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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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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
<p>Assessment of contingent liabilities, provision for litigations</p> <p>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.</p> <p>The Group faces inquiries from tax authorities and regulatory authorities during tax assessment and legal proceedings, during the normal course of business. There is a high level of Management judgement required in estimating the probable outflow of economic resources and the level of provisioning and the disclosures required. The Management's assessment is supported by legal opinions from independent tax consultants and legal experts.</p> <p>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.</p> <p>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</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - 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. <p>For tax matters, we involved our tax specialists to assess Management's application and interpretation of tax legislation affecting the Group and to consider the quantification of exposures and settlements arising from the disputes with the tax authorities in the various tax jurisdictions.</p>



Key audit matters	How our audit addressed the key audit matter
pending direct and indirect tax litigation disclosed as contingent liabilities.	

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.



Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company which is incorporated in India has adequate internal financial controls with reference to Consolidated Ind AS Financial Statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its 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;

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 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



PK

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF NELCO LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Nelco Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 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



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Nelco Limited
Consolidated Balance Sheet as at March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

o/c

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

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batiiboi & Associates LLP

Firm Registration Number : 101049W/E300004

Chartered Accountants


Aniket Sohani
Partner
Membership No. 117142



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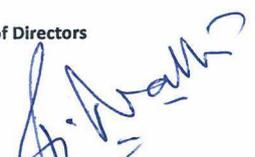
For and on behalf of the Board of Directors

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

Place : Mumbai
Date : April 24, 2025

Nelco Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(Amount Rs 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 Rs 10/- per share) : (Basic and diluted)	35	4.18	10.37

Summary of material accounting policies

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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



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

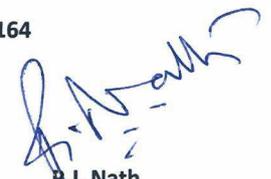
CIN: L32200MH1940PLC003164



A. S. Lakshminarayanan

Chairman

(DIN: 08616830)



R.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

Place : Mumbai

Date : April 24, 2025

Nelco Limited

Consolidated Statement of Cash Flow for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
	Audited	Audited
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)
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



Nelco Limited**Consolidated Statement of Cash Flow for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***Note :**

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

Cash and cash equivalents comprise of :	As at	As at
	March 31, 2025	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

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 of
Nelco Limited**

CIN: L32200MH1940PLC003164

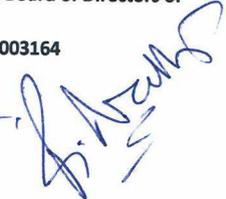
**Aniket Sohani**

Partner

Membership No. 117142



PT

**A. S. Lakshminarayanan**

Chairman

(DIN: 08616830)

P.J. Nath

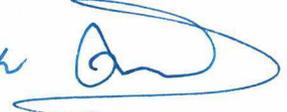
Managing Director & CEO

(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

Place : Mumbai

Date : April 24, 2025



Nelco Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

A. Equity share capital

Equity shares of Rs. 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 Rs. 2.20/- (March 31, 2023: Rs. 2.00/-) per equity share of Rs.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 Rs. 1.00/- (March 31, 2024: Rs. 2.20/-) per equity share of Rs.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

Aniket Sohani

Partner

Membership No. 117142

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

CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan

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Chairman

(DIN: 08616830)

P.J. Nath

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Company Secretary & Head- Legal

(ICSI M. No: A20154)

Place : Mumbai

Date : April 24, 2025



Place : Mumbai

Date : April 24, 2025

Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

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;



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

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.

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.



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

i. Subsidiary

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary.

The group combines the financial statements of the Holding Company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group. All intra group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

ii. Associates

Associates are entities over which the Group has significant influence but not control. Investments in Associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in Associates includes goodwill identified on acquisition.

f. Changes in the Group's ownership interests in existing subsidiary

When the group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated statement profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in the other comprehensive income are reclassified to profit or loss.

If ownership interest in joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1.2 Property, plant and equipment

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

a. Capital work-in-progress

Projects under which Property, Plant and equipment which are not yet ready for their intended use are carried at cost net of accumulated impairment loss, if any.



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

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	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 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.



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

1.5 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 1.11 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

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.



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
 - The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- i. the group has transferred substantially all the risks and rewards of the asset, or
 - ii. the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

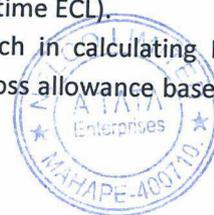
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

d. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Also, on case-to-case basis specific provisions are also made for customers based on management estimates.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – refer note 30
- Investment at fair value through OCI – refer note 5
- Trade receivables and contract assets – refer note 10 and 14

e. Income recognition

Interest Income

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

Dividend

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

B. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

b. Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

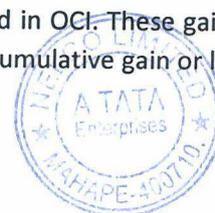
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings):

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 17.

c. Derecognition

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

1.6 Cash and cash equivalents

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

1.7 Trade receivable

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

1.8 Trade and other payables

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

1.9 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on 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.



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Notes to the consolidated financial statements for the year ended March 31, 2025

1.10 Inventories

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

1.11 Revenue from contracts with customers

The Group earns revenue from providing Satellite communication connectivity systems and solutions through sale of goods, providing installation and annual maintenance services, renting of goods, Integrated Security & Surveillance services. The Group also earns revenue from providing domestic satellite communication services to close user group (CUG) networks via Satellite System on non-exclusive basis (Bandwidth Services).

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group recognises revenue as follows:

a. Sale of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, being when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

b. Rendering of Services

- Revenue from annual maintenance contract and network management is recognized over the period of performance.
- Revenue from Installation and commissioning services is recognized upon completion of installation of equipment.
- Satellite communication and Internet services:
Revenue from bandwidth services is provided over the period of time, where it is received and consumed simultaneously by the customers and accordingly revenue is recognized over the period of performance and in the accounting period in which the services are rendered.

c. Rental Income

Lease income from operating leases where the Company is a lessor is recognised on straight-line basis over the term of the relevant lease in accordance with contract with the customers.



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Notes to the consolidated financial statements for the year ended March 31, 2025

1.12 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the group are measured in INR using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statement is presented in Indian rupee (INR), which is Holding Company's functional and presentation currency.

b. Transactions and balances

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

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

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

1.13 Derivative financial instruments:

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

1.14 Current and deferred tax

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



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

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

a. Current Tax

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

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

b. Deferred Tax

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

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

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax losses and tax credits.

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

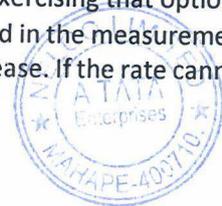
1.15 Leases

As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the lease 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



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Notes to the consolidated financial statements for the year ended March 31, 2025

be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with Risk-free interest rate adjusted for credit risk for leases held by the group, which doesn't have recent third-party financing, and
- makes adjustments specific to the lease e.g. term, security etc

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following;

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on straight line basis. If the group is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all the leases of low value assets are recognised as expense on a straight-line basis in profit and loss. Short term leases are leases with a term of 12 months or less.

As a lessor

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Finance leases receivables are recognised at the inception of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments receivable. Each lease payment received is allocated between the finance lease receivable and finance income. The finance income is recognised to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the finance lease receivable for each period.

Lease income from operating leases where the group is a lessor is recognised on a straight-line basis over the term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in balance sheet based on their nature.



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Notes to the consolidated financial statements for the year ended March 31, 2025

1.16 Borrowing

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

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

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

1.17 Borrowing costs

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

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

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

1.18 Provisions and contingent liabilities

a. Provisions

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

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



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Notes to the consolidated financial statements for the year ended March 31, 2025

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

i. Onerous Contracts

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

ii. Warranties

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

b. Contingent liabilities

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

1.19 Employee benefits

a. Short-term obligations

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

b. Other long-term employee benefit obligations

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

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



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Notes to the consolidated financial statements for the year ended March 31, 2025

c. Post-employment obligations (Defined Benefit Obligations)

The group operates the following post-employment schemes:

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

Defined Benefit Plans:

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

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

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

During the previous year Company has formed gratuity fund exclusively for gratuity payment to the employees. The gratuity liability amount is contributed to the approved gratuity fund formed. The gratuity fund has been approved by Income Tax authorities.

Defined contribution plans:

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

Termination benefits:

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



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Notes to the consolidated financial statements for the year ended March 31, 2025

1.20 Segment reporting

The Holding Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the

Holding Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

1.21 Contributed equity

Equity shares are classified as equity.

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

1.22 Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii. Diluted earnings per share

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

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

1.23 Measurement of PBITDA

The Group has elected to present profit before finance cost, tax and depreciation and amortization (PBITDA) as a separate line item on the face of the statement of profit and loss account. The Group measures PBITDA on the basis of profit from total operations. In its measurement, the Group does not include depreciation and amortization expense, finance cost and tax expense.

2. Critical estimates and judgements and key sources of estimation uncertainty: -

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

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

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



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

a. Revenue recognition

- The Group's contracts with customers could include promises to transfer multiple goods and services to a customer. The Group assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Each revenue component is recognised based on the policy noted in note 1.11 above.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation by the Group Companies. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct goods or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered.
- Contract fulfilment costs are expensed as incurred.

b. Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Recognition of deferred tax assets

Deferred tax assets are recognized for based on estimated future taxable rate on all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax losses and tax credits. The management assumes that taxable profits will be available while recognising deferred tax assets.

d. Useful lives of property, plant and equipment and Intangible assets

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

e. Expected Credit Loss on trade receivables

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



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

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 Rs in Lakhs, unless otherwise mentioned)

Note 4(a) : Property, plant and equipment

Description	Property, plant and equipment										Total Property, plant and equipment		
	Building	Plant and machinery	Electrical installation	Furniture and fixture	Office equipment- Own	Office equipment- Given on lease (operating lease)	Vehicles						
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)



Nelco Limited**Notes to the consolidated financial statements for the year ended March 31, 2025***(Amount Rs 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.



Nelco Limited**Notes to the consolidated financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***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%.

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



Note 4(c) : Right-of-use assets and lease liabilities

ii. Lease liabilities

Description	Leasehold premises & equipment	Office equipment	Motor vehicle	Total
Balance as at March 31, 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

iii. Amount recognised in Statement of profit or loss

Amount recognised in Statement of profit or loss	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

Amount recognised in statement of cash flows	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.
- Group has given its plant and machinery on lease to its customer on lease term of 3 to 7 years.
- No refundable deposits are taken and the lease rentals recognised in the consolidated statement of Profit and Loss for the year included under sale of services under revenue from Operations (refer note 22) aggregate to Rs 1,224 Lakhs (March 31, 2024 : Rs. 1,232 Lakhs).

Operating lease receivables

Particulars	As at	As at
	March 31, 2025	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.



Nelco Limited**Notes to the consolidated financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 4(d) : Other intangible assets**

Description	Other intangible assets		
	Testing software	Licenses	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 Rs. 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 Rs. 10/- each [[net of impairment of Rs.181 Lakhs (March 31, 2024 : Rs. 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.

i. Details of associate

Name of Associate	Principal activity	Country of incorporation and principal place of business	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	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	184
Group's carrying amount of the investment	370	351

iii. 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 Rs.192 Lakhs, Rs. 96 Lakhs and Rs. 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.



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

(Amount Rs 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

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, Rs. 30 lakhs (March 31, 2024: Rs. (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	As at
	March 31, 2025	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
Trade receivables from contract with customers-considered good- unsecured- related parties (refer note 43)	7,085	6,569
Less : Impairment allowance (allowance for bad and doubtful debts)	638	365
	7,723	6,934
Unbilled receivables	(321)	(321)
	7,402	6,613
Total	3,251	1,894
	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.

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

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



Nelco Limited**Notes to the consolidated financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***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

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



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 15 : Equity share capital

Particulars	As at	
	March 31, 2025	March 31, 2024
Authorised share capital:		
3,00,00,000 (3,00,00,000 as at March 31, 2024) equity shares of Rs.10/- each	3,000	3,000
25,00,00,000 (25,00,00,000 as at March 31, 2024) redeemable preference shares of Rs.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 Rs.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 Rs.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		As at	
	March 31, 2025		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) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at		As at	
	March 31, 2025		March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 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 Rs.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 Rs. 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		As at	
	March 31, 2025		March 31, 2024	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 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:

Promoter's Name	As at		As at	
	March 31, 2025		March 31, 2024	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 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.



Nelco Limited**Notes to the consolidated financial statements for the year ended March 31, 2025***(Amount Rs 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.

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 Rs. 2.20/- (March 31, 2023: Rs. 2.00/-) per equity share of Rs.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 Rs. 1.00/- (March 31, 2024: Rs. 2.20/-) per equity share of Rs.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.



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

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.
- (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			



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

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)

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)



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

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.

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

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
Provision - Others:		
Warranty (refer note 37)	220	254
Provision for disputed obligations (refer note 37)	165	165
Total	599	631



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

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
	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	26,885	27,524
Total revenue from contracts with customers	30,487	32,030

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:		
<u>Unbilled revenue (refer note 10)</u>		
Opening balance	(1,894)	(2,091)
Closing balance	3,251	1,894
	1,357	(197)
<u>Contract liabilities (refer note 14)</u>		
Opening balance	2,526	(2,563)
Closing balance	(3,001)	(2,526)
	(475)	(5,089)
Total	30,487	32,030



Nelco Limited**Notes to the consolidated financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***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

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) in inventories of stock-in-trade	(482)	(460)



Nelco Limited**Notes to the consolidated financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***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

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



Nelco Limited**Notes to the consolidated financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***Note: Payment to auditors (excluding Goods and Service Tax)**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<u>Payments to the auditors comprises</u>		
<u>As Auditors</u>		
Audit fee	26	25
Tax audit fee	2	2
Limited review	18	15
<u>In other capacity</u>		
Other services	5	4
Reimbursement of expenses	4	4
Total	55	50

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.

(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.

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	22	22
Addition/(deletion)/remeasurement	-	-	-	-	-
As at March 31, 2024	18,10,000	-	6,000	22	22



Note 31 : Financial Risk Management

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

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, foreign currency risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk management committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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

(A) Credit Risk

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

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

(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 Rs. 2905 Lakhs and Rs. 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	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



(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	As at
	March 31, 2025	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.

(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 & 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 & 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.

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



(a) Foreign currency risk exposure:

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

Particulars	Foreign Currency	As at March 31,2025		As at March 31,2024	
		In foreign currency	Rs in Lakhs	In foreign currency	Rs 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
<i>USD sensitivity</i>		
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

(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 60%. The Group includes within net debt, interest bearing loans and borrowings, less cash and bank balances as detailed in the notes below.

The Group's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing Ratio

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

Particulars	As at March 31, 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%

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
Second Charge		
Building	100	43
Plant and machinery	4,343	4,916
Office equipment	120	101
Total (B)	4,563	5,060
Total (A+B)	5,457	5,735
Total non-current assets pledged as security	21,780	20,891
Total assets pledged as security	21,780	20,891



Note 35 : Earnings per share (EPS)

Sr. No.	Particulars	Year ended	Year ended
		March 31, 2025	March 31, 2024
1	Net profit after tax attributable to equity shareholders (Rs. in lakhs)	953	2,367
2	Weighted average number of equity shares	2,28,17,461	2,28,17,461
3	EPS (Rs.) [Basic and diluted] (face value per share Rs. 10)	4.18	10.37

Note 36 : Contingent liabilities

Sr. No.	Particulars	As at	As at
		March 31, 2025	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 - Others*	168	168
c)	Income tax demand against the group not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which Group is in appeal (refer note 38(b))	68	1,163
	Total (a+b+c)	1,287	2,128

* Application filed by plaintiffs with Small Causes Court, Mumbai, claiming from Holding Company mesne profit of Rs. 560 lakhs and interest thereon. Based on valuation report obtained by the Holding Company from an independent valuer, Holding Company has made provision of Rs. 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:

- Provision for disputed obligation represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities and others. The information usually required by Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets”, is not disclosed on grounds that it can be expected to prejudice the interests of the group. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the group under the law and hence, the group is not able to reasonably ascertain the timing of the outflow (refer note 36).
- Provision for Warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under free warranty period ranging from one to three years.
- 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



Notes to the consolidated financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 38 : Income Tax

a) Components and movements of deferred tax asset (net) :

Particulars	As at	Recognised in	As at	Recognised in	Recognised in	As at
	April 1, 2023	the statement of profit and Loss	March 31, 2024	the statement of profit and Loss	the statement of other comprehensive	March 31, 2025
	(a)	(b)	(c=a+b)	(d)	(e)	(f=c+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 Rs. 927 lakhs for the year ended March 31, 2024 includes net deferred tax assets of Rs. 376 lakhs pertaining to earlier years (refer note 38b)



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Note 38 : b) Current tax and deferred tax

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income tax expense		
For current year		
<u>Current tax</u>		
Current tax on profits for the year	1,054	1,427
Total current tax expense (A)	1,054	1,427
<u>Deferred tax [refer note 38(a)]</u>		
(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		
<u>Current tax</u>		
Current tax for the earlier years	514*	484
<u>Deferred tax [refer note 38(a)]</u>		
(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 Rs. 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 Rs. 488 Lakhs as per the application has been recognised as Tax Adjustments for earlier years and Interest on income tax payable Rs 21 Lakhs has been recognised as Finance Cost for the year ended March 31, 2025. This settlement resulted in reduction in contingent liability from Rs. 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 Rs. 102 Lakhs towards tax (net of deferred tax) and Rs. 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 Rs 22 Lakhs relating to Interest pertaining to the period before October 16, 2023.

Note 39 : Reconciliation of tax expense and accounting profit multiplied by India's tax rates:

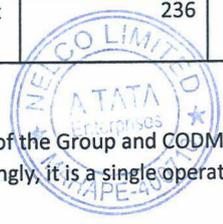
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit from operation before Income tax expenses	1,947	3,304
Statutory tax rate (%)	25.17%	25.17%
Tax at Indian tax rate	490	832
Tax adjustment related to current year		
Impact of change in tax rate	-	31
Expenses not allowed in tax	11	3
Tax impact on OCI	(7)	-
Others	5	10
Tax adjustment related to earlier years		
Income tax provision made for earlier year, including interest	514	108
Total tax expense	1013	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

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 Rs 95 Lakhs and Rs 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.

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	As at
	March 31, 2025	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	As at
	March 31, 2025	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)

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

Particulars	As at	As at
	March 31, 2025	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	As at
	March 31, 2025	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:

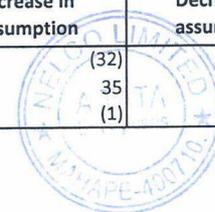
- a) **Interest rate risk** - A decrease in the bond interest rate will increase the plan liability.
- b) **Demographic risk** - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements 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.

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		As at	
		March 31, 2025		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 Rs. 62 Lakhs (March 31, 2024 Rs. 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 Rs. 196 Lakhs (March 31, 2024 : Rs. 190 Lakhs).

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.



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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

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	-	-	-	-	-
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	-
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	-



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
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	-

(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 IMG 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.



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	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)

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 net Total Comprehensive	Amount	As % of consolidated net 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.

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 Rs. 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 Rs. 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	-	-

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%	-
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	



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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
	<u>Total amount of interest and principal payable or paid during the period</u>			
	<u>Total interest paid or payable during the period</u>			
	On long term borrowings	28	31	376
	On lease liabilities	28	164	205
			195	581
	<u>Total principal paid or payable during the period</u>			
	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
	<u>Total equity</u>			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,508	10,076
			12,790	12,358
V	<u>Average inventory</u>			
	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
	<u>Average trade receivable</u>			
	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
	<u>Average trade payables</u>			
	Opening trade payables	19	3,520	4,506
	Closing trade payables	19	4,677	3,520
	Average trade payables		4,099	4,013
VIII	Net Sales	22	30,487	32,030
	<u>Working capital (Current assets- current liabilities)</u>			
	<u>Current assets</u>			
	(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
	<u>Current liabilities</u>			
	(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



Sr No	Particulars	Refer note	March 31, 2025	March 31, 2024
IX	Net Profit after Tax	As per P &L	953	2,367
	Revenue	22	30,487	32,030
X	<u>Earning before interest and taxes</u>			
	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
	<u>Capital employed</u>			
	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

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.



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:

<p>Instances of audit trail feature not enabled at the database level and master fields with certain privileged access rights throughout the year for all relevant transactions recorded in SAP</p>	<p><u>In respect of Holding Company and Subsidiary Company</u> 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.</p> <p><u>In respect of Associate Company</u> Management is not in possession of Service Organisation Controls report to determine whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with, in respect of an accounting software where the audit trail has been enabled. Additionally, in the absence of Service Organisation Controls report, Management is unable to assess whether the audit trail has been preserved as per the statutory requirements for record retention.</p>
<p>Instances of audit trail feature being tampered with</p>	<p></p>

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).
- (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



Nelco Limited

Notes to the consolidated financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

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



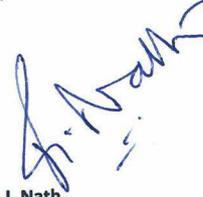
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For and on behalf of the Board of Directors of
Nelco Limited

CIN:L32200MH1940PLC003164



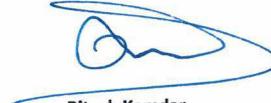
A. S. Lakshminarayanan
Chairman
(DIN: 08616830)



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

Place : Mumbai
Date : April 24, 2025

