

o/c

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Nelco Network Products Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Nelco Network Products Limited ("the Company") which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its losses including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The 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 Financial Statements and our Auditor's Report thereon.

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



Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.



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- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS Financial Statements including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 (i) (vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g);



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- (g) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements - Refer Note 43 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented that, to the best of its knowledge and belief that, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.



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- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in Note 45 to the Financial Statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket Sohani

Partner

Membership Number: 117142

UDIN: 25117142BMKVPT1608

Mumbai

April 24, 2025



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Annexure '1' referred to in clause 1 of paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Nelco Network Products Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right of use Assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the Management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the Management is appropriate. No material discrepancies were noticed on such physical verification. Inventories lying with the third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (b) As disclosed in Note 38 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. Five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.



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- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the service of In Flight & Maritime Connectivity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, duty of customs, income-tax, cess and other statutory dues are applicable to it. The provisions relating to sales-tax, service tax, duty of excise and value added tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of income tax which have not been deposited on account of any disputes, are as follows:

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (Rs in lakhs)	Amount paid under protest	Forum where the dispute is pending
The Income Tax Act, 1961	Tax	AY 22-23	112	134	CIT (Appeals)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.



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- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-Section (12) of Section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, no whistle blower complaints were received by the Company during the year.
- (xii) (a) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the provisions of clause 3(xii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Transactions with the related parties are in compliance with Section 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to Section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.



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- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has 4 Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 39 to the Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub Section 5 of Section 135 of the Act. This matter has been disclosed in Note 42 to the Financial Statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of the Act. This matter has been disclosed in Note 42 to the Financial Statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket Sohani
Partner

Membership Number: 117142
UDIN: 25117142BMKVPT1608

Mumbai

April 24, 2025



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF NELCO NETWORK PRODUCTS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS Financial Statements of Nelco Network Products Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS Financial Statements reporting included obtaining an understanding of internal financial controls with reference to these 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 Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS Financial Statements.



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

A Company's internal financial controls with reference to 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 controls with reference to 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 Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these 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 Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS Financial Statements and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket Sohani

Partner

Membership Number: 117142

UDIN: 25117142BMKVPT1608

Mumbai

April 24, 2025



Nelco Network Products Limited
Balance Sheet as at March 31, 2025
(Amount Rs in Lakhs, unless otherwise mentioned)

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Particulars	Note No	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (a)	1,368	1,075
(b) Capital work-in-progress	3 (a)	156	70
(c) Right-of-use assets	3 (b) (i)	387	1,051
(d) Other intangible assets	3 (c)	7	5
(e) Financial assets			
(i) Other financial assets	4 (a)	73	147
(f) Deferred tax assets (net)	28	732	727
(g) Non-current tax assets (net)	5	342	228
(h) Other non-current assets	6 (a)	137	-
Total non-current assets		3,202	3,303
Current assets			
(a) Inventories	7	3,069	2,587
(b) Financial assets			
(i) Trade receivables	8	6,658	5,058
(ii) Cash and cash equivalents	9	-	223
(iii) Other financial assets	4 (b)	309	33
(c) Contract assets	15	-	809
(d) Other current assets	6 (b)	477	136
Total current assets		10,513	8,846
Total assets		13,715	12,149
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	100	100
(b) Other equity	11	3,422	3,488
Total equity		3,522	3,588
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 (a)	-	17
(ia) Lease liabilities	3(b) (ii)	321	907
Total non-current liabilities		321	924
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 (b)	3,795	3,305
(ia) Lease liabilities	3 (b) (ii)	122	312
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues other than micro and small enterprises	13	3,970	2,438
(iii) Other financial liabilities	14	695	529
(b) Contract Liabilities	15	826	624
(c) Other current liabilities	16	164	97
(d) Provisions	17	300	332
Total Current liabilities		9,872	7,637
Total liabilities		10,193	8,561
Total equity and liabilities		13,715	12,149

Summary of material accounting policies

1

The accompanying notes are an integral part of the 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 Network Products Limited
CIN:U32309MH2016PLC285693



Ajay Kumar Pandey
Chairman
(DIN: 00065622)



P.J. Nath
Director
(DIN: 05118177)



Shreyans Upadhyay
Company Secretary
(ICSI M. No: ACS 58871)



Place : Mumbai

Date : April 24, 2025

Place : Mumbai

Date : April 24, 2025

Nelco Network Products Limited
Statement of Profit and Loss for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

Particulars	Note No	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Income			
(a) Revenue from operations	18	9,930	9,989
(b) Other income	19	154	34
Total income		10,084	10,023
Expenses			
(a) Purchase of stock-in-trade		3,184	4,154
(b) (Increase) in inventories of stock-in-trade	20	(482)	(460)
(c) Employee benefits expenses	21	1,639	1,519
(d) Sub contracting expenses	22	2,728	1,603
(e) Other expenses	23	1,680	1,518
Total expenses		8,749	8,334
Profit before finance cost, depreciation & amortisation and tax (PBITDA)		1,335	1,689
(f) Finance costs	24	416	428
(g) Depreciation & amortisation expense	25	978	952
Total finance cost, tax and depreciation & amortisation		1,394	1,380
Profit/(loss) before tax		(59)	309
Tax expense			
- Current tax	26(a)	(5)	83
- Deferred tax (credit)	26(a)	(3)	(2)
- Tax adjustment for earlier years	26(a)	10	6
Total tax expenses		2	87
Profit/(loss) for the year		(61)	222
Other comprehensive income/(expenses)			
Items that will not be reclassified to profit or loss in subsequent years			
- Remeasurement of post employment benefit obligations gain/(loss)	27	(7)	2
- Income tax relating to this item		2	-
Other comprehensive income/(expense) for the year, (net of tax)		(5)	2
Total comprehensive income/(expense) for the year		(66)	224
Earnings per share (Face value of Rs 10/- per share) : (Basic and diluted)	37	(6.10)	22.20

Summary of material accounting policies
The accompanying notes are an integral part of the financial statements

1

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 Network Products Limited
CIN:U32309MH2016PLC285693

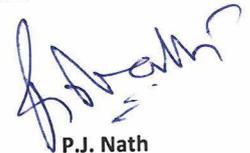

Aniket Sohani

Partner
Membership No. 117142





Ajay Kumar Pandey
Chairman
(DIN: 00065622)



P.J. Nath
Director
(DIN: 05118177)



Shreyans Upadhyay
Company Secretary
(ICSI M. No: ACS 58871)

Place : Mumbai
Date : April 24, 2025



Place : Mumbai
Date : April 24, 2025



Nelco Network Products Limited

Statement of Cash Flows 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
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(59)	309
Adjustments to reconcile (loss)/profit before tax to net cash flows		
Depreciation and amortisation expense	978	952
Finance costs	416	428
Unrealised mark to market loss on forward contracts	2	3
Unrealised foreign exchange (gain)/loss (net)	(12)	(29)
Liabilities/provisions no longer required, written back	(15)	(13)
Loss/(gain) on disposal of property, plant and equipment (net)	15	(2)
Unwinding of discount on financial asset measured at amortised cost	(54)	(13)
Impairment (gain)/allowance for bad and doubtful debts	-	(9)
Provision for warranty (net)	-	71
Operating profit before working capital changes	1,271	1,697
Movement in working capital		
Movements in assets		
- (Increase) in inventories	(716)	(120)
- (Increase) in trade receivables	(1,600)	(868)
- (Increase)/decrease in other current financial assets	(276)	71
- Decrease in other non current financial assets	74	3
- (Increase)/decrease in other current assets	(341)	196
- (Increase)/decrease in other non current assets	(137)	1
- Decrease/(increase) in contract assets	809	(147)
Movements in liabilities		
- Increase/(decrease) in trade payables	1,557	(808)
- (Decrease) in other non current liabilities	-	(1)
- (Decrease)/increase in other current financial liabilities	(35)	53
- Increase in contract liabilities	256	29
- Increase in other current liabilities	67	52
- (Decrease) in current provisions	(39)	(18)
Cash generated from operations	890	140
Direct taxes paid (net of refunds)	(119)	(439)
Net cash flow generated/(used in) from operating activities (A)	771	(299)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress)	(743)	(342)
Proceeds from sale of property, plant and equipment	-	2
Net cash flow (used in) investing activities (B)	(743)	(340)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	6,900	7,787
Repayment of borrowings	(6,428)	(6,635)
Payment of principal portion of lease liabilities	(316)	(309)
Payment of interest portion of lease liabilities	(105)	(138)
Finance costs paid	(302)	(190)
Net cash flow (used in)/generated from financing activities (C)	(251)	515
Net (decrease) in cash & cash equivalents [(A)+(B)+(C)]	(223)	(124)
Cash and cash equivalents at the beginning of the year	223	347
Cash and cash equivalents at the end of the year	-	223



Nelco Network Products Limited
Statement of Cash Flows for the year ended March 31, 2025
(Amount Rs in Lakhs, unless otherwise mentioned)

Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of :	As at March 31, 2025	As at March 31, 2024
Balance with in current accounts	-	4
Cheques on hand	-	219
Cash on hand	*	*
Total (refer note 9)	-	223

* Below rounding off norms adopted by the Company.

1

Summary of material accounting policies

The accompanying notes are an integral part of the 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

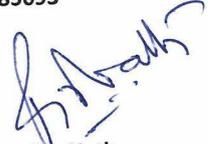


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For and on behalf of the Board of Directors of
Nelco Network Products Limited
 CIN:U32309MH2016PLC285693



Ajay Kumar Pandey
 Chairman
 (DIN: 00065622)



P.J. Nath
 Director
 (DIN: 05118177)



Shreyans Upadhyay
 Company Secretary
 (ICSI M. No: ACS 58871)



Place : Mumbai
 Date : April 24, 2025



Place : Mumbai
 Date : April 24, 2025

Nelco Network Products Limited
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	10,00,000	100
Changes in equity share capital	-	-
As at March 31, 2025	10,00,000	100
As at April 1, 2023	10,00,000	100
Changes in equity share capital	-	-
As at March 31, 2024	10,00,000	100

B. Other equity

Particulars	Attributable to equity shareholders		Total
	Reserves and surplus	Other Reserves	
	Capital reserve	Retained earnings	
As at April 1, 2024	2,460	1,028	3,488
(Loss) for the year	-	(61)	(61)
Other comprehensive (expenses) for the year (net of tax)	-	(5)	(5)
As at March 31, 2025	2,460	962	3,422
As at April 1, 2023	2,460	804	3,264
Profit for the year	-	222	222
Other comprehensive income for the year (net of tax)	-	2	2
As at March 31, 2024	2,460	1,028	3,488

*figures are below rounding off norm adopted by the Company.

Summary of material accounting policies
 The accompanying notes are an integral part of the financial statements.

1

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 Network Products Limited
 CIN:U32309MH2016PLC285693


Aniket Sohani
 Partner
 Membership No. 117142



PK


Ajay Kumar Pandey
 Chairman
 (DIN: 00065622)


P.J. Nath
 Director
 (DIN: 05118177)


Shreyans Upadhyay
 Company Secretary
 (ICSI M. No: ACS 58871)

Place : Mumbai
 Date : April 24, 2025



Place : Mumbai
 Date : April 24, 2025



Nelco Network Products Limited

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

Corporate Information

Nelco Network Products Limited ('NNPL') herein after referred to as "the Company" was established in 2016. The Company is a subsidiary of Nelco Limited.

NNPL Limited 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).

The registered office of the Company is located at EL-6, TTC Industrial Area, MIDC, Electronic Zone, Mahape, Navi Mumbai – 400710, CIN: U32309MH2016PLC285693.

The Financial Statements are presented in Indian Rupee (INR) which is also functional and presentational currency of the Company.

1. Summary of material accounting policies

1.1 Basis of preparation

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

a. Compliance with Ind AS

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit and other long-term employee benefits;

c. Current versus non-current classifications

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle 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.



Nelco Network Products Limited

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d. New and amended Standards adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA amended the Companies (Indian Accounting Standards) Rules, 2024, as below:

Ind AS 116- Leases

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

1.2 Property, plant and equipment

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

a. Capital work-in-progress

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

b. Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate cost, net of their estimated residual value, over their estimated useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.



Nelco Network Products Limited

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

Estimated useful lives of the assets are as follows:

Type of Assets	Useful Life
Plant and Machinery	Antenna – 10 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
Office equipment's – Others	5 years

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

1.3 Intangible assets

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

1.4 Impairment of non-financial assets

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

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



Nelco Network Products Limited

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

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

Financial assets at amortised cost (debt instruments):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables and other receivable included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange



Nelco Network Products Limited

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

revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments):

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

c. Derecognition

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

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

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

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



Nelco Network Products Limited

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

d. Impairment of financial assets

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

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

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Also, the Company recognises allowances for any expected losses on account of non-recovery from customers on specific cases based on management estimates.

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

- Disclosures for significant assumptions – refer note 29.
- Trade receivables and contract assets – refer note 8 and 15.

e. Income recognition

Interest Income

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

B. Financial liabilities

a. Initial recognition and measurement

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

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

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

b. Subsequent measurement

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

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



Nelco Network Products Limited

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

Financial liabilities at fair value through profit or loss:

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

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

Financial liabilities at amortised cost (Loans and borrowings):

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

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

This category generally applies to borrowings. For more information refer Note 12.

c. Derecognition

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

1.6 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.



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Nelco Network Products Limited

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

1.8 Trade and other payables

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

1.9 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 Company or the counterparty.

1.10 Inventories

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

1.11 Revenue from contracts with customers

The Company earns revenue primarily from providing Satellite Communication connectivity systems and solutions through sale of goods, providing installation and annual maintenance services, renting of goods. The Company also provides Integrated Security & Surveillance services and earns revenue through such contracts.

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

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.



Nelco Network Products Limited

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

c. Rental income

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

1.12 Foreign currency translation

a. Functional and presentation currency

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

b. Transactions and balances

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

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

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

1.13 Derivative financial instruments

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

1.14 Current and deferred tax

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

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



Nelco Network Products Limited

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

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 utilise those temporary differences, tax losses and tax credits.

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

1.15 Leases

As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the lease asset is available for use by the company. Contracts may contain lease and non-lease component. The company allocates the consideration in the contract to lease and non-lease component based on their relative prices. Assets and liabilities arising from a lease are initially measured on the present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the company under residual value guarantees.
- the exercise price of purchase option if the company is reasonably certain to exercise the option and
- payment of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.



Nelco Network Products Limited

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

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

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

As a lessor

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

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

1.16 Borrowing

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

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has



Nelco Network Products Limited

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

been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

1.17 Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred.

1.18 Provisions and contingent liabilities

a. Provisions

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

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

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

i. Onerous contracts

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

ii. Warranties

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



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

b. Contingent liabilities

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

1.19 Employee benefits

a. Short-term obligations

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

b. Other long-term employee benefit obligations

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

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

c. Post-employment obligations (Defined Benefit Obligations)

The Company operates the following post-employment schemes:

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

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit provident fund and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

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

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur,



Nelco Network Products Limited

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

directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

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

Defined contribution plans

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

Termination benefits

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

1.20 Segment reporting

The Holding Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') for the Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

1.21 Contributed equity

Equity shares are classified as equity.

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

1.22 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(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.



Nelco Network Products Limited

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

1.23 Rounding of amounts

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

1.24 Measurement of PBITDA

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

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

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

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

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

a. Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple goods and services to a customer. The Company assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Each revenue component is recognised based on the policy noted in note no 1.11 above.
- The Company uses judgement to determine an appropriate selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative selling price of each distinct goods or service promised in the contract. Where selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered.
- Contract fulfilment costs are expensed as incurred.

b. Estimation of defined benefit obligation

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



Nelco Network Products Limited

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

c. Useful lives of property, plant and equipment and intangible assets

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

d. Recognition of deferred tax assets

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

e. Expected credit Loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Additionally, Company makes specific provision in relation to disputed receivables based on periodic credit evaluation. (refer note 30).

f. Estimation of provisions & contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision (refer note 35) or contingent liability (refer note 43).

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Assessing whether a contract contains a lease requires significant judgement. Significant judgement is also required in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics [refer note 3(b)].



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 3(a) : Property, plant and equipment and capital work-in-progress

Description	Property, plant and equipment					Total Property, plant and equipment
	Plant and machinery	Electrical installation	Furniture and fixture	Office equipment- Owned	Office equipment- Given on lease (operating lease)	
Cost						
Balance as at April 1, 2024	1,883	3	69	227	1,920	4,102
Additions	198	-	-	16	616	830
Disposals	-	-	-	(1)	(90)	(91)
Balance as at March 31, 2025	2,081	3	69	242	2,446	4,841
Accumulated depreciation						
Balance as at April 1, 2024	1,519	3	65	195	1,245	3,027
For the year	120	-	1	19	362	502
On disposals	-	-	-	(1)	(55)	(56)
Balance as at March 31, 2025	1,639	3	66	213	1,552	3,473
Net carrying amount as at March 31, 2025	442	-	3	29	894	1,368
Cost						
Balance as at April 1, 2023	1,756	3	69	213	3,221	5,262
Additions	127	-	-	21	151	299
Disposals	-	-	-	(7)	(1,452)	(1,459)
Balance as at March 31, 2024	1,883	3	69	227	1,920	4,102
Accumulated depreciation						
Balance as at April 1, 2023	1,354	3	64	186	1,919	3,526
For the year	165	-	1	16	438	620
On disposals	-	-	-	(7)	(1,112)	(1,119)
Balance as at March 31, 2024	1,519	3	65	195	1,245	3,027
Net carrying amount as at March 31, 2024	364	-	4	32	675	1,075

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	156	-	-	-	156
Balance as at March 31, 2024	70	-	-	-	70

As at March 31, 2025 and As at March 31, 2024 there are no projects which are temporarily suspended.

Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Note :-

- 1) Property, plant and equipment pledged as security by the Company (refer note 33).
- 2) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note 42).



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Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

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

3(b)(I) The Company as lessee

- Company has taken on lease various offices for its branches where lease term ranges from 3 years to 9 years.
- Company has taken Office equipment (VSAT) on lease with lease term of 5-7 years.
- Also Company has taken motor vehicle on lease which have lease term varying from 2 years to 5 years.
- The effective interest rate for lease liabilities is from 8.00% to 9.95%.

The Company is restricted from assigning and subleasing the leased assets.

(i). Right of use assets

Description	Leasehold premises	Office equipment	Motor vehicle	Total
Cost				
Balance as at April 1, 2024	382	1,706	31	2,119
Additions	82	-	20	102
Disposals	(62)	(1,247)	(16)	(1,325)
Balance as at March 31, 2025	402	459	35	896
Accumulated depreciation				
Balance as at April 1, 2024	153	897	18	1,068
For the year	59	244	7	310
On disposals	(10)	(843)	(16)	(869)
Balance as at March 31, 2025	202	298	9	509
Net carrying amount as at March 31, 2025	200	161	26	387
Cost				
Balance as at April 1, 2023	324	1,867	18	2,209
Additions	93	-	13	106
Modification of lease	(30)	-	-	(30)
Disposals	(5)	(161)	-	(166)
Balance as at March 31, 2024	382	1,706	31	2,119
Accumulated depreciation				
Balance as at April 1, 2023	112	797	9	918
For the year	60	265	9	334
Modification of lease	(14)	(4)	-	(18)
On disposals	(5)	(161)	-	(166)
Balance as at March 31, 2024	153	897	18	1,068
Net carrying amount as at March 31, 2024	229	809	13	1,051



Nelco Network Products Limited
Notes to the financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

(ii). Lease liabilities

Description	Leasehold premises	Office equipment	Motor vehicle	Total
Balance as at April 1, 2024	246	960	13	1,219
Add: Additions	80	-	21	101
(Less): Disposal	53	508	-	561
Add: Accrued finance cost	19	84	2	105
(Less): Payments	72	340	9	421
Balance as at March 31, 2025	220	196	27	443
Current	44	71	7	122
Non current	176	125	20	321
Balance as at April 1, 2023	220	1206	9	1,435
Add: Additions	93	-	13	106
(Less): Disposal	13	-	-	13
Add: Accrued finance cost	22	115	1	138
(Less): Payments	76	361	10	447
Balance as at March 31, 2024	246	960	13	1,219
Current	49	259	4	312
Non current	197	701	9	907

(iii). Amount recognised in Statement of profit or loss

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of Right-of-use assets	310	334
Interest on lease liabilities	105	138
Expenses related to short term leases (refer note 23)	96	32

(iv). Amount recognised in statement of cash flows

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Total cash outflow of leases	(421)	(447)

3(b)(II). The Company as Lessor

a. Operating Lease

(i) Operating leases related to VSATs given on lease, owned by the Company with lease terms between 3 to 7 years.

(ii) The lessee does not have an option to purchase the VSATs at the expiry of the lease period.

(iii) No refundable deposits are taken and the lease rentals recognised in the statement of Profit and Loss for the year included under sale of services under revenue (refer note 18) aggregate to Rs. 1,224 Lakhs (Previous Year Rs. 1,232 Lakhs)

Operating lease receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Not Later than 1 year	183	204
Later than 1 year and not longer than 5 years	66	267
Later than 5 years	-	-
Total	249	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	2,446 (1,920)	1,552 (1,245)	894 (675)



Nelco Network Products Limited**Notes to the financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 3(c) : Other intangible assets**

Description	Other intangible assets
	Testing software
Cost	
Balance as at April 1, 2024	25
Additions	4
Disposals	-
Balance as at March 31, 2025	29
Accumulated depreciation	
Balance as at April 1, 2024	20
For the year	2
On disposals	-
Balance as at March 31, 2025	22
Net carrying amount as at March 31, 2025	7
Cost	
Balance as at April 1, 2023	21
Additions	4
Disposals	-
Balance as at March 31, 2024	25
Accumulated depreciation	
Balance as at April 1, 2023	19
For the year	1
On disposals	-
Balance as at March 31, 2024	20
Net carrying amount as at March 31, 2024	5



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 4 (a) : Other non current financial assets - at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Security deposit	58	147
Balances held as margin money against bank guarantees	15	-
Total	73	147

Note 4 (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	169	33
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)
	169	33
Fair value of foreign exchange forward contract	-	*
Amount recoverable on lease termination	69	-
Receivable from holding company (refer note 36)	71	-
Total	309	33

* figures below rounding off norm adopted by the Company.

Note 5 : Non-current tax asset/(liability) (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	228	(192)
Tax deducted at source and advance tax	351	439
Income tax refund received	(104)	-
Amount paid under protest	(128)	-
Current tax payable for the year	-	(83)
Current tax payable for the earlier year	(5)	64
Total	342	228

Note 6 (a) : Other non current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Payment under protest	134	-
Prepaid expenses	3	-
Total	137	-

Note 6 (b) : Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	59	30
Advance to suppliers	14	16
Balance with government authorities	389	77
Others (excess gratuity contribution refer note 34)	15	13
Total	477	136

Note 7 : 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.



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 8 : Trade receivables

Particulars	As at	
	March 31, 2025	March 31, 2024
Trade receivables from contract with customers		
- Trade receivables - considered good- secured	-	-
- Trade receivables - considered good- unsecured	4,984	4,036
- Trade receivables which have significant increase in credit risk	67	99
- Trade receivables- credit impaired	135	104
Trade receivables from contract with customers- considered good- unsecured -related parties (refer note 36)	5,186	4,239
Less : Impairment allowance (allowance for bad and doubtful debts)	309	525
	(203)	(203)
Unbilled receivables	5,292	4,561
Total	1,366	497
	6,658	5,058

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

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2025
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables- considered good	1,965	1,704	1,026	598	-	-	5,293
ii. Undisputed trade receivables- which have significant increase in credit risk	16	12	8	4	27	-	67
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	-	-	-	-	-	13	13
Total	1,981	1,716	1,034	602	27	135	5,495
Impairment allowance	16	12	8	5	27	135	203
Total	1,965	1,704	1,026	597	-	-	5,292

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	2,587	1,735	129	110	-	-	4,561
ii. Undisputed trade receivables- which have significant increase in credit risk	16	12	1	9	53	-	91
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	-	-	-	-	-	13	13
Total	2,603	1,747	130	119	53	112	4,764
Impairment allowance	16	12	1	9	53	112	203
Total	2,587	1,735	129	110	-	-	4,561

Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2025
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	1,337	29	-	-	-	1,366
Total	1,337	29	-	-	-	1,366

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	467	30	-	-	-	497
Total	467	30	-	-	-	497

Note 9 : Cash and cash equivalents

Particulars	As at	
	March 31, 2025	March 31, 2024
Balances with banks:-		
- In current accounts	-	4
Cheques on hand	-	219
Cash on hand	*	*
Total	-	223

* Below rounding off norms adopted by the Company.



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 10 : Equity share capital

Particulars	As at	
	March 31, 2025	March 31, 2024
Authorised share capital:		
10,00,000 (10,00,000 as at March 31, 2024) equity shares of Rs.10/- each	100	100
Issued equity share capital:		
10,00,000 (10,00,000 as at March 31, 2024) equity shares of Rs.10/- each	100	100
Subscribed and fully paid-up share capital:		
10,00,000 (10,00,000 as at March 31, 2024) equity shares of Rs.10/- each	100	100
Total	100	100

Notes:

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Equity Shares				
At the beginning of the year	10,00,000	100	10,00,000	100
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,00,000	100	10,00,000	100

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10/- each, fully paid up Nelco Limited	10,00,000	100	10,00,000	100

(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 dividend proposed is subject to approval of the shareholders in 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% of the shares in the Company as at March 31, 2025 and March 31, 2024:

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each, fully paid up Nelco Limited	10,00,000	100	10,00,000	100

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 March 31, 2025		As at March 31, 2024	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each, fully paid up Nelco Limited	10,00,000	100	10,00,000	100

(vi) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2025.



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Nelco Network Products Limited**Notes to the financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 11 : Other equity**

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve (refer note i below)	2,460	2,460
Retained earnings (refer note ii below)	962	1,028
Total	3,422	3,488

(i) Capital reserve

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	2,460	2,460
Additions during the year	-	-
Closing balance	2,460	2,460

(ii) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	1,028	804
Net (loss)/profit for the year	(61)	222
Other comprehensive income/(loss) (net of tax)	(5)	2
Closing balance	962	1,028

Nature and purpose of reserves:**Capital reserve**

It represents profits for the earlier years from April 1, 2017 to March 31, 2020 , pursuant to scheme of amalgamation.

Retained earnings

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



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

Note 12 (a) : Borrowings- Non-current

Particulars	As at	
	March 31, 2025	March 31, 2024
Secured		
(i) Long Term Loans from Banks(refer note (i) and (iii) below)	-	17
Total	-	17

Note 12 (b) : Borrowings- current

Particulars	As at	
	March 31, 2025	March 31, 2024
Secured		
(i) Short term loans from banks (refer note (i), (ii) and (iii) below)	1,500	-
(ii) Cash credit facility from banks (refer note (i), (ii) and (iii) below)	42	335
Total secured loan in indian currency (I)	1,542	335
Current maturity of term loan (refer note (i), (ii) and (iii) below)	17	684
Total secured	1,559	1,019
Unsecured		
(i) Short term loans from banks (refer note (iii) below)	1,800	1,800
(ii) Cash credit facility from banks (refer note (iii) below)	436	486
Total unsecured	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 (refer note 33).
(ii) Disclosure related to returns filed with banks with respect to working capital facilities (refer note 38).
(iii) Repayment schedule is 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	8.60% to 8.50%	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	8.70% to 8.40%	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 Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Net debt reconciliation				
Particulars	As at		As at	
	March 31, 2025		March 31, 2024	
Cash & cash equivalents	-		223	
Lease liabilities	(443)		(1,219)	
Non current borrowings (including current maturities of long term debt)	(17)		(701)	
Current borrowings	(3,778)		(2,621)	
Net debts	(4,238)		(4,318)	

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

Particulars	Other Assets	Liabilities from financial activities			Total
	Cash & cash equivalents	Lease liabilities	Non current borrowings (including current maturities of long term debt)	Current borrowings	
Net debt as at March 31, 2023	347	(1,435)	(1,385)	(784)	(3,257)
Cash Flow	(124)	309	684	(1,837)	(968)
Acquisitions - Finance leases	-	(93)	-	-	(93)
Interest expenses	-	(138)	(89)	(118)	(345)
Interest paid	-	138	89	118	345
Net debt as at March 31, 2024	223	(1,219)	(701)	(2,621)	(4,318)
Cash Flow	(223)	316	684	(1,157)	(380)
Acquisitions - Finance leases	-	460	-	-	460
Interest expenses	-	(105)	(31)	(291)	(427)
Interest paid	-	105	31	291	427
Net debt as at March 31, 2025	-	(443)	(17)	(3,778)	(4,238)



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Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 13 : Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (refer note 46)	-	-
Trade payable to related parties (refer note 36)	803	67
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	3,167	2,371
Total	3,970	2,438

Note: Trade payables are non-interest bearing and are generally on terms of 0 to 90 days.

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)	1,071	2,768	30	9	92	3,970
Disputed	-	-	-	-	-	-
Undisputed	1,071	2,768	30	9	92	3,970
Total (A+B)	1,071	2,768	30	9	92	3,970

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)	217	2,103	11	42	65	2,438
Disputed	-	-	-	-	-	-
Undisputed	217	2,103	11	42	65	2,438
Total (A+B)	217	2,103	11	42	65	2,438

Note 14 : Other current financial Liabilities- at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued	146	137
Sundry deposits received from customers	27	24
Fair value of foreign exchange forward contract	2	-
Employee related payables	321	341
Capital creditors	199	7
Payable to holding company (refer note 36)	-	20
Total	695	529

Note 15 : Contract liability/(Assets)

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liability		
Deferred Revenue	588	422
Advance from customers	238	202
Total Contract liability	826	624
Contract Assets		
Total Contract Assets	-	809
	-	809

i. Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current period relates to a carried forward contract liabilities and how much relates to performance obligation satisfied in prior year.

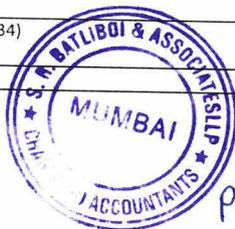
Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	422	436
Deferred during the year	588	422
Recognised as revenue during the year	(422)	(436)
Total	588	422

Note 16 : Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	164	97
Total	164	97

Note 17 : Current provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Compensated absences (refer note 34)	80	78
Warranty (refer note 35)	220	254
Total	300	332



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 18 : Revenue from operations

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations		
<u>Revenue from contracts with customers</u>		
Sale of products	3,594	4,699
Sale of services	6,330	5,281
	9,924	9,980
Other Operating revenue		
Scrap sales	6	9
	6	9
Total revenue from contracts with customers	9,930	9,989

Type of goods or services	Year ended March 31, 2025	Year ended March 31, 2024
Sale of satellite communication equipment	3,594	4,699
Equipment rental services	1,224	1,232
Installation and other services	5,106	4,049
Other	6	9
Total revenue from contracts with customers	9,930	9,989

Location	Year ended March 31, 2025	Year ended March 31, 2024
India	9,498	9,583
Outside India	432	406
Total revenue from contracts with customers	9,930	9,989

Timing of recognition of revenue	Year ended March 31, 2025	Year ended March 31, 2024
Goods transferred at point in time	3,600	4,708
Services transferred over time	6,330	5,281
Total revenue from contracts with customers	9,930	9,989

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	9,227	10,178
Adjustments for:		
<u>Unbilled revenue (refer note 8)</u>		
Opening balance	(497)	(700)
Closing balance	1,366	497
	869	(203)
<u>Contract liabilities (refer note 15)</u>		
Opening balance	422	436
Closing balance	(588)	(422)
	(166)	14
Total	9,930	9,989



Nelco Network Products Limited**Notes to the 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.

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 19 : Other income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income:		
On income tax refund	11	-
On Interest On finance lease	-	1
	11	1
Other non-operating income		
Insurance claims recovered	-	5
Liabilities/ provisions no longer required, written back (net)	15	13
Amount recoverable on lease termination	69	-
	84	18
Other gains		
Gain on sale of property, plant and equipment (net)	-	2
Foreign exchange gain (net)	5	-
Unwinding of discount on financial asset measured at amortised cost	54	13
	59	15
Total	154	34

Note 20: (Increase) in inventories of stock-in-trade

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<u>Inventories at the beginning of the year:</u>		
Stock - in - trade	2,587	2,127
<u>Less : Inventories at the end of the year :</u>		
Stock - in - trade	3,069	2,587
Net (increase) in inventories of stock-in-trade	(482)	(460)



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Nelco Network Products Limited**Notes to the financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 21 : Employee benefits expenses**

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries, wages and bonus	1,439	1,338
Contributions to provident fund (refer note 34)	59	54
Contributions to superannuation fund (refer note 34)	8	8
Gratuity (refer note 34)	18	17
Staff welfare expenses	115	102
Total	1,639	1,519

Note 22 : Sub contracting expenses

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Subcontracting expenses	2,728	1,603
Total	2,728	1,603

Note 23 : Other expenses

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Bank charges	15	15
Consumption of loose tools	18	29
Power and fuel	81	69
Rent [refer note 3(b)(iii)]	96	32
Repairs and maintenance - others	353	264
Rates and taxes	22	10
Travelling and conveyance	89	81
Freight and forwarding	271	336
Legal and professional charges	50	20
Consultancy charges	150	148
Installation expenses	266	177
Payment to auditors (refer note below)	12	12
Provision for doubtful debts made in earlier years written back	-	(9)
Loss on sale of property, plant and equipment (net)	15	-
Foreign exchange loss (net)	-	1
Mark to Market loss / (gain)	2	3
Sales commission	1	2
Software expenses	49	56
Vehicle charges	70	67
Insurance	13	10
Telephone charges	19	17
Directors sitting fees	4	4
Provision for warranty (net) (refer note 35)	-	71
Miscellaneous expenses	64	89
Corporate social responsibility expenses (refer note 42)	20	14
Total other expenses	1,680	1,518



Nelco Network Products Limited**Notes to the 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	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Payments to the auditors comprises		
<u>As Auditors</u>		
Audit fee	9	9
Tax audit	1	1
<u>In other capacity</u>		
Other services	1	1
Reimbursement of expenses	1	1
Total	12	12

Note 24 : Finance costs

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest expense on:		
Borrowings	322	271
Leased liabilities	76	118
Trade payables	-	21
Commission paid on guarantee received from Holding Company	18	18
Total	416	428

Note 25 : Depreciation and amortisation expense

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
On property, plant and equipment (refer note 3(a))	502	620
On intangible assets (refer note 3(c))	2	1
On right-of-use assets (refer note 3(b)(i))	310	334
On right-of-use assets- on termination of lease	164	(3)
Total	978	952



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 26 : Current and deferred tax

26 (a) Statement of profit and loss:

Particulars	For the Year ended Mar 31, 2025	For the Year ended Mar 31, 2024
(a) Income tax expense		
For current year		
Current tax		
Current tax on profits for the year	(5)	83
Total current tax expenses for the current year (A)	(5)	83
Deferred tax (refer note 28)		
Decrease in deferred tax assets	165	66
(Decrease) in deferred tax liabilities	(168)	(68)
Total deferred tax benefit for the current year (B)	(3)	(2)
Income tax expense for current year (C=A+B)	(8)	81
For earlier year		
Current tax		
Current tax for earlier years	10	(64)
Deferred tax (refer note 28)		
Decrease in deferred tax assets for earlier years	-	70
Tax adjustment for earlier years (D)	10	6
Total income tax expenses (C+D)	2	87

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

Particulars	For the Year ended Mar 31, 2025	For the Year ended Mar 31, 2024
Profit/(loss) before Income tax expenses	(59)	309
Total Profit for the year	(59)	309
Statutory Tax Rate (%) - Long Term Capital Gain		
Statutory Tax Rate (%)	25.17%	25.17%
Applicable tax rate of the reporting entity	25.17%	25.17%
Tax at the Indian Statutory Tax Rate	(15)	78
Tax adjustment related to current year		
Expenses not allowed in tax	5	3
Tax impact on OCI	(2)	-
Others	4	-
Tax adjustment related to earlier years		
Income tax provision made for earlier year, including interest	10	6
Total tax expense	2	87

Note 27 : Other comprehensive income/(expenses) - Items that will not be reclassified to profit or loss

Particulars	For the Year ended Mar 31, 2025	For the Year ended Mar 31, 2024
Remeasurement of post employment benefit obligations gain/(loss) (refer note 34)	(7)	2
Income tax relating to this item	2	-
Total	(5)	2



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 28 : Deferred tax assets (net)

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

Particulars	As at	Recognised in the	As at	Recognised in the	Recognised in the	As at
	April 1, 2023	statement of profit and Loss	March 31, 2024	statement of profit and Loss	statement of Other comprehensive income	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	325	(60)	265	(168)	-	97
Others	1	(1)	-	-	-	-
Total deferred tax liability (i)	333	(68)	265	(168)		97
ii. Items of deferred tax assets :						
Property, plant and equipment and intangible assets	554	(12)	542	(25)	-	517
Lease liability	362	(55)	307	(196)	-	111
Inventory	56	(42)	14	-	-	14
Disallowances under Section 43B of the Income Tax Act, 1961, provision for legal dispute and employee benefits	24	1	25	(7)	2	20
Allowance for doubtful trade receivables and deposits	86	(13)	73	42	-	115
Others	46	(15)	31	21	-	52
Total deferred tax assets (ii)	1,128	(136)	992	(165)	2	829
Net deferred tax assets (ii-i)	795	(68)	727	3	2	732

*Net deferred tax assets reversed during the previous year ended March 31, 2024 Rs. 68 lakhs includes reversal of deferred tax assets of Rs. 70 lakhs pertaining to earlier years (refer note 26a).



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Note 29 : Fair value of financial assets and financial liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities.

The Company's assets and liabilities which are measured at FVPL, FVOCI and amortised cost for which fair values are disclosed:

Particulars	As at March 31, 2025			As at March 31, 2024		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Trade receivable	-	-	6,658	-	-	5,058
Cash and cash equivalent	-	-	-	-	-	223
Security deposit	-	-	227	-	-	180
Fair value of foreign exchange forward contract	-	-	-	*	-	*
Other financial assets	-	-	155	-	-	-
Total financial assets	-	-	7,040	-	-	5,461
Financial liabilities						
Borrowings	-	-	3,795	-	-	3,322
Trade payables	-	-	3,970	-	-	2,438
Fair value of foreign exchange forward contract	2	-	-	-	-	-
Other financial liabilities	-	-	693	-	-	529
Total financial liabilities	2	-	8,458	-	-	6,289

*Below rounding off norms adopted by the Company.

(i) Fair value hierarchy

Valuation technique and significant unobservable inputs:

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

Financial assets and liabilities measured at fair value at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instrument at FVPL					
Fair value of foreign exchange forward contract	4(b)	-	-	-	-
Total Financial Assets		-	-	-	-
Financial liabilities					
Financial instrument at FVPL					
Fair value of foreign exchange forward contract	14	-	2	-	2
Total Financial liabilities		-	2	-	2

Financial assets and liabilities measured at fair value at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instrument at FVPL					
Fair value of foreign exchange forward contract	4(b)	-	*	-	-
Total Financial Assets		-	*	-	-
Financial liabilities					
Fair value of foreign exchange forward contract	14	-	-	-	-
Total Financial liabilities		-	-	-	-

During the year there have been no transfer between level 1 and level 2.

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

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

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



Nelco Network Products Limited**Notes to the financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***(ii) Valuation method used to determine fair value****a) Specific valuation technique used to value financial instruments include:**

- The use of quoted market price or dealer quotes for similar instruments.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

b) During the current year, there is no significant movement in the items of fair value measurements categorised within Level 3 of the fair value hierarchy.

c) The Fair value for investment in unquoted equity share were calculated based on risk adjusted discounted rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(iii) Valuation processes

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

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets				
Trade receivable	6,658	6,658	5,058	5,058
Cash and cash equivalent	-	-	223	223
Security deposit	227	227	180	180
Other financial assets	155	155	-	-
Total financial assets	7,040	7,040	5,461	5,461
Financial liabilities				
Borrowings	3,795	3,795	3,322	3,322
Trade payables	3,970	3,970	2,438	2,438
Other financial liabilities	695	695	529	529
Total financial liabilities	8,460	8,460	6,289	6,289

The carrying amounts of cash and cash equivalent, other bank balances, other financial assets, trade payables are considered to be the same as their fair values. due to their short-term nature.

The Fair value of Loans, Trade Receivables, Borrowings and Other financial liabilities were calculated based on cash flows discounted using a current deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

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



Note 30 :Financial Risk Management

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

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

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

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

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

(A) Credit Risk

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

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

(i) Credit Risk Management

Financial Assets

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

The Company's maximum exposure to credit risk as at March 31, 2025 and March 31, 2024 is the carrying value of each class of financial assets as disclosed in the standalone financial statements.

Trade receivables

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

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss within other expenses.

Specific allowance for loss has also been provided by the management based on expected recovery on individual customers.

Four customer as at March 31, 2025 and five customer as at March 31, 2024 individually contributed to more than 5% of the total balance of trade receivables. Receivable (Gross) from these customers was Rs. 3,217 Lakhs and Rs. 2,817 Lakhs as at March 31, 2025 and March 31, 2024 respectively.

The amount of trade receivable outstanding as at March 31, 2025 and March 31, 2024 is as follows:

ECL rate followed by the Company for BFSI customer 0.64% (2024: 0.64%) and non BFSI 1.61% (2024 1.61%).

Particulars	Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
As at March 31, 2025	Gross	1,981	1,716	1,034	764	5,495
	Impairment allowance	16	12	8	167	203
	Net	1,965	1,704	1,026	597	5,292
As at March 31, 2024	Gross	2,603	1,747	130	284	4,764
	Impairment allowance	16	12	1	174	203
	Net	2,587	1,735	129	110	4,561



(ii) Reconciliation of loss allowances provision - Trade Receivable

Loss allowances on March 31, 2023	228
Add: provision made during the year	(16)
Less: Provision for doubtful debts made in earlier years written back	(9)
Loss allowances on March 31, 2024	203
Add: provision made during the year	-
Less: Provision for doubtful debts made in earlier years written back	-
Loss allowances on March 31, 2025	203

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

Other than trade receivables and financial assets.

Management believes that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil and accordingly no significant provision for expected credit loss has been recorded.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due through rolling cash flow forecast. Also, the Company has unutilized credit limits with banks.

(i) Financing arrangements

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

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Floating rate		
Expiring within one year (bank overdraft, term Loans and other facilities)	1,222	1,700
Total	1,222	1,700

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

(ii) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities	Less than 1 Year	1 - 5 Years	5 Year & above	Total
March 31, 2025				
Non - derivative				
Borrowings	3,795	-	-	3,795
Lease liabilities	156	344	24	524
Trade payables	3,970	-	-	3,970
Other financial liabilities	695	-	-	695
Total Non derivative liabilities	8,616	344	24	8,984

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 liabilities	312	871	36	1,219
Trade payables	2,438	-	-	2,438
Other financial liabilities	529	-	-	529
Total Non derivative liabilities	6,584	888	36	7,508

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade payables, deposits, investments, trade receivables, other financial assets/liabilities and derivative financial instruments.

(i) Foreign currency risk

Company is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

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

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



(a) Foreign currency risk exposure:

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

Particulars	Foreign Currency	As at March 31, 2025		As at March 31, 2024	
		In foreign currency	Rs in Lakhs	In foreign currency	Rs in Lakhs
Financial Liabilities					
Trade payables	USD	17	1,411	10	871
Derivative Liabilities	USD	*	2	-	-
Foreign exchange forward contract					
Buy foreign currency	USD	(7)	(598)	(8)	(641)
Net Exposure to Foreign Currency Liability	USD	10	815	3	230
Financial Assets					
Trade receivables	USD	*	(34)	(6)	(455)
Derivative assets	USD	-	-	*	*
Net Exposure to foreign currency Assets	USD	-	(34)	(6)	(455)

* figures below rounding off norm adopted by the Company.

(b) Sensitivity

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

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%)*	(29)	8
INR/USD - Decrease by 5% (March 31, 2024 - 5%)*	29	(8)

* Holding all other variables constant

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk.

(a) Interest rate risk exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows.

Particulars	As at	As at
	March 31, 2025	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 variables constant

(iii) Price risk

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



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Note 31 : Capital Management & Gearing Ratio

Risk Management

The Company's objectives when managing capital are to

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

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

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio around 60%. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balances as detailed in the notes below.

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

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

Gearing Ratio

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

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Debt (refer note 12a and 12b)	3,795	3,322
cash and cash equivalents (refer note 9)	-	223
Net debt	3,795	3,099
Equity share capital (refer note 10)	100	100
Other equity (refer note 11)	3,422	3,488
Total Capital	3,522	3,588
Total Capital and net debt	7,317	6,687
Net debt to total capital and net debt ratio (%)	52%	46%

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.

Company has complied with the above covenants throughout the reporting period.

Company has regularly filed statements with banks from whom loans are taken and there are no deviation from books of accounts. (refer note 38).

Note 32 : Offsetting Financial Assets And Financial Liabilities

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

Note 33 : Assets Pledged As Security

Collateral against borrowings

Current Assets and exclusive charge over VSAT's installed by the Company at HPCL, BPCL, IOCL and Bank of India outlets are pledged as security against debt facilities from the lender. Corporate guarantee of Rs. 9,200 Lakhs from Nelco Limited.

The Company has pledged financial instruments as collateral as security against its borrowings.

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

Particulars	As at	As at
	March 31, 2025	March 31, 2023
First charge		
Inventory	3,069	2,587
Trade receivables	6,658	5,058
Cash & cash equivalents	-	223
Other financial assets	309	33
Contract assets	-	809
Other assets	614	136
Total current assets pledged as security	10,650	8,846
Second charge		
Property, plant and equipment		
(i) Office equipment-Given on lease (operating lease)	894	675
Total non-current assets pledged as security	894	675
Total assets pledged as security	11,544	9,521



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 34 : Employee benefit obligations

a. Short-term employee benefits

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

b. Long-term employee benefits

i) Defined contribution plans

Company's contribution paid/payable during the year to superannuation fund and Provident fund contribution are recognised as an expense and included in note 21 under the heading "Contributions to provident fund and Contributions to superannuation fund" are as under:

Sr. No	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a)	Contribution to employees' superannuation fund	8	8
b)	Contribution to provident fund	59	54
	Total	67	62

ii) Defined Benefit Plans

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

Provident Fund Assessment as per recent Supreme court Judgment

Recent Supreme Court judgement in case of Vivekananda Vidyamandir and Others (February 2019) lays down principles to exclude a particular allowance from the definition of "basic wages" for the purposes of computing the deduction towards provident fund contributions. A review petition have been filed against the said order by other Companies and await clarification from Provident Fund Commissioner/Supreme Court. Based on the initial assessment and recently concluded inspections by Provident Fund authorities, management does not expect any material impact on the financial statements.

Gratuity (Funded):

The Company has created a gratuity trust. The Company has a funded defined benefit gratuity plan. The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities. The liability in respect of gratuity and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services

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

Amount recognised in the statement of profit and loss

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	19	17
Interest cost	15	14
Interest income on plan assets	(16)	(14)
Total expense recognised in the statement of profit and loss	18	17

Amount recognised in other comprehensive income (OCI)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Due to change in demographic assumptions	-	-
Due to change in financial assumptions	5	4
Due to experience	4	5
Return on Plan Assets, excluding interest income	(2)	(11)
Total remeasurement (gains)/losses recognised in OCI	7	(2)



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Changes in Defined Benefit Obligation (DBO) during the year

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Present value of DBO at the beginning	204	184
Current service cost	19	17
Interest cost (Net)	15	14
Remeasurement (gain)/loss	9	9
Liabilities transferred in/acquisitions	-	(2)
Benefits paid	(27)	(18)
Present value of DBO at end of the year	220	204
Present value of plan assets at the beginning	217	193
Interest income	16	14
Amount paid to employees gratuity trust	-	(1)
Return on Plan Assets, excluding interest income	2	11
Present value of plan assets at end of the year	235	217
Present value of DBO at the end	(15)	(13)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Plan assets at period end, at fair value	235	217
Present value of benefit obligation at period end	(220)	(204)
Asset/(liability) recognised in Balance Sheet	15	13

Principal Actuarial assumptions for valuation of gratuity liability

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Discount rate	6.84%	7.21%
Expected rate of escalation in salary	7.50%	7.50%
Rate of employee turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

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

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

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

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

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%	(14)	16	(12)	14
Expected rate of escalation in salary	1%	16	(14)	13	(12)
Rate of employee turnover	1%	(1)	1	*	*

*figures are below rounding off norm adopted by the Company.

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

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



Nelco Network Products Limited**Notes to the financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***Defined benefit liability and employers contributions**

The weighted average duration of the projected benefit obligation is 8 years (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	25	30
2nd following year	11	21
3rd following year	41	9
4th following year	17	36
5th following year	18	15
Sum of years 6 to 10	75	61
Sum of years 11 and above	201	188

iii) Other employee benefits

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

- a) An amount of Rs. 22 Lakhs (FY 2024 : Rs. 18 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2025 towards Compensated absences.
- b) Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the Balance sheet date.
- c) Net liability recognised for compensated absences in the Balance Sheet as at March 31, 2025 is Rs. 80 Lakhs (March 31, 2024 : Rs. 78 Lakhs).

Principal Actuarial assumptions for valuation of long-term compensated absences

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.84%	7.21%
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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Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 35 : Disclosure as required by Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets” as at year end are as follows:

- a) Provision for Warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under free warranty period ranging from one to three years.
 b) The movement and provision during the year are as follows:

Particulars	Warranties	
	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance	254	207
Add: Provision during the year	3	71
(Less): Utilisation during the year	(37)	(24)
(Less): Reversal during the year	-	-
Closing balance	220	254
Classified as current (refer note 17)	220	254

Note 36 : Related party disclosure

Disclosure as required by Ind AS 24 - “Related Party Disclosures” is as follows:
 Names of the related parties and description of relationship:

- (A) **Related parties where control exists:**
Employment Benefit Funds:
 Nelco Network Products Limited Employees Gratuity Trust
 The National Radio & Electronics Co. Ltd. Superannuation Fund
- (B) **Holding Company**
 Nelco Limited
- (C) **Associate of Holding Company**
 Piscis Networks Private Limited
- (D) **i) Ultimate Holding Company/ Promoter**
 The Tata Power Company Limited
- ii) Promotor of ultimate holding company**
 Tata Sons Private Limited
- iii) Subsidiaries and Jointly Controlled Entities of Promoter - Promoter Group (where transactions have taken place during the year or previous year / balances outstanding)**
 The Tata Power Green Energy Limited
 Tata Communications Limited
 Tata communications Payment solutions Limited
 Tata Technologies Limited
 Tata Steel Limited
 Tata Capital Limited
 TP Southern Odisha Distribution Limited
 C-edge Technologies Limited
 Tata 1MG Technologies Pvt Limited
 Tata AIA Life Insurance Co Limited
 Tata Business Hub Limited
 Tata Teleservices Limited
 Tata Capital Limited
- (E) **Key Managerial Personnel**
(i) Independent, Non-Executive Directors and others
 Mr. A. S. Lakshminarayanan (Non-Executive Director w.e.f July 18, 2022 upto July 12, 2023)
 Mr. P.J. Nath (Non -Executive Director)
 Mr. Ajay Kumar Pandey (Non-Executive Director)
 Mr. Saurabh Ray (Non Executive Director)
 Mr. Shreyans Upadhyay (Company Secretary)



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

(F) Details of Transactions:

Sr. No.	Particulars	Holding Company		Associate of Holding Company		Promoter Group/ Promoter		Employment Benefit Funds		Key Management Personnel	
		FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
1	Rendering of services										
	Nelco Limited	3	1	-	-	-	-	-	-	-	-
	Tata Communications Limited	-	-	-	-	2	3	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	250	127	-	-	-	-
	Tata communications Payment solutions Limited	-	-	-	-	221	88	-	-	-	-
	Tata Steel Limited	-	-	-	-	137	6	-	-	-	-
	Tata Technologies Limited	-	-	-	-	210	20	-	-	-	-
	The Tata Power Green Energy Limited	-	-	-	-	-	*	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	4	*	-	-	-	-
	Air India Limited	-	-	-	-	745	-	-	-	-	-
2	Sale of goods										
	Nelco Limited	-	224	-	-	-	-	-	-	-	-
	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	-	-	-	-
	Air India Limited	-	-	-	-	126	-	-	-	-	-
3	Receiving of services										
	Nelco Limited	3	2	-	-	-	-	-	-	-	-
	Tata 1MG Technologies Pvt Limited	-	-	-	-	*	1	-	-	-	-
	Tata Business Hub Limited	-	-	-	-	3	4	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	3	3	-	-	-	-
4	Purchase of goods										
	Piscis Networks Private Limited	-	-	1,430	775	-	-	-	-	-	-
5	Guarantee commission paid										
	Nelco Limited	18	18	-	-	-	-	-	-	-	-
6	Rent paid										
	Nelco Limited	13	13	-	-	-	-	-	-	-	-
	Tata Capital Limited	-	-	-	-	12	11	-	-	-	-
7	Purchase of Insurance Policy										
	Tata AIA Life Insurance Co Limited	-	-	-	-	6	6	-	-	-	-
8	Brand equity payment										
	Tata Sons Private Limited	-	-	-	-	15	-	-	-	-	-
9	Director sitting fees										
	Mr. A. S. Lakshminarayanan	-	-	-	-	-	-	-	-	-	*
	Mr. Ajay Kumar Pandey	-	-	-	-	-	-	-	-	4	3
	Mr. Saurabh Ray	-	-	-	-	-	-	-	-	*	1
10	Remuneration - short term employee benefits*										
	Mr. Shreyans Upadhyay	-	-	-	-	-	-	-	-	11	6
11	Contribution to Employee Benefit Plans										
	The National Radio & Electronics Co. Ltd. Superannuation Fund	-	-	-	-	-	-	-	3	-	-



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

(G) Balances outstanding

Sr. No.	Particulars	Holding Company		Associate of Holding 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										
	Nelco Limited	-	269	-	-	-	-	-	-	-	-
	Tata Communications Limited	-	-	-	-	1	1	-	-	-	-
	C-edge Technologies Limited	-	-	-	-	147	29	-	-	-	-
	Tata communications Payment solutions Limited	-	-	-	-	111	128	-	-	-	-
	Tata Steel Limited	-	-	-	-	41	51	-	-	-	-
	Tata Technologies Limited	-	-	-	-	4	44	-	-	-	-
	The Tata Power Green Energy Limited	-	-	-	-	*	*	-	-	-	-
	TP Southern Odisha Distribution Limited	-	-	-	-	5	3	-	-	-	-
2	Trade payables										
	Nelco Limited	-	63	-	-	-	-	-	-	-	-
	Piscis Networks Private Limited	-	-	662	4	-	-	-	-	-	-
	Tata 1MG Technologies Pvt Limited	-	-	-	-	*	*	-	-	-	-
	Tata Sons Private Limited	-	-	-	-	14	-	-	-	-	-
	Tata Business Hub Limited	-	-	-	-	1	-	-	-	-	-
3	Guarantees and collaterals received										
	Nelco Limited	9,200	9,200	-	-	-	-	-	-	-	-
4	Other receivables										
	Nelco Limited	71	-	-	-	-	-	-	-	-	-
	Nelco Network Products Limited Employees Gratuity Trust	-	-	-	-	-	-	15	13	-	-
5	Other payable										
	Nelco Limited	-	20	-	-	-	-	-	-	-	-

The sales to, purchases from and other transactions entered with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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



AK



Note 37 : Earnings per share (EPS)

Particulars	Year ended	
	March 31, 2025	March 31, 2024
Net (loss)/profit after tax attributable to equity shareholders (Rs. in Lakhs)	(61)	222
Weighted average number of equity shares	10,00,000	10,00,000
EPS (Rs.) [Basic and Diluted] (Face value per share Rs. 10)	(6.10)	22.20

Note 38: Returns filed with banks with respect to working capital facility availed by the Company

Name of Bank	Quarter	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
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	3,970	3,970	-	-
IDFC Bank Ltd	Q1 of 2023-24	Inventory	2,295	2,295	-	-
		Debtors	4,713	4,713	-	-
		Creditors	2,588	2,588	-	-
IDFC Bank Ltd	Q2 of 2023-24	Inventory	2,528	2,528	-	-
		Debtors	4,659	4,659	-	-
		Creditors	2,332	2,332	-	-
IDFC Bank Ltd	Q3 of 2023-24	Inventory	2,147	2,147	-	-
		Debtors	5,212	5,212	-	-
		Creditors	2,163	2,163	-	-
IDFC Bank Ltd	Q4 of 2023-24	Inventory	2,587	2,587	-	-
		Debtors	5,058	5,058	-	-
		Creditors	2,438	2,438	-	-

Note 39: Ratios

Sr No	Particulars	Note	Ratio		% of change	Remarks for movement
			March 31, 2025	March 31, 2024		
a	Current ratio=Current assets/Current liabilities	Refer note I	1.06	1.16	-8%	-
b	Debt equity ratio= Total Debt/Total Equity	Refer note II	1.20	1.27	-5%	-
c	Debt service coverage ratio = EBITDA/Total amount of interest and principal payable or paid during the period	Refer note III	1.21	1.41	-15%	Due to reduction in EBITDA and payment of lease liability on termination of lease agreement
d	Return on equity ratio= Net Profits after taxes/Total Equity	Refer note IV	-0.02	0.06	-128%	Due to lower sales and profit during the year
e	Inventory turnover ratio= COGS/Average inventory	Refer note V	0.96	1.57	-39%	Due to increase in inventory at year end
f	Trade receivable turnover ratio= Sales/Average trade receivable	Refer note VI	1.70	2.16	-22%	Due to increase in trade receivable at year end
g	Trade payable turnover ratio= (COGS+subcontracting expenses+Other expenses- provision for doubtful debts)/Average trade payables	Refer note VII	2.22	2.38	-7%	-
h	Net capital turnover ratio= Net Sales/Working capital	Refer note VIII	13.01	6.57	98%	Due to reduction in working capital
i	Net profit ratio = Net Profit after Tax/Revenue	Refer note IX	-0.01	0.02	-128%	Due to loss incurred during the year
j	Return on capital employed= Earning before interest and taxes/Capital employed	Refer note X	0.05	0.11	-54%	Due to lower sales and profit during the year



P/K



Nelco Network Products Limited
Notes to the financial statements for the year ended March 31, 2025

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 39: Ratios

Sr No	Particulars	Refer note	March 31, 2025	March 31, 2024
I	<u>Current assets</u>			
	(a) Inventories	7	3,069	2,587
	(b) Financial assets			
	(i) Trade receivables	8	6,658	5,058
	(ii) Cash and cash equivalents	9	-	223
	(iii) Other financial assets	4 (b)	309	33
	(c) Contract assets	15	-	809
	(d) Other current assets	6 (b)	477	136
			10,513	8,846
	<u>Current liabilities</u>			
	(a) Financial liabilities			
	(i) Borrowings	12 (b)	3,795	3,305
	(ia) Lease liabilities	3 (b) (ii)	122	312
	(ii) Trade payables			
	(a) total outstanding dues of micro and small enterprises		-	-
	(b) total outstanding dues other than (ii) (a) above	13	3,970	2,438
	(iii) Other financial liabilities	14	695	529
	(b) Provisions	17	300	332
	(c) Contract Liabilities	15	826	624
	(d) Other current liabilities	16	164	97
			9,872	7,637
II	<u>Total Debt</u>			
	Non current borrowings	12 (a)	-	17
	Current borrowings	12 (b)	3,795	3,305
	Non current lease liabilities	3(b) (ii)	321	907
	Current lease liabilities	3 (b) (ii)	122	312
			4,238	4,541
	<u>Total equity</u>			
	Equity share capital	10	100	100
	Other equity - Reserve and surplus	11	3,422	3,488
			3,522	3,588
III	Earning before interest tax depreciation and amortisation (EBITDA)	Refer P & L	1,335	1,689
	<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	24	31	89
	On lease liabilities	24	76	118
			107	207
	<u>Total principal paid or payable during the period</u>			
	Principal portion of long term borrowing	12 (a)	684	684
	Principal portion of lease liabilities	3(b) (ii)	316	303
			1,000	987
IV	Net (loss)/profits after taxes		(61)	222
	<u>Total equity</u>			
	Equity share capital	10	100	100
	Other equity - Reserve and surplus	11	3,422	3,488
			3,522	3,588
V	<u>Average inventory</u>			
	Opening inventory	7	2,587	2,127
	Closing inventory	7	3,069	2,587
	Average inventory		2,828	2,357
	Cost of goods sold (COGS)	As per P & L	2,702	3,694



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2025	March 31, 2024
VI	Sales	18	9,930	9,989
	<u>Average trade receivable</u>			
	Opening trade receivable	8	5,058	4,181
	Closing trade receivable	8	6,658	5,058
	<u>Average trade receivable</u>		5,858	4,620
VII	Cost of goods sold (COGS)	As per P & L	2,702	3,694
	Other expenses- provision for doubtful debts)/Average trade payables			
	Subcontracting expenses	22	2,728	1,603
	Other expenses	23	1,680	1,518
	Less: provision for doubtful debts	23	-	9
	<u>Average trade payables</u>		7,110	6,824
	Opening trade payables	13	2,438	3,285
	Closing trade payables	13	3,970	2,438
	<u>Average trade payables</u>		3,204	2,862
	VIII	Net Sales	18	9,930
<u>Working capital (Current assets- current liabilities)</u>				
<u>Current assets</u>				
(a) Inventories		7	3,069	2,587
(b) Financial assets				
(i) Trade receivables		8	6,658	5,058
(ii) Cash and cash equivalents		9	-	223
(iii) Other financial assets		4 (b)	309	33
(c) Contract assets		15	-	809
(d) Other current assets		6 (b)	477	136
Total Current assets			10,513	8,846
<u>Current liabilities</u>				
(a) Financial liabilities				
(i) Borrowings		12 (b)	3,795	3,305
(ii) Trade payables		13	3,970	2,438
(iii) Other financial liabilities		14	695	529
(b) Provisions		17	300	332
(c) Contract Liabilities		15	826	624
(d) Other current liabilities		16	164	97
Total Current liabilities			9,750	7,325
Working capital (Current assets - current liabilities)		763	1,521	
IX	Net (loos)/profit after Tax	As per P & L	(61)	222
	Revenue	18	9,930	9,989
X	<u>Earning before interest and taxes</u>			
	Earning before finance cost, depreciation, amortisation and tax	As per P & L	1,335	1,689
	Less: Depreciation and amortisation	25	978	952
			357	737
	<u>Capital employed</u>			
	Equity share capital	10	100	100
	Other equity	11	3,422	3,488
	Borrowing			
	Non current	12 (a)	-	17
	Current	12 (b)	3,795	3,305
Total capital employed		7,317	6,910	

Note 40 : Segment reporting

The Holding Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') for the Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

Note 41 : Capital and other Commitments

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	188	183



Nelco Network Products Limited**Notes to the financial statements for the year ended March 31, 2025***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 42: Corporate Social Responsibility**

Particulars	As at March 31, 2025	As at March 31, 2024
a) Gross amount required to be spent by the Company during the year	-	7
b) Amount approved by the Board to be spent during the year	20	14
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 Tata Power Community Development Trust	20	14
Total (C=i+ii)	20	14
d) Amount yet to be paid in cash (d=b-c)	-	-

During the year there are no other than on-going projects for which Company has spent on CSR.

Note 43 : Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Income Tax Demand against the company not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which company is in appeal	68	68

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

The above figures for contingent liabilities do not include amounts towards certain additional penalties/interest that may devolve on the Company in the event of an adverse outcome as the same is subjective and not capable of being presently quantified. Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable, further outflow of resources is not probable in either cases.

The Company does not have any contingent assets at the balance sheet date.

Note 44: 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 3 May 2024. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

Note 45 : Audit trail

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level for the year and also for certain master fields (Asset Master, Customer Master and Vendor Master) changes made using privileged/ administrative access rights related to the SAP application and/or the underlying SQL database. However this was enabled for changes made using privileged/ administrative access rights related to the SAP application and/or the underlying SQL database from April 10, 2024. Further no instance of audit trail feature being tampered with was noted in respect of other software. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

Note 46: There are no Micro and Small Enterprises to whom the Group owes dues, which are outstanding as at March 31, 2025 (Nil: March 31, 2024). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.



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Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 47 : Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company have neither received nor given any fund from or to any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961.
- (vii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix) The Company doesn't have transactions with the Companies struck off under section 284 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.



Nelco Network Products Limited

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

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 48: Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through April 24, 2025 the date at which the financial statements were available to be issued, and determined that there are no material items to be disclosed other than those disclosed above.

Note 49: Approval of Financial Statements

The 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



For and on behalf of the Board of Directors of
Nelco Network Products Limited
CIN:U32309MH2016PLC285693



Ajay Kumar Pandey

Chairman

(DIN: 00065622)



P.J. Nath

Director

(DIN: 05118177)



Shreyans Upadhyay

Company Secretary

(ICSI M. No: ACS 58871)



Place : Mumbai

Date : April 24, 2025



Place : Mumbai

Date : April 24, 2025