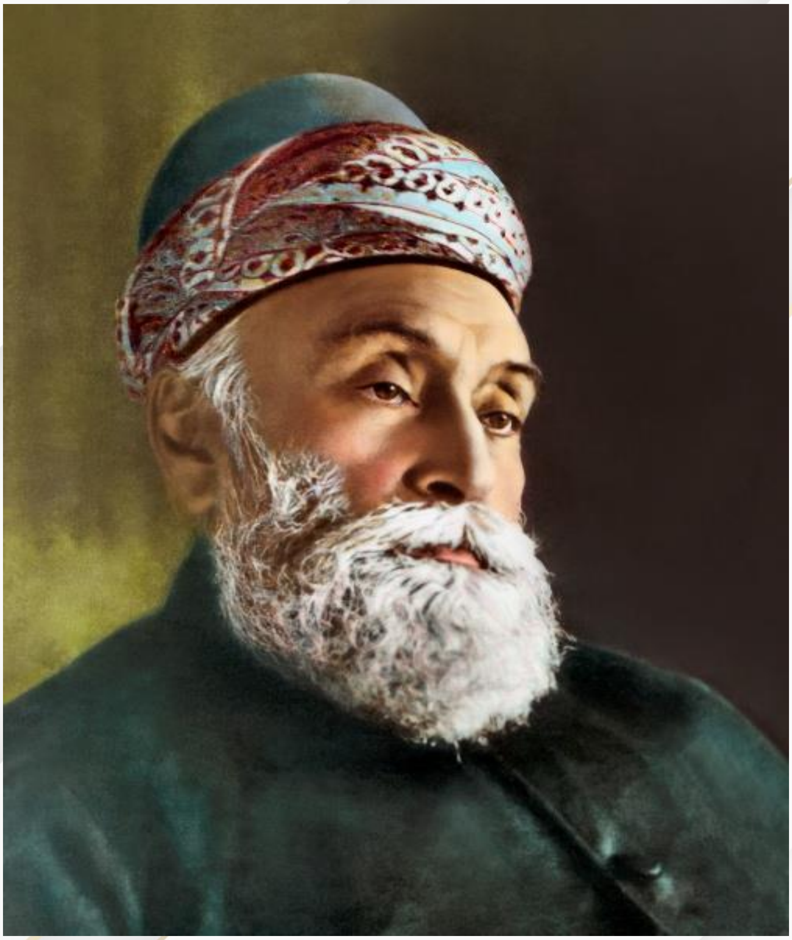
nelco
unlock potential
A TATA Enterprise

82nd ANNUAL REPORT

Enabling 'Digital Acceleration'

.... with new-age Satcom Services

nelco
unlock potential
A TATA Enterprise



JAMSETJI NUSSERWANJI TATA

03 March 1839 – 19 May 1904

"In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence"

Remembering

nelco
unlock potential
A TATA Enterprise

PADMA VIBHUSHAN

Mr. RATAN N TATA

28 December 1937 – 09 October 2024

It is with a profound sense of loss that we bid farewell to Mr. Ratan Naval Tata, a truly uncommon leader whose immeasurable contributions have shaped not only the Tata Group but also the very fabric of our nation.

For the Tata Group, Mr. Tata was more than a chairperson. He inspired by example. With an unwavering commitment to excellence, integrity and innovation, the Tata Group under his stewardship expanded its global footprint while always remaining true to its moral compass.

For all of us in Nelco, this is an irreparable and deep loss. Mr. Tata's direct involvement with Nelco spanned for 23 years, from 1971 to 1994, a period marked by significant challenges and transformations. His hand-on approach significantly enhanced our brand identity. As Chairman Emeritus, Mr. Tata's transformative leadership has inspired people at Nelco and will forever be remembered for his immeasurable impact on the Company.

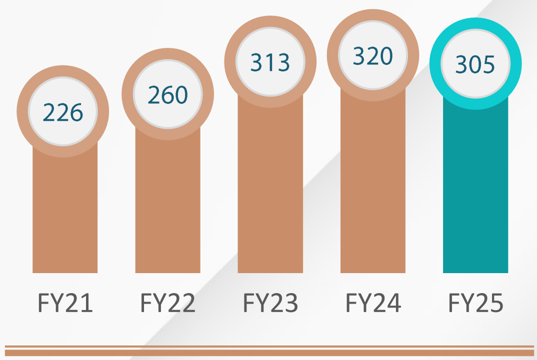
Mr. Tata's dedication to philanthropy and the development of society has touched the lives of millions. From education to healthcare, his initiatives have left a deep-rooted mark that will benefit generations to come. Reinforcing all of this mark was Mr. Tata' genuine humility in every individual interaction.

His legacy will continue to inspire us as we strive to uphold the principles he so passionately championed.

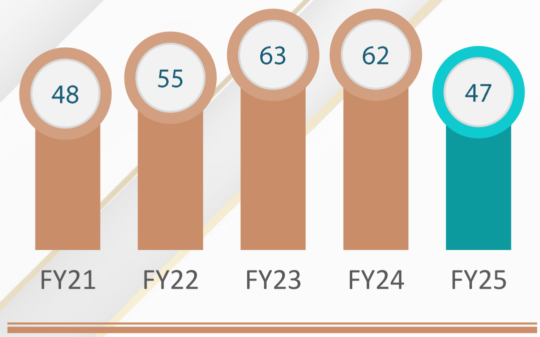
nelco
unlock potential
A TATA Enterprise

Highlights of Nelco-Consolidated

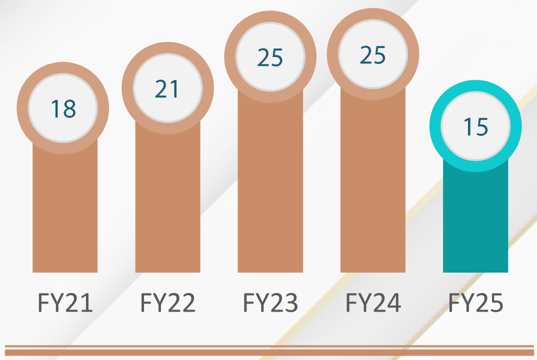
REVENUE (₹ Cr)



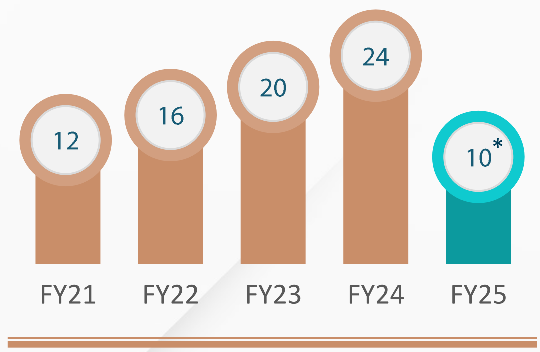
EBIDTA (₹ Cr)



ROCE (%)

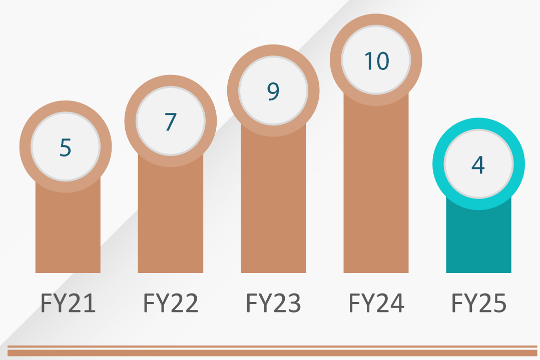


PAT (₹ Cr)



**After tax provision for earlier years (₹5 Cr)*

EPS (₹)



Recalibrating Our Compass:
A Strategic Evolution

nelco
unlock potential
A TATA Enterprise

RENEWED PURPOSE

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

REIMAGINED VISION

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

As markets evolve and technologies converge, we stand at the forefront of a new era in communication solutions

As we embark on a trajectory of substantial growth in the coming years, our renewed purpose and vision represent not just our aspirations, but our strategic direction in an increasingly connected world. Through technological innovation, market expansion, and unwavering customer focus, we're building the foundation for our transformative journey — being trusted globally and pioneering the communication solutions of tomorrow.

CORPORATE INFORMATION

(As on 24th April 2025)

Board of Directors	Mr. A.S. Lakshminarayanan, Chairman Mr. P.J.Nath, Managing Director & CEO Mr. Vijay Somaiya Dr. Lakshmi Nadkarni Mr. Ajay Kumar Pandey Mr. Saurabh Ray
Chief Financial Officer	Mr. Malav Shah
Company Secretary & Head - Legal	Mr. Ritesh N Kamdar
Share Registrars	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) C-101, Embassy 247, 1st Floor, L.B.S. Marg, Vikhroli West, Mumbai 400 083. Tel.: +91 8108118484 Email: csg-unit@in.mpms.mufg.com Website: www.in.mpms.mufg.com
Statutory Auditors	S.R. Batliboi & Associates LLP, Chartered Accountants
Bankers	Bank of India Union Bank of India ICICI Bank Ltd. Axis Bank Ltd. Mizuho Bank Ltd.
Registered Office	EL-6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai – 400 710 Email: services@nelco.in Investor relations : ritesh.kamdar@nelco.in Website: www.nelco.in Tel: +91 22 6739 9100
Corporate Identity No. (CIN)	L32200MH1940PLC003164

SAVE TREES, SAVE THE EARTH

SUPPORT

'GREEN INITIATIVE'

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

Please register your consent for this at **csg-unit@in.mpms.mufg.com**

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

Contents

82nd Annual General Meeting

Date : Tuesday, 24th June, 2025

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

NOTICE

The **EIGHTY SECOND ANNUAL GENERAL MEETING** of **NELCO LIMITED** will be held on Tuesday, the 24th day of June 2025 at 3.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March 2025 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 2025 together with the Report of the Auditors thereon.

3. To declare a dividend on Equity Shares for the financial year ended 31st March 2025.

4. To appoint a director in place of Mr. Saurabh Ray (DIN 09573704) who retires by rotation and being eligible, offers himself for re-appointment.

5. Re- appointment of Statutory Auditors of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004), be and are hereby re-appointed as Statutory Auditors of the Company to hold office for the second consecutive term of 5 years, from the conclusion of this the 82nd Annual General Meeting (AGM) of the Company till the conclusion of the 87th AGM of the Company to be held in the year 2030, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS:

6. Appointment of Secretarial Auditor

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

"**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Bhandari & Associates, Practicing Company Secretaries (Firm Registration No. P1981MH043700 / Peer Review Certificate No. 6157/2024), be and are hereby appointed as the Secretarial Auditor of the Company for a term of five (5) consecutive financial years, commencing from the financial year 2025-26, at such remuneration as may be decided by the Board of Directors in consultation with the Secretarial Auditor of the Company."

7. Ratification of Cost Auditor's Remuneration

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

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,25,000 (Rupees One lakh twenty-five thousand) plus GST and reimbursement of out-of-pocket expenses on actual basis incurred in connection with the audit, payable to P. D. Dani & Associates, Cost Accountants (Firm Registration No. 000593), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2024-25."

By Order of the Board of Directors

Ritesh Kamdar
Company Secretary & Head – Legal
ACS 20154

Navi Mumbai, 24th April 2025

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

NOTES:

1. The Ministry of Corporate Affairs ("MCA") *inter-alia* vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting through Video Conferencing ("VC") or through other audiovisual means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 82nd Annual General Meeting ("Meeting" or "AGM") of the Company is scheduled to be held through VC / OAVM on Tuesday, 24th June, 2025, at 3:30 p.m. (IST). The proceedings of the AGM deemed to be conducted at the Registered Office of the Company situated at EL-6, TTC Industrial Area, Electronics Zone, MIDC, Mahape, Navi Mumbai – 400 710.

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

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

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial

Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. Institutional Investors, who are Members of the Company, are encouraged to attend the 82nd AGM through VC / OAVM mode and vote electronically. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutiniser by e-mail at nelco.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

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

7. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories / Registrar and Share Transfer Agent (RTA) and physical copies to those shareholders who request for the same. Further, pursuant to regulation 36(1)(b) of Listing Regulations, a letter providing the weblink of annual report has been sent to those shareholders who have not registered their email id's. The Notice convening the 82nd AGM has been uploaded on the website of the Company at www.nelco.in and may also be accessed from the relevant section of the websites of BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

8. **Book Closure and Dividend:**

   i) The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 10th June 2025 to Monday, 16th June 2025 both days inclusive. Record date is Monday, 9th June 2025, the dividend of ₹ 1 per equity share of ₹10 (i.e. 10%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable, on or after Friday, 27th June 2025 as under:

   To all the Beneficial Owners as at the end of the day on Monday, 09th June 2025 as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

   To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/Registrar and Share Transfer Agent on or before the close of business hours on Monday, 9th June 2025.

   ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1st April 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') in case held in electronic form or in case shares are held in physical form, with the Company/ RTA by sending documents through e-mail by Thursday 5th June 2025. For the detailed process, please click here https://www.nelco.in/pdf/disclosure-of-events/notice-07-05-2025.pdf

   iii) Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents, MUFG Intime India Private Limited, [formerly Link Intime India Private Limited], so that it reaches them latest by Thursday 5th June 2025:

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

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

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

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

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

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

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

iv) Shareholders holding physical securities are requested to note that SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, mandated that the security holders, holding securities in physical form, whose folio(s) do not have PAN, Contact Details, Mobile Number, Bank Account Details, Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from 1st April 2024, upon their furnishing all the aforesaid details in entirety to Registrar and Transfer Agent.

v) Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details of unclaimed dividend and shares transferred to IEPF, please refer to Company's website viz. www.nelco.in. Members who have not yet encashed their dividend warrant(s) for the financial year 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24 are requested to make their claims to the Company accordingly, without any delay.

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

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

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

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

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

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

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

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

    i. Registration of e-mail addresses with MUFG Intime India Private Limited: The Company has made special arrangements with MUFG Intime India Private Limited for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/DPs are required to provide the same to MUFG Intime India Private Limited on or before on or before 5.00 p.m. (IST) on Thursday 19th June 2025.

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

       a. Visit the link:- https://web.in.mpms.mufg.com/EmailReg/Email_Register.html;

       b. Select the Name of the Company from dropdown;

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

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

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

       f. The system will then confirm the e-mail address for the limited purpose of service of Notice of AGM and Annual Report 2024-25.

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

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2024-25 along with the e-Voting user ID and password. In case of any queries, Members may write to evoting@nsdl.co.in.

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

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

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

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

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

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

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

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

ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, 17th June 2025 may cast their vote by remote e-Voting. A person who is not a member as on the cutoff date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday , 17th June 2025, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.

iii. The remote e-Voting period commences on Thursday 19th June 2025 at 9.00 a.m. (IST) and ends on Monday 23rd June 2025 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 17th June 2025.

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

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

17. Other instructions:

(i) Mr. P. N. Parikh, Company Secretary (FCS No. 327) or failing him Mr. Mitesh Dhabliwala, Company Secretary (FCS No. 8331) or failing him Ms. Sarvari Shah, Company Secretary (FCS 9697) of Parikh and Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer by the Board for providing facility to the Members of the Company to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

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

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

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

(v) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Tuesday, 24th June 2025.

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

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

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

i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of

Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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

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

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

v. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 82nd AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at ritesh.kamdar@nelco.in **before 3.00 p.m. (IST) on Saturday 21st June 2025. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM**.

vi. Members who would like to express their views/ask questions as a speaker at the Meeting may **pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at** ritesh.kamdar@nelco.in **between Tuesday, 17th June 2025 (9.00 a.m. IST) and Saturday, 21st June 2025 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM**.

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

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

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

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

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

Type of Shareholders/ Members	Login Method
Individual Shareholders holding securities in demat mode with **CDSL**.	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use their existing Myeasi username and password. 2. After successful login of Easi / Easiest, the user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there are links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use 'Forgot User ID' / 'Forgot Password' option available at above mentioned website.

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

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or contact at 022 - 4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 0911

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

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

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

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

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

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
(a) For Members who hold shares in demat account with NSDL.	User ID is the combination of 8-character DP ID followed by 8-digit Client ID. Example: if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
(b) For Members who hold shares in demat account with CDSL.	User ID is 16 digits Beneficiary ID. Example: if your Beneficiary ID is 12************** then your user ID is 12**************.
(c) For Members holding shares in Physical Form.	User ID is the combination of EVEN + Folio Number. Example: if Folio is 001*** and EVEN is 133710 then user ID is 133710001***.

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

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

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

   (c) How to retrieve your 'initial password'?

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

      (ii) If your email ID is not registered, please follow the instructions mentioned in this Notice regarding process for registration of email addresses.

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

    (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    (b) Click on "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.com mentioning your demat account number/folio number, PAN, name and registered address.

    (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

<u>Step 2: Cast your vote electronically on NSDL e-Voting system</u>

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

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

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

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

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

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

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

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

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

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

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

General Guidelines for Members:

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

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

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

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

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

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

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

By Order of the Board of Directors

Ritesh Kamdar
Company Secretary & Head – Legal
ACS 20154

Navi Mumbai, 24th April 2025

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

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 to 7 of the accompanying Notice dated 24th April 2025.

Item No. 5: Re- appointment of Statutory Auditors of the Company

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No.: 101049W/E300004) (SRBA) were appointed as the Statutory Auditors of the Company by the Members at the 77th Annual General Meeting (AGM) held on 13th August, 2020 to hold office from the conclusion of the 77th AGM till the conclusion of the 82nd AGM of the Company to be held in the calendar year 2025.

Accordingly, the present term of SRBA expires on conclusion of the ensuing 82nd AGM. SRBA are eligible for re-appointment for a second term of five years in terms of the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014. SRBA have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the re-appointment of SRBA, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of Eighty Second AGM till the conclusion of Eight Seventh AGM of the Company to be held in the year 2030, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

The recommendation is based on various factors like People, Audit Methodology, Quality Control, Reputation of the Firm and Knowledge. SRBA was established in the year 1965. It has head office in Kolkata and has branch offices in various cities in India. The Audit Firm is part of S.R. Batliboi & Affiliates network of audit firms and is registered as such with the Institute of Chartered Accountants of India (ICAI). It is a limited Liability Partnership Firm ("LLP") incorporated in India. The Audit Firm has a valid Peer Review certificate. All the network firms including the Audit firm are engaged in providing audit and assurance services to its clients and hence, have the necessary experience to conduct the statutory audit of the Company.

SRBA was paid a fee of ₹16.90 lakhs for the audit of standalone and consolidated financial statements of the Company for the financial year ended March 31, 2025 plus applicable taxes and out-of-pocket expenses on actuals. The increase in fee proposed to be paid to SRBA for the financial year ending March 31, 2026 will be mutually agreed basis in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the given period. Further, the Board, in consultation with the Audit Committee shall approve revisions in the remuneration of the Statutory Auditors for the remaining part of the tenure in such manner and to such extent as may be mutually agreed with the Statutory Auditors. The break-up of overall fees paid to the Statutory Auditors for the financial year ended March 31, 2025 has been provided in the Corporate Governance report.

Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

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

The Board recommends the resolution set out at Item No. 5 of the accompanying Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 6: Appointment of Secretarial Auditor

Pursuant to the recent amendment to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), which came into effect from 1st April 2025, the appointment of Secretarial Auditor(s) is now required to be approved by the shareholders at the Annual General Meeting of the Company.

The Board of Directors, at its meeting held on 24th April 2025, based on the recommendation of the Audit Committee, has approved the appointment of Bhandari & Associates, Company Secretaries, as the Secretarial Auditor of the Company for a term of five (5) consecutive years commencing from the financial year 2025–26, at a remuneration of ₹ 1,35,000 /- (Rupees one lakh and thirty-five thousand only) (plus applicable taxes and out of pocket expenses) for the financial year ending 31st March 2026. Further, the Board, in consultation with the Audit Committee shall approve revisions in the remuneration of the Secretarial Auditor for the remaining part of the tenure in such manner and to such extent as may be mutually agreed with the Secretarial Auditor.

Bhandari & Associates, Practicing Company Secretaries (Firm Registration No. P1981MH043700) had been appointed as the Secretarial Auditor of the Company for the financial year ended 31st March, 2025. The firm holds a valid Peer Review Certificate issued by the Institute of Company Secretaries of India. Bhandari & Associates, Company Secretaries, having 3 partners, is a full services corporate law advisory firm which has created a niche in Corporate Law practice with expertise in diverse domains. Shri S. N. Bhandari, founder of Bhandari & Associates, is a senior fellow member of the Institute of Company Secretaries of India, New Delhi. Bhandari & Associates have set an excellent track record in the field of Corporate Laws, Securities Laws, Foreign Exchange Management Laws and Tax Laws. The firm undertakes Board Process Audits, Corporate Governance Audits, Secretarial Audits, Internal Audits on Functions and Activities, Corporate Actions/Transactions based Due Diligence Audits. The Firm is acclaimed for its expertise in Mergers and Acquisitions - both at transaction compliance's as well as for conceptualization strategies.

Bhandari & Associates, Practicing Company Secretaries, have confirmed that they are eligible for appointment as Secretarial Auditors, are free from any disqualifications, are working independently and maintaining arm's length relationship with the Company. Besides the secretarial audit, the Company would also obtain certifications from the Secretarial Auditor under various statutory regulations and certifications required by clients, banks, statutory authorities and other permissible services in compliance with regulation 24A(1B) of SEBI LODR Regulations read with SEBI circulars as may be issued in this regard, as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

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

The Board recommends the resolution set out at Item No. 6 of the accompanying Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 7: Ratification of Cost Auditor's Renumeration

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time and other applicable provisions, if any, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the appointment of P.D.Dani & Associates (PDA) (Firm Registration No. 000593) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for FY2024-25, at a remuneration of ₹ 1,25,000/- plus GST and reimbursement of out-of-pocket expenses on actual basis incurred in connection with the audit.

PDA have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of cost records of the Company for previous years under the provisions of the Act. Pursuant to Section 148(3) of the Act, approval by the Members is required for the payment of above remuneration to the cost auditor.

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

The Board recommends the Ordinary Resolution at Item No. 7 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

By Order of the Board of Directors

Ritesh Kamdar
Company Secretary & Head – Legal
ACS 20154

Navi Mumbai, 24th April 2025

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

Annexure to the Notice of Annual General Meeting

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

Name of the Director	Mr. Saurabh Ray
DIN	09573704
Designation	Non-Executive Director
Date of Birth (Age)	25th November 1969 (56 Years)
Date of Appointment	26th April 2022
Expertise in Specific Functional Area / Brief Resume	Mr. Saurabh Ray has done B.Tech in Computer Sc. & Engineering from University of Calcutta after completing B.Sc. Hons in Physics. He also completed executive education on "Innovation Leadership Consortium" from TUCK School of Business at Dartmouth, Hanover, USA and certified in "Masterclass in Digital Leadership" from MIT, Boston, USA. He has worked for more than 27 years in Information Technology and services industry. Currently working at The Tata Power Company Ltd. (TPCL) as the Head of Enterprise Application. Prior to TPCL, Mr. Ray was working as Vice President in Wipro Ltd. for 3 years managing the global delivery of one of the business units. Before that he spent 23 years in Tata Consultancy Services playing various management roles. His area of expertise is related to Business Strategy, Sales & Delivery and Technology Transformation.
Qualifications	B.Tech in Computer Sc. & Engineering
Terms and conditions of appointment or re-appointment	Re-appointment in terms of section 152(6) of the Companies Act, 2013
Relationship between Directors, Manager and other Key Managerial Personnel interse	Mr. Ray is not related to any other Directors, Manager and other Key Managerial Personnel of the Company
Directorship held in other Companies (excluding Foreign Companies)	Nelco Network Products Ltd. (unlisted) Mr. Ray does not hold any directorships in listed companies other than Nelco Limited.
Committee positions held in other Companies	None
Remuneration	Sitting fees paid to Mr. Ray for FY 2024-25 is ₹ 4,80,000/-
Details of Remuneration sought to be paid	Sitting fees will be paid to Mr. Ray as approved by the Board
Name of the listed entities for which the person has resigned in the past three years	None
No. of meetings of Board attended during the year	8 out of 8
No. of shares held (a) Own (b) For other persons on a beneficial basis	Nil

DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting Eighty Second Annual Report of Nelco Limited (Company or Nelco) along with the Audited Statement of Accounts for the year ended 31st March 2025.

1. Financial Results

(₹ in lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		FY2024-25	FY2023-24	FY2024-25	FY2023-24
a	Revenue from Operations	20,563	22,268	30,487	32,030
b	Other Income	395	236	518	236
c	Total Income	20,958	22,504	31,005	32,266
d	Operating Expenditure	17,549	17,947	26,290	26,091
e	Profit before finance cost, depreciation and amortization (PBITDA)	3,409	4,557	4,715	6,175
f	Less: Finance Cost	154	249	552	657
g	Less: Depreciation/Amortization	1,263	1,284	2,216	2,214
h	Total Finance cost and depreciation & amortisation (f+g)	1,417	1,533	2,768	2,871
i	Profit before share of profit from associate and tax(e-h)	1,992	3,024	1,947	3,304
j	Share of Profit from Associate	-	-	19	47
k	Net Profit before tax (i+j)	1,992	3,024	1,966	3,351
l	Current/Deferred Tax Expenses	1,011	897	1,013	984
m	Net Profit after tax (k-l)	981	2,127	953	2,367
n	Add: Other comprehensive income/(expenses) (net of tax)	(14)	(10)	(19)	(8)
o	Total Comprehensive Income (m+n)	967	2,117	934	2,359

2. Dividend

The Directors of your Company recommend for FY 2024-25, a dividend of ₹ 1/- per share of ₹ 10/- each i.e. 10% (previous year ₹ 2.20 per share i.e. 22%) subject to the approval of the Members at the ensuing AGM. If approved, the total dividend outgo for FY 2024-25 would amount to ₹ 228 lakhs (previous year ₹ 502 lakhs).

According to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the top 1000 listed entities based on market capitalization, calculated as on 31st March of every financial year are required to formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. Accordingly, the Dividend Policy of the Company can be accessed using the following link: https://www.nelco.in/pdf/Policies/dividend-distribution-policy.pdf

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

3.1. Standalone

On a Standalone basis, your Company achieved revenue of ₹ 20,563 Lakhs in FY 2024-25 from Operations as against ₹ 22,268 Lakhs in FY 2023-24 i.e. decreased by 8 % from previous year.

In FY 2024-25 the Company earned net profit after tax of ₹ 981 Lakhs from the total operations as against net profit after tax of ₹2,127 Lakhs in FY 2023-24. This was due to decrease in service revenue and onetime tax litigation settlement under Vivad Se Vishwas Scheme of ₹ 509 lakhs.

3.2. Consolidated

On a Consolidated basis, revenue from Operations was ₹ 30,487 Lakhs in FY 2024-25 as against ₹ 32,030 Lakhs in FY 2023-24 i.e. decreased by 5% from previous year.

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

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

The Company earned a net profit after tax of ₹ 953 Lakhs from operations as against net profit after tax of ₹ 2,367 Lakhs in FY 2023-24. i.e. decreased by 60 %. This was due to decrease in revenue and one time impact of ₹ 509 lakhs related tax litigation settlement under Vivad Se Vishwas Scheme.

The Company has strengthened its overall position in the market with a higher share of the incremental business in Enterprise, Government and IFMC segments. The Company has demonstrated its agility in creating new businesses and solutions and delivering value to customers and global partners. The Company has been a lead adopter of Satcom technologies and will continue to leverage global technology advancements to serve a larger number of segments and applications using GSO and NGSO networks, software defined satellites, new-age electronics and many more technologies as and when these are available. The Company has partnered with multiple global players and will continue to have more partnerships in future to enhance its offerings and reach. The Company continuously evaluates opportunities for investment and augmentation of its technology, satellite network capabilities and ground infrastructure, developing new products and services for enabling ubiquitous, reliable, secure, and high-quality connectivity through Satcom services.

There has been no material changes and commitments that have occurred after the close of the year under review till the date of this report which affect the financial position of the Company.

3.3 Operations

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

4. Reserves

The Board of Directors has decided to retain the entire amount of profit for FY 2024-25 in the statement of profit and loss.

5. Subsidiary & Associate Company

The Company has a wholly owned subsidiary - Nelco Network Products Ltd. (NNPL) and an associate company - Piscis Networks Pvt. Ltd. (PISCIS) as on 31st March 2025.

<u>Subsidiary Company</u>

The revenue of NNPL for FY 2024-25 was 9,930 Lakhs (previous year ₹ 9,989 Lakhs) and loss after tax was ₹ 61 Lakhs (previous year profit after tax was ₹ 222 Lakhs) and the accumulated reserve and surplus since incorporation was ₹ 3,422 Lakhs.

<u>Associate Company</u>

The revenue of PISCIS for FY 2024-25 was ₹ 1,433 Lakhs (previous year ₹ 809 Lakhs) and profit after tax was ₹ 231 Lakhs (previous year profit after tax was ₹ 233 Lakhs). This was due to increase in sale of number of SDWAN routers and corresponding increase in operating expenses. The Company's share of profit in associate for FY 2024-25 was ₹ 19 Lakhs (previous year ₹ 47 Lakhs).

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

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

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

6 Directors and Key Managerial Personnel

Re-appointment/appointment of Directors

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. Saurabh Ray (DIN: 09573704) retires by rotation and is eligible for re-appointment. The Members' approval is being sought at the ensuing AGM for this re-appointment.

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

Based on the recommendation of the Nomination, HR and Remuneration Committee ('NRC') and Board of Directors, the Members at the 81st AGM held on June 25, 2024 approved the re-appointment of Mr. P J Nath (DIN: 05118177) as the Managing Director & CEO of the Company, for period from 13th June, 2024 to 28th February, 2027 (i.e. date of his superannuation from the services of the Company) and remuneration payable thereof.

In terms of the provisions of Section 149 of the Act and Regulations 17 and 25 of Listing Regulations, Dr. Lakshmi Nadkarni (DIN: 07076164) and Mr. Ajay Kumar Pandey (DIN: 00065622) were appointed as an Independent Director of the Company by the Members at the 77th AGM of the Company, for a term of five years commencing from January 28, 2020 to January 27, 2025. Accordingly, based on recommendation of NRC and the Board, the Members by the way of a Postal Ballot on February 20, 2025, approved the re-appointment of Dr. Nadkarni and Mr. Pandey for a second term as an Independent Director of the Company effective January 28, 2025 to January 27, 2030.

Further, based on recommendation of NRC and in accordance with provisions of the Act and Listing Regulations, Mr. Vijay Somaiya (DIN: 03185227) was appointed as an Additional Director (Independent) of the Company by the Board of Directors on January 15, 2025, for a term of 5 years commencing from January 27, 2025 upto January 26, 2030, subject to the approval of Members. Accordingly, based on recommendation of NRC and the Board, Members by the way of a Postal Ballot on February 20, 2025, approved the appointment of Mr. Somaiya for a first term as an Independent Director of the Company effective January 27, 2025 upto January 26, 2030.

Cessation of Director

During the year under review, Mr. K.N. Murthy (DIN 00023046), Independent Director of the Company, who were appointed at the 77th Annual General Meeting of the Company held on 13th August 2020 for a period of 5 years, completed his tenure as Independent Director of the Company on 27th January 2025 at the close of working hours. The Board places on record its appreciation for invaluable contribution and guidance provided by Mr. Murthy, during his tenure as Independent Director of the Company.

Independent Directors

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

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

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

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

Key Managerial Personnel

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March 2025 are:

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

Mr. Girish V. Kirkinde (ACS: 7493), Company Secretary & Head- Legal superannuated from the services of the Company on close of business hours of 30th April 2024. The Board places on record its appreciation for the valuable contribution provided by Mr. Kirkinde to the Company. On the recommendation of NRC, the Board approved the appointment of Mr. Ritesh N. Kamdar (ACS:20154) as Company Secretary & Head-Legal and Key Managerial Personnel effective from 14th May 2024.

Number of Board meetings

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

Governance Guidelines:

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

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

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

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

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

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

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

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

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

7.1. Committees of the Board

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

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

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

The details of the familiarization programs for Independent Directors are disclosed on the Company's website and the web link for the same is: https://www.nelco.in/pdf/Policies/familarization-programme-24-25.pdf

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

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

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

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

Salient Features of this policy are as under: -

- The philosophy for remuneration of Directors, Key Managerial Personnel ("KMP") and all other employees of Nelco Ltd. ("Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.
- Independent Directors ("ID") and non-independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- The extent of overall remuneration to Managing Director ("MD")/ Executive Directors("ED")/ KMP/ rest of the employees should be sufficient to attract and retain talented and qualified individuals suitable for every role.
- The remuneration mix for the MD/EDs is as per the contract approved by the shareholders.
- In addition to the basic/fixed salary, the company provides to other KMPs and employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible and also performance linked bonus.
- Remuneration is payable to Director for services rendered in professional capacity and which NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.
- There is no change in the aforesaid policies during the year under review.

7.3. Particulars of Employees and Remuneration

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

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

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

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

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

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

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

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

9. Risks and Concerns

The Indian satellite communication industry offers significant growth potential but comes with notable risks. The Company is faced with risks of different types including strategic, financial, regulatory and operational. Each of the risks need different approaches for mitigation and management. Details of various risks faced by the Company are provided in Management Discussion & Analysis.

Risk Management Framework and Internal Financial Controls

Risk Management Framework: The Company has established a risk management framework and policy based on which risks are identified and assessed across its business segments. The Company has also implemented a Resilience framework which enables a differentiated approach for various risks - mitigation is by robust controls and redundancies and mitigation by innovation and newer approaches, as required. The Risk Management Committee (RMC) of the Board focuses on proactive risk identification and mitigation by monitoring and reviewing the risk management plan and ensuring its effectiveness. The Company's key risks are discussed with RMC on a half yearly basis. The Audit Committee and Board have an additional oversight in key strategic and financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company's Internal Risk Management Committee, which comprises of the CEO, CFO, Chief Risk Officer, and key business/operations leaders, is responsible for the systematic identification, assessment, quantification, and mitigation of current and emerging risks. The Company's robust risk management and resilience framework ensures structured decision-making across all organizational levels, with clearly defined risk thresholds and mitigation strategies aligned with the Company's risk appetite. There are no material risks, which in the opinion of the Board may impact Company's continuity, reflecting the effectiveness of its proactive risk governance measures.

Internal Financial Control and Systems: The Company has a robust internal financial control system, commensurate with the nature of its business, the size, complexity of its operations, and industry requirements. These financial controls including those pertaining to financial reporting are designed to be effective and adequate for ensuring accuracy and compliance. To strengthen governance, an independent Chartered Accountant firm has been appointed as Internal Auditor, who audits risk management frameworks, internal controls, and operational processes. Key audit findings are reported to the Audit Committee, with Internal Financial Control (IFC) testing integrated into the annual audit plan. The scope, authority, and responsibilities of internal audit are formally codified in the Company's Audit Committee Charter.

In compliance with Section 177 of the Act and the Audit Committee Charter adopted by the Board, the Audit Committee is mandated to evaluate the effectiveness of the Company's internal control systems, particularly Internal Financial Controls (IFC). These controls have been comprehensively addressed in the Management Discussion & Analysis section of this report.

The Company has implemented robust processes to ensure that all internal financial controls are effectively working. On review of the internal audit observations and action taken on audit observations, there are no adverse observations having material impact on financials, commercial implications or material non-compliances which have not been acted upon. In addition, the statutory auditors carry out an audit at quarterly intervals and these reports also have not indicated any adverse findings. The Company has established robust processes to ensure effective internal financial controls. The review of internal audit findings and corresponding corrective actions confirms:

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

Furthermore, quarterly audits conducted by statutory auditors consistently validate these findings, with no adverse reports or material exceptions identified. This multi-layered assurance framework demonstrates the robustness of our financial controls.

Process Robustness: The Company engages external agencies to conduct comprehensive business excellence assessments and process deep dives across key functional areas. These evaluations serve to enhance operational efficiency and process effectiveness through systematic analysis and improvement initiatives. The Company assesses the process maturity and robustness for its key functions on the following:

i. Process Governance
   o Comprehensive documentation of workflows and standard operating procedures
   o Clearly defined roles and responsibilities throughout process execution

ii. Control Environment
   o Implementation of manual and system-driven controls
   o Robust maker-checker authorization protocols

iii. Performance Management
   o Tracking of key performance indicators
   o Benchmarking against industry standards

iv. Continuous Improvement
   o Identification and implementation of process optimization initiatives
   o Adoption of best practices and technological advancements

This structured approach ensures world-class process standards while driving continuous operational improvement across the organization.

10. Sustainability

10.1. Corporate Social Responsibility

Owing to the losses as per the calculation of net profit under Section 198 of the Act, the Company was not required to spend any amount statutorily towards CSR activities. However, the employees actively participated in Volunteering activities organised under Tata Volunteering Week and Pro-engage. In FY 2024-25, Nelco registered 570+ hours of volunteering through various CSR initiatives in different cities of India. The Company catered to around 700+ beneficiaries from different NGOs across India. The Company engaged in sponsoring NGOs for Skill enablement of Youths – sponsoring 24 Youths who are being familiarized with skills for their future.

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

10.2. Safety, Health and Environment

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

The Company adopts a proactive and responsible approach to safeguard the welfare of its employees. Communication on health tips, virtual seminars on health topics, Doctors availability in the premise, Health check-up packages are some of the services available for employees and families.

11. Human Resources

As on 31st March 2025, the Company had an employee strength of 104. During the year under review, 27 employees were recruited, and 18 employees were separated.

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

- **Engagement & Empowerment:** The Company utilises multiple platforms that encourage open communication amongst employees and allow them to voice their opinion. Employee Engagement Surveys enable people to voice out their views, concerns and suggestions for making the workplace better for everyone. Ideas Portal is a platform where employees share ideas which are further evaluated and translated into actions wherever feasible. Employees are encouraged to participate in the group initiatives such as e-hackathon and Tata Innovista to gain visibility and showcase competency. Youngsters are encouraged to become Digital Mentors and share their skills and knowledge through Reverse Digital mentoring Platform. Employee welfare and sports activities ensure, team bonding and motivation. People are encouraged to participate in the Company's Improvement projects where they get an opportunity to ideate and provide solutions to existing problems thus, support the company in making improvements and achieving its objectives. People are also encouraged to volunteer for group and Company level CSR activities and contribute to society.

- **Reward & Recognition (R&R):** The Company adopts an holistic R&R framework that recognizes and incentivizes exceptional performance. It promotes recognitions at all levels. Initiatives like Appreciation week, Quarterly awards which include Individual & Team awards ensures that employee contributions are acknowledged timely. Nelco Innovista awards is an internal platform which encourages creativity and rewards participants for the out of the box thinking and innovative minds.

- **Capability Development:** The Company focuses on overall capability building of functional, managerial and behavioral skills as planned during the Annual Business planning exercise and Performance management process. HR team aligns its strategic objectives with the company's short-term and long-term growth plans and builds capability planthrough organizing inhouse, residential and virtual workshops and fulfilling the training requirements through e-learning platforms. Employees were also encouraged to undergo additional trainings of their choice available on the eLearning portal. Through defined feedback mechanism the company seeks regular improvements in its approach and quality of the trainings. The Competency Assessment Framework gave a clear picture on which skills to be build at people and role level to stay competitive in the market. The company has made efforts to build its Digital and data competencies. PMO function has been specifically created for enhancing data science and digital capabilities.

- **Performance & Talent Management:** Employee performance is monitored and managed through rigorous processes of Performance Appraisal. Mapping the SMART goals in the online system ensures that Goals are properly maintained and tracked for improving people's, departments and overall organization's productivity. Continuous performance dialogues are encouraged between managers and their teams with focus on guiding and training first time managers through performance coaching. The Performance Linked Pay encourages employees to perform at their best to get higher rewards. The linkage of R & R with PMS creates a structured approach to manage performance, motivate employees, and recognize their contributions, all of which are essential for achieving organizational success.

- **Succession Planning:** The Company has a defined Succession Planning process. Successors have been identified for critical positions (for N & N-1 level) in the Company and are being groomed for taking over higher responsibilities in the next 2-4 years through focused interventions.

- The Company is focused on Digitalization and Data excellence. The Digitalization function focuses on implementing technology driven processes and systems to streamline operations and thus improve overall organization efficiency. The Company has organized workshops / best practices session on data excellence to bring rigor to the data management aspects. Reverse digital mentoring sessions are organized to spread the digital knowledge using these applications to bring efficiency in the work.

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

Vigil Mechanism

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

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

12. Credit Rating

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

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

Details of LGSI covered under the provisions of Section 186 of the Act, 2013 are given in **Annexure III** forming part of this report.

14. Foreign Exchange – Earnings and Outgo.

(₹ in lakhs)

Particulars – Standalone	Year ended 31st March 2025	Year ended 31st March 2024
Foreign Exchange Earnings	7,672	9,557
Foreign Exchange Outflow	541	1,495

15. Auditors

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

Pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, SRBA are proposed to be re-appointed as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of the 82nd AGM till the conclusion of the 87th AGM to be held in the calendar year 2030, subject to approval of Members in the ensuing AGM. The necessary resolution for re-appointment of SRBA as Statutory Auditors form part of the Notice convening the ensuing AGM.

16. Auditors' Report

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

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

17. Cost Auditor and Cost Audit Report

Your Board has appointed P. D. Dani and Associates (Firm Registration No. 000593), Cost Accountants, as Cost Auditors of the Company for conducting cost audit for the FY 2024-25. A resolution seeking approval of the Members for ratifying the remuneration of ₹ 1,25,000 (Rupees One Lakh Twenty-Five thousand) plus GST and reimbursement of out-of-pocket expenses on actual basis payable to the Cost Auditors for FY25 is provided in the Notice to the ensuing 82nd AGM. As specified by the Central Government under sub-section (1) of section 148 of the Act, the Company has maintained the requisite cost accounts and records during the period under review.

18. Secretarial Auditor and Secretarial Audit Report

In terms of Section 204 of the Act and Rules made thereunder, Bhandari & Associates, Practicing Company Secretaries (Peer Review No. 6157/2024), were appointed as Secretarial Auditor of the Company to carry out the secretarial audit for FY 2024-25. The report of the Secretarial Auditor for FY 2024-25 is enclosed as **Annexure- IV** forming part of this Report. There has been no qualification, reservation or adverse remarks in the Report of the Secretarial Auditors.

As per the requirements of the Listing Regulations, Practicing Company Secretaries have undertaken secretarial audit for FY 2024-25 of Nelco Network Products Ltd., the material unlisted subsidiary of the Company. As per the Audit Report (Annexure- IV-A) the said subsidiary had complied with the applicable provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances.

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) and the rules made thereunder, as amended from time to time and pursuant to the Regulation 24A of the Listing Regulations, as amended, Bhandari & Associates are proposed to be appointed as Secretarial Auditor of the Company for a term of five consecutive financial years, commencing from the financial year 2025-26, subject to the approval of Members in the ensuing AGM. The necessary resolution for appointment of Bhandari & Associates, as Secretarial Auditor form part of the Notice convening the ensuing AGM.

<u>Secretarial Standards:</u>

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

19. Conservation of Energy and Technology Absorption

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

20. Related Party Transactions

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

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

21. Deposits

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

22. Annual Return

Pursuant to Section 92 of the Act read with the applicable Rules, the Annual Return for the year ended 31st March 2025 can be accessed on the Company's website at the following link:https://www.nelco.in/investor-relation/disclosures-under-regulation46-of-the-sebi-lodr/annual-return.php#

23. Directors' Responsibility Statement

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

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

a) in the preparation of the annual accounts for the year ended 31st March 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the Company for the period ended 31st March 2025 and of the profit of the Company for that period;

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

d) they have prepared the annual accounts under review on a going concern basis;

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

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

24. General

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

25. Acknowledgment

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

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

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

On behalf of the Board of Directors

A.S. Lakshminarayanan
Chairman
(DIN: 08616830)

Mumbai, 24th April 2025

Annexure – I : Board Diversity Policy

(Ref: Board's Report, Section 7.2)

1. PURPOSE

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

2. SCOPE

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

3. POLICY STATEMENT

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

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

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

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

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

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

Accordingly, the Committee shall:

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

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

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

4. RESPONSIBILITY AND REVIEW

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

Annexure- II(A): Disclosure of Managerial Remuneration

(Ref: Board's Report, Section 7.3)

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

Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
Non-Executive Directors	
Mr. K.N. Murthy#	1.2
Dr. Lakshmi Nadkarni	1.5
Mr. Ajay Kumar Pandey	1.6
Mr. A.S.Lakshminarayanan	0.1
Mr. Saurabh Ray	0.4
Mr. Vijay Somaiya##	0.3
Executive Director	
Mr. P. J. Nath, Managing Director & CEO	32.5

Note: Remuneration includes sitting fees, Performance Linked Payment (PLP) and Long Term Incentive Plan (LTIP), wherever applicable.

Mr. K. N. Murthy completed his term as Independent Director on 27-01-2025.

Mr. Vijay Somaiya appointed as Independent Non-Executive Director w.e.f. 27-01-2025.

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

Name of the Director and Key Managerial Personnel	% increase in remuneration in the financial year
Mr. K. N. Murthy#$	48%
Dr. Lakshmi Nadkarni$	83%
Mr. Ajay Kumar Pandey$	75%
Mr. A. S. Lakshminarayanan$	17%
Mr. Saurabh Ray$	41%
Mr. P. J. Nath, Managing Director & CEO	10%
Mr. Vijay Somaiya##	NA
*Mr. Girish V. Kirkinde, Company Secretary & Head – Legal	NA
Mr. Malav Shah, Chief Financial Officer	29%
*Mr. Ritesh Kamdar, Company Secretary & Head – Legal	NA

Mr. K. N. Murthy completed his term as Independent Director on 27-01-2025.

Mr. Vijay Somaiya appointed as Independent Non-Executive Director w.e.f. 27-01-2025, hence, there is no comparable with previous year.

$ The percentage increase in remuneration was primarily due to fewer board and committee meetings in FY24, with some meetings carried over into FY25.

*Mr Girish Kirkinde has superannuated in April 2024. Mr. Ritesh Kamdar has joined in the position in May 2025 and there is no comparable with previous year.

(c) Percentage increase in the median remuneration of employees in the financial year 2024-25: 6.36%

(d) Number of permanent employees on the rolls of Company as on 31st March 2025: 104

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

Particulars	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	10.86% (on CTC)
Average increase in remuneration of managerial personnel	13.46% (on CTC)

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

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

On behalf of the Board of Directors

A.S. Lakshminarayanan
Chairman
(DIN: 08616830)

Mumbai, 24rd April 2025

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

(Ref: Board's Report Section 13)

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

b) The Company has not made any investment during the year.

c) The Company has provided corporate guarantee (as a collateral security) during the year as under:

Sl. No.	Financial year	Investment made in	(Amount ₹ in Lakhs)	Nature of Transactions
1.	2024-25	ICICI Bank Limited	4,500.00	During the year guarantee renewed in respect of working capital facilities availed by Nelco Network Products Limited, wholly owned subsidiary of the Company

Annexure – IV
(Ref: Board's Report Section 18)
FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

To
The Members,
NELCO LIMITED
CIN: L32200MH1940PLC003164

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2025** according to the provisions of:

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

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

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

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

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;
   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#; and
   i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

vi. Telecommunications Act, 2023;

vii. Telecom Regulatory Authority of India Act, 1997;

viii. Telecommunication Interconnection Regulations, 2018; and

ix. Information Technology Act, 2000.

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

i. Secretarial Standard 1 and 2 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, with regard to laws specifically applicable to the Company as mentioned above, we have relied on the written representation made by the management in this regard.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further the changes in the composition of the Board of Directors, that took place during the period under review, were carried out in compliance with the provision of the Act.

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

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

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

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

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Sd/-
Manisha Maheshwari
Partner
FCS No: 13272; C P No.: 11031
Mumbai | April 24, 2025
ICSI UDIN: F013272G000193243

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

'Annexure A'

To
The Members,
NELCO LIMITED
CIN: L32200MH1940PLC003164

Our Secretarial Audit Report for the financial year ended March 31, 2025 of even date is to be read along with this letter.

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

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

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

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

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

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

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Sd/-
Manisha Maheshwari
Partner
FCS No: 13272; C P No.: 11031
Mumbai | April 24, 2025
ICSI UDIN: F013272G000193243

Annexure – IV-A
(Ref: Board's Report Section 18)
SECRETARIAL AUDIT REPORT - NELCO NETWORK PRODUCTS LIMITED
FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

To
The Members,
NELCO NETWORK PRODUCTS LIMITED
CIN: U32309MH2016PLC285693

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2025 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings#.
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011#;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015#;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;
   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client#;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#; and
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

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

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

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

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

i. Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India.

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

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

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

We further report that -

The Board of Directors of the Company is comprising of Non-Executive Directors. There was no changes in the composition of the Board of Directors during the period under review.

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

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

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

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

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Sd/-
Manisha Maheshwari
Partner
FCS No: 13272; C P No.: 11031
Mumbai| April 24, 2025

ICSI UDIN: F013272G000193683

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

'Annexure A'

To
The Members,
NELCO NETWORK PRODUCTS LIMITED
CIN: U32309MH2016PLC285693

Our Secretarial Audit Report for the Financial Year ended March 31, 2025 of even date is to be read along with this letter.

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

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

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

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

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

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

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Sd/-
Manisha Maheshwari
Partner
FCS No: 13272; C P No.: 11031
Mumbai| April 24, 2025
ICSI UDIN: F013272G000193683

Annexure V – Conservation of Energy and Technology Absorption

(Ref: Board's Report, Section 19)

A. Conservation of Energy

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

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

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

B. Technology Absorption

(i) Efforts made towards Technology Absorption:

The major thrust of technology absorption has been in the areas of VSAT services. The company is technology agnostic and always endeavours to deploy latest technologies available globally. Proof of Concept (POC) is being carried out for new breed of baseband technologies.

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

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

(ii) Benefits derived:

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

(iii) Expenditure incurred on Research and Development.

Revenue and recurring expenditure: Nil

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

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

C. Foreign Exchange earnings and outgo (Standalone) ₹ in Lakhs

Total foreign exchange earned:	7,672
Total foreign exchange used:	541

ANNEXURE VI

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

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

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

2. Composition of CSR Committee: Not Applicable ("N.A.")

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

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

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

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

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

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

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

(b) Two percent of average net profit of the company as per sub-section (5) of section 135. :- The Company was not required to spend mandatory 2% CSR expenditure for the year ended March 31, 2025, due to reasons mentioned in item 5 above

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Yes ■ No

If Yes, enter the number of Capital assets created/ acquired : N.A.

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

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

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

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

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

Management Discussion & Analysis (MDA)

MACRO-ECONOMIC SITUATION

The global economic landscape in FY2025–26 reflects a period of transition and cautious optimism following a year of uneven recovery across regions. The International Monetary Fund (IMF) projects global GDP growth to be around 3.2% in 2025, from 3.4% in 2024, as tighter monetary policies and trade realignments weigh on demand. This reflects the ongoing recalibration of fiscal and trade strategies by major economies amid heightened protectionism and tighter financial conditions. The United States, for instance, has reintroduced tariff barriers impacting trade flows with key partners such as China, Japan, and the European Union. These measures have rekindled supply chain uncertainties and added inflationary pressure across commodity markets. For India, while these global headwinds may dampen external demand, they are likely to be offset by robust domestic drivers, including consumption, infrastructure investment, and policy continuity-allowing the economy to maintain its growth momentum.

India continues to be positioned among the fastest-growing major economies, with GDP growth expected to be in the range of 6.2% for FY2025–26, as per IMF and Reserve Bank of India (RBI) projections. The country's economic performance is projected to be supported by strong private demand, public capital expenditure, and a stable macroeconomic environment. The RBI has maintained a cautiously accommodative stance, recently easing policy rates slightly to support investment and manage downside risks from global volatility.

The Union Budget 2025–26 reinforces this momentum, with a sizeable capital expenditure plan amounting to approximately 3.4% of GDP, focusing on long-term infrastructure development and rural inclusion and aiming to bring in private investment. Key focus areas include transport networks, digital infrastructure, renewable energy, agriculture, MSMEs, and tourism. The continued push towards rural digital connectivity aims to bring high-speed internet to over 600,000 villages, and also bolster access to digital banking, healthcare, and online education.

India's space-tech ecosystem is gaining traction as a strategic growth sector, with more than 200 startups and several hundred MSMEs contributing across launch, ground infrastructure, and satellite services. India's space economy saw $300+ million in private funding in 2024, driven by IN-SPACe's eased satellite licensing and ISRO's shared launch infrastructure. This ecosystem is aligned with national ambitions to build resilient digital infrastructure and enhance India's global space capabilities.

Additionally, budgetary focus on sectors like agriculture and MSMEs includes schemes such as the Prime Minister Dhan-Dhaanya Krishi Yojana to modernize agri-infrastructure and productivity. MSMEs are supported through enhanced credit guarantee mechanisms and entrepreneurship development initiatives. Meanwhile, the tourism sector has been earmarked for high-potential destination development to boost domestic employment and regional growth. Digital inclusivity through robust connectivity will be imperative for these initiatives across the country.

With India's long-term ambition of achieving "Viksit Bharat 2047," the nation is laying the foundation for a more resilient, inclusive, and self-reliant economy. Cross-ministerial initiatives like the PM-SURAJ portal (single-window for rural entrepreneurs) and RISE (R&D in Space Excellence) are expected to play a pivotal role in unlocking growth, ensuring policy coherence, and sustaining macroeconomic transformation in the years ahead.

The Govt. has taken up many initiatives which require effective communication to the remotest parts of the country. The ubiquitous reach of Satellite Communication (Satcom) and its uninterrupted connectivity will be a key enabler for all such initiatives to be successful in India.

COMPANY STRATEGY AND DIRECTIONS:

Business Strategy:

The Company aims to be a globally trusted and most preferred communication solutions partner, using innovative and cutting-edge Satcom technologies. The Company creates value for customers by adopting the Satcom technologies best suited for their applications and creating customized products and services through partnerships in multiple technologies. The Company endeavors in helping in creating a ubiquitously connected world, enabling nation-building endeavors, and empowering businesses and communities.

Industry Structure and Development:

The Indian satellite communication (Satcom) industry is undergoing a paradigm shift, driven by progressive policy reforms, increasing private sector participation, rapid technological advancements and newer players entering the India market. Technological innovation is reshaping the satellite communications industry globally. The industry is moving towards much more flexible and efficient solutions. Software-Defined Satellites are gaining prominence for their ability to dynamically reconfigure bandwidth allocation and coverage patterns while in orbit. Hybrid multi-orbit networks, combining GEO, MEO and LEO satellites, are being deployed to deliver seamless and highly reliable connectivity services. These advancements will soon be available in India and help fulfilling India's unique connectivity needs across its diverse geography. The policy environment has been equally transformative. The Indian Space Policy 2023 and Telecommunications Act 2023 have fundamentally restructured the regulatory framework.

Market Opportunities:

The global satellite communication industry stands at an inflection point, with India positioned to become one of its important growth markets. As India races toward its trillion-dollar digital economy vision, satellite networks are becoming a critical backbone for inclusive connectivity. Even with rapidly increasing terrestrial coverage, a significant part of the country's geography remains unconnected, presenting an opportunity for the Satcom industry. The Satcom services market in India is witnessing several emerging opportunities driven by technological advancements, evolving consumer demands, and global trends.

Satellite communication, through GEO and emerging LEO constellations, offers a scalable solution to bridge the digital divide. The convergence of satellites with terrestrial networks in hybrid architecture plays a key role in remote and rural regions where fiber or terrestrial networks are economically unviable or unreliable. Mobile network operators are increasingly using satellite backhaul to extend 4G and 5G coverage. Satcom is best suited to offer uninterrupted connectivity for aircraft and marine vessels. For aviation, Satcom delivers seamless in-flight connectivity (IFC) for passengers while enabling real-time aircraft health monitoring - ensuring both passenger comfort and operational efficiency. In maritime operations, it powers vessel tracking, route optimization, and weather updates, while providing crew welfare communication. Satcom enables seamless connectivity for ATMs and bank branches in remote areas, ensuring uninterrupted real-time data access. It enhances financial inclusion by providing reliable communication links for secure banking operations, even in regions with poor terrestrial infrastructure. Satcom offers secure, resilient, and mission-critical communication capabilities and supports a wide range of use-cases such as encrypted military communications, border surveillance in high-altitude regions, maritime domain awareness in the Indian Ocean Region, and real-time coordination during counter-insurgency operations. With opening up of the space sector, private satellite operators are likely to gain opportunities to offer dedicated Satcom services tailored for defense. The growing adoption of IoT solutions across industries - from agriculture and logistics to manufacturing and healthcare, is creating a new wave of demand for ubiquitous, always-on connectivity. Satellite communication is essential for ensuring IoT data transmission in locations where terrestrial networks are unreliable or unavailable. Applications include precision agriculture with remote sensing and automated irrigation, GPS tracking of fleets and cargo in logistics, predictive maintenance in oil and gas pipelines, and remote patient monitoring in rural healthcare. With satellite-IoT integration, even the most remote assets and environments can be digitally managed, boosting operational efficiency and safety. Natural disasters often disrupt terrestrial communication networks. Satellite communication is a critical enabler of disaster recovery, ensuring uninterrupted connectivity during emergency situations. Use-cases include deploying VSAT terminals in disaster-hit areas for coordination among first responders, facilitating real-time monitoring through satellite imaging, and maintaining communication for relief and rescue teams. Satcom's inherent resilience and rapid deployability make it a preferred technology for national disaster preparedness and response strategies.

Key Strategic Priorities:

The Company focuses on driving long-term sustainable profitable growth, and building leadership in key growth sectors through innovation, and value creation. The company focuses on market expansion in multiple segments; strengthening policy advocacy; and aligning infrastructure investments with long-term trends.

Key strategic pillars include:

- **Market Expansion** – continuously innovating its portfolio with industry-tailored solutions and exploring new verticals through indigenous, customized offerings;
- **Infrastructure Leadership** – deploying cutting-edge technologies for satellite gateways;
- **Strategic Partnerships** – collaborating with global technology providers, satellite operators, and stakeholders to amplify market reach and competitive differentiation; and
- **Innovation Leadership** – pioneering multi-modal next-gen Satcom solutions adapted to India's unique needs, backed by all requisite licenses and a commitment to secure, scalable connectivity.

These initiatives have enabled Nelco to not only expand its addressable market but also establish itself as an innovation enabler across the Satcom value chain, offering hybrid, multi-modal and value-added solutions customized as per the requirements of each sector.

PERFORMANCE:

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

The current period under review is from April 1, 2024 to March 31, 2025

During the year, the revenue of the Company on a consolidated basis stood at ₹ 305 Crores, as compared to ₹ 320 Crores in the previous financial year. On a standalone basis, the Company recorded a revenue of ₹ 205 Crores, as against ₹ 223 crore in FY2023–24.

The Company continues to maintain a strong market position, with an estimated 40% share of the Satcom industry's revenue. It further strengthened its presence in key verticals, including the Enterprise and In-Flight & Maritime Connectivity (IFMC) segments, by securing a larger share of incremental business during the year. During the year, the Company made sustained progress in building new solutions and expanding services across emerging sectors and use-cases. The Company offers multi-modal hybrid solutions for multiple sectors. The Company also further optimized its operational processes to enhance agility, drive efficiency, and ensure more responsive service delivery across its customer base.

The Company is increasingly leveraging digital tools, data analytics, and automation to improve customer responsiveness, further streamline operations, and develop next-generation Satcom solutions. These efforts are expected to enhance the Company's ability to meet evolving customer needs while supporting India's broader digital and connectivity goals.

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

At Consolidated level	At Standalone level
Decrease in debt equity ratio from 0.27 (FY24) to 0.30 (FY25) is on account of increase in short-term borrowing.	There is no change in debt equity ratio as the Company remains debt free as at the of FY24 and FY25, on account of better working capital management by the Company.
Decrease in interest coverage ratio from 10.63 times (FY24) to 8.78 times (FY25) is on account of lower profitability	Increase in interest coverage ratio from 23.49 times (FY24) to 24.53 times (FY25) is on account of decrease in finance cost.
Decrease in Return on capital employed from 25% in FY24 to 15% in FY25 due to reduction in profitability.	Decrease in Return on capital employed from 28% in FY24 to 18% in FY25 due to reduction in profitability.
Net profit margin decreased from 7% in FY24 to 3% in FY25.	Net profit margin decreased from 10% in FY24 to 5% in FY25.
Decrease in inventory turnover ratio from 1.50 times (FY24) to 0.96 times (FY25) is on account of the increase in inventory.	Not applicable as Company not maintaining any inventory.

OUTLOOK:

The Indian satellite communication (Satcom) industry is entering a high-growth phase, driven by progressive policy reforms, technological advancements, availability of NGSO satellites and surging demand across enterprise and government sectors.

In the near term (2025-2026), the industry is poised for transformation with the anticipated rollout of LEO satellite services, which will enable low-latency applications and complement existing GEO offerings. The convergence of satellite networks with terrestrial 5G is creating hybrid connectivity solutions. Key segments like Maritime, Aviation (in-flight connectivity), Enterprises, Govt. and Defense are expected to drive growth, supported by evolving technologies.

Looking ahead to 2027-2030, emerging opportunities such as direct-to-device (D2D) communications and Satellite IoT will reshape the market landscape. Defense and strategic sectors present a significant opportunity, with India's push for indigenous secure communication systems under the Atmanirbhar Bharat initiative. Additionally, the rise of application-driven solutions such as precision agriculture, smart logistics, and disaster management, will move the industry beyond traditional bandwidth services toward value-added, integrated platforms.

Nelco focuses on offering hybrid multi-modal solutions along with value-added services for its key sectors. More sector specific customized solutions, infrastructure readiness, and strategic global alliances make the Company well-positioned to capitalize on India's Satcom growth story.

RISKS, THREATS AND CONCERNS

Structural Risks

- Infrastructure: Nelco's operations rely heavily on critical physical and satellite infrastructure. These are susceptible to natural disasters such as earthquakes, floods, and extreme weather, as well as power outages, cyber incidents, or human errors. Additionally, any unforeseen satellite failure could affect service continuity until alternative transponder capacity is available. The Company continues to build resilience through access to multiple satellites, teleport redundancy and hybrid networks.
- Regulatory Environment: The Satcom sector in India is governed by multiple regulatory bodies including the Department of Telecommunications (DoT), IN-SPACe, Department of Space and NSIL. Although reforms such as the Indian Space Policy 2023 and administrative spectrum allocation have improved the regulatory climate, any major unfavorable changes in the regulations could impact multiple areas like addressable market, profitability, etc. The Company proactively engages with industry bodies and regulatory authorities to minimize any potential adverse impact.

Volatility Risks

- **Exchange rate fluctuations:** A significant portion of Satcom infrastructure, particularly bandwidth leasing and equipment procurement, has exposure to foreign exchange risks. While contracts are negotiated in rupee terms wherever possible, volatility in USD/INR impacts the Company's cost structure. The Company monitors currency movements and uses appropriate hedging mechanisms to manage exposure.
- **Volatility of demand:** Demand for satellite services is influenced by macroeconomic trends, government spending, and sectoral shifts. Fluctuation in demand from one or more key verticals could affect revenue and profitability in the short term. The Company is developing multiple new segments to minimize dependency on a few market segments.
- **Supply chain volatility:** While semiconductor availability related disruptions have subsided, lead times may be volatile due to global geopolitical situation. The Company continues to diversify its supplier base, wherever possible, and maintains buffer inventories of critical hardware components.

Operating Risks

- **Technology Risk:** Rapid technological evolution in Satcom technologies presents a dual challenge of adoption and obsolescence. Nelco mitigates this by investing in scalable and interoperable systems and forging long-term OEM partnerships. Migration to newer systems involves cost and transitional complexity, which could temporarily impact margins.

- **Competition Risks:** Competition in the India Satcom market is likely to intensify with new Indian and Foreign players entering the market. The Company continues to strength its competitive differentiators, product innovation and service quality while leveraging its global partnerships.

Risk Management

With the main objective of ensuring sustainable and profitable business growth and strengthening governance practices, the Company has established a comprehensive Risk Management Policy under which risks are identified, assessed, and mitigated proactively across business operations. The Company has also implemented a Resilience framework which enables a differentiated approach for various risks - mitigation is by robust controls and redundancies and mitigation by innovation and newer approaches, as required.

The Risk Management Committee at the Company level comprises the Managing Director & CEO, Chief Financial Officer, Chief Risk Officer, and key business and functional leaders. This Committee ensures that existing and emerging risk exposures are reviewed regularly and that appropriate mitigation strategies are developed and implemented. The Company's enterprise risk management framework enables informed decision-making at all organizational levels by embedding risk ownership into core functions. The Company has actively integrated risk awareness into operational planning to manage uncertainties and respond effectively to changes in the external environment. The Board-level Risk Management Committee reviews the Company's risk landscape three times annually and provides oversight into critical exposures and mitigation actions.

The Company continues to deploy targeted risk mitigation approaches across its key focus areas, as detailed below:

- The Company is continuously evaluating opportunities to improve profitability across established and emerging business segments, while exploring new use cases and markets to insulate operations from industry-specific volatility. This includes close monitoring of global Satcom trends, the adoption of advanced technologies, and expanding strategic partnerships.

- The Company regularly engages with regulatory bodies - both independently and through industry associations - to stay ahead of policy developments and proactively respond to changes that may affect its market access or service offerings.

- Foreign currency exposures are closely monitored, and the Company takes appropriate advisory input and uses board-approved hedging strategies to manage exposure. All net forex positions, including derivatives, are reviewed periodically and kept within defined risk thresholds.

- The Company has strengthened its supply chain through strategic partnerships, inventory planning, and multi-source procurement to enhance resilience against global supply disruptions.

- Security frameworks are regularly reviewed and reinforced across all sites. The Company continues to invest in cybersecurity, physical infrastructure safety, and compliance with data protection protocols to mitigate operational and reputational risks.

INTERNAL CONTROL ON FINANCIAL RECORDS:

The Company has instituted a robust and well-documented internal control system commensurate with the scale and nature of its operations. These controls are designed to ensure the integrity of financial reporting, safeguarding of assets, enhancing operational efficiency, and promoting compliance with applicable statutory and regulatory frameworks.

Internal controls are supported through documented policies and process manuals covering key functions such as Revenue Assurance, Network Operations, Project Execution, Finance, Procurement, Human Resources, and Legal Compliance. These frameworks are reviewed and updated periodically in alignment with changes in operational and regulatory environments.

The Company engages an independent Chartered Accountant firm to conduct risk-based internal audits as per an annual audit plan approved by the Audit Committee. The scope includes detailed assessment of key business and financial processes, adherence to controls, and evaluation of risk exposure. Audit findings and improvement actions are presented to the Audit Committee of the Board, which regularly monitors the adequacy and implementation of internal control measures.

Key focus areas include:

- Ensuring compliance with defined policies and statutory regulations
- Safeguarding of tangible and intangible assets
- Timely and accurate financial reporting
- Alignment with Tata Code of Conduct and ethical governance practices
- Identification of improvement areas

The Statutory Auditors, S.R. Batliboi & Associates LLP, have also confirmed the adequacy of internal financial controls with reference to financial reporting. The Company supplements its internal reviews through external assessments, including process audits and quality improvement reviews by third-party agencies, to strengthen control effectiveness and operational maturity.

KEY DEVELOPMENTS IN HUMAN RESOURCES:

The Company continued to foster a performance-oriented and inclusive culture, anchored in values of excellence, agility, and accountability. Talent development remained a strategic priority, with focused efforts on strengthening capabilities aligned to future business needs.

As of 31st March 2025, the Company maintained a headcount of 104 employees. With respect to industrial relations, the Company maintained cordial relations with its employees and employee feedback mechanisms were strengthened to enhance workplace experience.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, expectations, or predictions may be considered forward-looking within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied due to changes in macroeconomic conditions, government policies, regulatory developments, or other external factors beyond the Company's control.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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

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

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

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

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

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

2. Board of Directors Composition

As on 31st March 2025, the Company's Board of Directors comprises 6 members, out of whom 1 (one) is Managing Director & Chief Executive Officer and 5 (five) are Non-Executive Directors (NEDs). Out of these 5 NEDs, 3 are Independent Directors. The composition of the Board is in compliance with the requirements of the Companies Act, 2013 (Act) and Regulation 17 of the Listing Regulations. The profile of the Directors can be accessed on the Company's website at https://www.nelco.in/about-us/leadership.php.

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

The names and categories of the Directors on the Board, the number of Directorships and Committee positions held by them in other companies as on 31st March 2025 are as follows:

Director	DIN	Category of Directorship	*Number of Directorship	**Number of Committee positions held	
			Director	Chairman	Member
Mr. A. S. Lakshminarayanan, Chairman	08616830	Non-Independent Non-Executive	4	0	1
Mr. P. J. Nath, Managing Director & CEO	05118177	Executive	2	-	-
Mr. Saurabh Ray	09573704	Non-Independent Non-Executive	1	-	-
Dr. Lakshmi Nadkarni (1)	07076164	Independent Non-Executive	2	1	3
Mr. Ajay Kumar Pandey (1)	00065622		2	2	2
Mr. Vijay Somaiya (2)	03185227		1	1	1

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

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

(1) Dr. Lakshmi Nadkarni and Mr. Ajay Kumar Pandey were re-appointed as an Independent Directors w.e.f. 28th January 2025.

(2) Mr. Vijay Somaiya was appointed as an Independent Director w.e.f. 27th January 2025.

Notes:

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

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

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

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

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

f) Mr. K. Narasimha Murthy (DIN 00023046) completed his tenure as an Independent Director on 27th January 2025. Further, during the year under review, there were no Independent director, who has resigned before the expiry of his/her tenure.

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

h) All Independent Directors of the Company have been appointed as per the provisions of the Companies, Act 2013 (the Act) and Listing Regulations. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's web link:

https://www.nelco.in/pdf/Policies/Terms%20&%20Conditions%20of%20Appointment%20of%20Independent%20Directors.pdf

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

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

k) The Names and category of Directorship in other listed entities as on 31st March 2025:

Director	Listed Entities	Category of Directorship
Mr. A.S. Lakshminarayanan	Tata Communications Ltd. Tata Teleservices (Maharashtra) Ltd.	Managing Director & CEO Non-Executive director
Mr. P. J. Nath	None	NA
Mr. Saurabh Ray	None	NA
Mr. Vijay Somaiya	None	NA
Dr. Lakshmi Nadkarni	Ponni Sugars (Erode) Ltd.	Independent Director
Mr. Ajay Kumar Pandey	Purple Finance Limited	Independent Director

Term of Board membership

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

Mr. Lakshminarayanan and Mr. Ray are Non-executive directors liable to retire by rotation. Mr. Nath is an executive director whose existing term shall expire on 28th February 2027. The second term of independent directors namely Dr. Nadkarni and Mr. Pandey shall remain effective till 27th January 2030. The first term of Mr. Vijay Somaiya as an independent director shall remain effective till 26th January 2030.

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

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

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

Director	Expertise in specific functional area
Mr. A.S. Lakshminarayanan	Over 38 years of professional experience in deep understanding of the global technology market and enterprises' growing digital needs.
Mr. P.J. Nath	Over 40 years of professional experience in the Enterprise market, sales, product management, customer support and project management.
Mr. Saurabh Ray	Over 30 years of professional experience in Information and Technology Services.
Mr. Ajay Kumar Pandey	Over 39 years of professional experience of business leadership, strategy, handling P &L responsibility at operating and Board level.
Dr. Lakshmi Nadkarni	Over 33 years of professional experience in human resources, strategy, industrial sociology, governance and Corporate Social Responsibility.
Mr. Vijay Somaiya	Over 39 years of professional experience in International Business, Engineering and Finance.

3. Board Meetings and participation thereat

The Board/Committee meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings. The agenda for each meeting, along with detailed notes, is circulated in advance to the Directors. Most of the Board meetings in FY25 were held through Video Conferencing.

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

Eight Board Meetings were held during the year under review and the gap between the two consecutive meetings did not exceed 120 days. The said meetings were held on 05th April 2024, 23rd April 2024, 11th July 2024, 21st October 2024, 02nd December 2024, 15th January 2025, 24th February 2025 and 27th March 2025. The necessary quorum was present for all the meetings.

Attendance of Directors at the aforesaid Meetings:

Director	Category of Directorship	No. of Board Meetings attended during FY 2024-25	Whether attended last AGM held on 25th June, 2024
Mr. A.S. Lakshminarayanan, Chairman	Non-Independent Non-Executive	7	Yes
Mr. P. J. Nath, Managing Director & CEO	Executive	8	Yes
Mr. Saurabh Ray	Non-Independent Non-Executive	8	Yes
Mr. K. Narasimha Murthy#	Independent Non-Executive	6	Yes
Dr. Lakshmi Nadkarni		8	Yes
Mr. Ajay Kumar Pandey		8	Yes
Mr. Vijay Somaiya##		2	NA

Mr. K. Narasimha Murthy completed his term as Independent Director on 27-01-2025.

Mr. Vijay Somaiya appointed as Independent Non-Executive Director w.e.f. 27-01-2025.

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

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

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

Post meeting follow up mechanism

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

Meeting of Independent Directors

During the year under review, one meeting of the Independent Directors was held on 8th January 2025, without the presence of Non-Executive Directors (Non-Independent), Managing Director & CEO and other members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole considering the views of executive directors and non-executive directors. They also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

Annual Strategy Board Meet

During the year, an Annual Strategy Board meet was organized on 24th February 2025. As a part of the agenda, the Board conducted a strategy review of the Company's business segments and also future growth, risk orientation and resource optimization.

Details of familiarisation programmes for Directors including Independent Directors

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

During the year Board familiarisation programme were held from time to time for the Board members where various external speakers provided inputs on varied topics related to the industry. The web link of familiarisation programmes imparted to Directors is https://www.nelco.in/pdf/Policies/familarization-programme-24-25.pdf.

Knowledge sharing

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

Code of Conduct

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended 31st March 2025. A certificate by the Managing Director & Chief Executive Officer on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management is reproduced at the end of this Report and marked as **Annexure I**.

4. Committees of the Board

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

Considering the needs of the Company, there are four statutory Board Committees as on 31st March 2025. Details are as follow:

Statutory Committees:

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

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

Audit Committee

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

Director	Category of Directorship	No. of meetings attended
Mr.Vijay Somaiya, (Chairman)#	Independent Non-Executive	1
Mr. K. Narasimha Murthy ##		6
Dr. Lakshmi Nadkarni		7
Mr. Ajay Kumar Pandey		7
Mr. Saurabh Ray	Non-Independent Non-Executive	7

Appointed as Chairman of the Committee effective from 28th January 2025.

Ceased to be Chairman of the Committee effective from 28th January 2025 consequent upon completion of the term of appointment as an Independent Director.

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

Seven Audit Committee Meetings were held during the year under review on 05th April 2024, 23rd April 2024, 11th July 2024, 21st October 2024, 15th January 2025, 22nd January 2025 and 27th March 2025. The necessary quorum was present for all the meetings.

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

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

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

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

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

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

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

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

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

Internal Controls and Risk Management

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

Stakeholders Relationship Committee (SRC)

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

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

Two SRC meetings were held during the year under review on 31st July 2024 and 05th March 2025.

The necessary quorum was present for the meeting.

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

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

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

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

Sl. No.	Description	Total		
A.	**Letters received from Statutory Bodies**	**Received**	**Replied**	**Pending**
	Securities and Exchange Board of India (SEBI) (SCORES), Stock Exchange, NSDL, CDSL and Ministry of Corporate Affairs	6	6	0
B.	**Letters received from Shareholders**			
	Non receipt of Annual Report	0	0	0

There was no pending transfers and transmission of Shares as on 31st March 2025.

The minutes of the meetings of the Committee are placed before and noted by the Board. Mr. Saurabh Ray, Chairman of the SRC was present at the last AGM.

Nominations, HR and Remuneration Committee (NRC)

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

Director	Category of Directorship	No. of meetings attended
Dr. Lakshmi Nadkarni, Chairperson	Independent Non-Executive	4
Mr. Vijay Somaiya#		1
Mr. K. Narasimha Murthy##		3
Mr. Ajay Kumar Pandey		4
Mr. Saurabh Ray	Non-Independent Non-Executive	4

#Appointed as Member of the Committee effective from 28th January 2025.

Ceased to be Member of the Committee effective from 28th January 2025 consequent upon completion of the term of appointment as an Independent Director.

Four NRC Meetings were held during the year under review on 05th April 2024, 23rd April 2024, 10th January 2025 and 27th March 2025. The necessary quorum was present for all the meetings.

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

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

Board Evaluation

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

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

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

<u>Remuneration to Mr. P.J.Nath, Managing Director & CEO</u>

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 2024-25 are as under:-

(Amount in ₹)

Salary & Allowances*	Perquisites & Benefits*	Retirement Benefits*	Performance Linked Payment (PLP) including Long-Term Incentive (LTIP)**	Total
2,37,32,282	8,21,160	11,82,946	1,61,76,602	4,19,12,990

* Comprises of fixed component

**PLP and LTIP relates to the financial year ended 31st March 2024, which was approved by the Board on 23rd April 2024 and paid during FY2024-25.

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

Period of Appointment/Contract	13th June 2024 to 28th February, 2027
Remuneration	Basic salary upto a maximum of ₹15,00,000/- p.m.
Perquisites & Allowances including car	140% of basic salary + car allowances
Performance Linked Payments and performance criteria	Not exceeding 78% of annual basic salary. An indicative list of factors that may be considered for determination of the extent of Performance linked payment by the Board (as recommended by the NRC) are: • 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.

Incentive under the Long Term Incentive Program (LTIP)	In addition to the Basic Salary, Benefits, Perquisites & Allowances, PLP/Commission, Mr. Nath will be paid an incentive of ₹ 1,42,56,318/- being 70% of the Fixed CTC of FY'23, which would be payable in the ratio of 20% (in FY24-25) and subsequently 20% and 60% in FY 2025-26 and FY 2026-27 respectively based on the criteria and as per the terms and conditions of the LTIP Scheme.
Service Contract	The agreement with Mr. Nath is contractual in nature.
Notice Period	The Agreements may be terminated by either party giving to the other party six months' notice or the Company paying six months' remuneration in lieu thereof.
Severance fees	There is no separate provision for payment of severance fees.
Stock Option	Nil

Remuneration to Non-Executive Directors (NEDs)

The Company pays sitting fees to the NEDs for attending meetings of the Board and Committee. The details of sitting fees paid to NEDs during the financial year 2024-25 are as under:-

Name of the Directors	Sitting fees (₹)
Mr. A.S. Lakshminarayanan	1,40,000/-
Mr. K. Narasimha Murthy	14,40,000/
Dr. Lakshmi Nadkarni	18,90,000/-
Mr. Ajay Kumar Pandey	20,25,000/-
Mr. Saurabh Ray	4,80,000/-
Mr. Vijay Somaiya	3,60,000/-

No commission was paid to the Non-Executive Directors for FY 2024-25.

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

Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company is posted on Company's website/weblink at Remuneration Policy for Directors, KMP and Other employees.pdf

Risk Management Committee (RMC)

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

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

Three RMC Meetings were held during the year under review on 18th July 2024, 29th November 2024 and 04th March 2025. The necessary quorum was present for all the meetings.

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

- Reviewing the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.
- Review the alignment of the ERM framework with the strategy of the Company.
- Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, commodity risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- Review and analyse risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organisation.
- Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

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

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

5. Senior Management

Following are the particulars of Senior Management as on 31st March 2025:

Sr. No.	Name	Designation	Changes Since Last FY
1	P. J. Nath	Managing Director & CEO	N.A.
2	Daniel A. Thomas	Chief Business Officer-Strategic Ventures	N.A.
3	Kaushik Mandal	Vice President & Head - Customer Experience	Resigned w.e.f. close of business hours of 05-07-2024
4	Jitender Ahuja	Head-Products and Solutions	N.A.
5	Girish Kirkinde	Company Secretary & Head - Legal	Superannuated from the service on 30-04-2024
6	Farrokh Behram Shroff	Senior General Manager - Digitalization & Quality	Superannuated from the service on 28-02-2025
7	Kingshuk Basak	Head - Network Operations & Engineering	N.A.
8	Malav Bansilal Shah	Chief Financial Officer	N.A.
9	Leena Thomas	Head - HR & Administration	N.A.
10	Pooja Johar	Head -Strategy, Risk Management & Business Excellence	N.A.
11	Ritesh Kamdar	Company Secretary & Head - Legal	Appointed w.e.f. 14-05-2024

6. Material Subsidiary Company

As defined under Regulation 16 (1) (c) of Listing Regulations, the Company has one "Material Subsidiary" during the financial year 2024-25 viz. Nelco Network Products Ltd. The Audit Committee reviews the financial statements of material subsidiary of the Company. It also reviews the investments made by such subsidiary, the statement of all significant transactions and arrangements entered into by the subsidiary, if any, and the compliances of material subsidiary on a periodic basis. The minutes of board meetings of the unlisted material subsidiary company are placed before the Board. Composition of the Board of material subsidiary is in accordance with the Regulation 24(1) of the Listing Regulations.

7. Prevention of Insider Trading

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

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

8. General Body Meetings

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

Financial year ended	Day & Date & Time	Venue	Special Resolutions passed
31st March 2022 (FY 2021-22)	Friday, 8th July 2022 at 3.30 p.m.	Two-way Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") from Company's Registered Office at EL-6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai -400 710	None
31st March 2023 (FY 2022-23)	Thursday, 22nd June 2023 at 11.30 a.m.		None
31st March 2024 (FY 2023-24)	Tuesday, 25th June 2024 at 3:30 p.m.		1. Revision in the terms of renumeration of Mr. P.J. Nath (DIN: 05118177) Managing Director & CEO. 2. Re-appointment of Mr. P.J. Nath (DIN: 05118177) as Managing Director & CEO.

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

b) Postal Ballot

(i) Details of special resolutions passed by postal ballot: During FY24-25, the Company sought approval of the Shareholders by way of Postal Ballot, the details are given below:-

Postal Ballot Notice Date	Description of Special Resolution(s)
January 15, 2025	1. Re-appointment of Dr. Lakshmi Nadkarni (DIN: 07076164) as an Independent Director for a second term 2. Re-appointment of Mr. Ajay Kumar Pandey (DIN: 00065622) as an Independent Director for a second term 3. Appointment of Mr. Vijay B Somaiya (DIN: 03185227) as an Independent Director

(ii) Details of Voting Pattern are given below:-

Postal Ballot Notice date	Resolution No.	Votes in favour of Resolution			Votes in against of the Resolution		
		No. of member s voted	No. of valid votes	% of total no. of valid votes casted	No. of member s voted	No. of valid votes	% of total no. of valid votes casted
January 15, 2025	Resolution 1	255	1,20,30,232	99.99	7	848	0.01
January 15, 2025	Resolution 2	254	1,20,30,222	99.99	7	848	0.01
January 15, 2025	Resolution 3	253	1,20,30,221	99.99	8	849	0.01

(iii) Person who conducted the aforesaid postal ballot exercise: Mr. Mitesh Dhabliwala (ICSI Membership No. FCS 8331), Practising Company Secretary of Parikh & Associates conducted the aforesaid Postal Ballot exercise in a fair and transparent manner.

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

(v) Procedure for Postal Ballot:

The Postal Ballot was carried out as per the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, each as amended, and in accordance with the requirements prescribed by the MCA vide General Circulars issued in this regard. The Company provided electronic voting facility to all its members.

The Company had engaged the services of National Securities Depository Limited ('NSDL') for providing remote e-Voting facilities to the Members, enabling them to cast their vote electronically and in a secure manner.

In compliance with the MCA Circulars, the Company sent the Postal Ballot Notice only in electronic form to those Members whose names appeared in the Register of Members/List of Beneficial Owners as received from the Depositories/MUFG Intime India Private Limited, the Company's Registrars and Transfer Agents (MUFG Intime/RTA') as on the Cut-Off Date (i.e. January 10, 2025 for Postal Ballot notice dated January 15, 2025).

The Scrutinizer, after the completion of scrutiny, submitted its report to the Company Secretary who was authorised to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results. The consolidated results of the remote e-Voting were then announced by the Company Secretary on February 20, 2025 and were also placed on the Company's website at www.nelco.in besides being communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and NSDL.

9. Disclosures

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

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

c) There was no non-compliance, strictures imposed on the Company by Stock Exchanges, the Securities and Exchange Board of India or any statutory authority, on any matter related to Capital Markets, during the last three years. In the FY 2022-23, the Stock Exchanges levied penalties for delay in compliance with Regulation 23(9), 19(1) and 19(2) of Listing Regulations. The Company has applied to the Stock Exchanges for waiver of penalties by giving justifiable grounds and their decision is awaited.

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

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

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

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

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

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

h) Commodity price risk and hedging activity:

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

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

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

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

(₹ in Lakhs)

Particulars	By the Company*	By the Subsidiary*	Total Amount
Statutory audit	16.90	9.00	25.90
Other services	47.05	3.25	50.30
Out-of-pocket expenses	3.98	1.03	5.01
Total	**67.93**	**13.28**	**81.21**

*The above fees are exclusive of applicable tax.

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

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The status of complaints as on March 31, 2025 are as under:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

x) Directors and Officers Liability Insurance:

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

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

10. Means of Communication

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

(ii) **Annual Reports:** The Annual Reports are emailed/posted to Members and others entitled to receive them. The Annual Reports are also available on the Company's website at https://www.nelco.in/investor-relation/financial.php in a user-friendly downloadable form. The Company also provides live webcast facility of its AGM in co-ordination with NSDL. The Notice of the AGM along with the Annual Report for FY25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories/ RTA in compliance with the Act and SEBI Circulars. However, Members desiring a physical copy of the Annual Report for FY25, may either write to us or email us on ritesh.kamdar@nelco.in, to enable the Company to dispatch a copy of the same. Please include details of Folio No./DP ID and Client ID and holding details in the said communication.

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

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

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

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

11. General Shareholder Information

(i) The ensuing AGM of the Company is scheduled on Tuesday, 24th June 2025 at 3.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with the Act and SEBI Circulars.

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

(ii) **Financial Year:** 1st April 2024 to 31st March 2025.

(iii) **Dividend payment date:** on and from Friday, 27th June 2025.

(iv) **Book Closure / Record date:** Tuesday, 10th June 2025 to Monday, 16th June 2025 (both days inclusive). Record date is Monday, 09th June 2025.

(v) **E-Voting Dates:** The cut-off date for the purpose of determining the shareholders eligible for e-Voting is Tuesday, 17th June 2025. The e-Voting commences on Thursday, 19th June 2025 at 9.00 a.m. (IST) and ends on Monday, 23rd June 2025 at 5.00 p.m. (IST).

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

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

The Company has paid the requisite Annual Listing fees to the stock exchanges for the year 2024-25.

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

(vii) **Registrars and Transfer Agents:**

MUFG Intime India Private Limited ("MUFG Intime"/ "Intime")
C-101, Embassy 247, L.B.S. Marg, Vikhroli (West)
Mumbai – 400083, Tel.: +91-8108118484
Email: csg-unit@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

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

Branches of MUFG Intime:

1. COIMBATORE
MUFG Intime India Private Limited
Surya 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road
Coimbatore- 641028
Tel: 0422-2314792 / 4958995/ 2539835/36

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

3. BANGALORE
MUFG Intime India Private Limited
C/o. Mr. D. Nagendra Rao, Vaghdevi 543/A,
7th Main 3rd Cross, Hanumanthnagar
Bengaluru – 560019
Tel: +91-80-26509004

4. KOLKATA
MUFG Intime India Private Limited
Rasoi Court, 5th Floor, 20,
Sir R.N. Mukherjee Road,
Kolkata - 700001
Tel : 033 - 69066200

5. NEW DELHI
MUFG Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH-2
C-1 Block, LSC, Near Savitri Market
Janakpuri,New Delhi – 110058
Tel: +91-11-49411000

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

7. PUNE
MUFG Intime India Private Limited
Block No. 202, 2nd Floor, Akshay Complex
Near Ganesh Temple, Off. Dhole Patil
Pune – 411001
Tel : 020 - 4601 4473

8. VADODARA
MUFG Intime India Private Limited
"Geetakunj",1, Bhakti Nagar Society
Behind Abs Tower, Old Padra Road
Vadodara – 390015
Tel : 0265 - 3566 768

9. MUMBAI
MUFG Intime India Private Limited
Building 17/19 Office No. 415 Rex Chambers Ballard Estate
Walchand Hirachand Marg, Fort Mumbai – 400001

(viii) Share Transfer System:

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

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

(ix) Distribution of Shares as on 31st March 2025:

No. of shares held (Range)	Shareholding	% of total Shareholding	No. of Shareholders	% of total Shareholders
1-5000	71,12,901	31.17	70,931	99.73
5001 to 10000	8,70,462	3.81	120	0.17
10001 to 20000	5,23,146	2.29	38	0.05
20001 to 30000	3,38,692	1.48	14	0.02
30001 to 40000	3,18,738	1.41	9	0.01
40001 to 50000	82,237	0.36	2	0.00
50001 and 100000	3,53,885	1.55	5	0.01
100001 and above	1,32,18,339	57.93	7	0.01
Total	**2,28,18,400**	**100.00**	**71,126**	**100.00**

(x) Dematerialization of Shares as on 31st March 2025 and Liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India, namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 95.31% of the Company's equity share capital are dematerialized as on 31st March 2025. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE045B01015.

Particulars of Shares	Equity Shares of ₹ 10/- each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialized form				
CDSL (A)	47,34,900	20.75	46,054	64.74
NSDL (B)	1,70,13,138	74.56	24,148	33.95
Sub-total (A+B)	2,17,48,038	95.31	70,202	98.69
Physical form (C)	10,70,362	4.69	924	1.299
Total (A+B+C)	**2,28,18,400**	**100.00**	**71,126**	**100.00**

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

(xii) Shareholding Pattern as on 31st March 2025:

Sr. No.	Category	No. of shares	Percentage
1	Tata Companies	1,14,28,940	50.08
2	Financial Institutions/ Banks	11,660	0.05
3	State Government / Government Companies / Central Government / IEPF a/c	3,06,133	1.35
4	Bodies Corporate / Trusts / NBFC/ Escrow Account/ Clearing Member/ HUF/ Alternate Investment Funds	11,28,816	4.94
5	Individuals	85,67,284	37.55
6	FIIs/NRI/Foreign Corporate Bodies	13,75,567	6.03
	Total	**2,28,18,400**	**100.00**

(xiii) Top 10 Shareholders of the Company as on 31st March 2025:

Sr. No.	Category	No. of shares	Percentage
1	The Tata Power Company Limited	1,14,18,090	50.03
2	Schlumberger Limited	8,66,460	3.80
3	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	2,50,061	1.10
4	Prasoon Harshad Bhatt	2,28,600	1.00
5	Parul Prasoon Bhatt	2,28,600	1.00
6.	Roopa Corporate Services Pvt. Ltd.	1,22,528	0.54
7.	Anil Kumar Goel	1,04,000	0.46
8.	Reita Gertrude Gomes	87,400	0.38
9.	Hitesh Satishchandra Doshi	80,563	0.35
10.	Gandhi Securities & Investment Pvt. Ltd.	67,500	0.30
	Total	**1,34,53,802**	**58.96**

(xiv) Currency exchange risk and hedging activity:

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

(xv) Works/facilities and address for correspondence:

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

(xvi) During the year CRISIL Ratings has reaffirmed its ratings for long term and short-term bank facilities of the Company to CRISIL A Positive and CRISIL A1 respectively.

12. E-voting

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

13. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued, and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

14. Secretarial Audit

In terms of the Act, the Company appointed Bhandari & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company for financial year 2024-25. The Secretarial Audit Report is provided as Annexure IV to the Board's Report.

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

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends, if not claimed for a consecutive period of 7 years or more from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has remained unclaimed for a consecutive period of 7 years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. The details of the aforesaid Unclaimed dividend and Equity Shares transferred to IEPF are available on Company's website https://www.nelco.in/investor-relation/unclaimed-dividend.php

The shares of the Company, in respect of which dividend has not been claimed for Seven consecutive years or more from the date of transfer to unpaid dividend account, shall be transferred to the demat account of IEPF Authority. The members who have a claim on dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov. in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The details of outstanding dividend and the date by which it can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

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

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

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	3	1100
Aggregate number of shareholders and the outstanding shares transferred to suspense account during the year	1	350
Shareholders who approached listed entity for transfer of shares from suspense account during the year	2	450
Shareholders to whom shares were transferred from the suspense account during the year	2	450
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1	1000

The voting rights in respect of the shares transferred to the Suspense Escrow Demat Account shall remain frozen till the rightful owner claims the shares.

Annexure I

Declaration on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, P.J. Nath, Managing Director & CEO of the Company hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, in respect of the financial year ended 31st March 2025.

For **NELCO Limited**

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

Navi Mumbai, 24th April 2025

Annexure - II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Nelco Limited
MIDC, Plot No. El 6,
TTC Industrial Area,
Electronics Zone, Mahape,
Navi Mumbai – 400710.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nelco Limited, having CIN L32200MH1940PLC003164 and having registered office at MIDC, Plot No. El 6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Amur Swaminathan Lakshminarayanan	08616830	29.05.2022
2.	Ajay Kumar Pandey	00065622	28.01.2020
3.	Saurabh Ray	09573704	26.04.2022
4.	Lakshmi Anant Nadkarni	07076164	28.01.2020
5.	Vijay Bhagwanji Somaiya	03185227	27.01.2025
6.	Pradip Jyoti Nath	05118177	13.06.2012

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Sd/-
Manisha Maheshwari
Partner
FCS No.: 13272; C P No.: 11031
Mumbai | April 24, 2025
ICSI UDIN: F013272G000193364

Annexure III

Certification by Managing Director & CEO and Chief Financial Officer in respect of Financial Statements and Cash Flow Statement (pursuant to regulation 17 (8) read with Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the Financial Year ended 31st March 2025.

The Board of Directors
Nelco Limited
Navi Mumbai – 400 710

We, the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of Nelco Limited ('the Company'), to the best of our knowledge and belief certify that:

a. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2025 and we hereby certify and confirm to the best of our knowledge and belief the following:

   i) the Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   ii) the Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are no transactions entered in to by the Company during the year ended 31st March 2025 which are fraudulent, illegal or violative of Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

d. We have indicated to the Auditors and the Audit Committee that :-

   (i) There were no significant changes in internal control over financial reporting during the year.
   (ii) There were no significant changes in accounting policies during the year and that if any, have been disclosed in the notes to the financial statement; and
   (iii) There were no instances of significant fraud of which we have become aware of either by the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Malav Shah
Chief Financial Officer
ICAI M. No. 102314

Navi Mumbai
Date: 24th April 2025

Annexure IV

To,
The Members
Nelco Limited

We have examined the compliance of conditions of Corporate Governance by Nelco Limited ('the Company') having CIN L32200MH1940PLC003164, for the financial year ended March 31, 2025, as stipulated in chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'].

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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

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

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Sd/-
Manisha Maheshwari
Partner
FCS No.: 13272; C P No.: 11031
Mumbai | April 24, 2025
ICSI UDIN: F013272G000193320

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity:

<table>
<tr><td>1</td><td>Corporate Identity Number (CIN) of the Listed Entity</td><td colspan="3">L32200MH1940PLC003164</td></tr>
<tr><td>2</td><td>Name of the Listed Entity</td><td colspan="3">Nelco Limited</td></tr>
<tr><td>3</td><td>Year of incorporation</td><td colspan="3">1940</td></tr>
<tr><td>4</td><td>Registered office address</td><td colspan="3">EL-6, TTC Industrial Area, Electronics Zone, MIDC Mahape, Navi Mumbai 400710</td></tr>
<tr><td>5</td><td>Corporate address</td><td colspan="3">EL-6, TTC Industrial Area, Electronics Zone, MIDC Mahape, Navi Mumbai 400710</td></tr>
<tr><td>6</td><td>E-mail</td><td colspan="3">services@nelco.in</td></tr>
<tr><td>7</td><td>Telephone</td><td colspan="3">022 67399100</td></tr>
<tr><td>8</td><td>Website</td><td colspan="3">www.nelco.in</td></tr>
<tr><td>9</td><td>Financial year for which reporting is being done</td><td colspan="3">2024-25</td></tr>
<tr><td>10</td><td>Name of the Stock Exchange(s) where shares are listed</td><td colspan="3">BSE Limited (BSE), National Stock Exchange of India Limited (NSE)</td></tr>
<tr><td>11</td><td>Paid-up Capital</td><td colspan="3">INR 228174610</td></tr>
<tr><td colspan="5">Contact Person</td></tr>
<tr><td rowspan="3">12</td><td>Name of the Person</td><td colspan="3">Ms. Leena Thomas</td></tr>
<tr><td>Telephone</td><td colspan="3">022 67399100</td></tr>
<tr><td>Email address</td><td colspan="3">leena.thomas@nelco.in</td></tr>
<tr><td colspan="5">Reporting Boundary</td></tr>
<tr><td rowspan="4">13</td><td>Type of Reporting</td><td colspan="3">Consolidated</td></tr>
<tr><td rowspan="3">If selected consolidated:</td><td>Sr No.</td><td>Name of the Subsidiaries/JVs/ Associate Companies</td><td>CIN Numbers</td></tr>
<tr><td>1</td><td>Nelco Network Products Limited (Subsidiary)</td><td>U32309MH2016PLC285693</td></tr>
<tr><td>2</td><td>Piscis Networks Pvt. Ltd (Associate)</td><td>U72900MH2021PTC363941</td></tr>
<tr><td>14</td><td>Name of assurance provider</td><td colspan="3">Not Applicable</td></tr>
<tr><td>15</td><td>Type of assurance obtained</td><td colspan="3">Not Applicable</td></tr>
</table>

II. Product/Services:

<table>
<tr><td rowspan="2">16</td><td rowspan="2">Details of business activities (accounting for 90% of the turnover):</td><td>Sr. No.</td><td>Description of Main Activity</td><td>Description of Business Activity</td><td>% Turnover of the Entity</td></tr>
<tr><td>1</td><td>Information and Communication</td><td>Wired, wireless or satellite Telecommunication services</td><td>100%</td></tr>
</table>

17	Products/ Services sold by the entity	Sr. No.	Product/Service	NIC Code	% of Total Turnover contributed
		1	43212: Installation of telecommunications wiring, computer network and cable television wiring, including fiber optic, satellite dishes 61900: Other telecommunications activities	43212 61900	Sale of Bandwidth-67% Sale of Equipment-12% AMC services – 6% Rental of VSAT -4% Other -11%

III. Operations:

18	Number of locations where plants and/or operations/ offices of the entity are situated:	Location	Number of plants	No. of Offices	Total
		National	0	17	17**
		International	0	0	0
19	Market served by the entity	Locations			
	a. No. of Locations	National (No. of States)	28 States & 8 Union Territories		
		International (No. of Countries)	0		
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	25.30%*			
	c. A brief on types of customers	Nelco provides satellite communication services for various segments and use-cases in Enterprise and Government such as ATM, Bank Branches, Offshore Oil exploration, renewable energy, maritime communication and inflight Wi-Fi services			

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

*** Includes 7 offices, 6 Warehouses & 4 Teleports*

IV. Employees:

20.	Details as at the end of Financial Year:					
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	Employees and workers (including differently abled)					
	Employees					
1	Permanent Employees (A)	196	177	90%	19	10%
2	Other than Permanent Employees (B)	109	106	97%	3	3%
3	Total Employees (A+B)	305	283	93%	22	7%
b.	Differently abled employees and workers					
	Employees					
1	Permanent Employees (E)	0	0	0	0	0
2	Other than Permanent Employees (F)	0	0	0	0	0
3	Total Employees (E+F)	0	0	0	0	0

Note: Nelco does not employ any workers, hence there will be no disclosures applicable.

21. Participation/Inclusion/Representation of women				
S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	6	1	17%
2	Key Management Personnel	2	0	0

Note : Managing Director & Chief Executive Officer is considered in BOD and Chief Financial Officer & Company Secretary are considered as KMPs.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)									
Category	FY 2024-2025 (Turnover rate in current FY)			FY 2023-2024 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8%	5%	8%	10%	5%	10%	8%	0	8%
Permanent Workers	0	0	0	0	0	0	0	0	0

Note: Voluntary turnover rates are disclosed

V. Holding, Subsidiary and Associate Companies (including joint ventures):

23.(a) Names of holding / subsidiary / associate companies / joint ventures				
S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	The Tata Power Company Ltd.	Holding Company	50.04%	No
2.	Nelco Network Products Limited (NNPL)	Subsidiary Company	100.00%	Yes
3.	Piscis Networks Pvt. Ltd.	Associate Company	31.72%	Yes

VI. CSR Details:

24	a. Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
	Turnover (in ₹)	3,04,87,56,226
	Net worth (in ₹)	1,27,89,61,663

VII. Transparency and Disclosures Compliances:

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	If Yes, then provide web-link for grievance redress policy	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	For Grievance redressal, Nelco has POSH committee for employees, Stakeholder relationship committee, Whistle blower policy & Vigil Mechanism, Additionally, all Vendors are aware about TCoC, SCOC and ESG policy. For Communities & vendors. Nelco grievances can be addressed at ethics@nelco.in For customers, Nelco provides helpline link helpdesk@nelco.in to address any grievances and queries	0	0	-	0	0	-
Investors (other than shareholders)	Investors and shareholders are the same for Nelco		0	0	-	0	0	-
Shareholders			6	0	Resolved	4	0	Resolved
Employees and workers	Yes		0	0	-	5	0	Minor field injuries
Customers	Yes		0	0	-	0	0	-
Value Chain Partners	Yes		0	0	-	0	0	-
Other - an anonymous complaint was received			1	0	Resolved	0	0	-

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

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity *(Indicate positive or negative implications)*
Customer relationship management	Opportunity	Robust customer relationship management can help the Company to strengthen its market leadership position in key segments, build competitive advantages and enhance growth.	-	Positive, as successful customer relationship can drive revenue growth and profitability.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity *(Indicate positive or negative implications)*
Supply chain management	Risk	Nelco relies on its supply chain partners for Satcom equipment and bandwidth capacity. Any disruptions in timely supply, price escalations, or regulatory compliance issues may impact the Company's operations and its ability to deliver satisfactory services to customers. Effective Supply Chain Management is also critical to build competitive advantages.	i. Diversification of Supply Chain Partners: Reduce dependency on a single source to mitigate the impact of disruptions. ii. Continual Stakeholder Engagement: Helps identify potential issues early. iii. Comprehensive Supply Chain Assessment: Periodic assessment of the supply chain identifies vulnerabilities and areas for improvement. This includes evaluating supplier performance, risk management practices, and compliance with regulatory standards.	Negative as due to supply chain disruptions might lead to price escalations, increased costs, slower customer satisfaction, and reduced competitiveness
Talent Management	Opportunity	The Company on boards and builds newer competencies to aid its multifold growth. The Company also plans to enhance skills of existing people and build future required competencies.	-	Positive, in terms of higher productivity of the people, fosters innovation, expertise, and competitiveness, ensuring a skilled workforce to drive business growth and success.
Corporate Governance and Ethics	Risk	Effective corporate governance and strong ethical standards are essential to maintain stakeholder trust, mitigate risks and ensure compliance. Prioritizing these areas supports sustainable business practices and long-term success.	Nelco has a powerful, competent, and diverse Board. The Company has instituted robust policies and Standard Operating Procedures (SoPs) to ensure good corporate governance, compliance, and ethical business practices, thereby maintaining stakeholder trust and regulatory adherence.	Negative due to legal issues, reputational damage, loss of investor confidence, and decreased stakeholder trust, harming long-term sustainability.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity *(Indicate positive or negative implications)*
Business continuity and Risk Management	Risk	The company's infrastructure is vulnerable to interruptions from natural disasters, power outages, IT system failures, security breaches, and human errors. Such events can significantly impact service quality and customer satisfaction. A robust business continuity framework and integrated risk management is key to enhance Company's resilience and long-term business success.	The company has implemented a comprehensive risk management framework and policy to identify and assess existing and emerging risks across its business segments. The Risk Management Committee (RMC) is responsible for monitoring and reviewing the risk management plan to ensure its effectiveness. Key risks are discussed with the RMC three times a year, and major risks identified by the businesses and functions are systematically addressed	Negative due to higher expenditure in mitigation measures & asset cost, revenue loss, operational disruptions, increased recovery costs, and damage to brand reputation

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity *(Indicate positive or negative implications)*
Cybersecurity & Data Privacy	Risk	Operating in the satellite communication industry, Nelco prioritizes cybersecurity and data protection to prevent data breaches and cyber-attacks. Such incidents can expose the organization to significant vulnerabilities, leading to financial and reputational loss. Ensuring robust cybersecurity measures is vital for maintaining trust, avoiding financial loss and ensuring operational integrity.	Nelco has implemented a Cybersecurity and Data Privacy policy aligned with global standards, ensuring strict adherence to cybersecurity compliances and robust procedural guidelines. The Company is ISO/IEC 27001:2013 certified, reflecting its commitment to information security management. Regular audits are conducted to identify potential vulnerabilities and plug them in a timely manner. Additionally, Nelco provides continuous training to employees on cybersecurity best practices and incident response protocols, further mitigating risks and enhancing organizational resilience.	Negative implications encompass the possibility of incurring additional or increased costs associated with the management of timely, frequent, and customized updates in the following areas: i. Internal IT infrastructure and architecture ii. Software purchases iii. IT hardware iv. Adjustments necessitated by sector-specific or theme-specific regulatory requirements.
Digitalization	Opportunity	Embracing digitalization, analytics and AI is crucial for Nelco to enhance operational efficiency, service delivery, and customer experience. Through automated processes, real-time monitoring, and innovative solutions, Nelco can drive significant improvements. The Company is actively pursuing multiple digitalization initiatives across the organization and leveraging external expertise where necessary to stay at the forefront of technological advancements.	-	Positive as digitalization and use of AI/ML has the potential to enhance operational efficiency

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity *(Indicate positive or negative implications)*
People Well-being, Health & Safety, Diversity equity & Inclusion	Opportunity	Diversity, Equity, and Inclusion (DE&I) are crucial for the company to promote fair treatment and full participation of all employees, including individuals of different races, ethnicities, religions, abilities, genders, and sexual orientations. A diverse, equitable, and inclusive ecosystem enables Nelco to effectively respond to challenges, retain top talent, and better meet the needs of various stakeholders. Additionally, prioritizing people's well-being, health, and safety fosters a productive and hazard-free workplace, contributing positively to the Company's growth and development.	-	Positive as it boosts the morale, productivity, and retention, creating a safer, healthier work environment and positive company culture. Also, workforce diversity is vital for business success, attracting talent, and enhancing its reputation as a premier service provider.
Emissions Reduction and Energy Management	Opportunity	Emission reduction and energy management help Nelco to enhance operational efficiency and optimize energy use, thereby reducing operational costs. By focusing on these areas, Nelco can minimize its environmental footprint, comply with regulatory requirements, and contribute to global sustainability efforts. This strategic approach not only supports cost savings but also strengthens the Company's reputation as a responsible and forward-thinking organization.	-	Positive due to Improved operational efficiency, cost savings, and enhanced reputation as an environmentally responsible company, leading to increased customer trust and loyalty

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity *(Indicate positive or negative implications)*
Community Development	Opportunity	It is important as it enables the Company to contribute positively to the communities it operates in, thereby enhancing its social reputation. By investing in community initiatives, Nelco can foster goodwill, build strong local relationships, and support sustainable development. This commitment not only benefits the community but also aligns with Nelco's values and long-term business objectives, reinforcing its role as a responsible corporate citizen.	-	Positive as it can enhance brand reputation, foster goodwill, support talent attraction, and foster sustainable relationships with local stakeholders.
Waste and Water Management	Opportunity	Efficient waste and water management help the company lower operational costs, enhance its reputation and demonstrate its commitment to environmental sustainability. This strategic focus not only supports regulatory compliance but also strengthens the Company's image as a responsible and eco-friendly organization.	-	Positive due to Reduced environmental impact, cost savings, regulatory compliance, and enhanced reputation

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Integrating the principles of the National Guidelines for Responsible Business Conduct into the structures, policies and processes ensure that stakeholder interests are integrated into the business fabric. Creating adequate governance enables businesses to contribute towards wider development goals.

NGRBC Principles

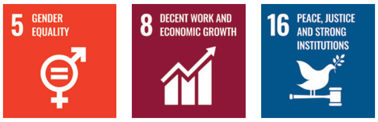
PRINCIPLE 1
Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.

PRINCIPLE 2
Businesses should provide goods and service in a manner that is sustainable and safe.

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

PRINCIPLE 4
Businesses should respect the interests of and be responsive to all its stakeholders.

PRINCIPLE 5
Businesses should respect and promote human rights.



PRINCIPLE 6
Businesses should respect and make efforts to protect and restore the environment.

PRINCIPLE 7
Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

PRINCIPLE 8
Businesses should promote inclusive growth and equitable development.

PRINCIPLE 9
Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	**a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes, policies as required by the applicable statutes are approved by the Board/ Committees, and other internal policies are approved by the Managing Director & Chief Executive Officer of the Company.								
	c. Web Link of the Policies, if available	All the Company policies are made available to respective stakeholders. Some of the policies are available on the Company's website at https://www.nelco.in/ for customers / suppliers etc. For employees they are available on the Company's internal portal. Nelco Limited has the following policies: P1: Tata Group Code of Conduct (TCoC), Whistle Blower, Vigil Mechanism Policy P2: Occupational Health & Safety Policy P3: Prevention of Sexual Harassment Policy (POSH), Occupational Health & Safety Environment Policy, Drug & Alcohol policy, Tata Code of Conduct P4: Tata Code of Conduct, Supplier Code of Conduct policy P5: POSH Policy, Tata Code of Conduct P6: Occupational Health & Safety policy, Environment, Social & Governance policy, Extended Producer Responsibility (EPR) plan P7: Code of conduct for Non-Executive Directors, Code of conduct for Prevention of Insider Trading P8: Corporate Social Responsibility (CSR) Policy P9: Data Privacy and cybersecurity								
2	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes, the approved policies are translated into procedures.								
3	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes								
4	**Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	The company is audited and certified as per international standards like TL 9000, ISO 27001, ISO 20000. The policies and their implementation are evaluated as part of these audits. Additionally, the policies meet the regulatory requirements such as SEBI Listing Regulations etc. The policies reflect Tata groups commitment to improve the quality of life of the communities it serves and practice of giving back to the society.								
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	Yes, Nelco has developed an ESG strategy for their journey in environmental, social, and governance (ESG) practices. An ESG strategy is defined with sustainability goals.								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	Nelco is in the process of integrating its key material priorities into its business as part of the overall ESG strategy. Three-year goals have been established, and the company is committed towards achieving them.								

Governance, Leadership and Oversight		
7	**Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.** At Nelco Limited, we recognize the critical importance of conserving energy, reducing waste, and addressing climate change. As part of our commitment to sustainability, we are dedicated to reducing our carbon footprint and adapting to the evolving environmental landscape. By implementing energy-efficient practices, optimizing logistics, minimizing waste, and embracing innovative solutions, we aim to contribute positively to global climate goals. Our efforts not only enhance operational efficiency but also reinforce our responsibility towards future generations. Together, we can build a resilient and sustainable future.	
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Name: PJ Nath DIN: 05118177 Designation: Managing Director and CEO
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes Name: PJ Nath Designation: Managing Director and CEO

10. Details of Review of NGRBCs by the company:	P1	P2	P3	P4	P5	P6	P7	P8	P9
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Committee of the Board								
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)	Quarterly								
Performance against above policies and follow up action	The Board of Directors and its Committees meet quarterly and as and when required. BRSR issues (if any) are discussed in respective meetings.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, on need basis								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	No	No	No	No

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	POSH, Ethics, Governance	100%
Key Management Personnel	1	POSH, Ethics, Governance	100%
Employees other than BODs and KMPs	18	POSH, Ethics, Governance, ESG & BRSR	97%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:**

a. **Monetary**

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	0	Not Applicable			
Settlement	0				
Compounding fee	0				

b. **Non-Monetary**

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	0	Not Applicable		
Punishment	0			

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

Yes, Nelco is committed to preventing, deterring, and identifying any instances of bribery and other unethical business practices. As a part of the Tata Group, Nelco adheres to the Tata Code of Conduct (TCoC), a comprehensive guide outlining ethical standards for all Tata employees, companies, and third parties associated with Nelco, encompassing its entire operations. In addition to the TCoC, Nelco has its own independent policy, the Anti-bribery and Anti-corruption policy (ABAC), which is reviewed annually and provides additional guidelines to complement the TCoC and is available on Company website at https://www.nelco.in/pdf/Policies/ABAC%20Policy.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Category	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Topic	FY 2024-25 (Current FY)		FY 2023-24 (Previous FY)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of KMPs	0		0	

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

Not Applicable

8. **Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured]:**

	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Number of days of accounts payables	69	67

Note: Previous year figure re-grouped and re-classified.

9. **Open-ness of business:**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Concentration of Purchases	**a. Purchases from trading houses as % of total purchases**	Not Applicable	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	**a. Sales to dealers / distributors as % of total sales**	Not Applicable	
	b. Number of dealers /distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	**a. Purchases (Purchases with related parties / Total Purchases)**	10.61%	7.38%
	b. Sales (Sales to related parties / Total Sales)	5.75%	4.24%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

Note: Previous year figure re-grouped and re-classified.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

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

i. **Collaboration with Local Service Providers:** We work closely with local service providers to acquire installation and maintenance services for remote VSAT terminals. To ensure high standards and efficiency, we conduct regular training sessions that focus on enhancing their technical skills and capabilities.

ii. **Capacity Building on POSH Policies:** In addition to technical training, we prioritize the importance of creating a safe and respectful work environment. Capacity building sessions on the Prevention of Sexual Harassment (POSH) policies and principles are conducted for our franchisees and other value chain partners, excluding permanent employees. These sessions aim to foster a culture of respect and awareness regarding workplace conduct.

Through these programmes, we strive to empower our value chain partners with the necessary skills and knowledge to uphold our principles and contribute to the overall success and integrity of our operations

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in value chain covered by the awareness programmes
16	POSH (Prevention of Sexual Harassment), Ethics, Safety & Health, Training on TCoC	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same:

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

i. **Distinct Roles:** The role of the Chairman of the Board is non-executive and distinct from that of the Managing Director and Chief Executive Officer (MD & CEO). This separation ensures a clear distinction between governance and management functions.

ii. **Codes of Conduct:** The Codes of Conduct for Non-Executive Directors (NEDs) and Independent Directors (IDs) contain clauses addressing the prevention of conflicts of interest. These codes are designed to uphold a high standard of integrity and ethical behavior.

iii. **Tata Code of Conduct (TCoC):** The TCoC includes clauses prohibiting any employee, including the Managing Director (MD), from accepting any position of responsibility, with or without compensation, in any other organization without prior written approval from the Company. For the MD, such approval must be obtained from the Board.

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

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

Type	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)	Details of improvement in social and environmental aspects
Research & Development (R&D)	0%	0%	Not Applicable
Capital Expenditure (CAPEX)	0%	0%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No):

Yes, Nelco has established comprehensive procedures for sustainable sourcing. Key aspects include:

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

ii. **Adherence to the Tata Code of Conduct:** All vendors are required to adhere to the Tata Code of Conduct. This ensures that they align with the entity's ethical standards and principles.

iii. **Compliance with Environmental, Safety, Human Rights, and Ethical Guidelines:** The entity ensures that its sourcing processes comply with guidelines related to environmental protection, safety, human rights, and ethics. This commitment is integral to promoting sustainable practices throughout the supply chain.

iv. **Mandatory Compliance with Labor Principles and Relevant Laws:** Vendors must comply with labor principles and relevant laws before finalizing any supply and service agreements. This requirement underscores the entity's dedication to legal and ethical sourcing practices.

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

b. If yes, what percentage of inputs were sourced sustainably?:

Nelco is actively working on establishing a framework to monitor sustainable sourcing practices among its suppliers. Currently, there is no system in place to provide a precise percentage of sustainable sourcing, but it is a priority, and the organization is committed to developing this capability.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

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

a. **Plastics (including packaging):** The company emphasizes the reduction of plastic waste through initiatives such as minimizing packaging materials and promoting the use of recyclable and biodegradable alternatives. Use of lashing belt in lieu of plastic wrap for material stored helps reduce use of plastic.

b. **E-waste:** The company operates its own product repair center, aiming to prolong product lifespan, promote recycling, and reduce waste. In cases where a remote site is disconnected, the electronic hardware and antennas are frequently relocated to alternative sites, effectively recycling the products. Electronic scrap is responsibly disposed of through certified E-waste management service providers approved by the Central Pollution Control Board and/or corresponding State Pollution Boards.

c. **Hazardous waste:** The company ensures that hazardous waste is managed in compliance with all relevant regulations. Specialized processes are in place for the safe handling, storage, and disposal of hazardous materials to prevent environmental contamination and ensure the safety of all stakeholders.

d. **Other waste:** The company adopts a holistic approach to waste management, focusing on reducing, reusing, and recycling various types of waste. This includes implementing waste segregation practices, promoting the use of eco-friendly materials, and collaborating with certified waste management service providers for the responsible disposal of non-recyclable waste.

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

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:

Yes, the entity is subject to Extended Producer Responsibility (EPR). The EPR policy may be accessed on the company website at : https://www.nelco.in/pdf/Policies/Rpdf/epr-plan-2022.html Nelco is authorized to gather E-waste in accordance with the E-Waste (Management) Rules, 2016. Nelco intends to retrieve waste from collection centers through their E-waste collection partners. Their logistics partner transports the waste from primary collection centers and delivers it to the recycling partners, Enviocare Recycling Pvt Ltd., EchoTech Recycling Pvt. Ltd., Green India E-Waste & Recycling Opc Pvt. Ltd.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details:

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No) If yes provide web-link
No services undergo Life Cycle Assessment (LCA)					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:

S,No.	Name of the product	Description of the risk	Action Taken
There are no significant environmental concerns from our services from a life cycle perspective.			

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

Input material	Recycled or re-used input material to total material	
	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
E-waste	17%	12%

Note: Previous year figure re-grouped and re-classified.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste (in Metric Tonnes)	9.477	-	2.345	5.961	-	0.44
Hazardous waste	-	-	-	-	-	-
Other waste - oil (litres)	-	-	-	-	-	200

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

Not applicable as there were no significant issues reported necessitating corrective actions. Nevertheless, as a standard procedure, we provide training to both new hires and existing staff on these requirements. No notable risks or concerns have been raised. However, Company's ongoing efforts include assessments by labor consultants, maintaining awareness of ethics, and reporting measures for all employees and stakeholders (EHS). Additionally, we consistently provide training on these requirements to both new and existing personnel as part of its operational process.

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

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	177	177	100%	177	100%	NA	NA	177	100%	177	100%
Female	19	19	100%	19	100%	19	100%	NA	NA	19	100%
Total	196	196	100%	196	100%	19	10%	177	90%	196	100%
Other than Permanent Employees											
Male	106	106	100%	106	100%	NA	NA	106	100%	0	0
Female	3	3	100%	3	100%	3	100%	NA	NA	0	0
Total	109	109	100%	109	100%	3	3%	106	97%	0	0

Note: One person availed paternity leave

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

	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.35%	0.37%

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

Sr. No.	Benefits	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	Not Applicable	Y	100%	Not Applicable	Y
2	Gratuity	100%		Y	100%		Y
3	ESI	Not applicable		Y	0%		Y
4	Others* - Medical insurance after retirement	10%		Y	9%		Y

**Nelco allows its employees to continue their company-purchased medical coverage at their own cost.*

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes, the company offers accessibility to ground-floor facilities for differently abled employees, including access to healthcare amenities. Additionally, we are planning to incorporate more facilities catering to their specific needs in our upcoming projects. This is being addressed as part of the forthcoming Infrastructure Development Project.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

Nelco adheres to the Tata Code of Conduct (TCoC) which mentions the Equal Opportunity policy. Detailed policy is available on https://www.nelco.in/investor-relation/corporate-governance.php,

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

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

Note: One employee took paternity leave and returned to work

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

Category	Yes/No	Details of the mechanism in brief
Permanent Employees	Yes	The Company has adopted a Whistle Blower & Vigil Mechanism (WBVM) 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 WBVM provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC)/Chairman of the Audit Committee of the Company for redressal. The Company has adopted a POSH policy to establish a mechanism for employees to report their concerns on sexual harassment and discrimination, hostile behaviour & others. The company has formed Internal Compliant committee which evaluates the complaints in line with the rules & regulations.
Other than Permanent Employees	Yes	

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

Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	177	0	Not Applicable	154	0	Not Applicable
Female	19	0		20	0	
Total	196	0		174	0	

8. Details of training given to employees and workers:

a. Details of Skill training given to employees	Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
		Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	%(D/C)
	Permanent Employees						
	Male	177	177	100%	154	154	100%
	Female	19	19	100%	20	20	100%
	Total	196	196	100%	174	174	100%

b. Details of training on Health and Safety given to employees	Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
		Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety (D)	%(D/C)
	Permanent Employees						
	Male	177	177	100%	154	154	100%
	Female	19	19	100%	20	20	100%
	Total	196	196	100%	174	174	100%

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

Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	177	177	100%	154	154	100%
Female	19	19	100%	20	20	100%
Total	196	196	100%	174	174	100%

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

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, Nelco has implemented an OHS (Occupational Health and safety) policy. The policy has been published in our website and circulated internally to all concerned.
What is the coverage of such system?	This OHS management system is applicable to all our stakeholders working in our premises and involved in our business operations.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Nelco has online portal for reporting safety related hazards, incidents, observations. We have work permit system and SOPs which are strictly adhered to. This year, we introduced an online app to report the any safety related incidents.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes, we don't have the workers category the process includes all permanent and contractual employees and they can report work-related hazards through an incident portal, QR code, or safety drop box.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the employees of the entity have access to non-occupational medical healthcare services

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

Safety Incident/Number	Category	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
Total recordable work-related injuries	Employees	0	0
No. of fatalities	Employees	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

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

At Nelco, the safety and well-being of our employees are at the heart of everything we do. We've put in place a comprehensive set of measures to create a secure and healthy work environment, ensuring everyone feels safe and supported.

i. **Leadership and Accountability:** Our safety structure includes a central Apex committee, regional safety SPOCs, and Emergency Response Team (ERT) members. Senior leaders, including our MD & CEO, actively participate in safety walks and regular evaluations. Safety metrics are integrated into performance tracking, making safety a key priority for everyone.

ii. **Identifying and Managing Hazards:** We use Hazard Identification and Risk Assessment (HIRA) to identify potential risks. These hazards are categorized into High, Medium, and Low Risks, with control measures implemented through Standard Operating Procedures (SOPs) and training programs. Regular third-party assessments help us stay proactive in mitigating risks.

iii. **Compliance and Assurance:** Our Lateral Praxis System, an IT-enabled online tracking system, ensures we stay compliant with statutory requirements. Regular internal and external audits help us adhere to health and safety regulations, keeping our workplace safe for everyone.

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

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

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

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

viii. **Fire Safety Systems:** Nelco invests in fire hydrant systems at its Mahape office, subjecting them to rigorous maintenance checks to guarantee operational readiness.

ix. **On-Site Medical Provisions:** On-site medical provisions, including access to a doctor and health check-ups for employees aged 35 and above, underscore the company's commitment to employee well-being.

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

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

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

Safety precautions during onboarding

As part of the onboarding process, each new employee undergoes a safety briefing. The office conducts regular fire drills and provides training on fire equipment usage. Before being fully integrated into the system, all employees must complete the safety induction procedure. The company maintains a structured safety training schedule to foster a safety-conscious culture among its employees.

Welfare Measures

Nelco takes a proactive and accountable stance in ensuring the well-being of its employees. This includes providing on- site doctor, medical check-up facilities, virtual seminars on health topics, fitness sessions, daily health emails, Hygienic canteen facility for employees to have food, Annual sports day and company vehicles for commuting. Regular workshops and health camps are organized to promote awareness of health and hygiene. During Safety Week, specific awareness sessions are conducted to educate everyone, including vendors.

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

Topic	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	83	0	-	11	0	No complaints
Health & Safety	10	0	Minor field injuries	1	0	Minor field injuries

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	One Audit by Cholamandalam done for Mahape Office
Working Conditions	100% (Internal audits conducted)

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:

- Hazard Identification and Risk Assessment (HIRA): Developed and implemented HIRA to systematically identify workplace hazards and unsafe conditions, ensuring appropriate control measures are in place to mitigate risks.
- Digitization of Permit-to-Work (PTW) System: Transitioned from a manual PTW system to a digital platform to enhance tracking, ensure compliance, and streamline approval processes through an online workflow.
- Enhanced Lockout/Tagout (LOTO) Register: Established a comprehensive LOTO register to effectively monitor isolation activities, following a detailed assessment by a third party and TBEXG to address identified improvement areas.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):

a. **Employees (Yes/No):** Yes

b. **Workers (Yes/No):** Not Applicable since there is no one in the workers category

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

During the invoicing process, the company verifies the compliance documents of its partners to confirm the payment of statutory dues. The vendor agreement stipulates the examination of vendors' statutory dues, granting Nelco the right to conduct audits. Nelco ensures vendors fulfill their statutory obligations, including ESIC, PF, and Professional tax payments, to the appropriate authorities punctually. Cross-checking with employees of the vendors is conducted to verify timely salary payments, and compliance documents are reviewed. The agreement incorporates statutory compliance requirements, with emphasis on timely filing.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Employees	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No):**

   Yes, the company offers a procedure through which retired employees can opt to engage their services as consultants with the company, with the help of contract for service agreement

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

Topic	% of value chain partners (by value of business done with such partners) that were assessed*
Health and safety practices	*100% Service partners are assessed for health and safety practices and working conditions. The vendors agreement includes clauses to conduct periodical audits of the vendors. The vendors also need to adhere to Nelco's Occupational Health, safety and Environment policy.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

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

   Digitization of Permit-to-Work (PTW) System: Transitioned from a manual PTW system to a digital platform to enhance tracking, ensure compliance, and streamline approval processes through an online workflow.

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

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

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

i. **Stakeholder Mapping:** Nelco conducts comprehensive stakeholder mapping to identify all potential stakeholders, including employees, customers, suppliers, investors, regulatory bodies, and the community. This mapping is regularly updated to reflect any changes in the stakeholder landscape.

ii. **Engagement Channels:** Various engagement channels are established to facilitate two-way communication with stakeholders. These channels include surveys, focus groups, meetings, and digital platforms, ensuring that stakeholders have multiple avenues to express their views and concerns.

iii. **Needs Assessment:** Nelco performs regular needs assessments to understand the priorities and expectations of different stakeholder groups. This involves gathering feedback through structured interactions and analyzing the data to identify key themes and areas of interest. Materiality assessment conducted by external assessors help in better understanding of the priorities.

iv. **Prioritization:** Based on the needs assessment, stakeholders are prioritized according to their influence and impact on the company's operations. This helps Nelco allocate resources effectively and address the most critical stakeholder concerns.

v. **Continuous Monitoring:** The company continuously monitors stakeholder interactions and feedback to ensure that its engagement strategies remain relevant and effective. This ongoing process allows Nelco to adapt to changing stakeholder needs and maintain strong relationships.

vi. **Reporting and Transparency:** Nelco is committed to transparency and regularly reports on its stakeholder engagement activities. This includes sharing updates on how stakeholder feedback has been incorporated into business decisions and strategies.

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

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	• E-mail, Meetings, Company website, Newspaper, Advertisements	Annually	• Share price, Dividends, Growth prospects
Employees	No	• Employee Portal, E-mail, Company website, MD open house, Notice Boards	Ongoing	• Training and awareness, Health and safety, Engagement activities, Operational Efficiency
Suppliers	Yes	• E-mails, Company website, One-on-one engagement	Ongoing	• Timely delivery and payments, Safety concerns, Compliances, Collaborations
Customers	No	• E-mails, Survey, Helpdesk, One-on-one engagement	Ongoing	• Product Quality, Product guidelines
Local Communities	No	• Volunteering	Ongoing	• Community Development

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:

The company's management consistently engages with essential stakeholders, such as investors, customers, suppliers, and employees, through various channels and at different intervals. These interactions aim to grasp their requirements and gather suggestions to enhance both financial and non-financial performance.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:

Yes, the Materiality assessment revised in the fiscal year 2023-24 involved in-depth discussions with specific stakeholder groups to identify and prioritize the material topics to align with the overall organizational goal of enhancing its sustainable growth. This aims to pinpoint environmental, social, and governance matters crucial to the company's corporate sustainability and enabled Nelco to highlight and rank the topics, thereby facilitating the development of an ESG strategy aligned with Nelco's business objectives and risks.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups:

There are no vulnerable/marginalized stakeholder groups identified by Nelco.

PRINCIPLE 5: Businesses should respect and promote human rights.

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	196	196	100%	174	174	100%
Other than permanent	109	109	100%	108	108	100%
Total Employees	305	305	100%	282	282	100%

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

Category	FY 2024-25 (Current FY)					FY 2023-24 (Previous FY)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	177	0	0	177	100%	154	0	0	154	100%
Female	19	0	0	19	100%	20	0	0	20	100%
Other than Permanent										
Male	106	0	0	106	100%	103	0	0	103	100%
Female	3	0	0	3	100%	5	0	0	5	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (INR)	Number	Median remuneration/ salary/ wages of respective category (INR)
Board of Directors (BoD)*	6	82,500	1	90,000
Key Managerial Personnel	2	52,76,401	0	0
Employees other than BoD and KMP	203	10,92,528	21	8,50,524

**For details of remuneration of the Board Members, kindly refer to the Corporate Governance Report which forms a part of this Annual Report*

Note : Managing Directors & Chief Executive Officer is considered in BOD and Chief Financial Officer & Company Secretary are considered as KMPs.

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

	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Gross wages paid to females as % of total wages	8.07%	8.45%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No):

Yes, the company has a POSH & Ethics Committees tasked with handling human rights concerns. Additionally, there is a chief Ethics counsellor and regional ethics counsellor's designated to address grievances related to human rights issues. These complaints are brought to the attention and discussed with the Managing Director (MD) and are required to be resolved within a 90-day timeframe.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

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

- **Whistle-blower & Vigil Mechanism Policy:** Nelco has adopted and implemented a Whistle-blower & Vigil Mechanism Policy to provide a system for employees to report concerns about unethical behaviour, actual or suspected fraud, or violations of the Company's Code of Conduct or ethics policy. This mechanism ensures that employees can report their concerns to management without fear of retaliation.

- **POSH Committee:** Nelco has a dedicated POSH (Prevention of Sexual Harassment) Committee to handle complaints related to sexual harassment. This committee extends its coverage to associates, franchisee engineers, and vendors, ensuring a safe and respectful workplace for all.

- **Tata Code of Conduct (TCoC) Review Mechanism:** Concerns regarding violations of the Tata Code of Conduct (TCoC) are addressed internally through a review mechanism managed by the Ethics Counsellor and Senior Management. This process ensures that any violations of the TCoC are thoroughly investigated, and appropriate actions are taken.

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

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

<table>
<tr><th rowspan="2"></th><th colspan="3">FY 2024-25 (Current FY)</th><th colspan="3">FY 2023-24 (Previous FY)</th></tr>
<tr><th>Filed during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th><th>Filed during the y ear</th><th>Pending resolution at the end of year</th><th>Remarks</th></tr>
<tr><td>Sexual Harassment</td><td>0</td><td rowspan="6">Not Applicable</td><td rowspan="6">No cases reported</td><td>0</td><td rowspan="6">Not Applicable</td><td rowspan="6">No cases reported</td></tr>
<tr><td>Discrimination at workplace</td><td>0</td><td>0</td></tr>
<tr><td>Child Labor</td><td>0</td><td>0</td></tr>
<tr><td>Forced Labor/ Involuntary Labor</td><td>0</td><td>0</td></tr>
<tr><td>Wages</td><td>0</td><td>0</td></tr>
<tr><td>Other human rights related issues</td><td>0</td><td>0</td></tr>
</table>

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

	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

In alignment with the Whistleblower Policy and POSH Policy, the Company includes a section dedicated to safeguarding the anonymity of the complainant. All instances of discrimination and harassment are handled in strict accordance with Company' policy.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No):**

Yes. Human rights provision is integrated into all the supplier contracts. These provisions encompass concerns such as child labor, forced labor, discrimination, working conditions and compensation. Disciplinary measures against violations are also addressed. Suppliers are mandated to adhere to these clauses outlined in the agreement and establish procedures for addressing any violations of such policies. The Supplier Code of Conduct is an integral component of the contract with vendors and is obligatory for all the vendors to comply with applicable labor laws, workplace regulations, and human rights.

10. **Assessments for the year:**

<table>
<tr><th></th><th>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</th></tr>
<tr><td>Child labor</td><td rowspan="6">100%

We ensure that there is no violation of child labor, forced labor, sexual harassment, discrimination, minimum wages in Company's operations by strict adherence to the statutory laws and its policies on the same.</td></tr>
<tr><td>Forced/involuntary labor</td></tr>
<tr><td>Sexual harassment</td></tr>
<tr><td>Discrimination at workplace</td></tr>
<tr><td>Wages</td></tr>
<tr><td>Others – please specify</td></tr>
</table>

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

Not applicable, there were no issues reported to take any corrective actions.

LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints:**

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

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

Nelco maintains 100% compliance of the statutory provisions at all their locations, While we may not yet have a formal process of human rights assessments, we do have multiple channels for stake holders to report any actual or perceived violation and we have a process of engaging with the stakeholder, understand the concern and take appropriate action to mitigate it while ensuring that our business processes align with human rights standards.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?:

Yes, the provisions are made available for the differently abled people on the ground floor premises. Inclusive design and necessary accommodation for accessibility to the differently abled people will be considered under future infrastructure development projects.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labor	100%
Forced/involuntary labor	Periodical vendor audits are conducted by Nelco for all its vendors. We ensure that there is strict adherence to the statutory laws and the policies on the same. We also ensure that the vendors pay the statutory dues such as ESIC, PF, PT etc. in timely manner. Vendors are required to accept our policies as part of the Purchase order process.
Sexual harassment	
Discrimination at workplace	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:

Not applicable as no major issues were reported upon which the corrective actions might be required. However, as a process the Company ensures training of new joiners and existing employees on such requirements. No significant risk / concerns raised. However, external assessment by labor consultant, awareness on ethics and reporting measures are continued efforts to educate the employees and all stakeholders (EHS).

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameters	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption source (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D) (GJ)	8,133	8,170.07
Total fuel consumption (E) (GJ)	293.7	709.27
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) (GJ)	8,427.7	8,879.34
Total energy consumed (A+B+C+D+E+F) (GJ)	8,427.7	8,879.34

Parameters	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations (₹in lacs)) (GJ/Lacs INR)	0.27	0.28
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-
Energy intensity *(optional)* – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:**

PAT scheme is not applicable to Nelco.

3. **Provide details of the following disclosures related to water:**

Parameters	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	7,260	6,980
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,260	6,980
Total volume of water consumptio (in kilolitres)	7,260	6,980
Water intensity per rupee of turnover (Total water consumption / Revenue from operations (₹ In lacs)) (KL/Lacs INR)	0.23	0.22
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP (₹ In lacs)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the Entity	-	-

Note: Previous year figure re-grouped and re-classified.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There was no independent assessment carried out by an external agency.

4. Provide the following details related to water discharged:

Parameters	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment -please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: As Nelco operates in leased and co-working offices, mechanism to track water discharge are to be establish enabling us to report the parameter in future.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There has been no independent assessment carried out by an external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Since Nelco is service based company, mechanism of Zero Liquid discharge is not applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
NOx	**KG**	45	72
Sox	**KG**	5	8
Particulate matter (PM)	**KG**	6	8
Persistent organic pollutants (POP)	**NA**	-	-
Volatile organic compounds (VOC)	**NA**	-	-
Hazardous air pollutants (HAP)	**mg/m3**	-	-
Others – please specify	**PPM**	-	-

Note: Previous year figures re-grouped and re-classified

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Currently Nelco has not opted for assurance from any external agency.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Please specify unit	FY2024-25 (Current FY)	FY2023-24 (Previous FY)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**	24.12	50.05
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**	1617.64	1,624.93
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations (₹ In lacs))	**tCO2/Lakh INR**	0.05	0.05
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP (₹ In Lacs))	**tCO2e/INR**	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional)		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Currently Nelco has not opted for assurance from any external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail:

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

i. **Upgrading Systems:** Replacing outdated systems with energy-efficient alternatives to reduce overall energy consumption and emissions.

ii. **Energy Audits:** Conducting regular energy audits to identify areas for improvement and implement energy-saving measures.

iii. **Emission Control Devices:** Deploy emission control devices for generators to minimize emissions during operations.

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

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

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

Parameters	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	-	-
E-waste ***(B)***	11.82	6.65
Bio-medical waste ***(C)***	-	
Construction and demolition waste ***(D)***	-	
Battery waste ***(E)***	-	
Radioactive waste ***(F)***	-	
Other Hazardous waste. Please specify, if any. (oil) ***(G)***	0	0.16
Other Non-hazardous waste generated ***(H)***. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	
Total (A+B + C + D + E + F + G+ H)	11.82	6.81
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations (₹ In lakh)	0.0004	0.0002
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP (₹ In lakh.)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional)	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	9.47	5.96
(iii) Other recovery operations	-	-
Total	9.47	5.96
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	
(ii) Landfilling	-	
(iii) Other disposal operations (e-waste scrap)	2.345	0.44
(iii) Other disposal operations (oil)	0	0.16
Total	2.345	0.6

i) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Currently Nelco has not opted for assurance from any external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

All generated E-Waste, are disposed of by a certified e-waste vendor authorized by the Maharashtra Pollution Control Board (MPCB). The company emphasizes the use of Restriction of Hazardous Substances (RoHS) compliant products.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

S. no	Location of Operations/ Offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Dehradun Teleport	Monitoring and management of remote VSATs	Yes

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Nelco didn't engage in any projects that were subject to Environmental Impact Assessment requirements in accordance with the law.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Nelco operates as a service-based company, and its operations do not emit any harmful substances. However, the organization prioritizes environmental compliance with all rules and regulations.

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

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

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge:

Parameter	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	7,260	6,980
(iv) Seawater / desalinated water	-	
(v) Others	-	
Total volume of water withdrawal (in kilolitres)	7,260	6,980
Total volume of water consumption (in kilolitres)	7,260	6,980
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.23	0.22
Water intensity *(optional)*	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Previous year figure re-grouped and re-classified.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Currently Nelco has not opted for assurance from any external agency.

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

Parameter	Please specify unit	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	*Metric tonnes of CO_2 Equivalent*	-	-
Total Scope 3 emissions per rupee of turnover	*Metric tonnes of CO_2 Equivalent*	-	-
Total Scope 3 emission intensity (optional) – *the relevant metric may be selected by the entity*		-	-

Nelco acknowledges the significance of emissions across its value chain and is in the process of formulating a system to monitor and disclose scope 3 emissions in the forthcoming years.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, currently Nelco has not opted for assurance from any external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:

There is no impact of the entity on biodiversity as it is only a satellite teleport is situated in this area.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

Nelco Limited is actively developing an ESG strategy that focuses on key areas such as emissions reduction, energy management, waste, and water management. Our initiatives include:

i. Emissions Reduction and Energy Management:

- Implement systems to reduce emissions and improve energy efficiency.
- Conducting regular energy audits to identify and address inefficiencies.

ii. Waste and Water Management:

- Develop waste management plans to minimize waste generation and promote recycling.
- Implement water conservation measures to reduce water usage and enhance water efficiency.

iii. Resource Efficiency Plans:

- Line up actions aimed at improving resource efficiency across our operations.
- Establish Key Performance Indicators (KPIs) to monitor and achieve our ESG goals.

Outcomes:

- Significant reduction in emissions and energy consumption.
- Improved waste management practices and reduced environmental impact.
- Enhanced water conservation and resource efficiency.

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

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

Yes, Nelco has established a Business Continuity Plan (BCP) policy and procedures aligned with the ISMS framework for IT applications and infrastructure. This policy ensures the continuity of critical business processes and eir recovery in the event of significant disruptions.

The BCP addresses all significant business processes and emphasize on:

- Identification of risks
- Identification of business requirements for continuity
- Quantification of impact of potential threat
- Establishing recovery priorities by defining Recovery Time

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

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?:

Nelco has not conducted any evaluations to assess the impact of its value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact:

No value chain partners were assessed for environmental impact.

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

a. By the listed entity

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

Nelco plans to adopt a structured approach towards calculating Green Credits. The company has planted and maintained an additional 11 trees during 2023-24 and 7 trees during 2024-25.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations:

Currently, we are engaged as participating members in two associations, namely Broadband India Forum (BIF) and Indian Space Association (ISpA), as indicated in the table below. The MD & CEO of Nelco serves as the Chairperson of the Satcom Committee for BIF.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Broadband India Forum	Member
2	Indian Space Association	Founding Member

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of Authority	Brief of the case	Corrective action taken
	No such cases recorded	

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify	Web Link, if available
1.	Nelco participated in several industry groupings and associations including DOT, TRAI, BIF, ISPA etc.	Nelco has advocated for policies related to satellite communication services, data communication services, digital transformation like satcom spectrum management & pricing, licensing framework. Nelco's membership at these regulatory associations serves as a medium for such advocacy	No	-	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Resulted communicated in public domain	Relevant Web Link
As of now, no social impact assessments are conducted, since the business does not significantly affect communities in a negative manner.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S.no	Name of project for which R&R is ongoing	State	District	No of Project Affected Families	% of PAF covered by RAR	Amount Paid to PAFs in the FY (in INR)
Not applicable, Projects undertaken by Nelco do not involve any necessity for Rehabilitation and Resettlement (R&R)						

3. **Describe the mechanisms to receive and redress grievances of the community:**

Nelco has developed a mechanism to receive and redress grievances of the community and local communities can voice their concerns by reaching out through the email addresses provided on the website: ethics@nelco.in

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

	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Directly sourced from MSMEs/ Small producers	28%	24%
Directly from within India	71%	59%

Note: Previous year's figures re-grouped and re-classified.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

Location	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Rural	-	-
Semi-urban	-	-
Urban	-	-
Metropolitan	100%*	100%

Note:

- Places to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan
- Only permanent employees are covered.

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount Spent in INR
1	Maharashtra	Turbhe- e-Vidya, Nelco sponsored Community Learning Centre	20,00,000
2	Maharashtra	Mumbai - CSA (Catalysts for Social Action)	10,00,000

   Nelco is engaged in CSR initiatives in the partnership with TPDCT and CSA which majorly is covered within Mumbai area and we understand that these initiatives are not situated in the aspirational districts according to the guidelines of NITI Aayog. However, Nelco aims to explore the opportunities and expand the coverage to the needful areas in the forthcoming years.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   No

   (b) **From which marginalized /vulnerable groups do you procure?**

   Not Applicable

   (c) **What percentage of total procurement (by value) does it constitute?**

   Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

   Not Applicable

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Desire Society	63	100%
2	Jeevan Jyoti Ashalay	33	100%
3	Vatsalya (Kanjur Marg)	50	100%
4	Vatsalya (Sanpada)	61	100%
5	Financial Inclusion camp	50	100%
6	Community Learning Centre	210	100%
7	Jan Vikas Society Mermier Bal Ashram	32	100%
8	Children of God Foundation	28	100%
9	Aarike Chritable Trust	70	100%
10	Prem Daan	191	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner.

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

   Customer satisfaction is a key focus for Nelco Limited. We maintain a robust system for monitoring consumer complaints and feedback. Our complaint management process includes registering complaints, conducting root-cause analysis by the relevant department, engaging with customers through various stakeholders, and resolving issues with customer feedback.

   Complaints can be received through:

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

   Additionally, customers can address any ethics-related complaints to our dedicated email id: ethics@nelco.in. A portal is also provided for customers to report any safety-related issues.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information:**

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints:**

	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	Not Applicable	No complaints received	0	Not Applicable	No complaints received
Advertising	0			0		
Cyber-security	0			0		
Delivery of essential services	0			0		
Restrictive Trade Practices	0			0		
Unfair Trade Practices	0			0		
Others	0			0		

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

	Number	Reason for recall
Voluntary recalls	Not Applicable, since Nelco is in the Service industry, there is no defect of product for which these need to be recalled. However, products are sold as enablers for service offering and if required these are repaired or replaced during Warranty/ AMC (Annual Maintenance Contract) period.	Not Applicable
Forced recalls		

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:**

Yes, Nelco is dedicated to safeguarding sensitive information, which contributes to fostering trust and confidence in its products and services. The company implements and upholds efficient controls to oversee the confidentiality, integrity, and accessibility of its information assets.

Policy

Nelco has Board approved policies concerning information security, cybersecurity, and data privacy. While the Data Privacy policy is accessible to both internal and external parties, the Information Security and Cybersecurity policies are available exclusively on the company's intranet. Web-link: https://www.nelco.in/privacy-policy.php#

Certifications

Nelco holds ISO/IEC 27001:2013 certification, which is an internationally recognized standard for Information Security Management Systems (ISMS).

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:**

There has been no reported issues regarding advertising, delivery of essential services, cyber security, and data privacy of customers, nor has there been instances of product recalls or regulatory penalties/actions taken on product/service safety.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches** – There were no data breaches occurred during the year.

   b. **Percentage of data breaches involving personally identifiable information of customers**- Not Applicable

   c. **Impact, if any, of the data breaches-** Not Applicable

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):**

Details about the Company's goods and services can be accessed on its website https://www.nelco.in/ https://www.nelco.in/key-services/vsat.php Given that Nelco operates in the B2B sector, much of its customer engagement occurs through individual interactions, where consultative selling is often employed, considering the unique requirements of each customer.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:**

Nelco's solutions are tailored for Business to Business (B2B) use, focusing on delivering satellite-based communication services. The company has established guidelines for clients to adhere to while on-site, specifically addressing consumer safety. These guidelines are communicated to customers via email during the contracting phase, and Nelco also provides safety information and best practices through presentations.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:**

In case there is a planned downtime of service, customers are informed in advance. All the approvals for the same are taken prior to the disruption.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No):

Yes, consumers are provided with product information that exceeds the requirements mandated by local laws. Since Nelco offers services using technical products, displaying product information directly on the product is not feasible. However, these details are communicated to customers during the pre-sale process.

Yes, every year, a third-party agency conducts service-related surveys. Additionally, the company conducts a formal Customer Satisfaction (CSAT) survey annually through a reputable external market research agency. This survey encompasses a significant portion of the company's customer base. It aids in comprehending customer concerns and enables the company to be more responsive to their needs. The findings of the CSAT survey are deliberated upon with all relevant stakeholders to determine actionable points for enhancing customer satisfaction levels.

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Nelco Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Nelco Limited ("the Company") which comprise the Balance sheet as at March 31, 2025, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Standalone Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profits including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of contingent liabilities, provision for litigations As of March 31, 2025, the Company has recognized provision of Rs 177 lakhs and disclosed contingent liabilities (to the extent not provided for) of Rs 1,219 lakhs in respect of certain tax and other litigations. The Company faces inquiries from tax authorities and regulatory authorities during tax assessment and legal proceedings during the normal course of business. There is a high level of Management judgement required in estimating the probable outflow of economic resources and the level of provisioning and the disclosures required. The Management's assessment is supported by legal opinions from independent tax consultants and legal experts. We considered this to be a key audit matter as the outcome of the litigations/ inquiries is uncertain, including ensuring compliances with the various regulations and the positions taken by the Management are based on the application of material judgement, advice from tax consultants and legal experts and interpretation of law. The ultimate outcome of the litigations/inquiries could be different from the conclusion reached by the Management and may significantly impact the Company's financial position. The Company's disclosures are included in Note 2(f), Note 15, Note 35 and Note 38 to the Financial Statements which outlines the accounting policy for provisions, contingent liabilities and details of pending direct and indirect tax litigation and other cases disclosed as contingent liabilities.	**Our audit procedures included the following:** • We obtained an understanding and evaluated processes and controls designed and implemented by the Management for assessment of litigations. • We obtained the list of taxation and other litigation matters and communications with the authorities and vendors. We reviewed the supporting evidence and assessed Management's evaluation through discussions and inquiries made on both the probability of outcome and the magnitude of potential outflow of economic resources; • Where relevant, we read and relied upon the most recent legal opinion obtained by Management from independent tax consultants and external legal experts to assess development in all pending cases against the Company; • We read recent orders received from the tax and regulatory authorities and the Company's responses to such communications and assessed the current status of the litigations against the Company. For tax matters, we involved our tax specialists to assess Management's application and interpretation of tax legislation affecting the Company and to consider the quantification of exposures and settlements arising from the disputes with the tax authorities in the various tax jurisdictions.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Annual Report, but does not include the Standalone Ind AS Financial Statements and our Auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under

Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 (i) (vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 35 and Note 38 to the Standalone Ind AS Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.

iv. a) The Management has represented that, to the best of its knowledge and belief that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented that, to the best of its knowledge and belief that no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act. As stated in Note 11 to the Standalone Ind AS Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in Note 47 to the Standalone Ind AS Financial Statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 25117142BMKVPR8261
Mumbai
April 24, 2025

Annexure '1' referred to in clause 1 of paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Nelco Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right of use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the Management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in Note 41 to the Standalone Ind AS Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. Five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the Standalone Ind AS Financial Statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited books of accounts of the Company.

(iii) (a) The Company has given guarantee as follows:

Particulars	Guarantees
Aggregate amount provided during the year	Nil
- Subsidiary	Nelco Network Products Limited
Balance outstanding as at balance sheet date in respect of above case	₹ 9,200 lakhs

(b) The guarantees provided and the terms and conditions of the guarantee are not prejudicial to the Company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not advanced loans to directors including the entities in which they are interested to which provision of Section 185 of the Act apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of Section 186 of the Act in respect of investment, loan, securities and guarantees given have been complied by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to Internet service provider and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, duty of customs, income-tax, cess and other statutory dues are applicable to it. The provisions relating to sales-tax, service tax, duty of excise, value added tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, income-tax, sales-tax, service tax and value added tax, have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Forum where the dispute is pending
The Maharashtra Value Added Tax Act, 2002	Tax	April 2006 to March 2011	3,836	-	Maharashtra Sales Tax Tribunal (MSTT).
Goods and Services Tax Act, 2017	Tax, Penalty and Interest	July 2017 to March 2019	206	10	Commissioner Appeals, GST and Cex, Belapur
Goods and Services Tax Act, 2017	Tax	April 2019 to March 2022	707	-	Joint Commissioner GST and Cex, Belapur
Goods and Services Tax Act, 2017	Tax	April 2017 to March 2023	82	-	Assistant Commissioner Range IV, Bealpur
Goods and Services Tax Act, 2017	Tax	April 2019 to March 2020	12	-	Commissioner Appeals, GST and Cex, Belapur

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

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year. Hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the Standalone Ind AS Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the Standalone Ind AS Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year..

(b) During the year, no report under sub-Section (12) of Section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, no whistle blower complaints were received by the Company during the year.

(xii) (a) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the provisions of clause 3(xii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Act where applicable and the details have been disclosed in the notes to the Standalone Ind AS Financial Statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) The Group has 4 Core Investment Company as part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 39 to the Standalone Ind AS Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS Financial Statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the

Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 25117142BMKVPR8261
Mumbai
April 24, 2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF NELCO LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of Nelco Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Standalone Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Ind AS Financial Statements reporting included obtaining an understanding of internal financial controls with reference to these Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Standalone Ind AS Financial Statements.

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Ind AS Financial Statements and such internal financial controls with reference to Standalone Ind AS Financial Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 25117142BMKVPR8261
Mumbai
April 24, 2025

Standalone Balance Sheet as at March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (a)	4,825	5,168
(b) Capital work-in-progress	3 (b)(i)	718	928
(c) Right-of-use assets	3 (c)	869	1,048
(d) Other intangible assets	3 (d)	409	434
(e) Intangible assets under development	3 (b)(ii)	-	23
(f) Financial assets			
(i) Investments	4	3,299	3,299
(ii) Other financial assets	5 (a)	17	17
(g) Deferred tax assets (net)	28 (a)	1,818	1,262
(h) Other non-current assets	6 (a)	105	633
Total non-current assets		**12,060**	**12,812**
Current assets			
(a) Financial assets			
(i) Trade receivables	7	3,995	3,779
(ii) Cash and cash equivalents	8 (a)	1,385	1,956
(iii) Bank balances other than (ii) above	8 (b)	76	53
(iv) Loans	9	21	4
(v) Other financial assets	5 (b)	171	202
(b) Other current assets	6 (b)	625	666
Total current assets		**6,273**	**6,660**
TOTAL ASSETS		**18,333**	**19,472**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	2,282	2,282
(b) Other equity	11	9,958	9,493
Total equity		**12,240**	**11,775**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	3 (c)	889	997
(ii) Other financial liabilities	13 (a)	14	-
(b) Non-current tax liability (net)	14	-	52
Total non-current liabilities		**903**	**1,049**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 (a)	-	-
(ii) Lease liabilities	3 (c)	135	168
(iii) Trade payables	15		
(a) Total outstanding dues to micro and small enterprises		-	-
(b) Total outstanding dues to other than micro and small enterprises		703	1,411
(iv) Other financial liabilities	13 (b)	934	1,483
(b) Current tax liability (net)	14	253	-
(c) Contract liabilities	16	2,672	3,013
(d) Other current liabilities	17	194	274
(e) Provisions	18	299	299
Total current liabilities		**5,190**	**6,648**
Total liabilities		**6,093**	**7,697**
TOTAL EQUITY AND LIABILITIES		**18,333**	**19,472**
Summary of material accounting policies.	1		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142
Place: Mumbai
Date : April 24, 2025

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)
Place: Mumbai
Date : April 24, 2025

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

Standalone Statement of Profit and Loss for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
(a) Revenue from operations	19	20,563	22,268
(b) Other income	20	395	236
Total income		**20,958**	**22,504**
Expenses			
(a) Purchase of stock-in-trade		2	19
(b) Operating expenses	21	11,638	12,645
(c) Employee benefits expenses	22	2,934	2,785
(d) Other expenses	23	2,975	2,498
Total expenses		**17,549**	**17,947**
Profit before finance cost, depreciation & amortisation and tax (PBITDA)		**3,409**	**4,557**
(e) Finance costs	24	154	249
(f) Depreciation & amortisation expense	25	1,263	1,284
Total finance costs and depreciation & amortisation expenses		**1,417**	**1,533**
Profit before tax		**1,992**	**3,024**
Tax expense			
- Current tax	27(a)	1,058	1,344
- Deferred tax (credit)	27(a)	(551)	(549)
- Tax adjustment for earlier years	27(a)	504	102
Total tax expenses		**1,011**	**897**
Profit after tax		**981**	**2,127**
Other comprehensive income/(expenses)			
Items that will not be reclassified to profit or loss in subsequent years			
- Remeasurement of post employment benefit obligations (loss)	26	(19)	(10)
- Income tax relating to this item		5	-
Other comprehensive (expense) for the year, (net of tax)		**(14)**	**(10)**
Total comprehensive income for the year		**967**	**2,117**
Earnings per share (face value of Rs 10/- per share) : (Basic and diluted)	37	4.30	9.32

Summary of material accounting policies 1

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142

Place: Mumbai
Date : April 24, 2025

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

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

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

Place: Mumbai
Date : April 24, 2025

Standalone Statement of Cash Flows for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,992**	**3,024**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1,263	1,284
Finance costs	139	249
Interest income	(5)	(5)
Liabilities/provisions no longer required, written back	(190)	(19)
(Profit) on sale of property, plant & equipment	-	(6)
Unwinding of discount on financial asset measured at amortised cost	(58)	(50)
Unrealised foreign exchange loss (net)	29	5
Operating profit before working capital changes	**3,170**	**4,482**
Movement in working capital		
Movements in assets		
(Increase)/decrease in trade receivables	(216)	320
(Increase) in current financial assets - loans	(17)	(4)
Decrease in other current financial assets	31	72
Decrease in other current assets	41	250
Decrease in other non-current assets	528	30
Movements in liabilities		
(Decrease)/increase in trade payables	(547)	198
Increase in other non-current financial liabilities	14	-
(Decrease)/increase in other current financial liabilities	(20)	134
(Decrease)/increase in contract liabilities	(283)	689
(Decrease)/increase in other current liabilities	(80)	32
(Decrease)/increase in current provisions	(19)	4
Cash generated from operations	**2,602**	**6,207**
Direct taxes paid (net of refunds)	(1,360)	(1,348)
Net cash flow generated from operating activities (A)	**1,242**	**4,859**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/ intangible assets under development)	(928)	(1,331)
Proceeds from sale of property, plant and equipment	1	11
Investment in associates	-	(304)
Interest income received	5	5
Increase in bank balance not considered as cash and cash equivalents	(23)	(5)
Net cash flow (used in) investing activities (B)	**(945)**	**(1,624)**

Standalone Statement of Cash Flows for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	3,800	-
Repayment of borrowings	(3,800)	(1,625)
Payment of principal portion of lease liabilities	(174)	(252)
Payment of interest portion of lease liabilities	(88)	(94)
Interest paid	(124)	(124)
Dividend paid	(482)	(453)
Net cash flow (used in) financing activities (C)	**(868)**	**(2,548)**
Net (decrease)/increase in cash & cash equivalents [(A)+(B)+(C)]	**(571)**	**687**
Cash and cash equivalents at the beginning of the year	**1,956**	**1,269**
Cash and cash equivalents at the end of the year	**1,385**	**1,956**

Note:

Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of	As at March 31, 2025	As at March 31, 2024
Balance with banks in current accounts	391	1,856
Balance with banks in deposits accounts	651	-
Cheques on hand	343	100
Cash on hand	*	*
Total (refer note 8a)	**1,385**	**1,956**

*Below rounding off norms adopted by the Company.

Summary of material accounting policies 1

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142

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

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

Place: Mumbai
Date : April 24, 2025

Place: Mumbai
Date : April 24, 2025

Standalone Statement of Changes in Equity for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid.

Particulars	Number of shares	Amount
As at April 1, 2024	**22,817,461**	**2,282**
Changes in equity share capital	-	-
As at March 31, 2025	**22,817,461**	**2,282**
As at April 1, 2023	**22,817,461**	**2,282**
Changes in equity share capital	-	-
As at March 31, 2024	**22,817,461**	**2,282**

B. Other Equity

Particulars	Attributable to equity shareholders			Total
	Reserves and Surplus		Reserve for FVTOCI Equity instrument	
	General Reserve	Retained Earnings		
As at April 1, 2024	**250**	**9,227**	**16**	**9,493**
Profit for the period	-	981	-	981
Dividend paid*	-	(502)	-	(502)
Other comprehensive expense for the year (net of tax)	-	(14)	-	(14)
As at March 31, 2025	**250**	**9,692**	**16**	**9,958**
As at April 1, 2023	**250**	**7,566**	**16**	**7,832**
Profit for the year	-	2,127	-	2,127
Dividend paid*	-	(456)	-	(456)
Other comprehensive expenses for the year (net of tax)	-	(10)	-	(10)
As at March 31, 2024	**250**	**9,227**	**16**	**9,493**

*For financial year ended March 31, 2024, the Board of Directors had recommended a dividend of 22% (March 31, 2023: 20%) which was ₹ 2.20 (March 31, 2023: ₹ 2.00) per equity share of ₹10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 25, 2024.

For financial year ended March 31, 2025, the Board of Directors have recommended a dividend of 10% (March 31, 2024: 22%) which is ₹ 1.00 (March 31, 2024: ₹ 2.20) per equity share of ₹ 10/- each. This is subject to approval at the annual general meeting by the members and liability is not recognised as at March 31, 2025.

Summary of material accounting policies 1

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142

Place: Mumbai
Date : April 24, 2025

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

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

Place: Mumbai
Date : April 24, 2025

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Corporate Information

Nelco Limited herein after referred to as "the Company" was established in 1940. The Company is in the business of providing domestic satellite communication services to close user group (CUG) networks via Satellite System on non-exclusive basis within the territorial boundary of India under the VSAT, ISP and other Licenses and authorisation granted by Department of Telecommunications (D.O.T.), Government of India.

The Standalone Financial Statements are presented in Indian Rupee (INR) which is also functional and presentational currency of the Company.

The Company is a subsidiary of The Tata Power Company Limited. The Company has one wholly owned subsidiary Nelco Network Products Ltd. (NNPL). In the previous year ended March 31, 2024 Company has made investment of ₹ 304 Lakhs to acquire 31.72% of equity shares in Piscis Networks Private Limited.

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

1. Summary of material accounting policies

1.1 Basis of preparation

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

a. Compliance with Ind AS

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

b. Historical Cost Convention

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit and other long-term employee benefits;

c. Current versus non-current classifications

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d. New and amended Standards adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA amended the Companies (Indian Accounting Standards) Rules, 2024, as below:

Ind AS 116- Leases

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

1.2 Property, plant and equipment

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

a. Capital work-in-progress

Projects under which property, plant and equipment which are not yet ready for their intended use are carried at cost net of accumulated impairment loss, if any.

b. Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate cost, net of their estimated residual value, over their estimated useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Type of Assets	Useful Life
Building	30 years
Plant & Machinery	
Radio frequency and baseband equipment	10 -12 years
Networking devices	6 years
Teleport Antenna	15 years
Electrical installation	10 years
Furniture and fixture	10 years
Office Equipment	
Computer Hardware	3 Years
Others	5 Years
Vehicles	8 years

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

1.3 Intangible assets

Intangible assets acquired are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any. The Company amortises intangible assets using straight line method over the following periods.

License Fees : Over the license period from the date of license available for use

Testing software : 5 years

1.4 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 1.11 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

Financial assets at amortised cost (debt instruments):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, loans and other receivables included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

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

ii. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments):

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
    i. the Company has transferred substantially all the risks and rewards of the asset, or
    ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d. Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition,

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Also, the Company recognises allowances for any expected losses on account of non-recovery from customers on specific cases based on management estimates.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – see Note 29
- Investment at fair value through OCI – see Note 4
- Trade receivables – see Note 7.

e. Income recognition

Interest Income

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

Dividend

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

B. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

b. Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss:

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings):

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 12.

c. Derecognition

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

1.6 Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised at cost as per Ind AS 27 "Separate Financial Statements" in these standalone financial statements. (refer note 4)

1.7 Cash and cash equivalents

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

1.8 Trade receivable

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

1.9 Trade and other payables

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

1.10 Offsetting financial instruments

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

1.11 Revenue from contracts with customers

Satellite communication and Internet services:

The Company earns revenue from providing domestic satellite communication services to close user group (CUG) networks via Satellite System on non-exclusive basis (Bandwidth Services).

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue from bandwidth services is provided over the period of time, where it is received and consumed simultaneously by the customers and accordingly revenue is recognized over the period of performance and in the accounting period in which the services are rendered.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.

1.12 Foreign currency translation

a. Functional and presentation currency

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

b. Transactions and balances

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

1.13 Derivative financial instruments

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

1.14 Current and deferred tax

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

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

a. Current Tax

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

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

b. Deferred Tax

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

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

1.15 Leases

As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leases asset is available for use by the company. Contracts may contain lease and non-lease component. The company allocates the consideration in the contract to lease and non-lease component based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on the present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the company under residual value guarantees.
- the exercise price of purchase option if the company is reasonably certain to exercise the option and
- payment of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting points, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with Risk- free interest rate adjusted for credit risk for leases held by the Company, which doesn't have recent third party financing, and
- makes adjustments specific to the lease e.g. term, security etc

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct cost; and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on straight line basis. If the company is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all the leases of low value assets are recognised as expense on a straight-line basis in profit and loss. Short term leases are leases with a term of lease 12 months or less.

As a lessor

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Finance leases receivables are recognised at the inception of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments receivable. Each lease payment received is allocated between the finance lease receivable and finance income. The finance income is recognised to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the finance lease receivable for each period.

Lease income from operating leases where the Company is a lessor is recognised on a straight-line basis over the term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in balance sheet based on their nature.

1.16 Borrowing

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

1.17 Borrowing costs

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

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

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

1.18 Provisions and contingent liabilities

a. Provisions

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

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

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

b. Contingent liabilities

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

1.19 Employee benefits

a. Short-term obligations

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

b. Other long-term employee benefit obligations

The Company has liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

method. The benefits are discounted using the appropriate market yield at the end of the reporting period that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

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

c. Post-employment obligations (Defined Benefit Obligations)

The Company operates the following post-employment schemes:

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

Defined Benefit Plans

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

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

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

During the previous year Company has formed gratuity fund exclusively for gratuity payment to the employees. The gratuity liability amount is contributed to the approved gratuity fund formed. The gratuity fund has been approved by Income Tax authorities.

Defined contribution plans

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Termination benefits

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

1.20 Segment reporting

The Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Company and CODM reviews and allocates resources for consolidated business i.e., Network Systems products and services and accordingly, it is a single operating segment.

1.21 Contributed equity

Equity shares are classified as equity

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

1.22 Earnings per share

a. Basic earnings per share

Basic earnings per share is calculated by dividing:

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

b. Diluted earnings per share

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

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

1.23 Rounding of amounts

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

1.24 Measurement of PBITDA

The Company has elected to present profit before finance cost, tax and depreciation and amortization (PBITDA) as a separate line item on the face of the statement of profit and loss account. The Company measures PBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance cost and tax expense.

2. Critical estimates and judgements and key sources of estimation uncertainty:

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

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

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

a) Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple goods and services to a customer. The Company assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Each revenue component is recognised based on the policy noted in Note no 1.11 above.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct goods or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered.

- Contract fulfilment costs are expensed as incurred.

b) Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

c) Useful lives of property, plant and equipment and intangible assets

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

d) Recognition of deferred tax assets

Deferred tax assets are recognized for based on estimated future taxable rate on all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax losses and tax credits. The management assumes that taxable profits will be available while recognising deferred tax assets.

e) Expected credit loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Additionally, Company makes specific provision in relation to disputed receivables based on periodic credit evaluation (refer note 30).

f) Estimation of provisions & contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability (refer note 35 and note 38).

g) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Assessing whether a contract contains a lease requires significant judgement. Significant judgement is also required in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics [refer note 3(c)].

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 3(a) : Property, plant and equipment

Description	Property, plant and equipment							Total Property, plant and equipment
	Building	Plant and machinery	Plant and machinery given on lease (operating lease)	Electrical installation	Furniture and fixtures	Vehicles	Office equipment	
Cost								
Balance as at April 1, 2024	163	9,470	-	23	41	50	284	10,031
Additions	73	237	160	16	59	-	73	618
Disposals	-	(1)	-	-	-	-	(1)	(2)
Balance as at March 31, 2025	**236**	**9,706**	**160**	**39**	**100**	**50**	**356**	**10,647**
Accumulated depreciation								
Balance as at April 1, 2024	119	4,512	-	21	12	16	183	4,863
For the year	16	851	21	2	9	7	54	960
On disposals	-	-	-	-	-	-	(1)	(1)
Balance as at March 31, 2025	**135**	**5,363**	**21**	**23**	**21**	**23**	**236**	**5,822**
Net carrying amount as at March 31, 2025	**101**	**4,343**	**139**	**16**	**79**	**27**	**120**	**4,825**
Cost								
Balance as at April 1, 2023	163	8,610	-	104	55	42	256	9,230
Additions	-	915	-	-	19	27	51	1,012
Disposals	-	(55)	-	(81)	(33)	(19)	(23)	(211)
Balance as at March 31, 2024	**163**	**9,470**	**-**	**23**	**41**	**50**	**284**	**10,031**
Accumulated depreciation								
Balance as at April 1, 2023	106	3,706	-	101	42	27	161	4,143
For the year	13	861	-	1	3	3	45	926
On disposals	-	(55)	-	(81)	(33)	(14)	(23)	(206)
Balance as at March 31, 2024	**119**	**4,512**	**-**	**21**	**12**	**16**	**183**	**4,863**
Net carrying amount as at March 31, 2024	**44**	**4,958**	**-**	**2**	**29**	**34**	**101**	**5,168**

Note :-

1) Property, plant and equipment pledged as security by the Company (refer note 33).
2) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note 43).

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 3(b) : Capital work-in-progress and intangible assets under development

i) Capital work-in-progress

Particulars	Ageing of capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at March 31, 2025	45	673	-	-	**718**
Balance as at March 31, 2024	928	-	-	-	**928**

As at March 31, 2025 and As at March 31, 2024 there are no projects which are temporarily suspended. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

ii) Intangible assets under development

Particulars	Ageing of capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at March 31, 2025	-	-	-	-	**-**
Balance as at March 31, 2024	23	-	-	-	**23**

As at March 31, 2025 and As at March 31, 2024 there are no projects which are temporarily suspended. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

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

3(c)(I) The Company as lessee

The Company as lessee acquired on lease Leasehold land. The total lease term is 95 years, remaining lease term is 59 years as on March 31, 2025. This has been included under leasehold premises & equipment disclosed below. The Company does not have an option to purchase the land at the end of the lease term. Further Company has also taken premises on lease along with certain equipment for term of 5 years to 10 years.

- Also Company has taken motor vehicle on lease which have lease term varying from 2 years to 5 years.
- The effective interest rate for lease liabilities is from 8.00% to 9.95%.

The Company is restricted from assigning and subleasing the leased assets.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Right-of-use assets

Description	Leasehold premises & equipment	Motor vehicle	Total
Cost			
Balance as at April 1, 2024	1,829	129	1,958
Additions	-	50	50
Disposals	-	(47)	(47)
Balance as at March 31, 2025	**1,829**	**132**	**1,961**
Accumulated depreciation			
Balance as at April 1, 2024	864	46	910
For the year	179	32	211
On disposals	-	(29)	(29)
Balance as at March 31, 2025	**1,043**	**49**	**1,092**
Net carrying amount as at March 31, 2025	**786**	**83**	**869**
Cost			
Balance as at April 1, 2023	1,504	121	1,625
Additions	325	11	336
Disposals	-	(3)	(3)
Balance as at March 31, 2024	**1,829**	**129**	**1,958**
Accumulated depreciation			
Balance as at April 1, 2023	612	18	630
For the year	252	31	283
On disposals	-	(3)	(3)
Balance as at March 31, 2024	**864**	**46**	**910**
Net carrying amount as at March 31, 2024	**965**	**83**	**1,048**

(ii) Lease liabilities

Description	Leasehold premises & equipment	Motor vehicle	Total
Balance as at April 1, 2024	1,078	87	1,165
Add: Additions	-	50	50
(Less): Disposal	-	17	17
Add: Accrued finance cost	79	9	88
(Less): Payments	222	40	262
Balance as at March 31, 2025	**935**	**89**	**1,024**
Current	**120**	**15**	**135**
Non current	**815**	**74**	**889**
Balance as at April 1, 2023	976	105	1,081
Add: Additions	325	11	336
Add: Accrued finance cost	86	8	94
(Less): Payments	309	37	346
Balance as at March 31, 2024	**1,078**	**87**	**1,165**
Current	**142**	**26**	**168**
Non current	**936**	**61**	**997**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(iii) Amount recognised in statement of profit or loss

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of Right-of-use assets	211	283
Interest on lease liabilities	88	94
Expenses related to short term leases (refer note 23)	65	-

(iv) Amount recognised in statement of cash flows

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Total cash outflow of leases	(262)	(346)

3(c)(II) The Company as lessor

Operating Lease

- Company has given its office premises on sublease to its subsidiary and associate Company on lease term of 3 years.
- Company has given its plant and machinery on lease to its customer on lease term of 5 years.
- Operating lease receivables:

Particulars	As at March 31, 2025	As at March 31, 2024
Not Later than 1 year	64	13
Later than 1 year and not longer than 5 years	167	9
Later than 5 years	-	-
Total	**231**	**22**

Note 3(d) :Other intangible assets

Description	Other intangible assets		
	Testing software	Licenses	Total other intangible assets
Cost			
Balance as at April 1, 2024	618	346	964
Additions	67	-	67
Balance as at March 31, 2025	**685**	**346**	**1,031**
Accumulated amortisation			
Balance as at April 1, 2024	456	74	530
For the year	77	15	92
Balance as at March 31, 2025	**533**	**89**	**622**
Net carrying amount as at March 31, 2025	**152**	**257**	**409**
Cost			
Balance as at April 1, 2023	591	331	922
Additions	27	15	42
Balance as at March 31, 2024	**618**	**346**	**964**
Accumulated amortisation			
Balance as at April 1, 2023	387	58	445
For the year	69	16	85
Balance as at March 31, 2024	**456**	**74**	**530**
Net carrying amount as at March 31, 2024	**162**	**272**	**434**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 4 : Investments

Particulars	As at March 31, 2025		As at March 31, 2024	
	Numbers	Amount	Numbers	Amount
Investment in equity instruments at cost				
(Unquoted, fully paid, at cost)				
Investment in subsidiary				
Nelco Network Products Limited of ₹10/- each	10,00,000	2,973	10,00,000	2,973
Investment in associates				
Piscis Networks Private Limited of ₹10/- each (refer note below)	5,029	304	5,029	304
Investments in equity instruments at fair value through OCI				
(Unquoted, fully paid)				
Technopolis Knowledge Park Limited of ₹10/- each	18,10,000	-	18,10,000	-
[(net of impairment of ₹181 Lakhs (March 31, 2024 : ₹181 Lakhs)]				
Zoroastrian co-operative Bank Limited	6,000	22	6,000	22
Total equity instruments		**3,299**		**3,299**
Total investments		**3,299**		**3,299**
Aggregate value of unquoted investments		**3,299**		**3,299**
Aggregate amount of impairment in the value of investments		**(181)**		**(181)**

Note :-

During the year ended March 2024, Company had made investment of ₹ 304 Lakhs to acquire 31.72% of equity shares in Piscis Networks Private Limited.

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

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured considered good, unless otherwise stated)		
Balances held as margin money against bank guarantees	17	17
Total	**17**	**17**

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

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured considered good, unless otherwise stated)		
Security deposit	171	182
Receivable from Nelco Network Products Limited (refer note 36)	-	20
Total	**171**	**202**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 6 (a) : Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Payment under protest	44	621
Prepaid expenses	61	12
Total	**105**	**633**

Note 6 (b) : Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	164	167
Advance to suppliers	44	53
Balance with government authorities	203	231
Recoverable from Department of Telecommunication, charges paid in advance	210	210
Excess gratuity contribution (refer note 34)	1	-
Others	3	5
Total	**625**	**666**

Note 7 : Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers		
- Trade receivables - considered good- secured	-	-
- Trade receivables - considered good- unsecured	1,781	2,210
- Trade receivables - which have significant increase in credit risk	64	64
- Trade receivables - credit impaired	54	54
	1,899	2,328
Trade receivables from contract with customers-considered good-unsecured-related parties (refer note 36)	329	172
Total	**2,228**	**2,500**
Less : Impairment allowance (allowance for bad and doubtful debts)	(118)	(118)
Total	**2,110**	**2,382**
Unbilled receivables	1,885	1,397
Total	**3,995**	**3,779**

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2025
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables- considered good	1,455	449	162	44	-	-	2,110
ii. Undisputed trade receivables- which have significant increase in credit risk	40	12	4	1	7	-	64
iii. Undisputed trade receivables- credit impaired	-	-	-	-			-
iv. Disputed trade receivables- considered good	-	-	-	-	-	-	-
v. Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed trade receivables- credit impaired	-	-	-	-	-	54	54
Total	**1,495**	**461**	**166**	**45**	**7**	**54**	**2,228**
Impairment allowance	40	12	4	1	7	54	118
Total	**1,455**	**449**	**162**	**44**	**-**	**-**	**2,110**

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2024
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables- considered good	1,408	874	85	15	-	-	2,382
ii. Undisputed trade receivables- which have significant increase in credit risk	25	17	2	6	14	-	64
iii. Undisputed trade receivables- credit impaired	-	-	-	-			-
iv. Disputed trade receivables- considered good	-	-	-	-	-	-	-
v. Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed trade receivables- credit impaired	-	-	-	-	-	54	54
Total	**1,433**	**891**	**87**	**21**	**14**	**54**	**2,500**
Impairment allowance	25	17	2	6	14	54	118
Total	**1,408**	**874**	**85**	**15**	**-**	**-**	**2,382**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Unbilled receivables ageing schedule

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

Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2024
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	1,291	106	-	-		1,397
Total	**1,291**	**106**	**-**	**-**	**-**	**1,397**

Note 8 (a) : Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks:-		
in current accounts	391	1,856
in deposits accounts	651	-
Cheques on hand	343	100
Cash on hand	*	*
Total	**1,385**	**1,956**

* Below rounding off norms adopted by the Company.

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

Particulars	As at March 31, 2025	As at March 31, 2024
In earmarked accounts		
Unclaimed dividend accounts	37	17
Balances held as margin money against letter of credit and bank guarantees	39	36
Total	**76**	**53**

Note 9 : Current loans - at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Loans to employees	21	4
Total	**21**	**4**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 10 : Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised share capital:		
3,00,00,000 (3,00,00,000 as at March 31, 2024) equity shares of ₹10/- each	3,000	3,000
25,00,000 (25,00,000 as at March 31, 2024) redeemable preference shares of ₹ 100/- each	2,500	2,500
	5,500	**5,500**
Issued equity share capital:		
2,28,18,400 (2,28,18,400 as at March 31, 2024) equity shares of ₹ 10/- each)	2,282	2,282
	2,282	**2,282**
Subscribed and fully paid-up equity share capital:		
2,28,17,461 (2,28,17,461 as at March 31, 2024) equity shares of ₹ 10/- each)	2,282	2,282
Total	**2,282**	**2,282**

Notes:

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	2,28,17,461	2,282	2,28,17,461	2,282
Issued during the year	-	-	-	-
Outstanding at the end of the year	**2,28,17,461**	**2,282**	**2,28,17,461**	**2,282**

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited (50.08% [March 31, 2024: 50.08%]), Holding Company	1,14,27,940	1,143	1,14,27,940	1,143

(iii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of directors have recommended dividend of ₹ 1.00 per equity share for the year ended March 31, 2025. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of shares	Number of shares	% of shares
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited	1,14,27,940	50.08%	1,14,27,940	50.08%

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

(v) Shareholding of the promoter in the Company:

Name of the Promoter	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of shares	Number of shares	% of shares
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited	1,14,27,940	50.08%	1,14,27,940	50.08%

(vi) 939 shares (March 31, 2024 : 939 shares) are kept in abeyance out of the rights issued in the year 1994 pending for final allotment.

(vii) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2025.

Note 11 : Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
General reserve - refer (i) below	250	250
Retained earnings - refer (ii) below	9,692	9,227
Other Reserve - Reserve for FVTOCI Equity instrument refer (iii) below	16	16
Total	**9,958**	**9,493**

(i) General reserve

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	250	250
Addition during the year	-	-
Closing balance	**250**	**250**

(ii) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	9,227	7,566
Net profit for the year	981	2,127
Less :- Dividend paid*	(502)	(456)
Other comprehensive (expesnes) (net of tax)	(14)	(10)
Closing balance	**9,692**	**9,227**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(iii) Other Reserve - Reserve for FVTOCI Equity instrument

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	16	16
Changes in fair value of FVTOCI equity instruments	-	-
Closing balance	**16**	**16**

Nature and purpose of reserves:

General reserve

General Reserve is used to transfer profits from retained earnings for appropriation purposes. The amount can be utilised in accordance with the provision of the Companies Act, 2013.

Retained earnings

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

Reserve for FVTOCI Equity Instruments

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

Note on Dividend :-

*For financial year ended March 31, 2024, the Board of Directors had recommended a dividend of 22% (March 31, 2023: 20%) which was ₹ 2.20 (March 31, 2023: ₹ 2.00) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 25, 2024.

For financial year ended March 31, 2025, the Board of Directors have recommended a dividend of 10% (March 31, 2024: 22%) which is ₹ 1.00 (March 31, 2024: ₹ 2.20) per equity share of ₹ 10/- each. This is subject to approval at the annual general meeting by the members and liability is not recognised as at March 31, 2025

Note 12(a) Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current borrowings		
Current borrowings	-	-
Total	**-**	**-**

As on March 31, 2025 and March 31, 2024 Company's borrowings are nil. However to meet working capital requirements the Company has borrowed funds whenever required and repaid as per terms of borrowings. For disclosure related to returns filed with banks with respect to working capital facilities refer note 41.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

Net debt reconciliation

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	1,385	1,956
Lease liabilities	(1,024)	(1,165)
Total	**361**	**791**

Particulars	Other assets	Liabilities from financial activities			Total
	Cash & cash equivalents	Current borrowings	Non current borrowings (including current maturities of long term debt)	Lease liabilities	
Net debt as at April 1, 2024	**1,956**	**-**	**-**	**(1,165)**	**791**
Addition during the year (net of disposals)	-	-	-	(33)	(33)
Cash flow	(571)	-	-	174	(397)
Interest expenses	-	(21)	-	(88)	(109)
Interest paid	-	21	-	88	109
Net debt as at March 31, 2025	**1,385**	**-**	**-**	**(1,024)**	**361**
Net debt as at April 1, 2023	**1,269**	**-**	**(1,625)**	**(1,081)**	**(1,437)**
Addition during the year	-	-	-	(336)	(336)
Cash flow	687	-	1,625	252	2,564
Interest expenses	-	(2)	(103)	(94)	(199)
Interest paid	-	2	103	94	199
Net debt as at March 31, 2024	**1,956**	**-**	**-**	**(1,165)**	**791**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Security deopsits received (refer note 36)	14	-
Total	**14**	**-**

Note 13(b) : Current other financial Liabilities - at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued	40	113
Deposit received from customer	2	2
Employee related payables	694	785
Capital creditors	90	566
Unclaimed dividend (refer note below)	37	17
Amount payable to Nelco Network products Limited (refer note 36)	71	-
Closing balance	**934**	**1,483**

Note: There is no amount due and outstanding as at March 31, 2025 and March 31, 2024, to be credited to Investor Education and Protection Fund.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 14 : Tax (assets)/liabilities net

Particulars	As at March 31, 2025	As at March 31, 2024
Opening liability/(assets)	52	(492)
Tax deducted at source and advance tax	(1,398)	(1,348)
Amount paid under protest (refer note 27(a))	(528)	-
Income tax refund received	544	-
Current tax payable for the year	1,058	1,344
Current tax payable for the earlier years (refer note 27(a))	504	548
Interest payable for the earlier year	21	-
Total	**253**	**52**
Non current	-	52
Current	253	-

Note 15 : Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (refer note 44 for details of dues to micro and small enterprises)	-	-
Trade payable to related parties (refer note 36)	39	313
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	664	1,098
Closing balance	**703**	**1,411**

Trade payable ageing schedule

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Unbilled	Outstanding for following periods from due date of payment				As at March 31, 2024
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	-	-	-	-	-	-
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	393	871	10	31	106	1,411
Disputed	-	-	-	-	-	-
Undisputed	393	871	10	31	106	1,411
Total (A+B)	**393**	**871**	**10**	**31**	**106**	**1,411**

Note 16 : Contract liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred revenue	2,413	2,103
Advance from customers	259	910
Total	**2,672**	**3,013**

Note:

i. Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current period relates to a carried forward contract liabilities and how much relates to performance obligation satisfied in current year.

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	2,103	2,127
Deferred during the year	2,413	2,103
Recognised as revenue during the year	(2,103)	(2,127)
Closing balance	**2,413**	**2,103**

Note 17 : Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	194	274
Total	**194**	**274**

Note 18 : Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Compensated absences (refer note 34)	134	134
	134	134
Provision-others		
Provision for disputed obligation (refer note 35)	165	165
Total	**299**	**299**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 19 : Revenue from operations

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of services		
- Satellite communication services	20,306	21,989
- Internet services	252	257
Sale of products	4	22
Total revenue from contracts with customers	**20,562**	**22,268**
Other Operating revenue		
- Scrap sales	1	-
Total revenue from contracts with customers	**20,563**	**22,268**

Type of goods or services	Year ended March 31, 2025	Year ended March 31, 2024
Sale of satellite communication equipment and others	5	22
Sale of satellite communication services	20,558	22,246
Total revenue from contracts with customers	**20,563**	**22,268**

Timing of recognition of revenue	Year ended March 31, 2025	Year ended March 31, 2024
Goods transferred at point in time	5	22
Services transferred over time	20,558	22,246
Total revenue from contracts with customers	**20,563**	**22,268**

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue as per contracted price	20,385	22,238
Adjustments for:		
Unbilled revenue (refer note 7)		
Opening balance	(1,397)	(1,391)
Closing balance	1,885	1,397
	488	6
Contract liabilities (refer note 16)		
Opening balance	2,103	2,127
Closing balance	(2,413)	(2,103)
	(310)	24
Total	**20,563**	**22,268**

Performance obligation:

Satellite communication services and internet services:

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

Equipment:

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 20 : Other income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income:		
- On bank deposits	5	5
- On income tax refund	104	-
	109	**5**
Other non-operating income		
- Commission received on guarantee given for Subsidiary	18	18
- Liabilities/provisions no longer required, written back (net)	190	19
- Rent income	18	14
- Others	2	39
	228	**90**
Other gains		
- Profit on sale of property, plant and equipment (net)	-	6
- Foreign exchange gain (net)	-	85
- Unwinding of discount on financial asset measured at amortised cost	58	50
	58	**141**
Total	**395**	**236**

Note 21 : Operating expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
License fees	2,442	2,680
Transponder charges	8,732	9,435
Connectivity charges	394	403
ISP monitoring & support charges	3	3
Standing Advisory Committee on Radio Frequency Allocation (SACFA) fees	67	124
Total	**11,638**	**12,645**

Note 22 : Employee benefits expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	2,646	2,529
Contributions to provident fund (refer note 34)	95	82
Contributions to superannuation (refer note 34)	8	13
Gratuity (refer note 34)	29	25
Staff welfare expenses	156	136
Total	**2,934**	**2,785**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 23 : Other expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Bank charges	47	53
Consumption of loose tools	5	4
Power and fuel	215	191
Rent (refer note 3(c))	65	-
Repairs and maintenance	1,169	990
Rates and taxes	74	15
Travelling and conveyance	282	245
Legal and professional charges	214	211
Consultancy charges	280	250
Directors sitting fees	63	36
Payment to auditors (refer note below)	43	38
Foreign exchange loss (net)	1	-
Sales commission	83	91
Software expenses	86	60
Vehicle charges	119	124
Telephone charges	20	22
Freight and forwarding	6	-
Insurance	21	14
Miscellaneous expenses	172	144
Corporate social responsibility expenses (refer note 40)	10	10
Total	**2,975**	**2,498**

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Payments to the auditors comprises		
As Auditors		
Audit fee	17	16
Tax audit fee	1	1
Limited review	18	15
In other capacity		
Other services	4	3
Reimbursement of expenses	3	3
Total	**43**	**38**

Note 24 : Finance costs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on:		
Borrowings	51	105
Leased liabilities	88	89
Trade payables	-	9
Others	15	46
Total	**154**	**249**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 25 : Depreciation and amortisation expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On property, plant and equipment (refer note 3(a))	960	926
On intangible assets (refer note 3(d))	92	85
On right of use assets (refer note 3(c)(i))	211	273
Total	**1,263**	**1,284**

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurement of post employment benefit obligations (loss) (net of tax) (refer note 34)	(14)	(10)
Total	**(14)**	**(10)**

Note 27 : Current and deferred tax expenses

27 (a) Statement of profit and loss:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income tax expense		
For current year		
Current tax		
Current tax on profits for the year	1,058	1,344
Total current tax expense for the current year (A)	**1,058**	**1,344**
Deferred tax (refer note 28)		
(Increase) in deferred tax assets	(520)	(537)
(Decrease) in deferred tax liabilities	(31)	(12)
Total deferred tax benefit for the current year (B)	**(551)**	**(549)**
Income tax expense for current year (C=A+B)	**507**	**795**
For earlier year		
Current tax		
Current tax for the earlier years (refer below note)	504*	548
Deferred tax (refer note 28)		
(Increase) in deferred tax assets for earlier years	-	(446)
Tax adjustment for earlier years (D)	**504**	**102****
Total Income tax expense (C+D)	**1,011**	**897**

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

**On October 16, 2023, the Honourable Supreme Court of India pronounced a judgement regarding treatment of Variable License Fee paid to Department of Telecommunication under New Telecom Policy 1999, since July 1999, to be treated as capital in nature and not revenue expenditure for the purpose of computation of taxable income. Even though the Company was not a party to the above judgement , as a matter of prudence, the Company assessed and recorded a provision of ₹ 102 Lakhs towards tax (net of deferred tax) and ₹ 46 lakhs towards interest which was treated as finance cost for the year ended March 31, 2024.

On May 17, 2024, the Honourable Supreme Court of India, while disposing Miscellaneous Application, waived the interest liability that would have arisen as a result of the order dated October 16, 2023. Considering the Order dated May 17, 2024 and based on the assessment of the position during the year management has reversed the liability amounting to ₹ 22 Lakhs relating to Interest pertaining to the period before October 16, 2023.

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit before tax	1,992	3,024
Total Profit for the year	**1,992**	**3,024**
Applicable tax rate of the reporting entity	25.17%	25.17%
Tax at the Indian Statutory Tax Rate	501	761
Tax adjustment related to current year		
Impact of change in tax rate	-	31
Tax impact on OCI	(5)	-
Expenses not allowed in tax	6	3
Others	5	-
Tax adjustment related to earlier years		
Income tax provision made for earlier year, including interest	504	102
Total tax expense	**1,011**	**897**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 28 : Deferred tax assets (net)

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

Particulars	As at April 1, 2023	Recognised in the statement of profit and Loss	As at March 31, 2024	Recognised in the statement of profit and Loss	Recognised in the statement of other com-prehensive income	As at March 31, 2025
	(A)	(B)	(C=A+B)	(D)	(E)	(F=C+D+E)
i. Items of deferred tax liabilities:						
Property, plant and equipment and intangible assets	1	2	3	(3)	-	-
Right-of-use assets	290	(26)	264	(45)	-	219
Others	-	12	12	17	-	29
Total deferred tax liability (i)	**291**	**(12)**	**279**	**(31)**	**-**	**248**
ii. Items of deferred tax assets :						
Property, plant and equipment and intangible assets	-	-	-	17	-	17
Lease liability	315	(22)	293	(35)	-	258
Disallowances under Section 43B of the Income Tax Act, 1961, provision for legal dispute and investment impairment	117	(1)	116	(6)	5	115
Allowance for doubtful trade receivables	34	(4)	30	-	-	30
Allowance u/s 35DDA and 35DD of Income Tax Act, 1961	18	(10)	8	(2)	-	6
Allowance u/s 35ABB of Income Tax Act, 1961	-	620	620	554	-	1,174
Allowance u/s 35ABB of Income Tax Act, 1961 (Previous year (refer note 27(a))*	-	446	446	-	-	446
Others	74	(46)	28	(8)	-	20
Total deferred tax assets (ii)	**558**	**983**	**1,541**	**520**	**5**	**2,066**
Net deferred tax assets (ii-i)	**267**	**995**	**1,262**	**551**	**5**	**1,818**

*Net deferred tax assets of ₹ 995 lakhs created during the previous year ended March 2024 includes deferred tax assets of ₹ 446 lakhs pertaining to earlier years (refer note 27a).

Note 29 : Fair value measurements

The following tables presents the carrying value and fair value of each category of financial assets and liabilities.

The Company's assets and liabilities which are measured at FVPL, FVOCI and amortised cost for which fair values are disclosed:

Particulars	As at March 31, 2025			As at March 31, 2024		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments	-	22	-	-	22	-
Trade receivable	-	-	3,995	-	-	3,779
Cash and cash equivalent	-	-	1,385	-	-	1,956
Other bank balances	-	-	76	-	-	53
Current loans	-	-	21	-	-	4
Other financial assets	-	-	188	-	-	219
Total financial assets	**-**	**22**	**5,665**	**-**	**22**	**6,011**
Financial liabilities						
Trade payables	-	-	703	-	-	1,411
Other financial liabilities	-	-	948	-	-	1,483
Total financial liabilities	**-**	**-**	**1,651**	**-**	**-**	**2,894**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Fair value hierarchy

Valuation technique and significant unobservable inputs:

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

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

Financial assets and liabilities measured at fair value as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVOCI					
Investment in equity shares	4	-	-	22	22
Total Financial Assets		**-**	**-**	**22**	**22**

During the year there have been no transfer between level 1 and level 2.

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

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

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

(ii) Valuation method used to determine fair value

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

- The use of quoted market price or dealer quotes for similar instruments.
- The fair value of 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 to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(iii) Valuation processes

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

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial assets				
Trade receivables	3,995	3,995	3,779	3,779
Cash and cash equivalents	1,385	1,385	1,956	1,956
Other bank balances	76	76	53	53
Loans to employees	21	21	4	4
Other financial assets	188	188	219	219
Total financial assets	**5,665**	**5,665**	**6,011**	**6,011**
Trade payables	703	703	1,411	1,411
Other financial liabilities	948	948	1,483	1,483
Total financial liabilities	**1,651**	**1,651**	**2,894**	**2,894**

The carrying amounts of trade receivables, cash and cash equivalent, other bank balances, loans to employees, other financial assets, trade payables are considered to be the same as their fair values, due to their short-term nature.

The Fair value of loans, trade receivables, borrowings and other financial liabilities were calculated based on cash flows discounted using a current deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

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

Particulars	Technopolis Knowledge Park Limited		Zoroastrian Co-operative Bank Limited		Total amount
	Qty	Amount	Qty	Amount	
As at April 1, 2024	18,10,000	-	6,000	22	22
Addition/(deletion)/remeasurement	-	-	-	-	-
As at March 31, 2025	**18,10,000**	**-**	**6,000**	**22**	**22**
As at April 1, 2023	18,10,000	-	6,000	16	16
Addition/(deletion)/remeasurement	-	-	-	6	6
As at March 31, 2024	**18,10,000**	**-**	**6,000**	**22**	**22**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 30 :Financial Risk Management

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

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade/other payables and lease liabilities. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, foreign currency risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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

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

(A) Credit Risk

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Credit Risk Management

Financial assets

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

The Company's maximum exposure to credit risk as at March 31, 2025 and March 31, 2024 is the carrying value of each class of financial assets as disclosed in the standalone financial statements.

Trade receivables

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

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss.

Specific allowance for loss has also been provided by the management based on expected recovery on individual customers.

Three customer as at March 31, 2025 and five customers as at March 31, 2024 individually contributed to more than 5% of the total balance of trade receivables. Receivable from these customers was ₹ 634 Lakhs and ₹ 1,172 Lakhs as at March 31, 2025 and March 31, 2024 respectively.

The amount of trade receivable outstanding as at March 31, 2025 and March 31, 2024 is as follows:

ECL rate followed by the Company for BFSI customer 1.33% (2024: 1.33%) and non BFSI 1.13% (2024: 1.13%).

Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
As at March 31, 2025					
Gross	1,495	461	166	106	**2,228**
Impairment allowance	40	12	4	62	**118**
Net	**1,455**	**449**	**162**	**44**	**2,110**
As at March 31, 2024					
Gross	1,433	891	87	89	**2,500**
Impairment allowance	25	17	2	74	**118**
Net	**1,408**	**874**	**85**	**15**	**2,382**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(ii) Reconciliation of loss allowances provision - Trade Receivable

Loss allowances on March 31, 2023	118
Add: provision made during the year	-
Less: Provision for doubtful debts made in earlier years written back	-
Loss allowances on March 31, 2024	**118**
Add: provision made during the year	-
Less: Provision for doubtful debts made in earlier years written back	-
Loss allowances on March 31, 2025	**118**

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

Other than trade receivables and financial assets

Management believes that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil and accordingly no significant provision for expected credit loss has been recorded.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due through rolling cash flow forecast. Also, the Company has unutilized credit limits with banks.

(i) Financing arrangements

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

Particulars	As at March 31, 2025	As at March 31, 2024
Floating rate		
Expiring within one year (bank overdraft, term Loans and other facilities)	5,900	5,900
Total	**5,900**	**5,900**

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

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

Contractual maturities of financial liabilities	Less than 1 year	1 - 5 years	5 year and above	Total
March 31, 2024				
Non - derivative				
Lease liability	168	657	340	**1,165**
Trade payables	1,411	-	-	**1,411**
Other financial liabilities	1,483	-	-	**1,483**
Total Non derivative liabilities	**3,062**	**657**	**340**	**4,059**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade payables, deposits, investments, trade receivables, other financial assets and derivative financial instruments.

(i) Foreign currency risk

Company is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

(a) Foreign currency risk exposure:

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

Particulars	Foreign currency	As at March 31, 2025		As at March 31, 2024	
		In foreign currency	₹ in Lakhs	In foreign currency	₹ in Lakhs
Financial Liabilities					
Trade payables	USD	2	196	7	590
Foreign exchange forward contract					
Buy foreign currency	USD	-	-	(6)	(507)
Net Exposure to Foreign Currency Liability	**USD**	**2**	**196**	**1**	**83**
Financial Assets					
Trade receivables	USD	(12)	(1,048)	(10)	(823)
Net Exposure to foreign currency Assets	**USD**	**(12)**	**(1,048)**	**(10)**	**(823)**

(b) Sensitivity

Particulars	Impact on profit after tax	
	As at March 31, 2025	As at March 31, 2024
INR/USD - Increase by 5% (March 31, 2024 - 5%)*	31.88	27.69
INR/USD - Decrease by 5% (March 31, 2024 - 5%)*	(31.88)	(27.69)

* Holding all other variable constant

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk.

(a) Interest rate risk exposure

Borrowings of the Company as at March 31, 2025 and March 31, 2024 are nil and hence Company is not expose to interest rate changes at the end of the reporting period.

(iii) Price risk

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 31 : Capital Management & Gearing Ratio

Risk Management

The Company's objectives when managing capital are to

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

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

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

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

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

Gearing Ratio

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

Particulars	As at March 31, 2025	As at March 31, 2024
Debt (refer note 12a)	-	-
cash and cash equivalents (refer note 8a)	1,385	1,956
Net debt	**-**	**-**
Equity share capital (refer note 10)	2,282	2,282
Other equity (refer note 11)	9,958	9,493
Total Capital	**12,240**	**11,775**
Capital and net debt	12,240	11,775
Net debt to total capital and net debt ratio (%)	NA	NA

Considering as at March 31, 2025 and March 31, 2024 Company has nil debt this ratio is not calculable, however same is within the range.

Loan covenants

Under the terms of the major borrowing and facilities, the Company was required to comply with the following financial covenants.

Exclusive charge over the VSAT's related assets with minimum security cover of 1.35x at all times. During the previous year ended March 31, 2024 Company has repaid loans fully and balance payable as on March 31, 2025 and March 31, 2024 is nil.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 32 : Offsetting Financial Assets And Financial Liabilities

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

Note 33 : Assets pledged As Security

Collateral against borrowings

Current assets and property, plant and equipment's of the Company are pledged as security against debt facilities from the lender i.e. land and building, plant and machinery situated at Mahape, Maharashtra, Dehradun, Uttarakhand and others. For carrying amount of assets pledged as security refer note 3(a).

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

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

Particulars	As at March 31, 2025	As at March 31, 2024
Current Assets		
Financial Assets		
First charge		
Trade receivables	3,995	3,779
Cash & cash equivalents	1,385	1,956
Bank balances other than above	76	53
Loans	21	4
Other financial assets	171	202
Other current assets	625	666
Total current assets pledged as security	**6,273**	**6,660**
Non current assets		
Second charge		
Property, plant and equipment		
(i) Building	101	44
(ii) Plant & machinery	4,343	4,958
(iii) Office equipment	120	101
Total non-current assets pledged as security	**4,564**	**5,103**
Total assets pledged as security	**10,837**	**11,763**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 34 : Employee benefit obligations

a. Short-term employee benefits

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

b. Long-term employee benefits

i) Defined contribution plans

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

Sr. No	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a)	Contribution to employees' superannuation fund	8	13
	Total	**8**	**13**

ii) Defined Benefit Plans

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

Provident Fund (funded):

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

In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at March 31, 2025 and March 31, 2024, respectively.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Plan assets at period end, at fair value	3,140	3,266
Present value of benefit obligation at period end	(3,140)	(3,266)
Asset recognised in Balance Sheet	-	-

The Plan assets have been primarily invested in government securities.

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Government of India (GOI) bond yield	6.94%	7.24%
Remaining term to maturity of portfolio	11 years	11 years
Expected guaranteed interest rate	8.25%	8.25%

The Company contributed ₹ 95 Lakhs and ₹ 82 Lakhs during the year ended March 31, 2025 and March 31, 2024 respectively and the same has been recognized in the Statement of Profit and Loss (refer note 22).

Provident Fund Assessment as per recent Supreme court Judgment:

Recent Supreme Court judgement in case of Vivekananda Vidyamandir and Others (February 2019) lays down principles to exclude a particular allowance from the definition of "basic wages" for the purposes of computing the deduction towards provident fund contributions. A review petition have been filed against the said order by other Companies and await clarification from Provident Fund Commissioner/ Supreme Court. Based on the initial assessment and recently concluded inspections by Provident Fund authorities, management does not expect any material impact on the financial statements.

Gratuity (funded):

The Company has a funded defined benefit gratuity plan. The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities. The liability in respect of gratuity and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Amount recognised in the statement of profit and loss:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	29	25
Interest cost	26	24
Interest income on plan assets	(26)	(24)
Total expense recognised in the statement of profit and loss	**29**	**25**

Amount recognised in other comprehensive income (OCI):

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Due to change in demographic assumptions	-	-
Due to change in financial assumptions	6	6
Due to experience	17	21
Return on Plan Assets, excluding interest income	(4)	(17)
Total remeasurement (gains)/losses recognised in OCI	**19**	**10**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of DBO at the beginning	366	317
Current service cost	29	25
Interest cost	26	24
Remeasurement loss	23	27
Liabilities transferred in/acquisitions	8	(1)
Benefits paid	(104)	(26)
Present value of DBO at end of the year	**348**	**366**
Present value of plan assets at the beginning	366	317
Interest income	26	24
Amount paid to employees gratuity trust	9	8
Return on Plan Assets, excluding interest income	4	17
Benefits paid from the fund	(56)	-
Present value of plan assets at end of the year	**349**	**366**
Present value of net DBO at the end of the year	**(1)**	**-**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Plan assets at period end, at fair value	349	366
Present value of benefit obligation at period end	(348)	(366)
Asset recognised in Balance Sheet	**1**	**-**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Principal Actuarial assumptions for valuation of gratuity liability:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.84%	7.24%
Expected rate of escalation in salary	7.50%	7.50%
Rate of employee turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

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

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

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

b) **Demographic risk**- This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

c) **Salary risk -** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

Sensitivity:

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

Particulars	Change in assumption	As at March 31, 2025		As at March 31, 2024	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(21)	24	(20)	22
Expected rate of escalation in salary	1%	23	(21)	22	(20)
Rate of employee turnover	1%	(1)	1	*	*

*figures are below rounding off norm adopted by the Company.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

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

Defined benefit liability and employers contributions:

The weighted average duration of the projected benefit obligation is 8 years (March 31, 2024- 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
1st following year	18	66
2nd following year	19	17
3rd following year	93	18
4th following year	34	78
5th following year	25	60
Sum of years 6 to 10	120	112
Sum of years 11 and above	294	267

iii) Other employee benefits

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

a) An amount of ₹ 40 Lakhs (March 31, 2024: ₹ 34 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2025 towards Compensated absences.

b) Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the Balance sheet date.

c) Net liability recognised for compensated absences in the Balance Sheet as at March 31, 2025 is ₹ 116 Lakhs (March 31, 2024 : ₹ 112 Lakhs).

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Principal Actuarial assumptions for valuation of long-term compensated absences

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.94%	7.24%
Expected rate of escalation in salary	7.50%	7.50%
Rate of Employee Turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.

Note 35 : Disclosure as required by Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets" as at year end are as follows:

a) Provision for disputed obligation represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities and others. The information usually required by Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets", is not disclosed on grounds that it can be expected to prejudice the interests of the Company. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence, the Company is not able to reasonably ascertain the timing of the outflow (refer note 38).

b) The movement and provision during the year are as follows:

Particulars	Provision for disputed obligation	
	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance	165	165
Add: Provision during the year	-	-
(Less): Settled during the year	-	-
(Less): Reversal during the year	-	-
Closing balance	**165**	**165**
Classified as current (refer note 18)	165	165

Note 36 : Related party disclosure:

Disclosure as required by Ind AS 24 - "Related Party Disclosures" is as follows:

Names of the related parties and description of relationship:

(A) Related parties where control exists:

i) Subsidiary

Nelco Network Products Limited

ii) Employment Benefit Funds

Nelco Limited Employees Gratuity Trust

The National Radio & Electronics Co. Ltd. Employees Provident Fund

The National Radio & Electronics Co. Ltd. Superannuation Fund

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(B) Associate Company

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

(C) i) Holding Company/ Promoter

The Tata Power Company Limited

ii) Promoter of Holding Company

Tata Sons Private Limited

iii) Subsidiaries and Jointly Controlled Entities of Promoter - Promoter Group (where transactions have taken place during the year or previous year/ balances outstanding)

The Tata Power Green Energy Limited
TP Southern Odisha Distribution Limited
Poolavadi Windfarm Limited
Tata Communications Limited
Tata Communications Payment Solutions Limited
Tata Teleservices Limited
Tata Technologies Limited
Tata Steel Limited
Tata Sia Airlines Limited
Tata Capital Limited
C-edge Technologies Limited
The Indian Hotels Company Limited
Tata AIG General Insurance Company Limited
Tata AIA Life Insurance Co Ltd
Tata 1MG Technologies Private Limited
Novamesh Limited

(D) Key Managerial Personnel

(i) Executive Director

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

(ii) Independent, Non-Executive Directors and others

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(E) Details of Transactions:

Sr. No.	Particulars	Subsidiary		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
1	**Rendering of services**										
	Nelco Network Products Limited	3	2	-	-	-	-	-	-	-	-
	The Tata Power Green Energy Limited	-	-	-	-	-	1	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	1	1	-	-	-	-
	Tata Communications Limited	-	-	-	-	81	111	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	270	67	-	-	-	-
	Tata Communications Payment solutions Limited	-	-	-	-	93	103	-	-	-	-
	Tata Steel Limited	-	-	-	-	180	191	-	-	-	-
	Tata Technologies Limited	-	-	-	-	247	157	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	7	6	-	-	-	-
2	**Receiving of services**										
	Nelco Network Products Limited	-	1	-	-	-	-	-	-	-	-
	Tata Sons Private Limited	-	-	-	-	25	26	-	-	-	-
	Tata Communications Limited	-	-	-	-	555	593	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	86	75	-	-	-	-
	The Indian Hotels Company Limited	-	-	-	-	4	7	-	-	-	-
	Tata 1MG Technologies Private Limited	-	-	-	-	*	1	-	-	-	-
	Novamesh Limited	-	-	-	-	72	-	-	-	-	-
3	**Reimbursement of charges**										
	Tata Communications Limited	-	-	-	-	39	32	-	-	-	-
4	**Purchase of Goods**										
	Nelco Network Products Limited	2	20	-	-	-	-	-	-	-	-
5	**Guarantee commission earned**										
	Nelco Network Products Limited	18	18	-	-	-	-	-	-	-	-
6	**Rent earned**										
	Nelco Network Products Limited	13	13	-	-	-	-	-	-	-	-
	Piscis Networks Private Limited	-	-	5	-	-	-	-	-	-	-
7	**Rent paid**										
	Tata Capital Limited	-	-	-	-	48	37	-	-	-	-
8	**Brand equity payment**										
	Tata Sons Private Limited	-	-	-	-	31	34	-	-	-	-
9	Purchase of capital goods/services										
	Nelco Network Products Limited	-	204	-	-	-	-	-	-	-	-
	Piscis Networks Private Limited	-	-	-	21	-	-	-	-	-	-
	Tata Communications Limited	-	-	-	-	-	16	-	-	-	-
10	**Dividend paid**										
	The Tata Power Company Limited	-	-	-	-	251	229	-	-	-	-
11	**Purchase of Insurance Policy**										
	Tata AIG General Insurance Company Limited	-	-	-	-	4	4	-	-	-	-
	Tata AIA Life Insurance Co Ltd	-	-	-	-	10	10	-	-	-	-
12	**Investment**										
	Piscis Networks Private Limited	-	-	-	304	-	-	-	-	-	-
13	**Remuneration - short term employee benefits****										
	Mr. P. J. Nath	-	-	-	-	-	-	-	-	419	370
	Mr. Girish V. Kirkinde	-	-	-	-	-	-	-	-	53	65
	Mr. Malav Shah	-	-	-	-	-	-	-	-	81	62
	Mr. Ritesh Kamdar	-	-	-	-	-	-	-	-	37	-
14	**Contribution to Employee Benefit Plans**										
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	-	9	-	-
	The National Radio & Electronics Co. Ltd. Employees Provident Fund	-	-	-	-	-	-	82	70	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr. No.	Particulars	Subsidiary		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
	The National Radio & Electronics Co. Ltd. Superannuation Fund	-	-	-	-	-	-	-	4	-	-
15	**Director sitting fees**										
	Mr. A. S. Lakshminarayanan	-	-	-	-	-	-	-	-	1	1
	Mr. Saurabh Ray	-	-	-	-	-	-	-	-	5	3
	Mr. Ajay Kumar Pandey	-	-	-	-	-	-	-	-	20	12
	Dr. Lakshmi Nadkarni	-	-	-	-	-	-	-	-	19	10
	Mr. K. Narasimha Murthy	-	-	-	-	-	-	-	-	14	10
	Mr. Vijay Somaiya	-	-	-	-	-	-	-	-	4	-

(F) Balances outstanding:

Sr. No.	Particulars	Subsidiary		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
1	**Investment (refer note 4)**	2,973	2,973	304	304	-	-	-	-	-	-
2	**Trade receivables**										
	Nelco Network Products Limited	-	63	-	-	-	-	-	-	-	-
	The Tata Power Green Energy Limited	-	-	-	-	*	*	-	-	-	-
	Tata Communications Limited	-	-	-	-	11	20	-	-	-	-
	Tata Communications Payment solutions Limited	-	-	-	-	14	9	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	*	2	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	131	13	-	-	-	-
	Tata Steel Limited	-	-	-	-	58	62	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	8	2	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	1	1	-	-	-	-
	Tata Technologies Limited	-	-	-	-	106	-	-	-	-	-
3	**Advance**										
	Tata Sia Airlines Limited	-	-	-	-	-	3	-	-	-	-
	Tata Technologies Limited	-	-	-	-	-	344	-	-	-	-
4	**Trade payables**										
	Nelco Network Products Limited	-	269	-	-	-	-	-	-	-	-
	Tata Sons Private Limited	-	-	-	-	28	39	-	-	-	-
	Tata Communications Limited	-	-	-	-	11	1	-	-	-	-
	Tata Capital Limited	-	-	-	-	Nil	4	-	-	-	-
	Tata 1MG Technologies Private Limited	-	-	-	-	*	*	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	*	-	-	-	-	-
5	**Guarantees and collaterals given**										
	Nelco Network Products Limited	9,200	9,200	-	-	-	-	-	-	-	-
6	**Other receivables**										
	Nelco Network Products Limited	-	20	-	-	-	-	-	-	-	-
7	**Other payables**										
	Nelco Network Products Limited	71	-	-	-	-	-	-	-	-	-
8	**Security deposit received**										
	Nelco Network Products Limited	7	7	-	-	-	-	-	-	-	-
	Piscis Networks Private Limited	-	-	6	-	-	-	-	-	-	-

The sales to, purchases from and other transactions entered with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 37 : Earnings per share (EPS)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1. Net profit after tax attributable to equity shareholders (₹ in Lakhs)	981	2,127
2. Weighted average number of equity shares	2,28,17,461	2,28,17,461
3. EPS (₹) [Basic and Diluted] (Face value per share ₹ 10)	4.30	9.32

Note 38 : Contingent liabilities

Sr. No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a)	Guarantees issued by the Company on behalf of its subsidiary (Nelco Network Products Limited) [(Amount of loan outstanding against this guarantee is ₹ 3,317 Lakhs (As at March 31, 2024 - ₹ 2,501 Lakhs)]	9,200	9,200
	Total guarantees (a)	**9,200**	**9,200**
b)	Claims against the company not acknowledged as debt comprises of:		
	i) Sales tax, service tax and GST claims disputed by the company relating to issues of applicability and classification	657	403
	ii) Claims from Vendor	168	168
	iii) Others*	394	394
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 (refer note 27)	-	1,095
	Total (b+c)	**1,219**	**2,060**

*Application filled by plaintiffs with Small Causes Court, Mumbai, claiming from Company mesne profit of ₹ 560 lakhs and interest thereon. Based on valuation report obtained by the Company from an independent valuer, Company has made provision of ₹ 166 lakhs and accrued interest thereon. Balance has been disclosed as contingent liability.

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

The above figures for contingent liabilities do not include amounts towards certain additional penalties/interest that may devolve on the Company in the event of an adverse outcome as the same is subjective and not capable of being presently quantified. Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable, further outflow of resources is not probable in either cases.

The Company does not have any contingent assets at the balance sheet date.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 39 : Ratios

Sr No	Particulars	Note	Ratio		% of change	Remarks for movement
			March 31, 2025	March 31, 2024		
a	Current ratio=Current assets/ Current liabilities	Refer note I	1.21	1.00	21	-
b	Debt service coverage ratio = EBITDA/Total amount of interest and principal payable or paid during the period	Refer note II	13.01	2.20	491	Due to reductions in borrowings
c	Return on equity ratio= Net Profits after taxes/Total Equity	Refer note III	0.08	0.18	(56)	Due to reduction in net profit
d	Trade receivable turnover ratio= Sales/Average trade receivable	Refer note IV	5.29	5.65	(6)	-
e	Trade payable turnover ratio= (Total expenses- provision for doubtful debts)/Average trade payables	Refer note V	16.60	13.61	22	Due to reduction in average trade payables
f	Net capital turnover ratio= Net Sales/Working capital	Refer note VI	15.72	29.85	(47)	Due to decrease in sales and increase in working capital during the year
g	Net profit ratio = Net Profit after Tax/Revenue	Refer note VII	0.05	0.10	(50)	Due to reduction in net profit
h	Return on capital employed= Earning before interest and taxes/Capital employed	Refer note VIII	0.18	0.28	(36)	Due to decrease in EBIT and increase in capital employed during the year
i	Return on investment = Interest income /Average investment in fixed deposits	Refer note IX	0.01	0.10	(90)	Due to decrease in deposits placed during the year

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2025	March 31, 2024
I	Current assets			
	(a) Financial assets			
	(i) Trade receivables	7	3,995	3,779
	(ii) Cash and cash equivalents	8 (a)	1,385	1,956
	(iii) Bank balances other than (ii) above	8 (b)	76	53
	(iv) Loans	9	21	4
	(v) Other financial assets	5 (b)	171	202
	(b) Other current assets	6 (b)	625	666
			6,273	6,660
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12 (a)	-	-
	(ia) Lease liabilities	3 (c) (ii)	135	168
	(ii) Trade payables	15	703	1,411
	(iii) Other financial liabilities	13 (b)	934	1,483
	(b) Current tax liability (net)	14	253	-
	(c) Other current liabilities	17	194	274
	(d) Provisions	18	299	299
	(e) Contract Liabilities	16	2,672	3,013
			5,190	6,648
II	Earning before interest tax depreciation and amortisation (EBITDA)	Refer P & L	3,409	4,557
	Total amount of interest and principal payable or paid during the period			
	Total interest paid or payable during the period			
	On long term borrowings		-	103
	On lease liabilities	24	88	89
			88	192
	Total principal paid or payable during the period			
	Principal portion of long term borrowing		-	1,625
	Principal portion of lease liabilities	3 (c) (ii)	174	252
			174	1,877
III	Net Profits after taxes	Refer P & L	981	2,127
	Total equity			
	Equity share capital	10	2,282	2,282
	Other equity - Reserve and surplus	11	9,958	9,493
			12,240	11,775
IV	Sales	19	20,563	22,268
	Average trade receivable			
	Opening trade receivable	7	3,779	4,099
	Closing trade receivable	7	3,995	3,779
	Average trade receivable		3,887	3,939
V	Total expenses	As per P &L	17,549	17,947
	Total - provision for doubtful debts/Average trade payables			
	Less: provision for doubtful debts	23	-	-
			17,549	17,947
	Average trade payables			
	Opening trade payables	15	1,411	1,227
	Closing trade payables	15	703	1,411
	Average trade payables		1,057	1,319

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2025	March 31, 2024
VI	Net Sales	19	20,563	22,268
	Working capital (Current assets- current liabilities)			
	Current assets			
	(a) Financial assets			
	(i) Trade receivables	7	3,995	3,779
	(ii) Cash and cash equivalents	8 (a)	1,385	1,956
	(iii) Bank balances other than (ii) above	8 (b)	76	53
	(iv) Loans	9	21	4
	(v) Other financial assets	5 (b)	171	202
	(b) Other current assets	6 (b)	625	666
	Total Current assets		6,273	6,660
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	15	703	1,411
	(ii) Other financial liabilities	13 (b)	934	1,483
	(iii) Less: Capex creditors		(90)	(566)
	(b) Current tax liability (net)	14	253	-
	(c) Contract Liabilities	16	2,672	3,013
	(d) Other current liabilities	17	194	274
	(e) Provisions	18	299	299
	Total Current liabilities		4,965	5,914
	Working capital (Current assets - current liabilities)		1,308	746
VII	Net Profit after Tax	As per P &L	981	2,127
	Revenue	19	20,563	22,268
VIII	Earning before interest and taxes			
	Earning before finance cost, depreciation, amortisation and tax	As per P &L	3,409	4,557
	Less: Depreciation and amortisation	25	1,263	1,284
			2,146	3,273
	Capital employed			
	Equity share capital	10	2,282	2,282
	Other equity -Reserve and surplus	11	9,958	9,493
	Borrowing			
	Non current	12 (a)	-	-
	Current	12 (a)	-	-
	Total capital employed		12,240	11,775
IX	Interest on bank deposits	As per P &L	5	5
	Average investment in fixed deposit			
	Opening	5 (a), 8 (a) & 8 (b)	53	51
	Closing	5 (a), 8 (a) & 8 (b)	707	53
	Average investment in fixed deposit		380	52

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 40 : Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Gross amount required to be spent by the Company during the year	*	*
b) Amount approved by the Board to be spent during the year	10	10
c) Amount spend in cash during the year		
i) Construction/acquisition of an asset	-	-
ii) On purpose other than (i) above		
Contribution to Akshay Patra Foundation	-	3
Contribution to Catalysts for Social Action	10	6
Contribution to Training and Education Center	-	1
Total (C=i+ii)	**10**	**10**
d) Amount yet to be paid in cash (d=b-c)	-	-

*For the year ended March 31, 2025 the Company's CSR obligation under section 135 of the Companies Act, 2013 was ₹ Nil. During the year Company has spent on on-going CSR projects.

Note 41 : Returns filed with banks with respect to working capital facility availed by the Company

Name of Bank	Quarter	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Bank of India, Union Bank of India	Q-1 of FY 24-25	Debtors	4,723	4,723	-	-
		Creditors	1,368	1,368	-	-
Bank of India, Union Bank of India	Q-2 of FY 24-25	Debtors	3,816	3,816	-	-
		Creditors	1,408	1,408	-	-
Bank of India, Union Bank of India	Q-3 of FY 24-25	Debtors	4,122	4,122	-	-
		Creditors	875	875	-	-
Bank of India, Union Bank of India	Q-4 of FY 24-25	Debtors	3,995	3,995	-	-
		Creditors	703	703	-	-
Bank of India, Union Bank of India	Q-1 of FY 23-24	Debtors	4,205	4,205	-	-
		Creditors	1,627	1,627	-	-
Bank of India, Union Bank of India	Q-2 of FY 23-24	Debtors	4,353	4,353	-	-
		Creditors	1,315	1,315	-	-
Bank of India, Union Bank of India	Q-3 of FY 23-24	Debtors	4,639	4,639	-	-
		Creditors	1,882	1,882	-	-
Bank of India, Union Bank of India	Q-4 of FY 23-24	Debtors	3,779	3,779	-	-
		Creditors	1,411	1,411	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 42 : Segment reporting

The Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

Note 43 : Capital and other Commitments

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	48	42

Note 44 : There are no Micro and Small Enterprises to whom the Group owes dues, which are outstanding as at March 31, 2025 (Nil: March 31, 2024). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.

Note 45: Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on March 31, 2025	Balance outstanding as on March 31, 2024	Relationship with the Struck off Company
Trident Eservices Private Limited	Purchase of services	1	*	Service provider

* Below rounding off norms adopted by the Company.

Note 46: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on May 3, 2024. However, the final rules/ interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

Note 47: The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level for the year and also for certain master fields (Asset Master, Customer Master and Vendor Master) changes made using privileged/ administrative access rights related to the SAP application and/or the underlying SQL database. However this was enabled for changes made using privileged/ administrative access rights related to the SAP application and/or the underlying SQL database from April 10, 2024. Further no instance of audit trail feature being tampered with was noted in respect of other software. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

Note 48: Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company have neither received nor given any fund from or to any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

(vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

(vii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 49: Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through April 24, 2025 the date at which the financial statements were available to be issued, and determined that there are no material items to be disclosed other than those disclosed above.

Note 50: Approval of Standalone Financial Statements

The Standalone financial statements were approved for issue by the Board of Directors on April 24, 2025.

As per our report of even date
For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142

Place: Mumbai
Date : April 24, 2025

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

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

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

Place: Mumbai
Date : April 24, 2025

nelco

unlock potential

A TATA Enterprise

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Nelco Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Nelco Limited (hereinafter referred to as "the Holding Company") , its subsidiary Nelco Network Products Limited (the Holding Company and its subsidiary together referred to as "the Group") and its associate Piscis Networks Private Limited comprising of the Consolidated Balance sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss, including Other Comprehensive Loss, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2025, their consolidated profits including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' Section of our report. We are independent of the Group and associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of contingent liabilities, provision for litigations As at March 31, 2025, the Group held provisions of Rs 177 lakhs and disclosed contingent liabilities (to the extent not provided for) of Rs 1,287 lakhs in respect of certain tax and other litigations. The Group faces inquiries from tax authorities and regulatory authorities during tax assessment and legal proceedings, during the normal course of business. There is a high level of Management judgement required in estimating the probable outflow of economic resources and the level of provisioning and the disclosures required. The Management's assessment is supported by legal opinions from independent tax consultants and legal experts. We considered this to be a key audit matter as the outcome of the litigations/ inquiries is uncertain, including ensuring compliances with the various regulations and the positions taken by the Management are based on the application of material judgement, advice from tax consultants and legal experts and interpretation of law. The ultimate outcome of the litigations/inquiries could be different from the conclusion reached by the Management and may significantly impact the Group's financial position. The Group's disclosures are included in Note 2(f), Note 19, Note 36 and Note 37 to the Consolidated Ind AS Financial Statements, which outlines the accounting policy for provisions, contingent liabilities and details of pending direct and indirect tax litigation disclosed as contingent liabilities.	**Our audit procedures included the following:** – We obtained an understanding and evaluated processes and controls designed and implemented by the Management for assessment of litigations. – We obtained the list of taxation and other litigation matters and communications with the authorities and vendors. We reviewed the supporting evidence and assessed Management's evaluation through discussions and inquiries made on both the probability of outcome and the magnitude of potential outflow of economic resources; – Where relevant, we read and relied upon the most recent legal opinion obtained by Management from independent tax consultants and external legal experts to assess development in all pending cases against the Group; – We read recent orders received from the tax and regulatory authorities and the Group's responses to such communications and assessed the current status of the litigations against the Group. For tax matters, we involved our tax specialists to assess Management's application and interpretation of tax legislation affecting the Group and to consider the quantification of exposures and settlements arising from the disputes with the tax authorities in the various tax jurisdictions.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company which is incorporated in India has adequate internal financial controls with reference to Consolidated Ind AS Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, based on our audit of the Subsidiary Company and Associate Company, incorporated in India, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the Financial Statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors and taken on record of the Holding Company as on March 31, 2025 by the Board of Directors of the Holding Company, subsidiary and associate company, none of the directors of the Group's Companies and its associate, incorporated in India, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g);

(g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS Financial Statements of the Holding Company and its Subsidiary Company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; This report, however, does not include (a) a Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls') in respect of Associate Company, since the said report on internal financial controls is not applicable to the said Associate Company basis the exemption available to the said associate company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to Consolidated Financial Statements;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid/provided by the Holding Company and its subsidiary incorporated in India in accordance with the provisions of Section 197 read with Schedule V to the Act.;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate – Refer Note 36 and Note 37 to the Consolidated Ind AS Financial Statements;

ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary and associate, incorporated in India during the year ended March 31, 2025.

iv. a) The respective Managements of the Holding Company, its subsidiary and associate which are companies incorporated in India whose Financial Statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or associate to or in any other person or entities including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Managements of the Holding Company, its subsidiary and associate which are companies incorporated in India whose Financial Statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary or associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary or associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The dividend declared and paid during the year by the Holding Company until the date of this audit report is in accordance with Section 123 of the Act. As stated in Note 16 to the Consolidated Ind AS Financial Statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the respective ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks, except for instances discussed in Note 52 to the Consolidated Ind AS Financial Statements, the Holding Company and subsidiary have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered in respect of the accounting software. Additionally, the audit trail has been preserved by the Company and its subsidiary as per the statutory requirements for record retention

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

Additionally, for the reasons stated in Note 52 to the Consolidated Ind AS Financial Statements of the associate, we are unable to comment whether the audit trail has been preserved by the associate as per the statutory requirements for record retention

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 25117142BMKVPS5819
Place of Signature: Mumbai
Date: April 24, 2025

Annexure 1 referred to in clause 1 of paragraph on the "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Nelco Limited (the "Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the Companies included in the Consolidated Ind AS Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 25117142BMKVPS5819

Place of Signature: Mumbai
Date: April 24, 2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF NELCO LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Nelco Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Ind AS Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Group which include companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Ind AS Financial Statements and such internal financial controls with reference to consolidated Ind AS Financial Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 25117142BMKVPS5819

Place of Signature: Mumbai
Date: April 24, 2025

Consolidated Balance Sheet as at March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4 (a)	6,132	6,201
(b) Capital work-in-progress	4 (b)(i)	870	962
(c) Right-of-use assets	4 (c)	1,248	2,080
(d) Other intangible assets	4 (d)	416	439
(e) Intangible assets under development	4 (b)(ii)	-	23
(f) Financial assets			
(i) Investments	5	392	373
(ii) Other financial assets	6 (a)	90	164
(g) Deferred tax assets (net)	38	2,550	1,989
(h) Non-current tax assets (net)	7	89	176
(i) Other non-current assets	8 (a)	242	633
Total non-current assets		**12,029**	**13,040**
Current assets			
(a) Inventories	9	3,069	2,587
(b) Financial assets			
(i) Trade receivables	10	10,653	8,507
(ii) Cash and cash equivalents	11	1,385	2,179
(iii) Bank balances other than (ii) above	12	76	53
(iv) Loans	13	21	4
(v) Other financial assets	6 (b)	341	215
(c) Contract assets	14	-	809
(d) Other current assets	8 (b)	1,171	802
Total current assets		**16,716**	**15,156**
TOTAL ASSETS		**28,745**	**28,196**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	2,282	2,282
(b) Other equity	16	10,508	10,076
Total equity		**12,790**	**12,358**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17 (a)	-	17
(ia) Lease liabilities	4 (c)	691	1,885
(ii) Other financial liabilities	18 (a)	14	-
Total non-current liabilities		**705**	**1,902**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17 (b)	3,795	3,305
(ia) Lease liabilities	4 (c)	765	480
(ii) Trade payables	19		
(a) Total outstanding dues to micro and small enterprises		-	-
(b) Total outstanding dues to other than micro and small enterprises		4,677	3,520
(iii) Other financial liabilities	18 (b)	1,558	1,992
(b) Contract liabilities	14	3,498	3,637
(c) Other current liabilities	20	358	371
(d) Provisions	21	599	631
Total current liabilities		**15,250**	**13,936**
Total liabilities		**15,955**	**15,838**
Total equity and liabilities		**28,745**	**28,196**
Summary of material accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142
Place: Mumbai
Date : April 24, 2025

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)
Place: Mumbai
Date : April 24, 2025

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

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
Income			
(a) Revenue from operations	22	30,487	32,030
(b) Other income	23	518	236
Total income		**31,005**	**32,266**
Expenses			
(a) Purchases of stock-in-trade		3,184	3,989
(b) (Increase) in inventories of stock-in-trade	24	(482)	(460)
(c) Operating expenses	25	14,747	14,522
(d) Employee benefits expenses	26	4,573	4,304
(e) Other expenses	27	4,268	3,736
Total expenses		**26,290**	**26,091**
Profit before finance cost, depreciation & amortisation and share of profit from associate and tax (PBITDA)		**4,715**	**6,175**
(f) Finance costs	28	552	657
(g) Depreciation & amortisation expense	29	2,216	2,214
Total finance costs and depreciation & amortisation expenses		**2,768**	**2,871**
Profit before share of profit from associate and tax		**1,947**	**3,304**
Share of net profit from associate	5	19	47
Profit before tax		**1,966**	**3,351**
Tax expense			
- Current tax	38(b)	1,054	1,427
- Deferred tax (credit)	38(b)	(555)	(551)
- Tax adjustment for earlier years	38(b)	514	108
Total tax expenses		**1,013**	**984**
Profit for the year		**953**	**2,367**
Other comprehensive income/(expenses)			
Items that will not be reclassified to profit or loss in subsequent years			
- Remeasurement of post employment benefit obligations (loss)	42	(26)	(8)
- Income tax relating to this item		7	-
Other comprehensive (expense) for the year, (net of tax)		**(19)**	**(8)**
Total comprehensive income for the year		**934**	**2,359**
Earnings per share (Face value of ₹10/- per share) : (Basic and diluted)	35	4.18	10.37

Summary of material accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142
Place: Mumbai
Date : April 24, 2025

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)
Place: Mumbai
Date : April 24, 2025

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

Consolidated Statement of Cash Flow for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and share of profit from associate	1,947	3,304
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,216	2,214
Finance costs	552	657
Unrealised mark to market loss on forward contracts	2	3
Unrealised foreign exchange loss/(gain) (net)	17	(23)
Impairment allowance ((gain)/allowance for bad and doubtful debts)	-	(9)
Liabilities/provisions no longer required, written back	(205)	(31)
Loss/(gain) on disposal of property, plant and equipment (net)	15	(8)
Provision for warranty (net)	-	71
Unwinding of discount on financial asset measured at amortised cost	(112)	(63)
Interest income	(5)	(5)
Operating profit before working capital changes	**4,427**	**6,110**
Movement in working capital		
Movements in assets		
(Increase) in trade receivables	(2,146)	(223)
(increase)/decrease in other current assets	(369)	446
Decrease in other non current assets	391	31
(Increase) in inventories	(749)	(120)
(Increase)/decrease in other current financial assets	(143)	126
Decrease in other non-current financial assets	74	3
Decrease/(increase) in contract assets	809	(147)
Movements in liabilities		
Increase/(decrease) in trade payables	1,342	(935)
Increase in other financial liabilities - non current	14	-
(Decrease) in other non-current liabilities	-	(1)
(Decrease)/increase in other current financial liabilities	(106)	199
(Decrease)/increase in contract liabilities	(27)	718
(Decrease)/increase in other current liabilities	(13)	83
(Decrease) in current provisions	(58)	(14)
Cash generated from operations	**3,446**	**6,276**
- Direct taxes paid (net of refunds)	(1,480)	(1,787)
Net cash flow generated from operating activities (A)	**1,966**	**4,489**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/assets under development)	(1,657)	(1,631)
Proceeds from sale of property, plant and equipment	21	13
Interest income received	5	5
Investment in associate	-	(304)
Increase in bank balance not considered as cash and cash equivalents	(23)	(5)
Net cash flow (used in) investing activities (B)	**(1,654)**	**(1,922)**

Consolidated Statement of Cash Flow for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	10,700	7,786
Repayment of short term borrowings	(10,227)	(8,260)
Payment of principal portion of lease liabilities	(482)	(550)
Payment of interest portion of lease liabilities	(190)	(230)
Interest paid	(425)	(297)
Dividend paid	(482)	(453)
Net cash flow (used in) financing activities (C)	**(1,106)**	**(2,004)**
Net (decrease)/increase in cash & cash equivalents [(A)+(B)+(C)]	**(794)**	**563**
Cash and cash equivalents at the beginning of the year	**2,179**	**1,616**
Cash and cash equivalents at the end of the year	**1,385**	**2,179**

Note:

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

Cash and cash equivalents comprise of	As at March 31, 2025	As at March 31, 2024
Balance with banks in current accounts	391	1,860
Balance with banks in deposits accounts	651	-
Cheques on hand	343	319
Cash on hand	*	*
Total (refer note 11)	**1,385**	**2,179**

*Below rounding off norms adopted by the Group.

Summary of material accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142

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

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

Place: Mumbai
Date : April 24, 2025

Place: Mumbai
Date : April 24, 2025

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid.

Particulars	Number of shares	Amount
As at April 1, 2024	**2,28,17,461**	**2,282**
Changes in equity share capital	-	-
As at March 31, 2025	**2,28,17,461**	**2,282**
As at April 1, 2023	**2,28,17,461**	**2,282**
Changes in equity share capital	-	-
As at March 31, 2024	**2,28,17,461**	**2,282**

B. Other Equity

Particulars	Attributable to equity shareholders			Total
	Reserves and Surplus		Reserve for FVTOCI Equity instrument	
	General Reserve	Retained Earnings		
As at April 1, 2024	**250**	**9,808**	**18**	**10,076**
Profit for the year	-	953	-	953
Dividend paid*	-	(502)	-	(502)
Other comprehensive expenses for the year (net of tax)	-	(19)	-	(19)
As at March 31, 2025	**250**	**10,240**	**18**	**10,508**
As at April 1, 2023	**250**	**7,905**	**18**	**8,173**
Profit for the year	-	2,367	-	2,367
Dividend paid*	-	(456)	-	(456)
Other comprehensive expenses for the year (net of tax)	-	(8)	-	(8)
As at March 31, 2024	**250**	**9,808**	**18**	**10,076**

*For financial year ended March 31, 2024, the Board of Directors had recommended a dividend of 22% (March 31, 2023: 20%) which was ₹ 2.20 (March 31, 2023: ₹ 2.00) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 25, 2024.

For financial year ended March 31, 2025, the Board of Directors have recommended a dividend of 10% (March 31, 2024: 22%) which is ₹ 1.00 (March 31, 2024: ₹ 2.20) per equity share of ₹ 10/- each. This is subject to approval at the annual general meeting by the members and liability is not recognised as at March 31, 2025.

Summary of material accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142

Place: Mumbai
Date : April 24, 2025

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

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

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

Place: Mumbai
Date : April 24, 2025

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Corporate Information

Nelco Limited herein after referred to as "the Holding Company" was established in 1940. The Holding Company has one wholly owned subsidiary Nelco Network Products Limited. (NNPL). The Holding Company and its subsidiary together referred to as the Group.

The consolidated financial statements are presented in Indian Rupee (INR) which is also functional currency of the Holding Company.

The Holding Company is a subsidiary of The Tata Power Company Limited. The Holding Company has one wholly owned subsidiary Nelco Network Products Ltd. (NNPL). During the year ended March 31, 2024, the Holding Company has made investment of Rs. 304 Lakhs to acquire 31.72% of equity shares in Piscis Networks Private Limited. As per provisions of Ind AS 28 -Investment in Associates and Joint ventures, Piscis Networks Private Limited has been treated as an associate.

The Holding Company is in the business of providing domestic satellite communication services to close user group (CUG) networks via Satellite System on non-exclusive basis within the territorial boundary of India under the VSAT, ISP and other Licenses and authorisation granted by Department of Telecommunications (D.O.T.), Government of India.

NNPL is engaged in providing end to end networking solutions (Satcom Projects) services, sale/rental of VSATs and maintenance of private hubs and hybrid networks for its customers from government to corporates (Equipment business and related services).

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

1. Summary of material accounting policies

This note provides details of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

a. Compliance with Ind AS

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

b. Historical Cost Convention

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

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- defined benefit and other long-term employee benefits;

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

d. New and amended Standards adopted by the Group

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA amended the Companies (Indian Accounting Standards) Rules, 2024, as below:

Ind AS 116- Leases

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

e. Basis of consolidation

The Holding Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary (together referred to as "the Group") and its associate. Control exists when the Holding Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

i. Subsidiary

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary.

The group combines the financial statements of the Holding Company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

All intra group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

ii. Associates

Associates are entities over which the Group has significant influence but not control. Investments in Associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in Associates includes goodwill identified on acquisition.

f. Changes in the Group's ownership interests in existing subsidiary

When the group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated statement profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in the other comprehensive income are reclassified to profit or loss.

If ownership interest in joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

1.2 Property, plant and equipment

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

a. Capital work-in-progress

Projects under which Property, Plant and equipment which are not yet ready for their intended use are carried at cost net of accumulated impairment loss, if any.

b. Depreciation methods estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate cost, net of their estimated residual value, over their estimated useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Type of Assets	**Useful Life**
Building	30 years
Plant and Machinery	Radio frequency and baseband equipment – 10 to 12 Years Teleport antenna– 15 Years VSAT Antenna – 10 Years Networking devices -6 Years Electronic equipment – 6 to 7.50 Years
Electrical installation	10 years
Furniture and fixture	10 years
Office equipment's – VSAT	Antenna – 10 Years Electronic equipment – 6 to 7.50 Years
Office equipment's Computer hardware Others	 3 Years 5 Years
Vehicles	8 years

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

1.3 Intangible assets

Intangible assets acquired are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any. The Holding Company amortises intangible assets using straight line method over the following periods.

License Fees : Over the license period from the date of license available for use

Testing software : 5 years

1.4 Impairment of non-financial Assets

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

1.5 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 1.11 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, loans and other receivables included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

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

ii. The asset's contractual cash flows represent SPPI.

iii. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments):

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment

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

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

c. **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

i. the group has transferred substantially all the risks and rewards of the asset, or

ii. the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

d. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Also, on case-to-case basis specific provisions are also made for customers based on management estimates.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – refer note 30
- Investment at fair value through OCI – refer note 5
- Trade receivables and contract assets – refer note 10 and 14

e. Income recognition

Interest Income

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

Dividend

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

B. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

b. Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings):

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 17.

c. Derecognition

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

1.6 Cash and cash equivalents

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

1.7 Trade receivable

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

1.8 Trade and other payables

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

1.9 Offsetting financial instruments

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

1.10 Inventories

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

1.11 Revenue from contracts with customers

The Group earns revenue from providing Satellite communication connectivity systems and solutions through sale of goods, providing installation and annual maintenance services, renting of goods, Integrated Security & Surveillance services. The Group also earns revenue from providing domestic satellite communication services to close user group (CUG) networks via Satellite System on non-exclusive basis (Bandwidth Services).

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group recognises revenue as follows:

a. Sale of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, being when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

b. Rendering of Services

- Revenue from annual maintenance contract and network management is recognized over the period of performance.
- Revenue from Installation and commissioning services is recognized upon completion of installation of equipment.
- Satellite communication and Internet services:

  Revenue from bandwidth services is provided over the period of time, where it is received and consumed simultaneously by the customers and accordingly revenue is recognized over the period of performance and in the accounting period in which the services are rendered.

c. Rental Income

Lease income from operating leases where the Company is a lessor is recognised on straight-line basis over the term of the relevant lease in accordance with contract with the customers.

1.12 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the group are measured in INR using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statement is presented in Indian rupee (INR), which is Holding Company's functional and presentation currency.

b. Transactions and balances

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

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

1.13 Derivative financial instruments:

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

1.14 Current and deferred tax

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

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

a. Current Tax

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

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

b. Deferred Tax

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

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

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax losses and tax credits.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

1.15 Leases

As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leases asset is available for use by the group. Contracts may contain lease and non-lease component. The group allocates the consideration in the contract to lease and non-lease component based on their relative standalone prices.

Assets and liabilities are initially measured on the present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the group under residual value guarantees.
- the exercise price of purchase option if the group is reasonably certain to exercise the option and
- payment of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with Risk- free interest rate adjusted for credit risk for leases held by the group, which doesn't have recent third-party financing, and
- makes adjustments specific to the lease e.g. term, security etc

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following;

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost, and
- Restoration costs.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on straight line basis. If the group is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all the leases of low value assets are recognised as expense on a straight-line basis in profit and loss. Short term leases are leases with a term of 12 months or less.

As a lessor

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Finance leases receivables are recognised at the inception of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments receivable. Each lease payment received is allocated between the finance lease receivable and finance income. The finance income is recognised to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the finance lease receivable for each period.

Lease income from operating leases where the group is a lessor is recognised on a straight-line basis over the term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in balance sheet based on their nature.

1.16 Borrowing

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

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

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

1.17 Borrowing costs

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

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

1.18 Provisions and contingent liabilities

a. Provisions

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

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

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

i. Onerous Contracts

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

ii. Warranties

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

b. Contingent liabilities

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

1.19 Employee benefits

a. Short-term obligations

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

b. Other long-term employee benefit obligations

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

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

c. Post-employment obligations (Defined Benefit Obligations)

The group operates the following post-employment schemes:

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

Defined Benefit Plans:

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

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

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

During the previous year Company has formed gratuity fund exclusively for gratuity payment to the employees. The gratuity liability amount is contributed to the approved gratuity fund formed. The gratuity fund has been approved by Income Tax authorities.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Defined contribution plans:

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

Termination benefits:

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

1.20 Segment reporting

The Holding Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Holding Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

1.21 Contributed equityEquity shares are classified as equity.

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

1.22 Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii. Diluted earnings per share

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

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

1.23 Measurement of PBITDA

The Group has elected to present profit before finance cost, tax and depreciation and amortization (PBITDA) as a separate line item on the face of the statement of profit and loss account. The Group measures PBITDA on the basis of profit from total operations. In its measurement, the Group does not include depreciation and amortization expense, finance cost and tax expense.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

2. Critical estimates and judgements and key sources of estimation uncertainty: -

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

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

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

a. Revenue recognition

- The Group's contracts with customers could include promises to transfer multiple goods and services to a customer. The Group assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Each revenue component is recognised based on the policy noted in note 1.11 above.

- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation by the Group Companies. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct goods or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered.

- Contract fulfilment costs are expensed as incurred.

b. Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Recognition of deferred tax assets

Deferred tax assets are recognized for based on estimated future taxable rate on all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax losses and tax credits. The management assumes that taxable profits will be available while recognising deferred tax assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

d. Useful lives of property, plant and equipment and Intangible assets

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

e. Expected Credit Loss on trade receivable

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss. The group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Additionally, Group makes specific provision in relation to disputed receivables based on periodic credit evaluation. (refer note 31).

f. Estimation of Provisions & Contingent Liabilities

The group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability. (refer note No 36 and 37).

g. Leases

The group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Assessing whether a contract contains a lease requires significant judgement. Significant judgement is also required in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3. Rounding of amounts

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 4(a) : Property, plant and equipment

Description	Property, plant and equipment							
	Building	Plant and machinery	Electrical installation	Furniture and fixture	Office equipment Own	Office equipment Given on lease (operating lease)	Vehicles	Total Property, plant and equipment
Cost								
Balance as at April 1, 2024	163	11,383	24	112	522	1,920	51	14,175
Additions	73	403	16	59	89	776	-	1,416
Disposals	-	(1)	-	-	(1)	(90)	-	(92)
Balance as at March 31, 2025	**236**	**11,785**	**40**	**171**	**610**	**2,606**	**51**	**15,499**
Accumulated depreciation								
Balance as at April 1, 2024	120	6,116	24	94	357	1,245	18	7,974
For the year	16	958	2	10	73	383	7	1,449
On disposals	-	-	-	-	(1)	(55)	-	(56)
Balance as at March 31, 2025	**136**	**7,074**	**26**	**104**	**429**	**1,573**	**25**	**9,367**
Net carrying amount as at March 31, 2025	**100**	**4,711**	**14**	**67**	**181**	**1,033**	**26**	**6,132**
Cost								
Balance as at April 1, 2023	163	10,399	105	126	480	3,221	43	14,537
Additions	-	1,039	-	19	72	151	27	1,308
Disposals	-	(55)	(81)	(33)	(30)	(1,452)	(19)	(1,670)
Balance as at March 31, 2024	**163**	**11,383**	**24**	**112**	**522**	**1,920**	**51**	**14,175**
Accumulated depreciation								
Balance as at April 1, 2023	107	5,154	104	123	326	1,919	29	7,762
For the year	13	1,017	1	4	61	438	3	1,537
On disposals	-	(55)	(81)	(33)	(30)	(1,112)	(14)	(1,325)
Balance as at March 31, 2024	**120**	**6,116**	**24**	**94**	**357**	**1,245**	**18**	**7,974**
Net carrying amount as at March 31, 2024	**43**	**5,267**	**-**	**18**	**165**	**675**	**33**	**6,201**

Note :-

1) Property, plant and equipment pledged as security by the group (refer note 34)

2) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note 40)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 4(b) : Capital work-in-progress and Intangible assets under development

i) Capital work-in-progress

Particulars	Ageing of capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at March 31, 2025	197	673	-	-	**870**
Balance as at March 31, 2024	962	-	-	-	**962**

As at March 31, 2025 and As at March 31, 2024 there are no projects which are temporarily suspended. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

ii) Intangible assets under development

Particulars	Ageing of capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at March 31, 2025	-				**-**
Balance as at March 31, 2024	23	-	-	-	**23**

As at March 31, 2025 and As at March 31, 2024 there are no projects which are temporarily suspended. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Note 4(c) : Right-of-use assets and lease liabilities

4(c)(I) Group as lessee

The Holding Company as lessee acquired on lease Leasehold land. The total lease term is 95 years, remaining lease term is 59 years as on March 31, 2025. This has been included under leasehold premises and equipment disclosed below. The Group does not have an option to purchase the land at the end of the lease term. Also Group has taken on lease various offices for its branches where lease term ranges from 1 year to 9 years.

- The Group has taken on premises on lease along with certain equipments for term of 5 years to 10 years. The group is restricted from assigning and subleasing the leased assets.
- Group has taken motor vehicle on lease which have lease term varying from 2 years to 5 years.
- The effective interest rate for lease liabilities is from 8.00% to 9.95%.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

i. Right of use assets

Description	Leasehold premises and equipment	Office equipment	Motor Vehicle	Total
Cost				
Balance as at April 1, 2024	2,187	1,711	160	4,058
Additions	82	-	70	152
Disposals	(62)	(1,247)	(63)	(1,372)
Balance as at March 31, 2025	**2,207**	**464**	**167**	**2,838**
Accumulated depreciation				
Balance as at April 1, 2024	1,042	872	64	1,978
For the year	227	244	39	510
On disposals	(10)	(843)	(45)	(898)
Balance as at March 31, 2025	**1,259**	**273**	**58**	**1,590**
Net carrying amount as at March 31, 2025	**948**	**191**	**109**	**1,248**
Cost				
Balance as at April 1, 2023	1,834	1,872	139	3,845
Additions	388	-	24	412
Modification of lease	(30)	-	-	(30)
Disposals	(5)	(161)	(3)	(169)
Balance as at March 31, 2024	**2,187**	**1,711**	**160**	**4,058**
Accumulated depreciation				
Balance as at April 1, 2023	760	772	27	1,559
For the year	301	265	40	606
Modification of lease	(14)	(4)	-	(18)
On disposals	(5)	(161)	(3)	(169)
Balance as at March 31, 2024	**1,042**	**872**	**64**	**1,978**
Net carrying amount as at March 31, 2024	**1,145**	**839**	**96**	**2,080**

ii. Lease liabilities

Description	Leasehold premises and equipment	Office equipment	Motor Vehicle	Total
Balance as at April 1, 2024	**1,305**	**960**	**100**	**2,365**
Add: Additions	80		71	151
(Less): Disposal	53	508	17	578
Add: Accrued finance cost	97	84	9	190
(Less): Payments	283	340	49	672
Balance as at March 31, 2025	**1,146**	**196**	**114**	**1,456**
Current	**672**	**71**	**22**	**765**
Non current	**474**	**125**	**92**	**691**
Balance as at April 1, 2023	**1,196**	**1,206**	**114**	**2,516**
Add: Additions	388	-	24	412
(Less): Disposal	13	-	-	13
Add: Accrued finance cost	106	115	9	230
(Less): Payments	372	361	47	780
Balance as at March 31, 2024	**1,305**	**960**	**100**	**2,365**
Current	**191**	**259**	**30**	**480**
Non current	**1,114**	**701**	**70**	**1,885**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

iii. Amount recognised in Statement of profit or loss

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of Right-of-use assets	510	606
Interest on lease liabilities	190	230
Expenses related to short term leases (refer note 27)	161	32

iv. Amount recognised in statement of cash flows

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Total cash outflow of leases	(672)	(780)

4(c)(II) Group as lessor

a. Operating Lease

The Group as Lessor

- Group has given its office premises on sublease to its associate Company on lease term of 3 years.
- Grpup has given its plant and machinery on lease to its customer on lease term of 3 to 7 years.
- No refundable deposits are taken and the lease rentals recognised in the consolidated statement of Profit and Loss for the year included under sale of services under revenue from Operations (refer note 22) aggregate to ₹ 1,224 Lakhs (March 31, 2024 : ₹ 1,232 Lakhs).

Operating lease receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Not Later than 1 year	247	204
Later than 1 year and not longer than 5 years	233	267
Later than 5 years	-	-
Total	**480**	**471**

Disaggregation of property, plant and equipment given on operating lease as at March 31, 2025 is as follows:

Class of assets	Operating Lease		
	Gross block	Accumulated Depreciation	Carrying Amount
Office equipment	2,606	1,573	1,033
	(1,920)	(1,245)	(675)
Total	2,606	1,573	1,033
	(1,920)	(1,245)	(675)

Figures in (brackets) represents previous year's figures.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 4(d) : Other intangible assets

Description	Other intangible assets		
	Testing software	Motor vehicle	Total other intangible assets
Cost			
Balance as at April 1, 2024	674	348	1,022
Additions	71	-	71
Balance as at March 31, 2025	**745**	**348**	**1,093**
Accumulated amortisation			
Balance as at April 1, 2024	509	74	583
For the year	77	17	94
Balance as at March 31, 2025	**586**	**91**	**677**
Net carrying amount as at March 31, 2025	**159**	**257**	**416**
Cost			
Balance as at April 1, 2023	643	333	976
Additions	31	15	46
Balance as at March 31, 2024	**674**	**348**	**1,022**
Accumulated amortisation			
Balance as at April 1, 2023	439	58	497
For the year	70	16	86
Balance as at March 31, 2024	**509**	**74**	**583**
Net carrying amount as at March 31, 2024	**165**	**274**	**439**

Note 5 : Investments

Particulars	As at March 31, 2025		As at March 31, 2024	
	Numbers	Amount	Numbers	Amount
Investment accounted using equity method (Unquoted, fully paid)				
Investment in associates				
Piscis Networks Private Limited of ₹ 10 each (refer note below)	5,029	370	5,029	351
Investments at fair value through OCI (Unquoted, fully paid)				
Technopolis Knowledge Park Limited of ₹ 10/- each [(net of impairment of ₹181 Lakhs (March 31, 2024 : ₹ 181 Lakhs)]	18,10,000	-	18,10,000	-
Zoroastrian Co-operative Bank Limited	6,000	22	6,000	22
Total equity instruments		**392**		**373**
Total investments		**392**		**373**
Aggregate amount of unquoted investments		**392**		**373**
Aggregate amount of impairment in the value of investments		**(181)**		**(181)**

Note: :-

During the year the Group had acquired 31.72% of the fully issued share capital of Piscis Networks Private Limited, an unlisted Indian company, The Company is primarily engaged in the business of providing an SD-WAN solution to organizations to improve their network performance, reliability and security. The Group's interest in Piscis Networks Private Limited is accounted for using the equity method in the consolidated financial statements in accordance with Ind AS 28 'Investment in associates and joint ventures'. The following table illustrates the summarised financial information of the Group's investment in Piscis Networks Private Limited.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

i. Details of associate

Name of Associate	Principal activity	Country of Incorporation and Principal Place of Business	Proportion of ownership interest / voting rights held by the group	
			As at March 31, 2025	As at March 31, 2024
Piscis Networks Private Limited	SDWAN equipment	India	31.72%	31.72%

ii. Summarised financial information of associate

Summarised Balance Sheet	As at March 31, 2025	As at March 31, 2024
Total current assets	763	605
Add: Total non-current assets	87	29
Less: Total current liabilities	(42)	(55)
Less: Total Non-current liabilities	-	-
Equity	808	579
Group's Share in Equity-31.72%	256	183
Group's carrying amount of the investment	370	351

iii. Summarised statement profit and loss

Summarised statement profit and loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	1,433	808
Other income	-	21
Cost of raw material and components consumed	(875)	(414)
Depreciation & amortization	(7)	(2)
Finance cost	(21)	-
Employee benefit expense	(149)	(68)
Other expense	(73)	(51)
Profit/(loss) before tax	**308**	**294**
Income tax expense	(78)	(62)
Profit /(loss) for the year	**230**	**232**
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	**230**	**232**
Group's share of profit for the year - 31.72%	73	69
Adjustment to profit:		
a) Profit on Unsold Inventory	(35)	(6)
b)Amortisation of Technology	(19)	(16)
Group's net share of profit for the year	**19**	**47**

iv. Reconciliation of the above summarised financial information to the carrying amount of the interest in Piscis Networks Private Limited recognised in the Consolidated Financial Statements:

The Purchase Price Allocations were made to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to Goodwill, Technology and Workforce amounting to ₹ 192 Lakhs, ₹ 96 Lakhs and ₹ 30 Lakhs respectively. Management has assessed the average useful life of technology acquired as 5 years based on which amortisation has been started from previous year and adjusted with the carrying value of the investment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 6 (a) : Other non current financial assets - at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured considered good, unless otherwise stated)		
Security deposits	58	147
Balances held as margin money against bank guarantees	32	17
Total	**90**	**164**

Note 6 (b) : Other current financial assets - at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured considered good, unless otherwise stated)		
Security deposits	341	215
Security deposits which have significant increase in credit risk	21	21
Less: Impairment allowance on security deposits which have significant increase in credit risk	(21)	(21)
Total	**341**	**215**

Note 7 : Non-current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	176	300
Add : Tax deducted at source and advance tax	1,190	1,787
Less: Income tax refund received	440	-
Less: Amount paid under protest (refer note 38b)	(128)	-
Less: Current tax payable for the year	(1,059)	(1,427)
Less: current tax payable for the earlier year (refer note 38b)	(509)	(484)
Less: interest payable for the earlier year	(21)	-
Total	**89**	**176**

Note 8 (a) : Other non current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with government authorities	178	621
Prepaid Expenses	64	12
Total	**242**	**633**

Note 8 (b) : Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	222	197
Advance to suppliers	58	69
Balance with government authorities	592	308
Recoverable from Department of Telecommunication, charges paid in advance	210	210
Excess gratuity contribution (refer note 42)	17	13
Other recoverable	72	5
Total	**1,171**	**802**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 9 : Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Inventories (lower of cost and net realisable value)		
Stock-in-trade	3,069	2,587
Total	**3,069**	**2,587**

During the year ended March 31, 2025, ₹ 30 lakhs (March 31, 2024: ₹ (18) lakhs) has been recognised as an expense in relation to inventory being carried at net realisable value.

Note 10 : Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers		
- Trade receivables - considered good- secured	-	-
- Trade receivables - considered good- unsecured	6,765	6,248
- Trade receivables which have significant increase in credit risk	131	163
- Trade receivables- credit impaired	189	158
	7,085	6,569
Trade receivables from contract with customers-considered good-unsecured- related parties (refer note 43)	638	365
Total	**7,723**	**6,934**
Less : Impairment allowance (allowance for bad and doubtful debts)	(321)	(321)
Total	**7,402**	**6,613**
Unbilled receivables	3,251	1,894
Total	**10,653**	**8,507**

1. Trade receivables are dues in respect of goods sold and services rendered in the normal course of business.

2. Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables.

4. There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director is a member.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2025
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables-considered good	3,420	2,153	1,188	642	-	-	7,403
ii. Undisputed trade receivables-which have significant increase in credit risk	56	24	12	5	34	-	131
iii. Undisputed trade receivables-credit impaired	-	-	-	-	-	122	122
iv. Disputed trade receivables-considered good	-	-	-	-	-	-	-
v. Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed trade receivables-credit impaired	-	-	-	-	-	67	67
Total	**3,476**	**2,177**	**1,200**	**647**	**34**	**189**	**7,723**
Impairment allowance	56	24	12	6	34	189	321
Total	**3,420**	**2,153**	**1,188**	**641**	**-**	**-**	**7,402**

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2024
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables-considered good	3,665	2,609	214	125	-	-	6,613
ii. Undisputed trade receivables-which have significant increase in credit risk	41	29	3	15	67	-	155
iii. Undisputed trade receivables-credit impaired	-	-	-	-	-	99	99
iv. Disputed trade receivables-considered good	-	-	-	-	-	-	-
v. Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed trade receivables-credit impaired	-	-	-	-	-	67	67
Total	**3,706**	**2,638**	**217**	**140**	**67**	**166**	**6,934**
Impairment allowance	41	29	3	15	67	166	321
Total	**3,665**	**2,609**	**214**	**125**	**-**	**-**	**6,613**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2025
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	3,079	172	-	-	-	3,251
Total	**3,079**	**172**	**-**	**-**	**-**	**3,251**

Particulars	Ageing of unbilled receivables					As at March 31, 2024
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	1,758	136	-	-	-	1,894
Total	**1,758**	**136**	**-**	**-**	**-**	**1,894**

Note 11 : Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks :-		
in current accounts	391	1,860
in deposits accounts	651	-
Cheques on hand	343	319
Cash on hand	*	*
Total	**1,385**	**2,179**

* Below rounding off norms adopted by the Group.

Note 12 : Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
In earmarked accounts		
Unclaimed dividend accounts	37	17
Balances held as margin money against letter of credit and bank guarantees	39	36
Total	**76**	**53**

Note 13: Loans - at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Loans to employees	21	4
Total	**21**	**4**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 14 : Contract balances

Particulars	As at March 31, 2025	As at March 31, 2024
Contract assets	-	809
Total contract assets	**-**	**809**
Deferred revenue	3,001	2,526
Advances received from customers	497	1,111
Total contract liabilities	**3,498**	**3,637**

Note:

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current period relates to a carried forward contract liabilities and how much relates to performance obligation satisfied in current year.

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	2,526	2,563
Deferred during the year	3,001	2,526
Recognised as revenue during the year	(2,526)	(2,563)
Closing balance	**3,001**	**2,526**

Note 15 : Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised share capital:		
3,00,00,000 (3,00,00,000 as at March 31, 2024) equity shares of ₹ 10/- each	3,000	3,000
25,00,000 (25,00,000 as at March 31, 2024) redeemable preference shares of ₹ 100/- each	2,500	2,500
	5,500	**5,500**
Issued share capital:		
2,28,18,400 (2,28,18,400 as at March 31, 2024) equity shares of ₹ 10/- each)	2,282	2,282
	2,282	**2,282**
Subscribed and fully paid-up equity share capital:		
2,28,17,461 (2,28,17,461 as at March 31, 2024) equity shares of ₹10/- each)	2,282	2,282
Total	**2,282**	**2,282**

Notes:

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	2,28,17,461	2,282	2,28,17,461	2,282
Issued during the year	-	-	-	-
Outstanding at the end of the year	**2,28,17,461**	**2,282**	**2,28,17,461**	**2,282**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each, fully paid up The Tata Power Company Limited [50.08% (March 31, 2024 : 50.08%) (Holding Company)]	1,14,27,940	1,143	1,14,27,940	1,143

(iii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of directors have recommended dividend of ₹ 1.00/- per equity share for the year ended March 31, 2025. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of shares	Number of shares	% of shares
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited	1,14,27,940	50.08%	1,14,27,940	50.08%

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

(v) Shareholding of the promoter in the Company as at March 31, 2025 and March 31, 2024:

Name of the Promoter	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of shares	Number of shares	% of shares
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited	1,14,27,940	50.08%	1,14,27,940	50.08%

(vi) 939 shares (March 31, 2024 : 939 shares) are kept in abeyance out of the rights issued in the year 1994 pending for final allotment.

(vii) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2025.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 16 : Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
General reserve - refer (i) below	250	250
Retained earnings - refer (ii) below	10,240	9,808
Reserve for FVTOCI Equity instrument - refer (iii) below	18	18
Total	**10,508**	**10,076**

(i) General reserve

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	250	250
Addition during the year	-	-
Closing balance	**250**	**250**

(ii) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	9,808	7,905
Net Profit for the year	953	2,367
Less :- Dividend paid*	(502)	(456)
Other comprehensive (expenses (net of tax)		
- Remeasurements of post employment benefit obligations, net of tax	(19)	(8)
Closing balance	**10,240**	**9,808**

(iii) Reserve for FVTOCI Equity instrument

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	18	18
Changes in fair value of FVTOCI equity instruments	-	-
Closing balance	**18**	**18**

Nature and purpose of reserves:

General reserve

General Reserve is used to transfer profits from retained earnings for appropriation purposes. The amount can be utilised in accordance with the provision of the Companies Act, 2013.

Retained earnings

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Reserve for FVTOCI Equity instrument

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

Note on Dividend:-

*For financial year ended March 31, 2024, the Board of Directors had recommended a dividend of 22% (March 31, 2023: 20%) which was ₹ 2.20 (March 31, 2023: ₹ 2.00) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 25, 2024.

For financial year ended March 31, 2025, the Board of Directors have recommended a dividend of 10% (March 31, 2024: 22%) which is ₹ 1.00 (March 31, 2024: ₹ 2.20) per equity share of ₹ 10/- each. This is subject to approval at the annual general meeting by the members and liability is not recognised as at March 31, 2025.

Note 17(a) : Non current borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loans from banks (refer note (i) and (iii) below)	-	17
Total	**-**	**17**

Note 17(b) : Current borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term loans from banks (refer note (i) and (iii) below)	1,500	-
Cash credit facility from banks (refer note (i), (ii) and (iii) below)	42	335
Current maturity of long term debt (refer note (i) and (iii) below)	17	684
	1,559	**1,019**
Unsecured		
Term loans from banks (refer note (iii) below)	1,800	1,800
Cash credit facility from banks (refer note (iii) below)	436	486
	2,236	**2,286**
Total	**3,795**	**3,305**

Notes:

(i) The carrying amount of financial and non-financial assets pledged as security for current borrowings are given in note 34.

(ii) Disclosure related to returns filed with banks with respect to working capital facilities are given in note 46.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(iii) Details of borrowings are as follows:

Particulars	As at March 31, 2025		As at March 31, 2024		Terms of Repayment	Rate of Interest (p.a)	Nature of Security
	Non current	Current	Non current	Current			
Term loan from Bajaj Finance Limited	-	17	17	684	36 monthly equal instalments till April 2025	ROI linked to ICICI Bank MCLR+ Spread (Currently 9.05%)	Exclusive charge over the VSAT's installed at HPCL, IOCL, Bank of India and BPCL Outlets and in inventory
Term loan from IDFC First Bank Ltd	-	1,500	-	-	Payable on demand	8.50% to 8.60%	First Pari Passu charge on entire Current Assets of the Borrower present and future
Cash credit facility from IDFC First Bank Ltd	-	42	-	335	Payable on demand	1 month MCLR+ Spread	First Pari Passu charge on entire Current Assets of the Borrower present and future
Term loan from ICICI Bank Ltd	-	1,800	-	1,800	Payable on demand	8.40% to 8.70%	Unsecured
Cash credit facility from ICICI Bank Limited	-	436	-	486	Payable on demand	6 month MCLR+ Spread	Unsecured
Total	**-**	**3,795**	**17**	**3,305**			

Note 17 (c) : Changes in liabilities arising from financing activities

Net debt reconciliation

Particulars	As at March 31, 2025	As at March 31, 2024
Cash & cash equivalents (refer note 11)	1,385	2,179
Lease liabilities [refer note 4 (c)]	(1,456)	(2,365)
Non current borrowings (including current maturities of long term debt) (refer note 17(a))	(17)	(701)
Current borrowings (refer note 17(b))	(3,778)	(2,621)
Net debts	**(3,866)**	**(3,508)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Other assets	Liabilities from financial activities			Total
	Cash & cash equivalents	Lease liabilities	Non current borrowings (Including Current Maturities of long term debt)	Current borrowing	
Net debt as at April 1, 2024	**2,179**	**(2,365)**	**(701)**	**(2,621)**	**(3,508)**
Cash flow	(794)	482	684	(1,157)	(785)
Modification of lease term	-	578	-	-	578
Acquisitions - finance leases	-	(151)	-	-	(151)
Interest expenses	-	(190)	(31)	(342)	(563)
Interest paid	-	190	31	342	563
Net debt as at March 31, 2025	**1,385**	**(1,456)**	**(17)**	**(3,778)**	**(3,866)**
Net debt as at April 1, 2023	**1,616**	**(2,516)**	**(3,010)**	**(784)**	**(4,694)**
Cash flow	563	550	2,309	(1,837)	1,585
Modification of lease term	-	13	-	-	13
Acquisitions - finance leases	-	(412)	-	-	(412)
Interest expenses	-	(230)	(192)	(120)	(542)
Interest paid	-	230	192	120	542
Net debt as at March 31, 2024	**2,179**	**(2,365)**	**(701)**	**(2,621)**	**(3,508)**

Note 18(a) : Other non current financial liabilities - at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits received (refer note 43)	14	-
Total	**14**	**-**

Note 18(b) : Other current financial liabilities - at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued	187	250
Sundry deposits received from customers	29	26
Capital creditors	289	574
Employee related payables	1,014	1,125
Fair value of foreign exchange forward contract*	2	*
Unclaimed dividend (refer note below)	37	17
Total	**1,558**	**1,992**

Note: There is no amount due and outstanding as at March 31, 2025 and March 31, 2024, to be credited to Investor Education and Protection Fund.

*Less than below rounding off norms adopted by the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 19 : Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	-
Trade payable to related parties (refer note 43)	842	48
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	3,835	3,472
Total	**4,677**	**3,520**

Note: Trade payables are non-interest bearing and are generally on terms of 0 to 90 days.

Trade payable ageing schedule

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2025
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	**-**	**-**	**-**	**-**	**-**	**-**
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	**1,449**	**2,897**	**126**	**10**	**195**	**4,677**
Disputed	-	-	-	-	-	-
Undisputed	1,449	2,897	126	10	195	4,677
Total (A+B)	**1,449**	**2,897**	**126**	**10**	**195**	**4,677**

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2024
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	**-**	**-**	**-**	**-**	**-**	**-**
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	**764**	**2,492**	**21**	**73**	**170**	**3,520**
Disputed	-	-	-	-	-	-
Undisputed	764	2,492	21	73	170	3,520
Total (A+B)	**764**	**2,492**	**21**	**73**	**170**	**3,520**

Note 20 : Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	358	371
Total	**358**	**371**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 21 : Current provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits obligations:		
Compensated absences (refer note 42)	214	212
	214	**212**
Provision - Others:		
Warranty (refer note 37)	220	254
Provision for disputed obligations (refer note 37)	165	165
	385	419
Total	**599**	**631**

Note 22 : Revenue from operations

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations		
<u>Revenue from contracts with customer</u>		
Sale of products	3,595	4,497
Sale of services	26,885	27,524
	30,480	32,021
Scrap sales	7	9
Total revenue from contracts with customers	**30,487**	**32,030**

Type of goods or services	Year ended March 31, 2025	Year ended March 31, 2024
Sale of satellite communication equipment	3,595	4,497
Sale of satellite communication services	20,554	22,243
Equipment rental services	1,224	1,232
Installation and other services	5,107	4,049
Other	7	9
Total revenue from contracts with customers	**30,487**	**32,030**

Location	Year ended March 31, 2025	Year ended March 31, 2024
India	30,055	31,624
Outside India	432	406
Total revenue from contracts with customers	**30,487**	**32,030**

Timing of recognition of revenue	Year ended March 31, 2025	Year ended March 31, 2024
Goods transferred at point in time	3,602	4,506
Services transferred over time	26,855	27,524
Total revenue from contracts with customers	**30,487**	**32,030**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue as per contracted price	29,605	37,316
Adjustments for:		
Unbilled revenue (refer note 10)		
Opening balance	(1,894)	(2,091)
Closing balance	3,251	1,894
	1,357	(197)
Contract liabilities (refer note 14)		
Opening balance	2,526	(2,563)
Closing balance	(3,001)	(2,526)
	(475)	(5,089)
Total	**30,487**	**32,030**

Performance obligation:

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

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

Installation, AMC and rental services:
The performance obligation for installation is satisfied upon completion of installation activity, AMC and rental services over-time and payment is generally due upon completion of installation and acceptance of the customer.

Note 23 : Other income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest income		
- On bank deposits	5	5
- On finance lease	-	1
- On income tax refund	115	-
	120	**6**
Other non-operating income		
Insurance claims recovered	-	5
Liabilities/provisions no longer required, written back (net)	205	31
Rent income	5	1
Amount recoverable on lease termination	69	-
Others	2	39
	281	**76**
Other gains		
Profit on sale of property, plant and equipment (net)	-	8
Foreign exchange gain (net)	5	83
Unwinding of discount on financial asset measured at amortised cost	112	63
	117	**154**
Total	**518**	**236**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 24 : (Increase) in inventories of stock-in-trade

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the beginning of the year:		
Stock-in-trade	2,587	2,087
Stock- in-transit	-	40
	2,587	**2,127**
Less : Inventories at the end of the year:		
Stock-in-trade	3,069	2,587
Stock-in-transit	-	-
	3,069	**2,587**
Net (increase) / decrease in inventories of stock-in-trade	**(482)**	**(460)**

Note 25 : Operating expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
License fees	2,442	2,680
Transponder charges	8,732	9,435
Connectivity charges	394	402
ISP monitoring & support charges	3	3
Subcontracting expenses	3,109	1,878
Standing Advisory Committee on Radio Frequency Allocation (SACFA) Fees	67	124
Total	**14,747**	**14,522**

Note 26 : Employee benefits expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	4,085	3,867
Contributions to provident fund (refer note 42)	154	136
Contributions to superannuation funds (refer note 42)	16	21
Gratuity (refer note 42)	47	42
Staff welfare expenses	271	238
Total	**4,573**	**4,304**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 27 : Other Expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Bank charges	62	68
Consumption of loose tools	23	33
Power and fuel	296	261
Rent including lease rentals [refer note 4(c)]	161	32
Repairs and maintenance - Plant and machinery	400	351
Repairs and maintenance - Others	736	627
Rates and taxes	96	25
Travelling and conveyance	371	326
Freight and forwarding	277	337
Legal and professional charges	264	231
Consultancy charges	430	397
Director sitting fees	67	39
Installation expenses	266	177
Payment to auditors (refer note below)	55	50
Impairment allowance ((gain)/allowance for bad and doubtful debts)	-	(9)
Loss on sale of property, plant and equipment (net)	15	-
Corporate social responsibility expenses (refer note 48)	30	24
Loss on mark to market forward contract	2	3
Sales commission	83	93
Software expenses	135	116
Vehicle charges	189	191
Insurance	34	23
Telephone charges	39	41
Provision for warranty (net) (refer note 37)	-	71
Miscellaneous expenses	237	229
Total	**4,268**	**3,736**

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Payments to the auditors comprises		
As Auditors		
Audit fee	26	25
Tax audit fee	2	2
Limited review	18	15
In other capacity		
Other services	5	4
Reimbursement of expenses	4	4
Total	**55**	**50**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 28 : Finance costs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on:		
Borrowings	373	376
Leased liabilities	164	205
Trade payables	-	30
Others	15	46
Total	**552**	**657**

Note 29 : Depreciation and amortisation expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On property, plant and machinery [refer note 4(a)]	1,449	1,537
On intangible assets [refer note 4(d)]	94	86
On right of use assets [refer note 4(c)(i)]	510	596
On right of use assets on termination of lease	163	(5)
Total	**2,216**	**2,214**

Note 30 : Fair Value Measurements

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in the financial statements.

The following tables presents the carrying value and fair value of each category of financial assets and liabilities.

The Group's assets and liabilities which are measured at amortised cost for which fair values are disclosed:

Particulars	As at March 31, 2025			As at March 31, 2024		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments	-	22	-	-	22	-
Trade receivables	-	-	10,653	-	-	8,507
Cash and cash equivalents	-	-	1,385	-	-	2,179
Other bank balances	-	-	76	-	-	53
Current loans	-	-	21	-	-	4
Other financial assets	-	-	431	-	-	379
Total financial assets	**-**	**22**	**12,566**	**-**	**22**	**11,122**
Financial liabilities						
Borrowings	-	-	3,795	-	-	3,322
Trade payables	-	-	4,677	-	-	3,520
Mark to market loss on forward contracts	2	-	-	*	-	-
Other financial liabilities	-	-	1,556	-	-	1,992
Total financial liabilities	**2**	**-**	**10,028**	**-**	**-**	**8,834**

* Less than below rounding off norms adopted by the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Fair Value hierarchy

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

Financial assets and liabilities measured at fair value at March 31, 2025	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial assets at FVOCI					
Investment in equity shares	5	-	-	22	22
Financial instrument at FVPL					
Fair value of foreign exchange forward contract	18(b)	-	2	-	2
Total financial assets		**-**	**2**	**22**	**24**

Financial assets and liabilities measured at fair value at March 31, 2024	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial assets at FVOCI					
Investment in equity shares	5	-	-	22	22
Financial instrument at FVPL					
Fair value of foreign exchange forward contract	20		*	-	-
Total financial assets		**-**	**-**	**22**	**22**

* Less than below rounding off norms adopted by the Group.

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

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

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

(ii) Valuation method used to determine fair value

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

- The use of quoted market price or dealer quotes for similar instruments.
- The fair value of foreign exchange forward contract is determined using forward exchange rates at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

b) During the current year, there is no significant movement in the items of fair value measurements categorised within Level 3 of the fair value hierarchy.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

c) The Fair value for investment in unquoted equity share were calculated based on risk adjusted discounted rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(iii) Valuation processes

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

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial assets				
Trade receivables	10,653	10,653	8,507	8,507
Cash and cash equivalents	1,385	1,385	2,179	2,179
Other bank balances	76	76	53	53
Loans to employees	21	21	4	4
Other financial assets	431	431	379	379
Total financial assets	**12,566**	**12,566**	**11,122**	**11,122**
Financial liabilities				
Borrowings	3,795	3,795	3,322	3,322
Trade payables	4,677	4,677	3,520	3,520
Other financial liabilities	1,556	1,556	1,992	1,992
Total financial liabilities	**10,028**	**10,028**	**8,834**	**8,834**

The carrying amounts of cash and cash equivalent, other bank balances, loans to employees, other financial assets, trade payables are considered to be the same as their fair values, due to their short-term nature.

The Fair value of Loans, Trade Receivables, Borrowings and Other financial liabilities were calculated based on cash flows discounted using a current deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant Estimates

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

(v) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI

Particulars	Technopolis Knowledge Park Limited		Zoroastrian Co-operative Bank Limited		Total amount
	Qty	Amount	Qty	Amount	
As at April 1, 2024	18,10,000	-	6,000	22	22
Addition/(deletion)/remeasurement	-	-	-	-	-
As at March 31, 2025	**18,10,000**	**-**	**6,000**	**22**	**22**
As at April 1, 2023	18,10,000	-	6,000	16	16
Addition/(deletion)/remeasurement	-	-	-	6	6
As at March 31, 2024	**18,10,000**	**-**	**6,000**	**22**	**22**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 31 : Financial Risk Management

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

The Groups's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, foreign currency risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk management committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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

(A) Credit Risk

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Credit Risk Management

Financial Assets

The group maintains exposure in cash and cash equivalents, trade receivables, term deposits with banks, Security deposits with counterparties, loans to third parties. Individual risk limits are set for each 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, 2025 and March 31, 2024 is the carrying value of each class of financial assets as disclosed in the consolidated financial statements.

Trade receivables

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

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss within other expenses.

Three customers as at March 31, 2025 and five customers as at March 31, 2024 contributed to more than 5% of the total balance of trade receivables. Receivable from these customers was ₹ 2905 Lakhs and ₹ 2,938 Lakhs as at March 31, 2025 and as at March 31, 2024 respectively.

The amount of Trade receivable outstanding as at March 31, 2025 and March 31, 2024 is as follows:

ECL rate followed by the Company for BFSI customer 1.33% (2024: 1.33%) and non BFSI 1.13% (2024 1.13%).

Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
As at March 31, 2025					
Gross	3,476	2,177	1,200	870	**7,723**
Impairment allowance	56	24	12	229	**321**
Net	**3,420**	**2,153**	**1,188**	**641**	**7,402**
As at March 31, 2024					
Gross	3,706	2,638	217	373	**6,934**
Impairment allowance	41	29	3	248	**321**
Net	**3,665**	**2,609**	**214**	**125**	**6,613**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(ii) Reconciliation of loss allowances provision

Loss Allowances on March 31, 2023	346
Add: provision made during the year	(9)
Less: Provision for doubtful debts made in earlier years written back	(16)
Loss Allowances on March 31, 2024	**321**
Add: provision made during the year	-
Less: Provision for doubtful debts made in earlier years written back	-
Loss Allowances on March 31, 2025	**321**

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

Other than trade receivables and financial assets.

Management believes that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil and accordingly no significant provision for expected credit loss has been recorded.

Credit risk from balances with bank and financial institutions is managed by the Group's treasury department in accordance with the Group's policy.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due through rolling cash flow forecast. Also, the Group has unutilized credit limits with banks.

(i) Financing arrangements

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

Particulars	As at March 31,2025	As at March 31,2024
Floating Rate		
Expiring within one year (Bank overdraft, Term Loans and other facilities)	7,122	7,600
Total	**7,122**	**7,600**

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(ii) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities	Less than 1 Year	1 - 5 Years	5 Year and Above	Total
March 31, 2025				
Non - Derivative				
Borrowings	3,795	-	-	3,795
Lease liability	377	1,183	257	1,817
Trade payables	4,677	-	-	4,677
Other financial liabilities	1,558	14	-	1,572
Total non derivative liabilities	**10,407**	**1,197**	**257**	**11,861**

Contractual maturities of financial liabilities	Less than 1 Year	1 - 5 Years	5 Year and Above	Total
March 31, 2024				
Non - Derivative				
Borrowings	3,305	17	-	3,322
Lease liability	469	1,520	376	2,365
Trade payables	3,520	-	-	3,520
Other financial liabilities	1,992	-	-	1,992
Total non derivative liabilities	**9,286**	**1,537**	**376**	**11,199**

(C) Market Risk

(i) Foreign currency risk

Group is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Group enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(a) Foreign currency risk exposure:

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

Particulars	Foreign currency	As at March 31, 2025		As at March 31, 2024	
		In foreign currency	₹ in Lakhs	In foreign currency	₹ in Lakhs
Financial liabilities					
Trade payables and capex creditors	USD	19	1,607	18	1,461
Derivative Liabilities	USD	-	2	-	-
Foreign exchange forward contract					
Buy foreign currency	USD	(7)	(598)	(14)	(1,148)
Net exposure to foreign currency liability	**USD**	**12**	**1,011**	**4**	**313**
Financial Assets					
Trade receivables	USD	(13)	(1,082)	(15)	(1,278)
Derivative assets	USD	-	-	*	-
Net exposure to foreign currency assets	**USD**	**(13)**	**(1,082)**	**(15)**	**(1,278)**

* Below rounding off norms adopted by the Group.

(b) Sensitivity

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

Particulars	Impact on profit after tax	
	As at March 31, 2025	As at March 31, 2024
USD sensitivity		
INR/USD - Increase by 5% (March 31, 2024 - 5%)*	3	36
INR/USD - Decrease by 5% (March 31, 2024 - 5%)*	(3)	(36)
* Holding all other variables constant		

(ii) Interest rate risk

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

(a) Interest Rate risk exposure

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows.

Particulars	As at March 31, 2025	As at March 31, 2024
Variable rate borrowings	3,795	3,322
Total Borrowings	**3,795**	**3,322**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	As at March 31, 2025	As at March 31, 2024
Interest Rate - Increase by 100 basis points*	(28)	(25)
Interest Rate - Decrease by 100 basis points*	28	25
* Holding all other variable constant		

(iii) Price Risk

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

Note 32 : Capital Management & Gearing Ratio

Risk Management

The Group's objectives when managing capital are to

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

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

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

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

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

Gearing Ratio

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

Particulars	As at March 31, 2025	As at March 31, 2024
Debt (refer note 17a & 17b)	3,795	3,322
Cash and cash equivalents (refer note 11)	1,385	2,179
Net debt	**2,410**	**1,143**
Equity share capital (refer note 15)	2,282	2,282
Other equity (refer note 16)	10,508	10,076
Total Capital	**12,790**	**12,358**
Capital and net debt	15,200	13,501
Net debt to total capital and net debt ratio (%)	16%	8%

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Loan covenants

Under the terms of the major borrowing and facilities, the group was required to comply with the following financial covenants.

Exclusive charge over the VSAT's installed at HPCL, IOCL, Bank of India and BPCL Outlets with minimum security cover of 1.35x at all times and over VSAT's assets with minimum security cover of 1.35x at all times.

Group has complied with the above covenants throughout the reporting period.

Group has regularly filed statements with banks from whom loans are taken and there are no deviation from books of accounts. (refer note 46).

Note 33: Offsetting Financial Assets And Financial Liabilities

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

Note 34: Assets pledged as security

Collateral against borrowings

Current assets and property, plant and equipment of the Group are pledged as security against debt facilities from the lender i.e. land and building, plant and machinery situated at Mahape, Maharashtra, Dehradun, Uttarakhand and other locations and VSAT installed at HPCL, IOCL, Bank of India and BPCL.

The Group has pledged financial instruments as collateral against a number of its borrowings. The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
First charge		
Trade receivables	10,053	8,507
Inventories	3,069	2,587
Cash & cash equivalents	1,385	2,179
Bank balances other than above	76	53
Loans	21	4
Other financial assets	411	215
Contract assets	-	809
Other current assets	1,308	802
Total current assets pledged as security	**16,323**	**15,156**
First charge		
Office equipment	894	675
Total (A)	**894**	**675**
Non current assets		
Second charge		
Building	100	43
Plant and machinery	4,343	4,916
Office equipment	120	101
Total (B)	**4,563**	**5,060**
Total non-current assets pledged as security	**5,457**	**5,735**
Total assets pledged as security	**21,780**	**20,891**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 35: Earnings per share (EPS)

Sr. No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1	Net profit after tax attributable to equity shareholders (₹ in lakhs)	953	2,367
2	Weighted average number of equity shares	2,28,17,461	2,28,17,461
3	EPS (₹) [Basic and diluted] (face value per share ₹ 10)	4.18	10.37

Note 36: Contingent liabilities

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
a)	Claims against the group not acknowledged as debt comprises of:		
	- Sales tax and service tax claims disputed by the Group relating to issues of applicability and classification	657	403
b)	Claims from Vendor		
	- Future cash outflows in respect of above matters are determinable only on receipt of judgments/ decisions pending at various forums / authorities.	168	168
	- Others*	394	394
c)	Income tax demand against the group not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which Group is in appeal (refer note 38(b))	68	1,163
	Total (a+b+c)	**1,287**	**2,128**

*Application filled by plaintiffs with Small Causes Court, Mumbai, claiming from Holding Company mesne profit of ₹ 560 lakhs and interest thereon. Based on valuation report obtained by the Holding Company from an independent valuer, Holding Company has made provision of ₹ 166 lakhs and accrued interest thereon. Balance has been disclosed as contingent liability.

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

The Group does not have any contingent assets at the balance sheet date.

The above figures for contingent liabilities do not include amounts towards certain additional penalties/interest that may devolve on the Group in the event of an adverse outcome as the same is subjective and not capable of being presently quantified. Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable, further outflow of resources is not probable in either cases.

Note 37 : Disclosure as required by Ind AS 37 – "Provisions, contingent Liabilities and contingent Assets" as at year end are as follows:

a) Provision for disputed obligation represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities and others. The information usually required by Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets", is not disclosed on grounds that it can be expected to prejudice the interests of the group. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the group under the law and hence, the group is not able

Notes to the Consolidated Financial Statements for the year ended March 31, 2025
(Amount ₹ in Lakhs, unless otherwise mentioned)

to reasonably ascertain the timing of the outflow (refer note 36).

b) Provision for Warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under free warranty period ranging from one to three years.

c) The movement and provision during the year are as follows:

Particulars	Provision for disputed obligation		Provision for warranties	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance	165	165	254	207
Add: Provision during the year	-	-	3	71
Less: Utilisation during the year	-	-	(37)	(24)
Less: Reversal during the year	-	-	-	-
Closing balance	**165**	**165**	**220**	**254**
Classified as current (refer note 21)	165	165	220	254

Note 38 : Income Tax

a) Components and movements of deferred tax asset (net):

Particulars	As at April 1, 2023	Recognised in the statement of profit and Loss	As at March 31, 2024	Recognised in the statement of profit and Loss	Recognised in the statement of other comprehensive income	As at March 31, 2025
	(a)	(b)	(c)	(d= a+b+c)	(e)	(f=d+e)
i. Items of deferred tax liabilities :						
Assets given on finance lease	7	(7)	-	-	-	-
Right of use assets	615	(86)	529	(213)	-	316
Others	1	11	12	17	-	29
Total deferred tax liability (i)	**623**	**(82)**	**541**	**(196)**		**345**
ii. Items of deferred tax assets :						
Disallowances under Section 43B of the Income Tax Act, 1961, provision for legal dispute and investment impairment	93	48	141	(12)	6	135
Provision for doubtful debts and deposits	120	(17)	103	42	-	145
Allowance u/s 35DDA and 35DD of Income Tax Act, 1961	18	(10)	8	(2)	-	6
Allowance u/s 35ABB of Income Tax Act, 1961	-	620	620	554	-	1,174
Allowance u/s 35ABB of Income Tax Act, 1961 (Previous year (refer note 38(b))*	-	446	446	-	-	446
Property, plant and equipment and intangible assets	553	(14)	539	(5)	-	534
Lease liability	677	(77)	600	(231)	-	369
Inventory	56	(42)	14	-	-	14
Others	168	(109)	59	13	-	72
Total deferred tax assets (ii)	**1,685**	**845**	**2,530**	**359**	**6**	**2,895**
Net deferred tax assets* (ii-i)	**1,062**	**927**	**1,989**	**555**	**6**	**2,550**

*Net deferred tax assets created of ₹ 927 lakhs for the year ended March 31, 2024 includes net deferred tax assets of ₹376 lakhs pertaining to earlier years (refer note 38b).

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

b) Current tax and deferred tax

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income tax expense		
For current year		
Current tax		
Current tax on profits for the year	1,054	1,427
Total current tax expense (A)	**1,054**	**1,427**
Deferred tax [refer note 38(a)]		
(Increase) in deferred tax assets	(359)	(469)
(Decrease) in deferred tax liabilities	(196)	(82)
Total deferred tax (benefit) (B)	**(555)**	**(551)**
Income tax expense for current year (C=A+B)	**499**	**876**
For earlier year		
Current tax		
Current tax for the earlier years	514*	484
Deferred tax [refer note 38(a)]		
(Increase) in deferred tax assets for earlier years	-	(376)
Tax adjustment for earlier years (D)	**514**	**108****
Total income tax expense (C+D)	**1,013**	**984**

*In relation to Income tax demand disclosed in contingent liability (refer note 36) of ₹ 1,095 lakhs, during the year ended March 31, 2025, Holding Company filed an application under "Vivad se Vishwas Scheme, 2024" to settle the pending Income Tax matter and dues relating to Assessment Year 2011-12. Holding Company's application has been approved by the Income Tax Authorities. Tax payable ₹ 488 Lakhs as per the application has been recognised as Tax Adjustments for earlier years and Interest on income tax payable ₹ 21 Lakhs has been recognised as Finance Cost for the year ended March 31, 2025. This settlement resulted in reduction in contingent liability from ₹ 1,095 Lakhs to NIL.

**On October 16, 2023, the Honourable Supreme Court of India pronounced a judgement regarding treatment of Variable License Fee paid to Department of Telecommunication under New Telecom Policy 1999, since July 1999, to be treated as capital in nature and not revenue expenditure for the purpose of computation of taxable income. Even though the Company was not a party to the above judgement , as a matter of prudence, the Company assessed and recorded a provision of ₹ 102 Lakhs towards tax (net of deferred tax) and ₹ 46 lakhs towards interest which was treated as finance cost for the year ended March 31, 2024.

On May 17, 2024, the Honourable Supreme Court of India, while disposing Miscellaneous Application, waived the interest liability that would have arisen as a result of the order dated October 16, 2023.

Considering the Order dated May 17, 2024 and based on the assessment of the position, during the year the management has reversed the liability amounting to ₹ 22 Lakhs relating to Interest pertaining to the period before October 16, 2023.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 39 : Reconciliation of tax expense and accounting profit multiplied by India's tax rates:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit from operation before Income tax expenses	**1,947**	**3,304**
Statutory tax rate (%)	25.17%	25.17%
Tax at Indian tax rate	**490**	**832**
Tax adjustment related to current year	-	31
Impact of change in tax rate	11	3
Expenses not allowed in tax	(7)	-
Tax impact on OCI	5	10
Tax adjustment related to earlier years		
Income tax provision made for earlier year, including interest	514	108
Total tax expense	**1,013**	**984**

Note 40 : Capital and other commitments

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	236	225

Note 41: Segment reporting

The Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Group and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

Note 42: Employee benefit obligations

a. Short-term employee benefits

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

b. Long-term employee benefits

i) Defined contribution plans

Groups's contribution paid/payable during the year to superannuation fund and provident fund contribution are recognised as an expense and included in Note 26 under the heading "Contributions to superannuation funds" are as under:

Sr. No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a)	Contribution to employees' superannuation fund	16	21
b)	Contribution to provident fund	59	54
	Total	**75**	**75**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

ii) Defined Benefit Plans

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

Provident Fund (funded):

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

In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at March 31, 2025 and March 31, 2024, respectively.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Plan assets at period end, at fair value	3,140	3,266
Present value of benefit obligation at period end	(3,140)	3,266
Asset recognized in Balance Sheet	-	-

The Plan assets have been primarily invested in government securities.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Government of India (GOI) bond yield	6.94%	7.24%
Remaining term to maturity of portfolio	11 years	11 years
Expected guaranteed interest rate	8.25%	8.25%

The Holding Company has contributed ₹ 95 Lakhs and ₹ 82 Lakhs during the year ended March 31, 2025 and March 31, 2024 respectively and the same has been recognized in the Statement of Profit and Loss.

Provident Fund Assessment as per recent Supreme court Judgment:

Recent Supreme Court judgement in case of Vivekananda Vidyamandir and Others (February 2019) lays down principles to exclude a particular allowance from the definition of "basic wages" for the purposes of computing the deduction towards provident fund contributions. A review petition have been filed against the said order by other Companies and await clarification from Provident Fund Commissioner/ Supreme Court. Based on the initial assessment and recently concluded inspections by Provident Fund authorities, management does not expect any material impact on the financial statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Gratuity (funded):

The Group has a funded defined benefit gratuity plan. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities. The liability in respect of gratuity and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services."

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

Amount recognised in the statement of profit and loss:

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	48	42
Interest cost	41	38
Interest income on plan assets	(42)	(38)
Total expense recognised in the statement of profit and loss	**47**	**42**

Amount recognised in other comprehensive income (OCI):

Particulars	As at March 31, 2025	As at March 31, 2024
Due to change in financial assumptions	11	10
Due to experience	21	26
Return on Plan Assets, excluding interest income	(6)	(28)
Total losses recognised in OCI	**26**	**8**

Change in Defined Obligation (DBO) during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of DBO at the beginning	570	501
Current service cost	48	42
Interest cost (Net)	41	38
Remeasurement (gain)/loss	32	36
Liabilities transferred in/acquisitions	8	(3)
Benefits paid	(131)	(44)
Present value of DBO at end of the year	**568**	**570**
Present value of plan assets at the beginning	583	510
Interest income	42	38
Amount paid to employees gratuity trust	9	7
Return on Plan Assets, excluding interest income	6	28
Benefits paid from the fund	(55)	-
Present value of plan assets at end of the year	**585**	**583**
Present value of net DBO at the end of the year	**(17)**	**(13)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Plan assets at period end, at fair value	585	583
Present value of benefit obligation at period end	568	570
Asset/(liability) recognised in Balance Sheet	**17**	**13**

Principal Actuarial assumptions for valuation of gratuity liability:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.84%	7.24%
Expected rate of escalation in salary	7.50%	7.50%
Rate of employee turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

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

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

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sensitivity:

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

Particulars	Change in assumption	As at March 31, 2025		As at March 31, 2024	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(35)	40	(32)	36
Expected rate of escalation in salary	1%	39	(35)	35	(32)
Rate of employee turnover	1%	(2)	2	(1)	1

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

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

Defined benefit liability and employers contributions:

The weighted average duration of the projected benefit obligation is 8 years (March 31, 2024 - 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
1st following year	43	96
2nd following year	30	38
3rd following year	134	27
4th following year	51	114
5th following year	43	75
Sum of years 6 to 10	195	173
Sum of years 11 and above	495	455

iii) Other employee benefits

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

b) An amount of ₹ 62 Lakhs (March 31, 2024 ₹ 52 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2025 towards Compensated absences.

c) Net liability recognised for compensated absences in the Balance Sheet as at March 31, 2025 is ₹ 196 Lakhs (March 31, 2024: ₹ 190 Lakhs).

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Principal Actuarial assumptions for valuation of long-term compensated absences

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.94%	7.24%
Expected rate of escalation in salary	7.50%	7.50%
Rate of employee turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.

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

Note 43: Related party transactions

Disclosure as required by Ind AS 24 - "Related Party Disclosures" is as follows:

Names of the related parties and description of relationship:

(A) Related parties where control exists

Employment Benefit Funds
Nelco Limited Employees Gratuity Trust
Nelco Network products Limited Employees Gratuity Trust
The National Radio & Electronics Co. Ltd. Employees Provident Fund
The National Radio & Electronics Co. Ltd. Superannuation Fund

(B) Holding Company/ Promoter
The Tata Power Company Limited

(C) Associate Company
Piscis Networks Private Limited w.e.f. June 5, 2023

(D) (i) Promoter of Holding Company
Tata Sons Private Limited

(ii) Subsidiaries and Jointly Controlled Entities of Promoter - Promoter Group (where transactions have taken place during the year or previous year / balances outstanding)

The Tata Power Green Energy Limited
Poolavadi Windfarm Limited
TP Southern Odisha Distribution Limited
Tata Communications Limited
Tata Communications Payment Solutions Limited
Tata Teleservices Limited
Tata Technologies Limited
Tata Steel Limited
Tata Sia Airlines Limited
Tata Capital Limited
C-edge Technologies Limited
Air India Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

The Indian Hotels Company Limited
Tata AIG General Insurance Company Limited
Tata 1MG Technologies Private Limited
Tata AIA Life Insurance Co Ltd
Tata Business Hub Limited
Novamesh Limited

(E) Key Managerial Personnel

(i) Executive Director

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

(ii) Independent, Non-Executive Directors and others

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

(F) Details of Transactions:

Sr. No.	Particulars	Holding Company		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
1	**Rendering of services**										
	The Tata Power Green Energy Limited	-	-	-	-	-	1	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	1	1	-	-	-	-
	Tata Communications Limited	-	-	-	-	83	114	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	520	194	-	-	-	-
	Tata communications Payment solutions Limited	-	-	-	-	314	191	-	-	-	-
	Tata Steel Limited	-	-	-	-	317	197	-	-	-	-
	Tata Technologies Limited	-	-	-	-	457	178	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	11	6	-	-	-	-
	Air India Limited	-	-	-	-	745	-	-	-	-	-
2	**Sale of goods**										
	Tata Communications Limited	-	-	-	-	2	*	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	-	*	-	-	-	-
	Tata communications Payment solutions Limited	-	-	-	-	-	262	-	-	-	-
	Tata Steel Limited	-	-	-	-	-	138	-	-	-	-
	Tata Technologies Limited	-	-	-	-	-	41	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	-	2	-	-	-	-
3	**Receiving of services**										
	Tata Sons Private Limited	-	-	-	-	-	26	-	-	-	-
	Tata Communications Limited	-	-	-	-	555	593	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	89	78	-	-	-	-
	The Indian Hotels Company Limited	-	-	-	-	4	7	-	-	-	-
	Tata 1MG Technologies Private Limited	-	-	-	-	*	2	-	-	-	-
	Novamesh Limited	-	-	-	-	72	-	-	-	-	-
	Tata Business Hub Limited	-	-	-	-	3	4	-	-	-	-
	Air India Limited	-	-	-	-	126	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr. No.	Particulars	Holding Company		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
4	**Purchase of Goods**										
	Piscis Networks Private Limited	-	-	1,430	775	-	-	-	-	-	-
5	**Reimbursement of charges**										
	Tata Communications Limited	-	-	-	-	39	32	-	-	-	-
6	**Rent earned**										
	Piscis Networks Private Limited	-	-	5	-	-	-	-	-	-	-
7	**Rent paid**										
	Tata Capital Limited	-	-	-	-	60	48	-	-	-	-
8	**Brand equity payment**										
	Tata Sons Private Limited	-	-	-	-	71	34	-	-	-	-
9	**Purchase of capital goods**										
	Piscis Networks Private Limited	-	-	-	21	-	-	-	-	-	-
10	**investment**										
	Piscis Networks Private Limited	-	-	-	304	-	-	-	-	-	-
11	**Dividend paid**										
	The Tata Power Company Limited	251	229	-	-	-	-	-	-	-	-
12	**Purchase of Insurance Policy**										
	Tata AIG General Insurance Company Limited	-	-	-	-	4	4	-	-	-	-
	Tata AIA Life Insurance Co Ltd	-	-	-	-	16	16	-	-	-	-
13	**Remuneration - short term employee benefits****										
	Mr. P. J. Nath	-	-	-	-	-	-	-	-	419	370
	Mr. Girish V. Kirkinde	-	-	-	-	-	-	-	-	53	65
	Mr. Malav Shah	-	-	-	-	-	-	-	-	81	62
	Mr. Ritesh Kamdar	-	-	-	-	-	-	-	-	37	Nil
14	**Contribution to Employee Benefit Plans**										
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	-	12	-	-
	The National Radio & Electronics Co. Ltd. Employees Provident Fund	-	-	-	-	-	-	82	70	-	-
	The National Radio & Electronics Co. Ltd. Superannuation Fund	-	-	-	-	-	-	-	4	-	-
15	**Director sitting fees**										
	Mr. A. S. Lakshminarayanan	-	-	-	-	-	-	-	-	1	1
	Mr. Saurabh Ray	-	-	-	-	-	-	-	-	5	4
	Mr. Ajay Kumar Pandey	-	-	-	-	-	-	-	-	24	15
	Dr. Lakshmi Nadkarni	-	-	-	-	-	-	-	-	19	10
	Mr. K. Narasimha Murthy	-	-	-	-	-	-	-	-	14	10
	Mr. Vijay Somaiya	-	-	-	-	-	-	-	-	4	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(G) Balances outstanding

Sr. No.	Particulars	Holding Company		Associate Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
1	**Trade receivables**										
	The Tata Power Green Energy Limited	-	-	-	-	*	*	-	-	-	-
	Tata Communications Limited	-	-	-	-	12	21	-	-	-	-
	Tata communications Payment solutions Limited	-	-	-	-	125	137	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	*	2	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	278	42	-	-	-	-
	Tata Steel Limited	-	-	-	-	99	113	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	13	5	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	1	1	-	-	-	-
	Tata Technologies Limited	-	-	-	-	110	44	-	-	-	-
	Air India Limited (unbilled)	-	-	-	-	745	-	-	-	-	-
2	**Advance**										
	Tata Sia Airlines Limited	-	-	-	-	-	3	-	-	-	-
	Tata Technologies Limited	-	-	-	-	-	344	-	-	-	-
3	**Trade payables**										
	Piscis Networks Private Limited	-	-	662	4	-	-	-	-	-	-
	Tata Sons Private Limited	-	-	-	-	42	39	-	-	-	-
	Tata Communications Limited	-	-	-	-	11	1	-	-	-	-
	Tata Capital Limited	-	-	-	-	-	4	-	-	-	-
	Tata 1MG Technologies Private Limited	-	-	-	-	*	*	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	*	-	-	-	-	-
	Tata Business Hub Limited	-	-	-	-	1	-	-	-	-	-
	Air India Limited	-	-	-	-	126	-	-	-	-	-
4	**Other payables**										
	Piscis Networks Private Limited	-	-	6	-	-	-	-	-	-	-
5	**Other receivables**										
	Nelco Limited Employees Gratuity Trust	-	-	-	-	-	-	1	-	-	-
	Nelco Network products Limited Employees Gratuity Trust	-	-	-	-	-	-	16	13	-	-
6	**Security deposit received**										
	Piscis Networks Private Limited	-	-	6	-	-	-	-	-	-	-

The sales to, purchases from and other transactions entered with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

**The Group provides long term benefits in the form of Gratuity to Key managerial personnel along with all employees, cost of same is not identifiable separately and hence not disclosed.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 44: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

a. Net assets, i.e., total assets minus total liabilities

Name of the entity in the Group	As at March 31, 2025		As at March 31, 2024	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Nelco Limited	95.70%	12,240	95.29%	11,775
Indian Subsidiaries				
Nelco Network Products Limited	27.54%	3,522	29.03%	3,588
Indian Associate (Investment as per equity method)				
Piscis Networks Private Limited	2.89%	370	2.84%	351
Adjustment on consolidation	(26.13%)	(3,342)	(27.16%)	(3,356)
Total	**100.00%**	**12,790**	**100.00%**	**12,358**

b. Share in profit or loss

Name of the entity in the Group	Year ended March 31, 2025		Year ended March 31, 2024	
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
Parent				
Nelco Limited	102.94%	981	89.87%	2,127
Indian Subsidiaries				
Nelco Network Products Limited	(6.40%)	(61)	9.38%	222
Indian Associate (Investment as per equity method)				
Piscis Networks Private Limited	1.99%	19	1.99%	47
Adjustment on consolidation	(1.47%)	14	(1.24%)	(29)
Total	**100.00%**	**953**	**100.00%**	**2,367**

c. Share in Other Comprehensive Income

Name of the entity in the Group	Year ended March 31, 2025		Year ended March 31, 2024	
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
Parent				
Nelco Limited	73.68%	(14)	125.00%	(10)
Indian Subsidiaries				
Nelco Network Products Limited	26.32%	(5)	(25.00%)	2
Total	**100.00%**	**(19)**	**100.00%**	**(8)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

d. Share in Total Comprehensive Income

Name of the entity in the Group	Year ended March 31, 2025		Year ended March 31, 2024	
	As % of consolidated total comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent				
Nelco Limited	103.53%	967	89.75%	2,117
Indian Subsidiaries				
Nelco Network Products Limited	(7.07%)	(66)	9.50%	224
Indian Associate (Investment as per equity method)				
Piscis Networks Private Limited	2.03%	19	1.99%	47.00
Adjustment on consolidation	1.50%	14	(1.24%)	(29)
Total	**100.00%**	**934**	**100.00%**	**2,359**

Note 45: Interest In other entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2025 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, 2025	As at March 31,2024	
Nelco Network Products Limited	India	100%	100%	Sale of VSAT Equipment's

(b) Interests in associate

(i) Set out below are the associate as at March 31, 2025 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

The Group has a 31.72% interest in Piscis Networks Private Limited, which is involved in the SD-WAN technology product. Piscis Networks Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Piscis Networks Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Piscis Networks Private Limited:

Name of the entity	Place of business	% of Ownership interest	Relationship	Accounting Method	Carrying Amount	
					As at March 31,2025	As at March 31,2024
Piscis Networks Private Limited*	India	31.72%	Associate	Equity Method	370	351
Total Equity Accounting Investments					**370**	**351**

*Unlisted entity - no quoted price available.

During the quarter ended June 30, 2023, the Holding Company made an investment of ₹ 100 Lakhs in 9.09% equity shares of Piscis Networks Private Limited. During the quarter ended September 30, 2023, the Holding Company made further investment of ₹ 204 Lakhs to acquire additional 22.63% of equity shares. As at March 31, 2025 and March 31, 2024 the Holding Company holds 31.72% stake in Piscis Networks Private Limited. As per provisions of Ind AS 28 -Investment in Associates and Joint ventures, Piscis Networks Private Limited has been treated as an associate.

Note 46: Returns filed with banks with respect to working capital facility availed by the Group

Name of Bank	Quarter	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Bank of India, Union Bank of India	Q-1 of FY 24-25	Debtors	4,723	4,723	-	-
		Creditors	1,368	1,368	-	-
Bank of India, Union Bank of India	Q-2 of FY 24-25	Debtors	3,816	3,816	-	-
		Creditors	1,408	1,408	-	-
Bank of India, Union Bank of India	Q-3 of FY 24-25	Debtors	4,122	4,122	-	-
		Creditors	875	875	-	-
Bank of India, Union Bank of India	Q-4 of FY 24-25	Debtors	3,995	3,995	-	-
		Creditors	703	703	-	-
Bank of India, Union Bank of India	Q-1 of FY 23-24	Debtors	4,205	4,205	-	-
		Creditors	1,627	1,627	-	-
Bank of India, Union Bank of India	Q-2 of FY 23-24	Debtors	4,353	4,353	-	-
		Creditors	1,315	1,315	-	-
Bank of India, Union Bank of India	Q-3 of FY 23-24	Debtors	4,639	4,639	-	-
		Creditors	1,882	1,882	-	-
Bank of India, Union Bank of India	Q-4 of FY 23-24	Debtors	3,779	3,779	-	-
		Creditors	1,411	1,411	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

For Subsidiary

Name of Bank	Quarter	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
IDFC Bank Ltd	Q1 of 2024-25	Inventory	2,623	2,623	-	-
		Debtors	5,519	5,519	-	-
		Creditors	2,226	2,226	-	-
IDFC Bank Ltd	Q2 of 2024-25	Inventory	2,188	2,188	-	-
		Debtors	6,474	6,474	-	-
		Creditors	2,802	2,802	-	-
IDFC Bank Ltd	Q3 of 2024-25	Inventory	2,212	2,212	-	-
		Debtors	7,051	7,051	-	-
		Creditors	3,089	3,089	-	-
IDFC Bank Ltd	Q4 of 2024-25	Inventory	3,069	3,069	-	-
		Debtors	6,658	6,658	-	-
		Creditors	3,971	3,971	-	-
IDFC Bank Ltd	Q-1 of FY 23-24	Inventory	2,295	2,295	-	-
		Debtors	4,713	4,713	-	-
		Creditors	2,588	2,588	-	-
IDFC Bank Ltd	Q-2 of FY 23-24	Inventory	2,528	2,528	-	-
		Debtors	4,659	4,659	-	-
		Creditors	2,332	2,332	-	-
IDFC Bank Ltd	Q-3 of FY 23-24	Inventory	2,147	2,147	-	-
		Debtors	5,212	5,212	-	-
		Creditors	2,163	2,163	-	-
IDFC Bank Ltd	Q-4 of FY 23-24	Inventory	2,587	2,587	-	-
		Debtors	5,058	5,058	-	-
		Creditors	2,438	2,438	-	-

Note 47: Ratios

Sr. No.	Particulars	Note	Ratio			Remarks for movement
			March 31, 2025	March 31, 2024	% of change	
a	Current ratio=Current assets/ Current liabilities	Refer note I	1.10	1.09	1%	-
b	Debt equity ratio= Total Debt/Total Equity	Refer note II	0.30	0.27	11%	-
c	Debt service coverage ratio = EBITDA/Total amount of interest and principal payable or paid during the period	Refer note III	3.46	1.84	88%	Due to decrease in EBITDA during the year
d	Return on equity ratio= Net Profits after taxes/Total Equity	Refer note IV	0.08	0.08	0%	-
e	Inventory turnover ratio= COGS/Average inventory	Refer note V	0.96	1.50	-36%	Due to increase in inventory at year end
f	Trade receivable turnover ratio= Sales/Average trade receivable	Refer note VI	3.18	3.82	-17%	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr. No.	Particulars	Note	Ratio			Remarks for movement
			March 31, 2025	March 31, 2024	% of change	
g	Trade payable turnover ratio= (Total expenses- provision for doubtful debts)/Average trade payables	Refer note VII	6.41	6.50	-1%	-
h	Net capital turnover ratio= Net Sales/Working capital	Refer note VIII	5.06	6.40	-21%	-
i	Net profit ratio = Net Profit after Tax/Revenue	Refer note IX	0.03	0.07	-57%	Due to reduction in net profit
j	Return on capital employed= Earning before interest and taxes/Capital employed	Refer note X	0.15	0.25	-40%	Due to reduction in EBIT and increase in capital employed
k	Return on investment = Interest income /Average investment in fixed deposits	Refer note XI	0.08	0.10	-20%	-

Sr No	Particulars	Refer note	March 31, 2025	March 31, 2024
I	Current assets			
	(a) Inventories	9	3,069	2,587
	(b) Financial assets			
	(i) Trade receivables	10	10,653	8,507
	(ii) Cash and cash equivalents	11	1,385	2,179
	(iii) Bank balances other than (ii) above	12	76	53
	(iv) Loans	13	21	4
	(v) Other financial assets	6 (b)	341	215
	(c) Contract Assets	14	-	809
	(d) Other current assets	8 (b)	1,171	802
			16,716	15,156
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17 (b)	3,795	3,305
	(ia) Lease liabilities	4 (c)	765	480
	(ii) Trade payables	19	4,677	3,520
	(iii) Other financial liabilities	18 (b)	1,558	1,992
	(b) Provisions	21	599	631
	(c) Contract Liabilities	14	3,498	3,637
	(d) Other current liabilities	20	358	371
			15,250	13,936
II	Total Debt			
	Non current borrowings	17 (a)	-	17
	Current borrowings	17 (b)	3,795	3,305
			3,795	3,322
	Total equity			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,508	10,076
			12,790	12,358

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2025	March 31, 2024
III	Earning before interest tax depreciation and amortisation (EBITDA)	Refer P & L	4,715	6,175
	Total amount of interest and principal payable or paid during the period			
	Total interest paid or payable during the period			
	On long term borrowings	28	31	376
	On lease liabilities	28	164	205
			195	581
	Total principal paid or payable during the period			
	Principal portion of long term borrowing	17 (a)	684	2,309
	Principal portion of lease liabilities	4 (c)	482	467
			1,166	2,776
IV	Net Profits after taxes	As per P &L	1,013	984
	Total equity			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,508	10,076
			12,790	12,358
V	Average inventory			
	Opening inventory	9	2,587	2,127
	Closing inventory	9	3,069	2,587
	Average inventory		2,828	2,357
	Cost of goods sold (COGS)	As per P &L	2,702	3,529
VI	Sales	22	30,487	32,030
	Average trade receivable			
	Opening trade receivable	10	8,507	8,274
	Closing trade receivable	10	10,653	8,507
	Average trade receivable		9,580	8,391
VII	Total expenses	As per P &L	26,290	26,091
	Less: provision for doubtful debts	27	-	(9)
			26,290	26,082
	Average trade payables			
	Opening trade payables	19	3,520	4,506
	Closing trade payables	19	4,677	3,520
	Average trade payables		4,099	4,013

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2025	March 31, 2024
VIII	Net Sales	22	30,487	32,030
	Working capital (Current assets- current liabilities)			
	Current assets			
	(a) Inventories	9	3,069	2,587
	(b) Financial assets			
	(i) Trade receivables	10	10,653	8,507
	(ii) Cash and cash equivalents	11	1,385	2,179
	(iii) Bank balances other than (ii) above	12	76	53
	(iv) Loans	13	21	4
	(v) Other financial assets	6 (b)	341	215
	(c) Contract Assets	14	-	809
	(d) Other current assets	8 (b)	1,171	802
	Total Current assets		16,716	15,156
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	19	4,677	3,520
	(ii) Other financial liabilities	18 (b)	1,558	1,992
	(b) Provisions	21	599	631
	(c) Contract Liabilities	14	3,498	3,637
	(d) Other current liabilities	20	358	371
	Total Current liabilities		10,690	10,151
	Working capital (Current assets - current liabilities)		6,026	5,005
IX	Net Profit after Tax	As per P &L	953	2,367
	Revenue	22	30,487	32,030
X	Earning before interest and taxes			
	Earning before finance cost, depreciation, amortisation and tax	As per P &L	4,715	6,175
	Less: Depreciation and amortisation	29	2,216	2,214
			2,499	3,961
	Capital employed			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,508	10,076
	Borrowing			
	Non current	17 (a)	-	17
	Current	17 (b)	3,795	3,305
	Total capital employed		16,585	15,680
XI	Interest on bank deposits	23	5	5
	Less: interest income on security deposits		-	-
			5	5
	Average investment in fixed deposit			
	Opening	6(a) & 12	53	51
	Closing	6(a) & 12	71	53
	Average investment in fixed deposit		62	52

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 48 : Corporate Social Responsibility

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Gross amount required to be spent by the Group during the year	-	7
b) Amount approved by the Board to be spent during the year	30	24
c) Amount spend in cash during the year ending March 31, 2025		
i) Construction/acquisition of an asset	-	-
ii) On purpose other than (i) above		
Contribution to Akshaya Patra Foundation	-	3
Contribution to Catalysts for Social Action	10	6
Contribution to Training and Education Center	-	1
Contribution to Tata Power Community Development Trust	20	14
Total (C=i+ii)	**30**	**24**
d) Amount yet to be paid in cash (d=b-c)	-	-

During the year Company has spent on on-going CSR projects

Note 49 : There are no Micro and Small Enterprises to whom the Group owes dues, which are outstanding as at March 31, 2025 (Nil: March 31, 2024). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Group.

Note 50: Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on March 31, 2025	Balance outstanding as on March 31, 2024	Relationship with the Struck off Company
Trident Eservices Private Limited	Purchase of services	1	*	Service provider

* Below rounding off norms adopted by the Group.

Note 51 : The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on May 3, 2024. However, the final rules/ interpretation have not yet been issued. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 52 : The Holding Company, subsidiary and the associate which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:

Instances of audit trail feature not enabled at the database level and master fields with certain privileged access rights throughout the year for all relevant transactions recorded in SAP	**In respect of Holding Company and Subsidiary Company** Holding Company and its subsidiary (Nelco Network products Limited has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level for the year and also for certain master fields (Asset Master, Customer Master and Vendor Master) changes made using privileged/ administrative access rights related to the SAP application and/or the underlying SQL database. However, this was enabled for changes made using privileged/administrative access rights related to the SAP application and / or the underlying SQL database from April 10, 2024. Further no instance of audit trail feature being tampered with was noted in respect of other software. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention. **In respect of Associate** Management is not in possession of Service Organisation Controls report to determine whether audit trail feature of the said software was enabled and operated through out the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with, in respect of an accounting software where the audit trail has been enabled. Additionally, in the absence of Service Organisation Controls report, Management is unable to assess whether the audit trail has been preserved as per the statutory requirements for record retention.
Instances of audit trail feature being tampered with	

Note 53: Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group have neither received nor given any fund from or to any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(Amount ₹ in Lakhs, unless otherwise mentioned)

(vi) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961.

(vii) The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 54 : Events after the reporting period

The Group has evaluated subsequent events from the balance sheet date through April 24, 2025 the date at which the financial statements were available to be issued, and determined that there are no material items to be disclosed other than those disclosed above.

Note 55: Approval of Consolidated Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on April 24, 2025.

As per our report of even date
For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142

Place: Mumbai
Date : April 24, 2025

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

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

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

Place: Mumbai
Date : April 24, 2025

Form AOC-1 Statement containing salient features of the financial statement of Subsidiaries and Associate Companies

(Amount ₹ in Lakhs, unless otherwise mentioned)

Part "A": Subsidiaries

Name of the Subsidiary Company	Nelco Network Products Ltd.
Reporting period	1-4-2024 to 31-3-2025
Reporting currency	INR
Exchange rate as at March 31, 2025	1
Share capital	100
Reserves & Surplus	3,422
Total assets	**13,715**
Total liabilities (excluding share capital & reserves)	**10,193**
Investments	-
Turnover	9,930
Other income	154
Total revenue	**10,084**
(Loss) before taxation	**(59)**
Provision for taxation (including deferred tax)	2
(Loss) after taxation	**(61)**
Proposed dividend on equity shares (%)	Nil
Proposed dividend on equity shares	Nil
% of Share- holding	100%

Part "B": Associates

Name of the Associates Company	Piscis Network Products Ltd*.
Reporting period	1-4-2024 to 31-3-2025
Reporting currency	INR
Exchange rate as at March 31, 2025	1
Share capital	2
Reserves & Surplus	807
Total assets	**851**
Total liabilities (excluding share capital & reserves)	**42**
Investments	-
Turnover	1,433
Other income	-
Total revenue	**1,433**
Profit before taxation	**309**
Provision for taxation (including deferred tax)	78
Profit after taxation	**230**
Proposed dividend on equity shares (%)	Nil
Proposed dividend on equity shares	Nil
% of Share- holding	31.72%

*During the previous year ended March 31, 2024, the Company had made investment of ₹ 304 Lakhs to acquire 31.72% of equity shares in Piscis Networks Private Limited. As per provisions of Ind AS 28 -Investment in Associates and Joint ventures, Piscis Networks Private Limited has been treated as an associate.

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

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

Ritesh Kamdar
Company Secretary
(ICSI M. No: A20154)

Place: Mumbai
Date : April 24, 2025

NOTES

Snippets of the year gone by …

nelco
unlock potential
A TATA Enterprise

Recognition at Business Excellence Convention 2024

Thought Leadership at SpaceTech India

Creating change through Education

TBEM Assessment site visit

Charting direction through Purpose Vision revisit exercise

Recognitions for Improvements & Innovation

Building capabilities for future

Prioritizing Safety at our Workplace

Digital Reverse Mentoring

Sustainable Future with Tree Plantation drive

Health Check campaigns on World Health day

Celebrating together

Team spirit in Nelco Premier League

Strategic thinking beyond the boardroom

Building Bonds through shared experiences

ISO 20000-1:2018 | ISO 27001:2013 | TL 9000

Registered Office and Mahape Teleport:
Nelco Ltd., EL-6, Electronics Zone, MIDC,
Mahape, Navi Mumbai - 400 710, India
Tel : +91 22 6791 8728, 6739 9100
Fax : +91 22 6791 8787

Dehradun Teleport:
Nelco Ltd., C/o Tata Communications Ltd.,
Ahmed Satellite Earth Station, Lacchiwala,
P.O. Doiwala, Dehradun-248140, India

Regional Offices:
Bangalore : +91 - 080 - 2838 0170/175
Chennai : +91 - 7825 808 261 - 265
Jamshedpur : +91 - 9234 554 896,
+91 - 9234 600 903
Kolkata : +91 - 033 – 4602 6732
: +91 - 033 – 4602 4852
New Delhi : +91 - 9212 710 582
Secunderabad : +91 - 8179 611 185

CIN No. L32200MH1940PLC003164
Web : www.nelco.in
Email : services@nelco.in