018	250	833	12	1,095

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

Sharmila A. Karve
Partner

Membership No.43229

Place: Mumbai
Date : April 27, 2018

For and on behalf of the Board of Directors

R.R. Bhinge
Chairman

Uday Banerjee
Chief Financial Officer

P. J. Nath
Managing Director & CEO

Girish V. Kirkinde
Company Secretary & Head - Legal

Place: Mumbai
Date : April 27, 2018

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

General Information

Nelco Limited (Formerly known as National Ekco Radio & Engineering Co Ltd) herein after referred to as “the Company” was established in 1940. The Company is subsidiary of The Tata Power Company Limited.

The Company is engaged in business of providing systems and solutions in the areas of VSAT connectivity and Integrated Security & Surveillance. The Company offers a range of innovative and customized solutions for businesses and government institutions under one roof.

The Company’s Subsidiary Tatanet Services Limited is in the business of providing VSAT domestic data network service to closed user group (CUG) networks via Satellite System on non-exclusive basis within the territorial boundary of India under the VSAT License granted by Department of Telecommunications (D.O.T.).

Equity shares of the Company are listed in India on the Bombay Stock Exchange (“BSE”) and The National Stock Exchange (“NSE”). The registered office of the Company is located at EL-6, TTC Industrial Area, MIDC, Electronic Zone, Mahape, Navi Mumbai – 400710, CIN: L32200MH1940PLC003164.

The consolidated financial statements are presented in Indian Rupee (INR) which is also Functional Currency of the Group. The consolidated financial statements were authorised for issue by the directors on April 27, 2018.

1. Summary of Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

a. Compliance with Ind AS

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b. Historical Cost Convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value:
- defined benefit and other long-term employee benefits.
- asset held for sale - measured at fair value less cost to sell.

c. Amended standards adopted by the Group

The Amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities, refer note no 15.

d. Basis of consolidation

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate (together referred to as “the Group”). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

All intra group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date.

1.2 Property, plant and equipment

All items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the assets. Subsequent costs are added to existing item's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

a. Capital work-in-progress

Projects under which Property, Plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

b. Depreciation methods estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate cost, net of their estimated residual value, over their estimated useful lives. The property, plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

The useful lives and residual values are as prescribed under schedule II to Companies Act, 2013 except for the following type of assets where useful life is considered as per management estimate, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, replacements generally required from the point of view of operational effectiveness.

Type of Assets	Useful Life
Plant & Machinery	Radio Frequency Antenna (RF) – 9 Years Basic Electronics – 6 Years Networking Devices - 6 Years RF and Baseband - 10 to 12 Years VSAT Antenna and parts - 15 Years
Office Equipment - VSAT	Antenna – 10 Years Electronics - 7.50 Years Basic Electronics – 6 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within Other Income - Other Expense).

1.3 Intangible Asset

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any. The Group amortises intangible assets using straight line method over the following periods.

License Fees – VSAT	: Over the license period of 20 years
License Fees – ISP	: Over the license period of 15 years
Testing software	: 5 years

1.4 Impairment of non-financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.5 Investments and other financial assets

a. Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For Investment in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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b. Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity Instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

c. Impairment of financial assets

The group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, except for specifically identified cases, Group follows a simplified approach permitted by the IND AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

d. Derecognition of financial assets

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

e. Income Recognition**Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the group and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend

Dividend income from investments is recognised when the right to receive dividend has been established.

1.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft. Bank overdraft are shown within borrowings in current liabilities in the balance sheet.

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

1.7 Trade receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.8 Financial Liabilities

i) Classification

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through statement of profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through statement of profit and loss.

iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

1.9 Trade and other payables

These amounts represent liabilities for goods and services received by the group prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

1.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

1.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and includes all other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method and is net of provision for obsolescence and other anticipated losses, wherever considered necessary. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.12 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, which are specifically exempt from this requirement.

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business, is part of a single co-ordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately in the statement of profit and loss.

1.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below.

The Group recognises revenue as follows:

a. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

b. Rendering of Services

- Revenue from contracts is recognised as and when services are rendered, and as related costs are incurred.
- Revenue from bandwidth services and annual maintenance contract is recognized as per the contract based on the services rendered.

c. Rental Income

The groups policy for recognition of revenue from operating leases is described in note 1.17 below.

d. Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Variations in contract work, claims and incentive payments are included to the extent that the amount have been agreed with the customers and are capable of being reliably measured and its receipt is considered probable.

1.14 Foreign currency translation**a. Functional and presentation currency**

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statement is presented in Indian rupee (INR), which is Nelco Limited's functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/ other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

1.15 Derivative financial instruments:

The group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Consolidated Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the Statement of Profit and Loss and the resulting exchange gains or losses are included in the Statement of Profit and Loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

1.16 Current and deferred tax

The income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

a. Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax assets and liabilities are not recognised if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018**1.17 Leases****As a lessee**

Leases of property, plant and equipment where the group as lessee has substantially all the risks and rewards of ownership is classified as finance lease. Finance leases are capitalised at the inception of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the group is a lessor is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.18 Borrowing

Borrowing are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is breach of a material provision of a long-term loan agreement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.19 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

1.20 Provisions and contingent liabilities

a. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessary entailed by the restructuring and not associated with the ongoing activities of the group.

i) Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii) Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

b. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

c. Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

1.21 Employee benefits

a. Short-term obligations

Liabilities for salaries and wages, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

The liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yield at the end of the reporting period that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

The obligation are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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The Group operates the following post-employment schemes:

- defined benefit plans – Gratuity and provident fund
- defined contribution plans such as Superannuation Fund and Employee State Insurance Corporation (ESIC).

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit provident fund and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Group pays Superannuation Fund and ESIC contributions to publicly administered funds as per local regulations. The Group has no further payment obligation once the contribution has been paid. Group's contribution to Superannuation Fund and ESIC is recognised on accrual basis in the Statement of Profit and Loss.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates : (a) when the group can no longer withdraw the offer of those benefits ; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

1.22 Segment reporting

The board of directors assesses performance of the Group as Chief Operating Decision Maker.

The Group has identified following 2 reportable segments, in a manner consistent with internal reporting provided to the chief operating decision maker:

- a. Automation and control comprises of sales of security and surveillance products.
- b. Network systems comprises sale of Very Small Aperture Terminals ("VSAT") hardware and providing allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers. (Refer note 35 of segment reporting)

1.23 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.24 Earnings per share**(i) Basic earning per share**

Basic earning per share is calculated by dividing:

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earning per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.25 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.1 Critical estimates and judgments and key sources of estimation uncertainty :-

In the application of the Group's accounting policies, which are described in note 1 above, the management of the group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the company has made critical judgements and estimates;

a) Useful lives of property, plant and equipment and Intangible assets

The group reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

b) Estimation of defined benefit obligation

The group has defined benefit plans for its employees which are actuarially valued. Such valuation is based on many estimates and other factors, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.

c) Recognition of deferred tax assets

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

d) Recognition and measurement of construction contract revenue

Unbilled receivables are for services provided but not yet billed. When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

e) Estimation of provision for warranty claims

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the group's obligation.

Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

f) Expected Credit Loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. (Refer Note 31)

g) Estimation of Provisions & Contingent Liabilities

The group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability. (Refer Note 44)

2.2 Recent accounting pronouncements - Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted.

a. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group is evaluating the requirements of the new revenue standard (IND AS 115) and the effect on the financial statements, if any.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

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The appendix can be applied:

- retrospectively for each period presented applying Ind AS 8;
- prospectively to items in scope of the appendix that are initially recognised
 - a) on or after the beginning of the reporting period in which the appendix is first applied (i.e. April 1, 2018 for entities with March year-end); or
 - b) from the beginning of a prior reporting period presented as comparative information (i.e. April 1, 2017 for entities with March year-end).

The Group is evaluating the requirements of the amendment and the effect on the financial statements, if any.

c. Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

The amendment provides two transition options. Entities can choose to apply the amendment:

- Retrospectively without the use of hindsight; or
- Prospectively to changes in use that occur on or after the date of initial application (i.e. April 1, 2018 for entities with March year-end). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date.

The Group is evaluating the requirements of the amendment and the effect on the financial statements, if any.

d. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Group is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 3 : Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress (₹ in Lakhs)

Particulars	Cost			Accumulated Depreciation / Amortisation			Net Block	
	As at April 01, 2017	Additions	Disposals	As at April 01, 2017	Depreciation / amortisation for the year	Disposals	As at March 31, 2018	As at March 31, 2017
i. Property, Plant and Equipment								
Leasehold Land (Finance Lease)	26 (26)	-	-	26 (26)	*	-	25 (25)	25 (25)
Building	139 (139)	-	-	139 (139)	12 (12)	*	97 (109)	109 (121)
Plant and Machinery	3,506 (2,610)	1,182 (896)	19	4,669 (3,506)	573 (531)	10	2,892 (2,292)	2,292 (1,927)
Electrical Installation	108 (103)	-	2	106 (108)	15 (15)	2	30 (45)	45 (55)
Furniture & fixtures	107 (107)	7	-	114 (107)	15 (17)	-	2 (10)	10 (27)
Office Equipment								
(i) Own	206 (140)	83 (66)	6	283 (206)	36 (23)	6	155 (108)	108 (65)
(ii) Given on Lease (Operating Lease)	1,183 (646)	948 (537)	408	1,723 (1,183)	209 (170)	41	1,223 (851)	851 (484)
(iii) Assets taken on finance lease	-	443	-	443	41	-	402	-
Vehicles	9 (9)	68	8	69 (9)	7 (2)	4	60 (3)	3 (5)
Total - Property, Plant and Equipment (i)	5,284 (3,780)	2,731 (1,504)	443	7,572 (5,284)	908 (770)	63	4,886 (3,443)	3,443 (2,709)
ii. Intangible Assets								
Goodwill on Consolidation *	-	-	-	-	-	-	-	-
Licence Fees	23 (23)	-	-	23 (23)	2 (3)	-	14 (16)	16 (19)
Testing Software	166 (69)	114 (97)	-	280 (166)	39 (29)	-	176 (101)	101 (33)
Total - Intangible Assets (ii)	189 (92)	114 (97)	-	303 (189)	41 (32)	-	190 (117)	117 (52)
Total - Property, Plant and Equipment & Intangible Assets (i+ii)	5,473 (3,872)	2,845 (1,601)	443	7,875 (5,473)	949 (802)	63	5,076 (3,560)	3,560 (2,761)
iii. Capital work-in-progress								
							468 (285)	285 (611)
Grand Total (i+ii+iii)							5,544 (3,845)	3,845 (3,372)

Figures in (brackets) represents previous year's figures

Notes :-

- 1) Property, plant and equipment pledged as security by the group (refer note 34)
- 2) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note 38)
- 3) Capital Work in progress mainly comprises of vat given on lease and Ex-C hub equipment pending for installation.
- 4) The Lease term in respect of assets acquired under finance lease generally expires within three to five year.
- 5) * figures below rounding of norm adopted by the group.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 4 : Investments - Non current

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Numbers	Amount	Numbers	Amount
Investment in equity instruments (Unquoted, fully paid, at cost)				
Investments in associate				
Nelito Systems Limited (Refer note 1 and 2 below)	2,53,665	561	2,53,665	513
Equity Investment (Unquoted, Fully paid, at FVOCI)				
Technopolis Knowledge Park Limited [net of impairment of ₹ 181 lac and (March, 2017: ₹ 181 lac)]	18,10,000	-	18,10,000	-
Zoroastrian Co-operative Bank Limited	6,000	15	6,000	14
Total equity instruments		576		527
Total investments		576		527
Aggregate amount of unquoted investment		576		527
Aggregate amount of impairment in the value of investment		(181)		(181)

Notes:

1. Change in the Group's ownership interest in an Associate

In March 2017, the group disposed off a 9.95% interest in Nelito Systems Limited to a third party for sale proceeds of ₹ 380 Lakhs, thus reducing the percentage holding to 12.30 % of the equity share capital of Nelito Systems Ltd

2. Although the group holds less than 20% of the equity shares of Nelito Systems Limited, and it has less than 20% of the voting power at shareholder meetings, the group exercises significant influence by virtue of its contractual right to appoint two out of seven directors to the board of directors of that company.

Note 5 : Other financial assets - Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unbilled revenue	221	358
Fair value of foreign exchange forward contracts	1	-
Receivable from holding company (refer note 29)	-	223
Others	48	36
Total	270	617

Note 6 : Loans

(a) Non-current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Security deposits	29	20
Total	29	20

(b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Security deposits	103	109
Loans to employees	4	5
Unsecured and considered doubtful		
Security deposits	21	21
Less : Allowance for doubtful deposits	(21)	(21)
Total	107	114

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 7 : Income tax assets (net) - Non-current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	2,141	2,561
Add : Tax deducted at source and advance tax [Net of provision for tax 2018 : ₹ 466 lakhs (2017: ₹ 195 lakhs)]	1,042	753
Less: Income tax refund	704	1,082
Less: Current tax payable for the year	271	91
Closing balance	2,208	2,141

Note 8 : Other assets

(a) Other non-current assets

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with government authorities	2	22
Deferred rent expenses	6	-
Total	8	22

(b) Other current assets

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	119	76
Advance to suppliers	91	122
Balance with Government authorities	202	550
Deferred rent expenses	3	-
Others	8	13
Total	423	761

Note 9 : Inventories

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Inventories (lower of cost and net realisable value)		
Contracts in progress	-	35
Stock-in-trade	887	866
Total	887	901

Note 10 : Trade receivables

(a) Non current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables	223	304
Less : Allowance for Doubtful Debts (expected credit loss allowance)	-	-
Total	223	304

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Break-up of security details

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured, considered good	-	-
Unsecured, considered good	223	304
Doubtful	-	-
Total	223	304
Allowance for doubtful debts	-	-
Total	223	304

10 (b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables	5,660	3,616
Receivable from related parties (refer note 42)	1	1
Less : Allowance for Doubtful Debts (expected credit loss allowance)	(188)	(252)
Total	5,473	3,365

Break-up of security details

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured, considered good	-	-
Unsecured, considered good	5,473	3,365
Doubtful	188	252
Total	5,661	3,617
Allowance for doubtful debts	(188)	(252)
Total	5,473	3,365

1. Trade receivables are dues in respect of goods sold and services rendered in the normal course of business.
2. The normal credit period allowed by the group ranges from 0 to 60 days.
3. The group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables.
4. There are no dues by directors or other officers of the group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Note 11 : Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balances with Banks :-		
In current accounts	233	47
(b) Cheques on hand	163	256
(c) Cash on hand	1	1
Total	397	304

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018**Details of Specified Bank notes (SBN's) as defined in the MCA notification GSR 308(E) dated March 30, 2017**

- a) The reporting on disclosure relating to Specified Bank Note is not applicable to Company for the year ended March 31, 2018.
- b) The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are given below :-

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Note	Total
Closing cash on hand as on November 8, 2016	1,26,500*	1,39,208	2,65,708
(+) Permitted receipts	-	4,25,001	4,25,001
(-) Permitted payments	-	(4,41,860)	(4,41,860)
(-) Amounts deposited in banks	(1,26,500)		(1,26,500)
Closing cash on hand as on December 30, 2016	-	1,22,349	1,22,349

* Includes Cash given to employees for maintaining imprest balance.

Note 12 : Bank balance other than Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
In earmarked Accounts		
(a) Unpaid dividend accounts	3	9
(b) Balances held as margin money against letter of credit and bank guarantees	25	45
Total	28	54

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 13 : Equity share capital

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised share capital:		
2,50,00,000 (2,50,00,000 as at March 31, 2017) equity shares of ₹ 10/- each	2,500	2,500
Redeemable Preference Shares of ₹ 100/- each	2,500	2,500
	5,000	5,000
Issued share capital:		
2,28,18,400 (2,28,18,400 as at March 31, 2017) equity shares of ₹ 10/- each)	2,282	2,282
	2,282	2,282
Subscribed and paid-up share capital:		
2,28,17,461 (2,28,17,461 as at March 31, 2017) equity shares of ₹ 10/- each)	2,282	2,282
Total	2,282	2,282

Notes:

(i) Movement in equity share capital

There has been no movement in issued, subscribed and paid up share capital of the group, during the last five years.

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount (₹ in Lakhs)	Number of shares	Amount (₹ in Lakhs)
The Tata Power Company Limited (48.65%)(Holding Company)	110,99,630	1,110	110,99,630	1,110
Aftaab Investment Company Limited (1.44%) (Subsidiary of Holding Company)	3,28,310	33	3,28,310	33

(iii) Terms and rights attached to equity shares

The company has issued only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity shares is entitled to one vote per share. 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 of dividend and proceeds on liquidation will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
The Tata Power Company Limited	110,99,630	48.65%	110,99,630	48.65%

(v) 939 shares (March 31,2017 : 939 shares) are kept in abeyance out of the rights issued in the year 1994 pending for final allotment.

(vi) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2018

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 14 : Reserves and surplus

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
General reserve - Refer (i) below	250	250
Retained earnings - Refer (ii) below	833	(356)
Total	1,083	(106)

(i) General reserve

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	250	250
Addition during the year	-	-
Closing balance	250	250

(ii) Retained earnings

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	(356)	(957)
Net Profit for the year	1,211	628
Items of other Comprehensive income recognised directly in retained earning		
- Share of other comprehensive income of associate accounted for using the equity method	(3)	(1)
- Remeasurements of post employment benefit obligations, net of tax	(19)	(26)
Closing Balance	833	(356)

Note 14(a) : Other reserves - Reserve for FVOCI Equity Instruments

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	11	10
Changes in fair value of FVOCI equity instruments	1	1
Closing Balance	12	11

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

Retained earnings

The same reflects surplus/ (deficit) after taxes in the Statement of Profit and Loss. The amount that can be distributed by the group as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Reserve for FVOCI Equity Instruments

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 15 : Borrowings

(a) Non-Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
(i) Deferred sales tax liability (Under the Sicom incentive scheme)	-	12
(ii) Finance lease obligation (Refer note (i) below)	300	-
	300	12
Secured		
(i) Term Loans from banks (Refer note (i) below)	458	156
	458	156
Total	758	168

Notes

(i) The terms of repayment of loans are stated below:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	Terms of Repayment	Rate of Interest (p.a)	Nature of Security
Finance lease obligation	300	-	Repayable in quarterly equal instalments for five years till December, 2023	9.50%	Unsecured
South Indian Bank Limited	289	-	Repayable in quarterly equal instalments till September, 2022	MCLR + 0.5%	Hypothecation of asset acquired utilizing the loan.
ICICI Bank Ltd	169	-	Repayable in quarterly equal instalments till March, 2022	I-MCLR 1 year + 1.30%	Exclusive charge over the assets, financed by rupee term loan.
Axis Bank Ltd	-	156	Repayable in half yearly instalments till October, 2018	Bank Base rate + 1.35%	First charge over fixed assets and current assets.
Deferred sales tax liability (Under the Sicom Incentive Scheme)	-	12	Repayable in five equal annual instalments after ten years from the year of avilment of respective loan.	Interest free	Unsecured

(b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
(i) Term loans from Banks	3,500	3,000
(ii) Inter corporate deposits	-	1,100
	3,500	4,100
Secured		
(i) Term loans from banks (Refer note (i) below)	280	596
(ii) Bank overdraft (Refer note (i) below)	59	536
	339	1,132
Total	3,839	5,232

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(i) Repayment schedule is as follows:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	Terms of Repayment	Rate of Interest (p.a)	Nature of Security
Bank of India - Bank overdraft	10	536	Payable on demand	2.55% over MCLR + BSS	1) First pari passu charge on entire current assets by way of hypothecation 2) Second pari passu charge on all present and future fixed assets i.e land and building, plant and machinery situated at EL-6, TTC Industrial Area, MIDC, Electronic Zone, Mahape, Navi Mumbai
Inter Corporate Deposit	-	1,100	Payable on demand	9.5% to 10.25 %	Unsecured
IDFC Bank Ltd	1,500	2500	Bullet repayment payable on May' 2018	9.15 % to 9.85 %	Unsecured
ICICI Bank Ltd	2,000	-	Payable on demand	I-MCLR 1 year + 1.30%	Unsecured
The Zoroastrian Co-op Bank Limited	280	596	Payable on demand	1) ₹ 121 Lakhs @ bank base rate 2) ₹ 159 Lakhs @3% below bank's MLR	Hypothecation by way of first charge on the equipment's to be purchased out of the Bank's Term Loan
Axis Bank Limited -Bank overdraft	49	-	Payable on demand	3 Months MCLR + 1.70%	1) First charge over current assets of the Group. 2) First charge over fixed assets of the group (excluding the assets funded by Zorashtrian Bank) and negative lien on commercial VSAT license
South Indian Bank Limited	-	500	Bullet repayment-payable on June, 2017	MCLR + 0.5%	Unsecured

(ii) The carrying amount of financial and non-financial assets pledged as security for current and non current borrowings (refer note 34)

Net debt reconciliation

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash & cash equivalents	397	304
Bank overdraft	(59)	(536)
Current borrowings	(3,780)	(4,696)
Non-current borrowings (Including current maturities of Long Term Debt and interest accrued)	(1,167)	(430)
Net debts	(4,609)	(5,358)

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(₹ In Lakhs)

Particulars	Other assets	Liabilities from financial activities			Total
	Cash and bank overdraft	Finance lease obligation	Non current borrowings	Current borrowing	
Net debt as at March 31, 2017	(232)	-	(430)	(4,696)	(5,358)
Cash flow	570	67	(364)	916	1,189
Acquisitions - Finance leases	-	(443)	-	-	(443)
Interest expenses	-	(16)	(26)	(541)	(583)
Interest paid	-	16	29	541	586
Net debt as at March 31, 2018	338	(376)	(791)	(3,780)	(4,609)

Note 16 : Other financial liabilities

(a) Non current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Liability towards voluntary retirement scheme	10	20
Total	10	20

(b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued	4	7
Liability towards voluntary retirement scheme	13	21
Sundry deposits received from customers	58	58
Current maturities of long-term debt	405	255
Capital creditors	769	265
Employee benefits payable	517	485
Fair value of foreign exchange forward contracts	-	32
Unclaimed dividend	3	9
Total	1,769	1,132

Note 17 : Provisions

(a) Non-current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits obligations:		
Compensated absences (Refer note 40)	177	145
Gratuity (Refer note 40)	244	192
	421	337
Provision - Others:		
Estimated losses on onerous contracts (Refer note 44)	-	11
Total	421	348

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

17 (b) Current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits obligations:		
Compensated absences (Refer note 40)	22	31
Gratuity (Refer note 40)	14	35
	36	66
Provision - Others:		
Estimated losses on onerous contracts (Refer note 44)	23	78
Warranty (Refer note 44)	49	99
	72	177
Provision for disputes (Refer note 44)	73	62
Total	181	305

Note 18 : Trade payables - current

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables:		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 45)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,251	2,368
Total	3,251	2,368

Note 19 : Other non current liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred profit on sale of fixed assets on finance lease	30	-
Total	30	-

Note 20 : Other current liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance received from customers	862	396
Income received in advance	1,540	795
Statutory dues payable	164	102
Deferred profit on sale of fixed assets on finance lease	9	-
Total	2,575	1,293

Note 21 : Revenue from operations

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products	2,787	3,239
Sale of services	12,166	11,123
Total	14,953	14,362
Other operating revenue		
Scrap sales	8	5
Total	8	5
Total	14,961	14,367

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 22 : Other income

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income		
- on bank deposits	3	5
- on income tax refund	110	164
	113	169
Other non-operating income		
Insurance claims recovered	-	14
Rent income	95	87
Provision for foreseeable losses written back (Refer note 44)	45	43
Others	177	97
	317	241
Other gains		
Profit on sale of property, plant and equipment (net)	21	-
Foreign exchange gain (net)	-	13
Unwinding of discount on financial asset measured at amortised cost	43	-
Net gain arising on financial assets designated at FVTPL	-	38
	64	51
Total	494	461

Note 23 : Changes in inventories of stock-in-trade

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the beginning of the period :		
Stock - in - trade	866	716
Contracts in progress	35	84
	901	800
Less : Inventories at the end of the period :		
Stock - in - trade	887	866
Contracts in progress	-	35
	887	901
Net (increase) / decrease in inventories of stock-in-trade	14	(101)

Note 24 : Employee benefits expense

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	1,991	1,688
Contributions to provident fund (Refer note 40)	65	58
Contributions to superannuation and other funds (Refer note 40)	20	21
Gratuity (Refer note 40)	34	38
Staff welfare expenses	146	154
Total	2,256	1,959

Note 25 : Finance costs

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on:		
Borrowings	537	771
Trade payables	7	4
Bank charges	49	69
Unwinding of discounts on provisions	-	6
Total	593	850

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 26 : Depreciation and amortisation Expense

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment's	908	770
Amortisation of intangible assets	41	32
Total	949	802

Note 27 : Other Expenses

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of loose tools	10	22
License fees to Department of Telecommunications	1,064	965
Subcontracting expenses	1,132	995
Power and fuel	205	194
Rent including lease rentals	182	187
Repairs and maintenance - Machinery	131	75
Repairs and maintenance - Others	486	288
Insurance	7	10
Rates and taxes	13	12
Travelling and conveyance	164	211
Freight and forwarding	170	201
Legal and professional charges	297	200
Consultancy charges	288	314
Director sitting fees	42	31
Installation expenses	173	218
Bad debts written off	86	151
Less: Provision for doubtful debts made in earlier years written back	(86)	(151)
Provision for doubtful debts	19	121
Provision for warranty (net) (Refer note 44)	20	9
Foreign exchange loss (net)	30	-
Miscellaneous expenses	775	830
Total	5,208	4,883

Note 28 : Current and deferred tax

28(a) Statement of profit and loss:

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income tax expenses		
Current tax on profits for the year	271	91
Total current tax expense	271	91
Deferred tax		
Decrease / (increase) in deferred tax assets	(56)	29
(Decrease) / Increase in deferred tax liabilities	96	(55)
Total deferred tax expenses / (benefit)	40	(26)
Income tax expense	311	65

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

28(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rates: (₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit Before Tax	1,522	693
Statutory income tax rate (%)	33.06%	33.06%
Tax at the Indian Statutory Tax Rate	503	229
Difference due to :		
Expenses not deductible for tax purposes	2	-
Standard deduction on rental income under Section 24 of Income Tax Act 1961	(9)	-
MAT Credit available under Section 115JAA of Income Tax Act 1961 not recognised	174	-
Previously unrecognised Deferred Tax Asset on Provision for doubtful debts	(7)	(22)
Previously unrecognised Deferred Tax Asset on Provision for Property Plant and Equipment	-	(7)
Difference in Tax Rate considered for deferred Tax liability recognised on unrealised share of Profit of Associate	(7)	-
Deferred tax asset not recognised on :		
Disallowance u/s 43B (provision for Gratuity and leave encashment)	(53)	-
Provision for doubtful debts and Property Plant and Equipment	10	-
Provision for doubtful debts	9	-
Provision for sales tax liability	5	-
Disallowance u/s 40(a)(i) of Income Tax Act 1961	5	-
Carried forward loss allowance under Income Tax Act 1961	(320)	(134)
Allowance for VRS u/s 35DDA of Income Tax Act 1961	(11)	-
Previously unrecognised deferred tax liability on unrealised share of Profit of Associate	12	-
Other items	(2)	(1)
Total tax expense	311	65

28 (c) Tax Losses

The details of carried forward tax losses and unabsorbed depreciation for which no deferred tax asset is recognised is as follows:

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Carried Forward Business Losses	-	425
Unabsorbed Depreciation	363	906
Long Term Capital Loss	135	135
Potential Tax Benefit		
On Carried forward business loss and unabsorbed depreciation @ 27.553%	100	367
On Carried forward Long Term Capital Loss @ 20.60%	28	28

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 29 : Unattended Ground Sensors Business (Discontinued Operations)

- a. The company vide its letter dated April 3, 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 January 28, 2015 accepted an offer made by The Tata Power Company Limited (TPCL), for its Strategic Engineering Division to purchase the business of UGS as a going concern on a slump sale basis at a consideration of ₹ 831 Lakhs with effect from October 1, 2014. The shareholders by postal ballot on June 25, 2015 approved the transaction. The Business Transfer Agreement (BTA) was signed on August 5, 2015. During the quarter ended December 31, 2016, all the conditions precedent were satisfied and a joint letter confirming the same was signed subsequently on January 2, 2017.
- b. The assets attributable to the UGS business have been impaired as at October 1, 2014 to the tune of ₹ 166 Lakhs. The same has been adjusted against opening reserves in earlier year.
- c. The financial parameters in respect of the ordinary activities attributable to the UGS business are as follows:

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017#
Sale of Products @	-	538
Sale of Services	-	-
Revenue from Operations	-	538
Other Income	-	-
Total Income (A)	-	538
Expenses		
Purchases of stock-in-trade @	-	364
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-	(5)
Employee Benefits Expense	-	88
Finance costs	-	73
Other Expenses	-	27
Total Expenses (B)*	-	547
(Loss) Before Tax (A-B)	-	(9)
Less :- Tax Expenses	-	-
(Loss) After Tax	-	(9)
Carrying amount of assets as at the balance sheet date relating to the discontinued operation to be disposed off	-	-
Carrying amount of liabilities at the balance sheet date relating to the discontinued operation to be settled	-	-
Net Cash flow attributable to the discontinued operation		
Cash flow from / (used in) operating activities	-	1,005
Cash flow from / (used in) investing activities	-	-
Cash flow from / (used in) financing activities	-	(73)

* includes ₹ Nil Lakhs (Previous year ₹ 78 Lakhs) expenses attributable to UGS business.

The transfer being concluded during the quarter ended December 31, 2016, effective from October 1, 2014, the results of operation for the year ended March 31, 2017, represents transactions performed on behalf of TPCL. The settlement for these transactions have been done during the quarter ended March 31, 2017.

@ At the request of TPCL, the company has continued with certain operations of the transferred business, during the quarter ended March 31, 2017, pending assignment of certain contracts by the customer to TPCL. Accordingly, Sale of Products (₹ 137 Lakhs) and Purchase of stock- in-trade (₹ 137 Lakhs) in respect of these contracts have been included above, under the respective heads.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 30 : Fair Value Measurements

30(a) Financial instrument by category.

(₹ In Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments	-	15	-	-	14	-
Trade Receivable	-	-	5,696	-	-	3,669
Cash and Cash equivalent	-	-	397	-	-	304
Other Bank Balances	-	-	28	-	-	54
Security Deposit	-	-	132	-	-	129
Loans to Employees	-	-	4	-	-	5
Other Financial Assets	1	-	269	-	-	617
Total Financial Assets	1	15	6,526	-	14	4,778
Financial Liabilities						
Borrowings	-	-	5,002	-	-	5,655
Trade Payables	-	-	3,251	-	-	2,368
Other Financial Liabilities	-	-	1,374	32	-	865
Total Financial Liabilities	-	-	9,627	32	-	8,888

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ In Lakhs)

Financial assets and liabilities measured at fair value-recurring fair value measurement at March 31 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVOCI					
Investment in equity shares	4	-	-	15	15
Financial instrument at FVPL					
Foreign exchange forward contract	5	-	1	-	1
Total Financial Assets		-	1	15	16

(₹ In Lakhs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Trade Receivables	10 (a) & 10 (b)	-	-	5,707	5,707
Loans	6 (a) & 6 (b)	-	-	138	138
Total Financial Assets		-	-	5,845	5,845
Financial Liabilities					
Borrowings	15 (a) & 15 (b)	-	-	5,002	5,002
Other Financial Liabilities	16 (a) & 16 (b)	-	-	1,374	1,374
Total Financial Liabilities		-	-	6,376	6,376

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(₹ In Lakhs)

Financial assets and liabilities measured at fair value-recurring fair value measurement at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVOCI					
Investment in equity shares	4	-	-	14	14
Total Financial Assets		-	-	14	14
Financial Liabilities					
Financial instrument at FVPL					
Foreign exchange forward contract	16(b)	-	32	-	32
Total Financial Liabilities		-	32	-	32

(₹ In Lakhs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Trade Receivables	10 (a) & 10 (b)	-	-	3,706	3,706
Loans	6 (a) & 6 (b)	-	-	130	130
Total Financial Assets		-	-	3,836	3,836
Financial Liabilities					
Borrowings	15 (a) & 15 (b)	-	-	5,655	5,655
Other Financial Liabilities	16 (a) & 16 (b)	-	-	865	865
Total Financial Liabilities		-	-	6,520	6,520

Except for those financial assets / liabilities mentioned in the above table, the group considers that the carrying amounts of financial assets / liabilities recognised in the financial statements approximate their fair values due to their short term nature. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1 - Level 1 Hierarchy includes financial instruments measured using quoted price. This includes listed equity instruments, traded bonds, mutual funds that have quoted price.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) **Valuation technique used to determine fair value**

a) **Specific valuation technique used to value financial instruments include:**

- The use of quoted market price or dealer quotes for similar instruments.
 - The fair value of foreign exchange forward contract is determined using forward exchange rates at the balance sheet date.
 - The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- b) During the current year, there is no significant movement in the items of fair value measurements categorised within Level 3 of the fair value hierarchy.
- c) The Fair value for investment in unquoted equity share were calculated based on risk adjusted discounted rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

- d) The fair value of borrowings were calculated based on discounted cash flow using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk.

(iii) Valuation processes

The finance department of the group performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO, Audit Committee and the finance team at least once every three months, in line with group's quarterly reporting periods

(iv) Fair value of financial assets and liabilities measured at amortised cost.

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Trade Receivables	5,696	5,707	3,669	3,706
Loans	136	138	134	130
Total Financial Assets	5,832	5,845	3,803	3,836
Financial Liabilities				
Borrowings	5,002	5,002	5,655	5,655
Other Financial Liabilities	1,374	1,374	865	865
Total Financial Liabilities	6,376	6,376	6,520	6,520

Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iii) above.

Note 31 : Financial Risk Management

The Group's activities expose it to the market risk, liquidity risk and credit risk.

This note explain the sources of risk which the entity is exposed to and how the entity manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalent, trade receivable, Loans, financial assets measured at amortised cost.	Ageing analysis, credit ratings	Diversification of bank deposit, credit limits
Liquidity risk	Borrowings, Trade Payables and other Financial liabilities	Rolling cash flow forecast	Availability of bank credit lines and borrowings facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupees (INR)	Rolling cash flow forecast Sensitivity analysis	Monitoring Foreign currency fluctuation, availing Forward Contracts.
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Availability of borrowing facilities at fixed rate, Periodic monitoring of variable interest rates

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with bank and financial institution, Loans and deposits with third party, Foreign exchange transactions and other financial instruments / assets.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers reasonable and supportive forwarding-looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

(i) Credit Risk Management**Financial Assets**

The group maintains exposure in cash and cash equivalents, term deposits with banks, Security deposits with counterparties, loans to third parties. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the group.

The group's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in the consolidated financial statements.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Five customers as at March 31, 2018 and Four customers as at March 31, 2017 contributed to more than 5% of the total balance of trade receivables. Receivable (Gross) from these customers was ₹ 2,130 Lakhs and ₹ 1,293 Lakhs as at March 31, 2018 and as at March 31, 2017 respectively.

The amount of Trade receivable outstanding as at March 31, 2018 and March 31, 2017 is as follows:

(₹ In Lakhs)

Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
As at March 31, 2018	1,885	2,834	382	783	5,884
As at March 31, 2017	1,799	1,856	135	131	3,921

(ii) Reconciliation of loss allowances provision - Trade Receivable

(₹ In Lakhs)

Loss Allowances on April 1, 2016	309
Changes in loss allowances	(57)
Loss Allowances on March 31, 2017	252
Changes in loss allowances	(64)
Loss Allowances on March 31, 2018	188

(B) Liquidity Risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has unutilized credit limits with banks.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Floating Rate		
Expiring within one year (Bank overdraft, Term Loans and other facilities)	4,469	1,455
Expiring beyond one year (Term loans)	-	-
Fixed Rate		
Expiring within one year (Term Loans and other facilities)	1,000	2,000
Expiring beyond one year (Term loans)	-	-
Total	5,469	3,455

The Bank has an unconditional right to cancel the undrawn/ unused/ unavailed portion of the loan/ facility sanctioned at any time during the period of the loan/ facility, without any prior notice to the Company.

(ii) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ In Lakhs)

Contractual maturities of financial liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
March 31, 2018				
Non - Derivative				
Borrowings	4,244	241	517	5,002
Trade payables	3,251	-	-	3,251
Other Financial Liabilities	1,354	5	8	1,377
Total Non derivative liabilities	8,859	246	525	9,630

(₹ In Lakhs)

Contractual maturities of financial liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
March 31, 2017				
Non - Derivative				
Borrowings	5,487	168	-	5,655
Trade payables	2,368	-	-	2,368
Other Financial Liabilities	877	13	14	904
Total Non derivative liabilities	8,732	181	14	8,927

(C) Market Risk

(i) Foreign currency risk

Group is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the group's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(a) **Foreign currency risk exposure:**

The group's exposure to foreign currency risk at the end of the reporting period are as follows;

Particulars	Foreign Currency	As at March 31, 2018		As at March 31, 2017	
		In foreign currency	₹ in Lakhs	In foreign currency	₹ in Lakhs
Financial Liabilities					
Trade Payables	USD	25	1,646	14	901
	EUR	-	-	*	13
	NOK	-	-	*	1
Derivative Liabilities					
Foreign exchange forward contract					
Buy Foreign Currency	USD	(4)	(276)	(13)	(872)
Net Exposure to Foreign Currency Liability	USD	21	1,370	*	29
Net Exposure to Foreign Currency Liability	EUR	-	-	*	13
Net Exposure to Foreign Currency Liability	NOK	-	-	*	1
Financial Assets					
Trade Receivables	USD	(3)	(176)	*	(17)
	GBP	-	-	*	(2)
Advance to Suppliers	USD	*	(8)	*	5
Net Exposure to foreign currency Assets	USD	(3)	(184)	*	(12)
Net Exposure to foreign currency Assets	GBP	-	-	*	(2)

* figures below rounding of norm adopted by the group.

(b) **Sensitivity**

The Sensitivity of profit or loss to changes in the exchange rates arises mainly currency denominated financial instrument.

(₹ In Lakhs)

Particulars	Impact on profit after tax	
	As at March 31, 2018	As at March 31, 2017
USD sensitivity		
INR/USD - Increase by 5% (March 31, 2017 - 5%)*	(40)	(1)
INR/USD - Decrease by 5% (March 31, 2017 - 5%)*	40	1
GBP sensitivity		
INR/GBP - Increase by 5% (March 31, 2017 - 5%)*	-	**
INR/GBP - Decrease by 5% (March 31, 2017 - 5%)*	-	**
EUR sensitivity		
INR/EUR - Increase by 5% (March 31, 2017 - 5%)*	-	**
INR/EUR - Decrease by 5% (March 31, 2017 - 5%)*	-	**
NOK sensitivity		
INR/NOK - Increase by 5% (March 31, 2017 - 5%)*	-	**
INR/NOK - Decrease by 5% (March 31, 2017 - 5%)*	-	**

* Holding all other variables constant

** figures below rounding of norm adopted by the group.

(ii) **Cash Flow and fair value interest rate risk**

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(a) Interest Rate risk exposure

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows. (₹ In Lakhs)

Particulars	As at March 31,2018	As at March 31,2017
Variable Rate Borrowings	1,112	1,191
Fixed Rate Borrowings	3,890	4,464
Total Borrowings	5,002	5,655

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates. (₹ In Lakhs)

Particulars	Impact on profit after tax	
	As at March 31,2018	As at March 31,2017
Interest Rate - Increase by 100 basis points*	(3)	(4)
Interest Rate - Decrease by 100 basis points*	3	4

* Holding all other variables constant

(iii) Price Risk

The group does not have any financial instrument which is exposed to change in price.

Note 32 : Capital Management

Risk Management

The Groups's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the term of the major borrowing and facilities, the group is required to comply with the following financial covenants.

1. Net worth to remain positive.
2. Current ratio of at least 1:1
3. Debt Equity ratio of maximum 4:1
4. Total outside liabilities (TOL) to total net worth should be less than 5

Group has generally complied with the above covenants except for the requirement of current ratio. Current ratio of group as on March 31, 2018 and March 31, 2017 is 0.65:1 and 0.59:1 respectively.

The group may be liable for penal interest, if any. The financial arrangements for which the above covenant is not complied with is cash credit facility and management has intimated the same to the banking partner.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 33 : Offsetting Financial Assets And Financial Liabilities

There are no financial assets and liabilities which are eligible for offset under any arrangement.

(a) Collateral against borrowings

The group has pledged financial instruments as collateral against a number of its borrowings. Refer to note no. 34 for further information on financial and non-financial collateral pledged as security against borrowings.

Note 34 : Assets Pledge As Security

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ In Lakhs)

Particulars	As at March 31,2018	As at March 31,2017
Current Assets		
Financial Assets		
First Charge		
Trade receivables	5,696	3,669
Inventories	887	901
Cash & cash equivalents	397	304
Bank balances other than above	28	54
Loans	107	114
Other financial assets	270	617
Other current assets	423	761
Total Current Assets pledged as Security	7,808	6,420
Non Current Assets		
Fixed Assets		
First Charge		
(i) Plant & Machinery	2,254	1,606
(ii) Office Equipment	10	13
(iii) Intangible Assets	184	108
Total (A)	2,448	1,727
Second Charge		
(i) Building	97	109
(ii) Plant & Machinery	708	711
(iii) Office Equipment	1321	943
Total (B)	2,126	1763
Total Non-Current Assets pledged as Security (Total A + B)	4,574	3,490
Total Assets pledged as Security	12,382	9,910

Note 35 : Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The group's chief operating decision maker are the Board of Directors.

a) Primary segment:

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

- 1) Automation and control comprises of sales of security and surveillance products
- 2) Network systems comprises sale of Very Small Aperture Terminals ("VSAT") hardware and providing allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

b) Secondary segment:

The group caters mainly to the needs of the domestic market, the export turnover of ₹ 395 Lakhs (Previous Year ₹ 64 Lakhs) is not significant in the context of the total external revenue of ₹ 14,961 Lakhs (Previous Year ₹ 14,367 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.

Primary segment disclosure - Business segment for the year ended March 31, 2018

(₹ In Lakhs)

	Particulars	Automation & Control	Network Systems	Total
A	Segment revenue from operations			
	External revenue	243	14,718	14,961
		394	13,973	14,367
	Less : Intersegment revenue	-	-	-
		-	-	-
	Total segment revenue			14,961
				14,367
B	Segment results	(340)	3,633	3,293
		(466)	2,956	2,490
	Add / (Less) :			
	Share of profit of associate accounted for using equity method			57
				39
	Finance cost unallocable to segments			(553)
				(805)
	Other unallocable income / (expenditure)			(1,275)
				(1,031)
C	Profit before tax for the year			1,522
				693
D	Segment assets	1,696	10,878	12,574
		2,548	7,182	9,730
	Add: Unallocable corporate assets			3,637
				3,323
	Total assets			16,211
				13,053
E	Segment liabilities	589	7,273	7,862
		933	3,694	4,627
	Add: Unallocable corporate liabilities			4,972
				6,239
	Total Liabilities			12,834
				10,866
F	Capital expenditure	44	2,981	3,025
		12	1,262	1,274
G	Depreciation	12	898	910
		29	773	802
	Depreciation - unallocable	-	-	39
		-	-	-
	Depreciation from total operations	12	898	949
		29	773	802
H	Non Cash expenses			
	Provision for doubtful debts/advances	26	(7)	19
		36	85	121

Note: Figures in italics pertains to the previous year ended March 31, 2017

c) During the year and previous year, there are no any customer contributing 10% of sales

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 36 : Income Tax

a. Components and movements of deferred tax asset (net):

(₹ In Lakhs)

Particulars	As at April 1, 2016	Recognised in the statement of profit and Loss	As at March 31, 2017	Recognised in the statement of profit and Loss	As at March 31, 2018
	(a)	(b)	(c= a+b)	(d)	(e=c+d)
i. Items of deferred tax liabilities:					
Property, plant and equipment and Intangible assets	116	(55)	61	72	133
Deferred tax on unrealised share of profit of associates	-	-	-	24	24
Total deferred tax liability (i)	116	(55)	61	96	157
ii. Items of deferred tax assets:					
Disallowances under Section 43B of the Income Tax Act, 1961	116*	(55)	61*	65	126
Provision for doubtful debts (expected credit loss allowance)	12	7	19*	(8)	11
Allowance for doubtful trade receivables and deposits	-*	-	-*	7	7*
Provision for estimated losses on onerous contracts	-*	-	-*	-	*
Voluntary retirement scheme under section 35DDA of the Income Tax Act, 1961	-*	-	-*	-	-*
Disallowance under section 40(a)(ia) of The Income Tax Act, 1961	-	-	-	7	7
Property, plant and equipment and Intangible assets	40	19	59*	(15)	44
Total Deferred Tax Assets (ii)	168	(29)	139	56	195
Net Deferred Tax Assets (ii-i)	52	26	78	(40)	38

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

Note 37 : Information in respect of "Construction Contracts" is as follows:-

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract revenue recognised during the year	86	264
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto year end	4,294	4,445
Retention money for contracts in progress as at balance sheet date	173	383
Gross Amount due from Customers for contract work (Assets) as at balance sheet date	317	238
Gross Amount due to customers for contract work (Liability) as at balance sheet date	-	-

For the method used to determine the contract revenue recognised and the stage of completion on contract in progress, refer note 1.13

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 38 : Capital and other Commitments

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	205	520
Estimated amount of contracts remaining to be executed on other account and not provided for (net of advance paid)	10	41

Note 39 : Lease

39.1) Finance lease liabilities

The Group as Lessee

a) Leasehold land

- (1) Asset acquired on finance lease represents Leasehold land. The lease term is 95 years and the company does not have an option to purchase the land at the end of the lease term.
- (2) There are no minimum lease rentals payable in respect of asset acquired under finance lease.
- (3) No contingent rent recognised / (adjusted) in the Statement of Profit and Loss in respect of finance lease.

b) Office Equipment (VSAT)

During the year, the group sold certain office equipment (VSAT) and leased it back for 5 years on market terms. The Group classified these leases as finance leases under IND AS 17, because the present value of the lease payments amounted to substantially all of the fair value of the asset.

Finance lease liabilities are payable as follows.

(₹ In Lakhs)

Particulars	Future minimum lease payments (A)		Interest (B)		Present value of minimum lease payments (A-B=C)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Not Later than 1 year	108	-	33	-	75	-
Later than 1 year and not longer than 5 years	352	-	53	-	299	-
Later than 5 years	-	-	-	-	-	-
Total	460	-	86	-	374	-

39.2) Operating Lease

The Group as Lessor

- (1) Operating leases related to VSATs given on lease, owned by the group with lease terms between 3 to 7 years.
- (2) The lessee does not have an option to purchase the VSATs at the expiry of the lease period.
- (3) No refundable deposits are taken and the lease rentals recognised in the consolidated statement of Profit and Loss for the period included under sale of services under revenue from Operations aggregate to ₹ 621 Lakhs (Previous Year ₹ 274 Lakhs)

Non- Cancellable operating lease receivables

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Not Later than 1 year	351	194
Later than 1 year and not longer than 5 years	828	679
Later than 5 years	-	-
Total	1,179	873

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

39.3) Non cancellable operating lease Payables

The group has operating lease for 18 Meters satellite Antennae and associated RF equipment's and facilities to operate with satellite on KU Band over Indian skies. These lease arrangement is 5 years, which is non-cancellable lease. Lease payments recognised in the Statement of Profit and Loss during the year is ₹ 182 lakhs (Previous year ₹ 187 lakhs).

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not Later than 1 year	121	112
Later than 1 year and not longer than 5 years	31	151
Later than 5 years	-	-
Total	152	263

Note 40 : Employee benefit obligations**a. Short-term employee benefits**

These benefits include salaries and wages, including other monetary and non-monetary benefits, compensated absences which are either non-accumulating or accumulated and expected to be availed within twelve months after the end of the reporting period.

b. Long-term employee benefits**i) Defined contribution plans**

Groups's contribution paid/payable during the period to superannuation fund and ESIC contribution are recognised as an expense and included in Note 24 under the heading "Contributions to superannuation and other funds" are as under:

(₹ In Lakhs)

Sr. No	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a)	Contribution to employees' superannuation fund	18	20
b)	Contribution to employees' state insurance scheme	2	1
	Total	20	21

ii) Defined Benefit Plans

The Group operates the following funded/unfunded defined benefit plans:

-Provident Fund (Funded):

The Group makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Group. The Rules of the Group's provident fund administered by the Trust requires that if the Board of Trustees are unable to pay interest at the rate declared by Central Government under para 60 of the Employees' Provident Fund Scheme, 1952 then the shortfall shall be made good by the Group. Having regard to the assets of the fund and the return on the investments, the Group does not expect any shortfall in the foreseeable future.

In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at March 31, 2018 and March 31, 2017, respectively.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

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

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets at period end, at fair value	1,877	1,869
Present value of benefit obligation at period end	1,877	1,869
Asset recognized in Balance Sheet	-	-

The Plan assets have been primarily invested in government securities

Assumptions used in determining the present value of obligation of interest rate guarantee under the deterministic approach :

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Government of India (GOI) bond yield	7.82%	7.51%
Remaining term to maturity of portfolio	5.76 years	4.34 years
Expected guaranteed interest rate	8.55%	8.65%

The Group contributed ₹ 65 Lakhs and ₹ 58 Lakhs during the year ended March 31, 2018 and March 31, 2017 respectively and the same has been recognized in the Statement of Profit and Loss under the employee benefit expenses.

-Gratuity (Unfunded)

The following table sets out the status of the defined benefit scheme and the amount recognised in the consolidated financial statements:

Amount recognised in the statement of profit and loss

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	17	18
Interest cost (Net)	17	20
Total expense recognised in the statement of profit and loss	34	38

Amount recognised in other comprehensive income (OCI)

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Due to change in demographic assumptions	*	1
Due to change in financial assumptions	18	1
Due to experience	*	24
Total remeasurement (gains)/losses recognised in OCI	19	26

*figures are below rounding of norm adopted by the group

Change in Defined Obligation (DBO) during the year

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of DBO at the beginning	228	262
Current service cost	17	18
Interest cost (Net)	17	20
Liabilities transferred In/Acquisitions	6	-
Remeasurement (gain)/loss	19	26
Benefits paid	(29)	(98)
Present value of DBO at the end	258	228

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Principal Actuarial assumptions for valuation of gratuity liability

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	7.82%	7.51%
Expected rate of escalation in salary	7.50%	6.00%
Rate of employee turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

This plan typically exposes the Group to actuarial risks such as:

- Interest rate risk-** A decrease in the bond interest rate will increase the plan liability.
- Demographic risk-** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.
- Salary risk-** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions (while holding all other assumptions constant) is:

(₹ In Lakhs)

Particulars	Change in Assumption	As at March 31, 2018		As at March 31, 2017	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(15)	17	(12)	14
Expected rate of escalation in salary	1%	17	(15)	14	(13)
Rate of employee turnover	1%	*	*	1	(1)

*figures are below rounding of norm adopted by the group

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Defined benefit liability and employers contributions.

The weighted average duration of the projected benefit obligation is 8 years (2017- 7 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
1st following Year	14	35
2nd following Year	24	12
3rd following Year	26	21
4th following Year	31	22
5th following Year	51	26
Sum of years 6th to 10th	126	120

iii) Other long-term employee benefits

Compensated absences which are accumulated and not expected to be availed within twelve months after the end of the reporting period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. Compensated absences is recognised as a liability based on actuarial valuation of the defined benefit obligation as at the balance sheet date.

An amount of ₹ 47 Lakhs (previous year ₹ 51 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2018 towards Compensated absences.

Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the Balance sheet date.

Principal Actuarial assumptions for valuation of long-term compensated absences

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.82%	7.51%
Expected rate of escalation in salary	7.50%	6.00%
Rate of Employee Turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Note 41 : During the year ended March 31, 2017, the Group had implemented a Voluntary Retirement Scheme (VRS). Accordingly, VRS expenditure of ₹ 159 Lakhs had been debited to the Statement of Profit and Loss for the year ended March 31, 2017.

Note 42 : Related party transactions

(A) Promotor of holding company

Tata Sons Limited

(B) Parent entities :

The group is controlled by the following entity

Name	Type	Place of incorporation	Ownership interest	
			As at March 31, 2018	As at March 31, 2017
The Tata Power Company Limited	Immediate parent entity	India	48.65%	48.65%

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(C) Subsidiary Companies

Interest in subsidiaries are set out in note 46

(D) Associate entities:

Interest in associate are set out in note 46

(E) Directors of the group**(i) Executive directors**

Mr. P.J. Nath (Managing Director and CEO)

(ii) Independent and Non-Executive Directors

Mr. R.R Bhinge (Non-Executive Director)

Mr. Sowmyan Ramakrishnan (Non-Executive Director)

Ms. Hema Hattangady (Independent Director)

Mr. Kailasam Raghuraman (Independent Director)

Mr. Sanjay Dube (Non-Executive Director of Tatanet Services Ltd.)

Mr. Krishnan Ramachandran (Independent Director)

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(i) Executive Directors		
Short-term benefits	187	182
Post-employment benefits	6	4
Other Long-term employee benefits*	-	-
(ii) Non Executive and Independent Director		
Directors sitting fees	42	31
Total compensation	235	217

*The Group provide long terms benefit in the form of gratuity to key Managerial Personnel along with all employees, cost of same is not identifiable separately and hence not disclosed.

Details of transactions between related parties are disclosed below:

(₹ In Lakhs)

Sr. no.	Particulars	The Tata Power Company Limited (Holding Co.)	Tata Sons Limited (Promoter of Holding Co.)	Nelito Systems Limited (Associate)
1) Purchase :				
a) Services	- (-)	28 (17)	- (-)	- (-)
2) Sales :				
a) Services	1 (1)	- (-)	- (-)	- (-)
3) Other income				
a) Dividend received	- (-)	- (-)	- (-)	6 (7)
4) Other transactions :				
a) Reimbursements made to parties	- (-)	* (-)	- (-)	- (-)
5) Balance outstanding as at year end				
a) Trade receivables	1 (1)	- (-)	- (-)	- (-)

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(₹ In Lakhs)				
Sr. no.	Particulars	The Tata Power Company Limited	Tata Sons Limited	Nelito Systems Limited
		(Holding Co.)	(Promoter of Holding Co.)	(Associate)
b)	Trade payables	-	26	-
		(-)	(17)	(-)
c)	Other recoverable	-	-	-
		(223)	(-)	(-)

Note:

- (i) Figures in brackets pertain to the previous year ended March 31, 2017.
- (ii) Related Party relationship is as identified by the group and relied upon by auditors.
- (iii) *figures below rounding of norm adopted by the group.

Note 43 : Earnings per share (EPS)

Sr. No	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1	Net profit after tax attributable to equity shareholders (₹ In Lakhs)	1,211	628
2	Weighted average number of equity shares	228,17,461	228,17,461
3	EPS (₹) [Basic and diluted] (Face value per share ₹ 10)	5.31	2.75

Note 44 : Contingent liabilities (to the extent not provided for)

(₹ In Lakhs)			
Sr. No	Particulars	As at March 31, 2018	As at March 31, 2017
a)	Claims against the group not acknowledged as debt comprises of:		
	i) Excise duty, sales tax and service tax claims disputed by the group relating to issues of applicability and classification	4,114	4,326
	ii) Other matters (excluding claims where amounts are not ascertainable)	-	29
b)	Claims from Vendor		
	Future cash outflows in respect of above matters are determinable only on receipt of judgments/ decisions pending at various forums / authorities	168	-
c)	Income tax demand against the group not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which group is in appeal.	631	631

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums / authorities

Disclosure as required by Ind AS 37 – “Provisions, contingent Liabilities and contingent Assets” as at period end are as follows:

- a) Provision for disputes represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities. The information usually required by Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets”, is not disclosed on grounds that it can be expected to prejudice the interests of the group. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the group under the law and hence, the group is not able to reasonably ascertain the timing of the outflow.
- b) Provision for Warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under free warranty period ranging from one to three years.

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

- c) 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.

- d) The movement and provision during the period are as follows: (₹ In Lakhs)

Particulars	Provision for disputes		Warranties		Future foreseeable losses on contracts	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance	62	41	99	227	89	149
Add: Provision during the period	11	21	30	32	-	-
(Less): Utilisation during the period	-	-	(70)	(137)	(21)	(17)
(Less): Reversal during the period	-	-	(10)	(23)	(47)	(54)
Add: Effects of unwinding of discounts on Provision	-	-	-	-	2	11
Closing Balance	73	62	49	99	23	89
Current (Refer note 17(b))	73	62	49	99	23	78
Non-current (Refer note 17(a))	-	-	-	-	-	11

Note 45 : There are no Micro and Small Enterprises to whom the Group owes dues, which are outstanding as at March 31, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Group.

Note 46. Interest In Other Entities**(a) Subsidiaries**

The group's subsidiaries at March 31, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business / Country of incorporation	Ownership interest held by the group		Principal activities
		As at March 31, 2018	As at March 31, 2017	
Tatanet Services Limited	India	100%	100%	Providing Bandwidth Services
Nelco Network Products Limited	India	100%	100%	Sale of VSAT Equipment's

(b) Interests in associate

Set out below are the associate as at March 31, 2018 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ In Lakhs)

Name of the entity	Place of business	% of Ownership interest	Relation-ship	Accounting Method	Quoted Fair Value		Carrying Amount	
					As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Nelito Systems Limited	India	12.30%	Associate	Equity Method	-*	-*	561.00	513.00
Total Equity Accounting Investments					-	-	561.00	513.00

*Unlisted entity - no quoted price available

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

(i) Commitments and contingent liabilities in respect of associates (₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent liabilities - associates	-	-
Financial Bank Guarantee	704	671

(ii) Summarised financial information for associate

The tables below provide summarised financial information for the associate that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Nelco Limited's share of those amounts.

(₹ In Lakhs)

Summarised Balance Sheet	Nelito Systems Limited	
	As at March 31, 2018	As at March 31, 2017
Total current assets	5,446	4,617
Total non-current assets	1,114	1,439
Total current liabilities	1,950	1,838
Total Non-current liabilities	60	66
Net assets	4,550	4,152

(₹ In Lakhs)

Reconciliation to carrying amounts	Nelito Systems Limited	
	As at March 31, 2018	As at March 31, 2017
Opening net assets	4,152	3,878
Profit / (Loss) for the year	482	319
Other comprehensive income	(22)	(7)
Dividends paid	(62)	(37)
Closing net assets	4,550	4,152
Groups' share in %	12.30%	12.30%
Proportion of the groups ownership interest	561	513
Carrying amount	561	513

(₹ In Lakhs)

Summarised statement profit and loss	Nelito Systems Limited	
	As at March 31, 2018	As at March 31, 2017
Revenue	8,740	7,806
Profit / (Loss) for the year	482	319
Other comprehensive income	(22)	(7)
Total comprehensive income	459	312
Groups' share in %	12.30%	12.30%
Groups share of profit/(loss)	57	39
Dividends received	6	7

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

Note 47 : Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 .

a. Net assets, i.e., total assets minus total liabilities

(₹ In Lakhs)

Name of the entity in the Group	As at March 31, 2018		As at March 31, 2017	
	Net assets, i.e., total assets minus total liabilities			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Nelco Limited	72.58%	2,451	68.22%	1,492
Indian Subsidiaries				
Tatanet Services Limited	30.22%	1,020	37.00%	809
Nelco Network Products Limited	*	*	0.18%	4
Indian Associate (Investment as per equity method)				
Nelito Systems Limited	16.61%	561	23.46%	513
Adjustment on consolidation	-19.41%	(655)	-28.86%	(631)
Total	100.00%	3,377	100.00%	2,187

* figures below rounding of norm adopted by the group.

b. Share in profit or loss

(₹ In Lakhs)

Name of the entity in the Group	Year ended March 31, 2018		Year ended March 31, 2017	
	Share in profit or loss			
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
Parent				
Nelco Limited	80.67%	977	106.21%	667
Indian Subsidiaries				
Tatanet Services Limited	17.42%	211	35.67%	224
Nelco Network Products Limited	-0.33%	(4)	-0.16%	(1)
Indian Associate (Investment as per equity method)				
Nelito Systems Limited	4.71%	57	6.21%	39
Adjustment on consolidation	-2.46%	(30)	-47.93%	(301)
Total	100.00%	1,211	100.00%	628

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2018

c. Share in Other Comprehensive Income

(₹ In Lakhs)

Name of the entity in the Group	Year ended March 31, 2018		Year ended March 31, 2017	
	Share in Other Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
Parent				
Nelco Limited	85.71%	(18)	96.15%	(25)
Indian Subsidiaries				
Tatanet Services Limited		*		*
Nelco Network Products Limited	-	-	-	-
Indian Associate (Investment as per equity method)				
Nelito Systems Limited	14.29%	(3)	3.85%	(1)
Total	100.00%	(21)	100.00%	(26)

* figures below rounding of norm adopted by the group.

d. Share in Total Comprehensive Income

(₹ In Lakhs)

Name of the entity in the Group	Year ended March 31, 2018		Year ended March 31, 2017	
	Share in Total Comprehensive Income			
	As % of consolidated net Total Comprehensive Income	Amount	As % of consolidated net Total Comprehensive Income	Amount
Parent				
Nelco Limited	80.58%	959	106.64%	642
Indian Subsidiaries				
Tatanet Services Limited	17.73%	211	37.21%	224
Nelco Network Products Limited	-0.34%	(4)	-0.17%	(1)
Indian Associate (Investment as per equity method)				
Nelito Systems Limited	4.54%	54	6.31%	38
Adjustment on consolidation	-2.51%	(30)	-50.00%	(301)
Total	100.00%	1,190	100.00%	602

Signature to Notes forming part of the Consolidate Financial Statements "1" to "47"

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

For and on behalf of the Board of Directors

R.R. Bhinge
Chairman

P. J. Nath
Managing Director & CEO

Sharmila A. Karve
Partner
Membership No.43229

Uday Banerjee
Chief Financial Officer

Girish V. Kirkinde
Company Secretary & Head - Legal

Place: Mumbai
Date : April 27, 2018

Place: Mumbai
Date : April 27, 2018

Form AOC-1 Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(₹ in Lakhs)

Sr. No	1
Name of the Subsidiary Company	Tatanet Services Ltd
Reporting period	1-4-2017 to 31-3-2018
Reporting Currency	INR
Exchange Rate as at 31st March, 2018	1
Share Capital (incl. Pref. Shares)	490
Other Equity	531
Total Assets	4,329
Total Liabilities (Excluding Share Capital & Reserves)	5,165
Investments	5
Turnover	8,788
Other Income	77
Total Revenue	8,865
Profit/ (Loss) before Taxation	324
Provision for Taxation (including Deferred Tax)	113
Profit/ (Loss) after Taxation	211
Proposed Dividend on Equity Shares (%)	Nil
Proposed Dividend on Equity Shares	Nil
% of Share- holding	100%

Part "B": Subsidiaries

(₹ in Lakhs)

Sr. No	2
Name of the Subsidiary Company	Nelco Network Products Ltd.
Reporting period	1-4-2017 to 31-3-2018
Reporting Currency	INR
Exchange Rate as at 31st March, 2018	1
Share Capital (incl. Pref. Shares)	5.00
Reserves & Surplus	(4.89)
Total Assets	2.30
Total Liabilities (Excluding Share Capital & Reserves)	2.19
Investments	-
Turnover	-
Other Income	-
Total Revenue	-
Profit/ (Loss) before Taxation	(3.91)
Provision for Taxation (including Deferred Tax)	-
Profit/ (Loss) after Taxation	(3.91)
Proposed Dividend on Equity Shares (%)	Nil
Proposed Dividend on Equity Shares	Nil
% of Share- holding	100%

Part "C": Associates and Joint Ventures

(₹ in Lakhs)

Sr. No	1
Name of the Associate/Joint Venture Company	Nelito System Ltd
Latest audited Balance Sheet Date	31/03/2018
Reporting Currency	INR
Exchange Rate as at 31st March, 2018	1
Shares of Associate/Joint Venture Company held by the Company on the year end (No.)	2,53,665
Amount of Investment in Associate /Joint Venture companies	113.46
Extent of Holding %	12.30%
Description of how there is significant influence	
Reason why the Associate Company is not consolidated	N. A
Net worth attributable to Shareholding as per latest audited Balance Sheet (in ₹ Lakhs)	561
Profit/ (Loss) after Taxation (in ₹ Lakhs)	319
(for 12 months period ended 31st Mar, 2018)	482
Considered in Consolidation (in ₹ Lakhs) (for 12 months period ended 31st Mar, 2018)	57
Not considered in Consolidation	Nil



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 67398777, **Email:** services@nelco.in **Website:** www.nelco.in

ATTENDANCE SLIP

75th Annual General Meeting on Friday, 20th July, 2018 at 3.30 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



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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 75th Annual General Meeting of the Company to be held on Friday, 20th July, 2018 at 3.30 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 March 31, 2018 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 March 31, 2018 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, being eligible, offers himself for Re-appointment.		
4	Re-appointment of Mr. P. J. Nath as Managing Director & CEO.		

Signed this day of, 2018

Signature of the shareholder :

Signature of Proxy holder(s) :

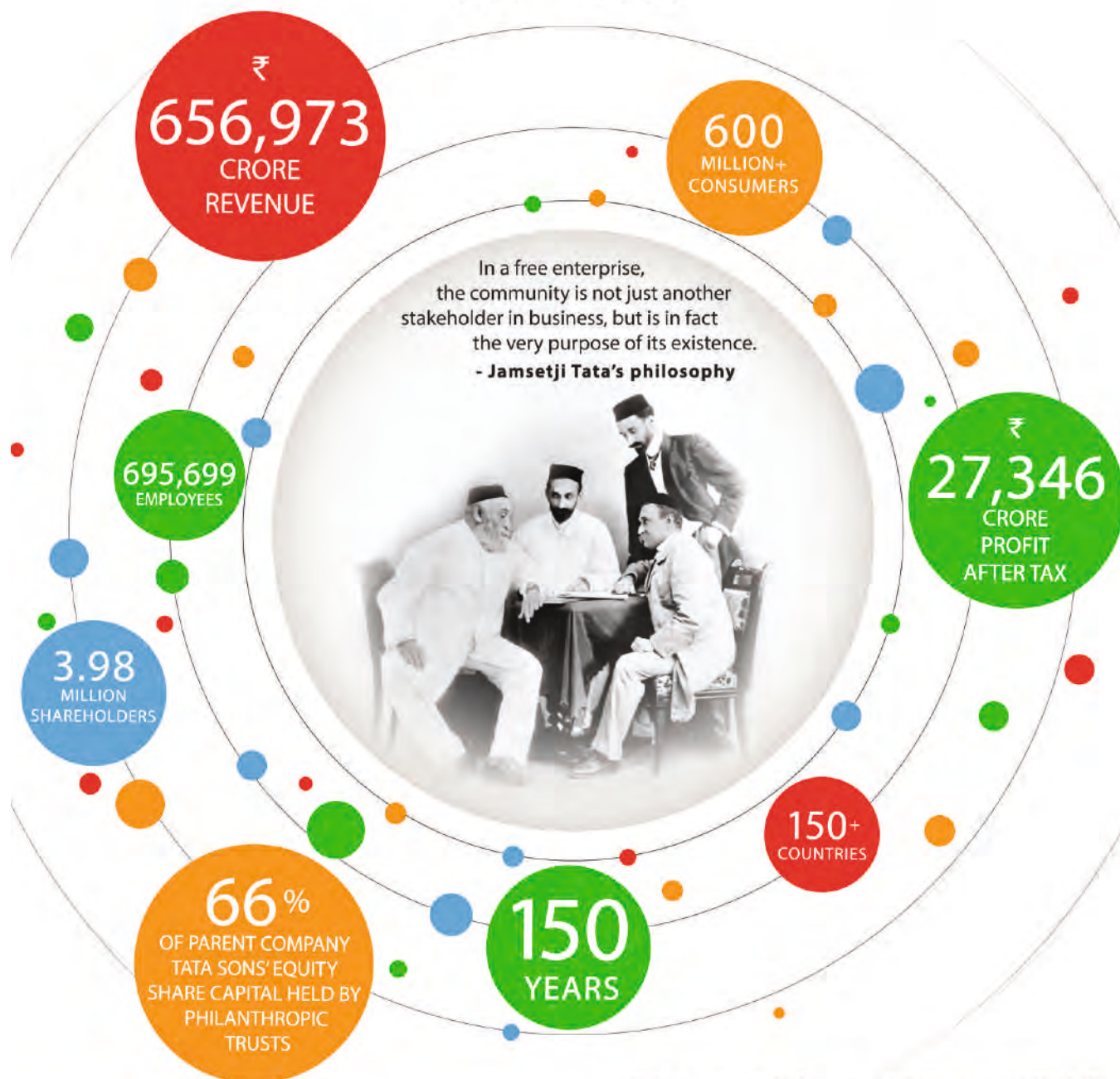
Affix Rupee
One
Revenue
Stamp

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.

LEADERSHIP WITH TRUST

SINCE 1868



The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata;
Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.



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

Registered Office and Mahape Teleport:

Nelco Limited, EL-6, Electronics Zone, MIDC, Mahape, Navi Mumbai - 400 710, India
Tel.: +91 22 6791 8728, 67399100 || Fax: +91 22 67918787
Web: www.nelco.in || Email: services@nelco.in

Dehradun Teleport:

Tatanet Services Ltd., C/o Tata Communications Ltd., Ahmed Satellite Earth Station,
Lacchiwala, P.O. Doiwala, Dehradun-248140, India
Tel.: +91 135 2695101/103

Regional Offices:

Bangalore: +91-080-6453 2271
Chennai: +91-044-65513933/34/35
Jamshedpur: +91-0657-222 7766/7
Kolkata: +91-033-22250834/22251904
New Delhi: +91-011-2586 3876/77
Secunderabad: +91-040-2790 3419

CIN No. L32200MH1940PLC003164