

NELCO LIMITED (CONSOLIDATED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NELCO LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Nelco Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its associate comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor's Responsibility

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



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and an associate referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs.4,359 Lakhs as at March 31, 2017, total revenues of Rs.7,997 Lakhs and net cash (outflows) amounting to (Rs.27 Lakhs) for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs.39 Lakhs for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and an associate is based solely on the reports of the other auditors.
- (b) The comparative financial information for the Eighteen Months ended March 31, 2016 and the transition date opening balance sheet as at October 1, 2014 in respect of a subsidiary and an associate included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and an associate incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and an associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Parent, subsidiary companies and an associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's, subsidiary company's and associate company's incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.

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- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent.
- iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and the other auditors by the Management of the respective Group entities.

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



Gurvinder Singh
Partner
(Membership No.110128)

MUMBAI, May 9, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Nelco Limited (hereinafter referred to as "Parent"), its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and

operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies 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.



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Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies and 1 associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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Our opinion is not modified in respect of the above matters.

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



Gurvinder Singh
Partner
(Membership No.110128)

MUMBAI, May 9, 2017

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	3,443	2,709	2,035
(b) Capital Work-In-Progress	4	285	611	70
(c) Intangible assets	4	117	52	81
(d) Financial Assets				
(i) Investments	5	527	877	847
(ii) Other Financial Assets	6 (a)	20	44	165
(e) Deferred tax assets (net)	33	78	52	
(f) Income Tax Assets (net)	7	2,141	2,561	2,044
(g) Other non-current assets	8 (a)	22	90	77
Sub Total Non-Current Assets		6,633	6,996	6,210
Current assets				
(a) Inventories	9	901	800	775
(b) Financial Assets				
(i) Trade Receivables	10	3,669	4,911	4,738
(ii) Cash and cash equivalents	11	304	493	199
(iii) Bank balances other than (ii) above	12	54	34	34
(iv) Other Financial Assets	6 (b)	695	2,394	2,073
(c) Other current assets	8 (b)	797	547	645
Sub Total Current Assets		6,420	8,579	8,464
TOTAL ASSETS		13,053	15,575	14,683
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	13	2,282	2,282	2,282
(b) Other Equity	14	(95)	(697)	(1,290)
TOTAL EQUITY		2,187	1,585	992
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15 (a)	212	29	49
(ii) Other Financial Liabilities	16 (a)	20	35	54
(b) Provisions	17 (a)	348	437	470
Sub Total non-current liabilities		580	501	573
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15 (b)	5,430	8,451	7,745
(ii) Trade Payables	18	3,100	3,091	3,539
(iii) Other Financial Liabilities	16 (b)	229	685	372
(b) Provisions	17 (b)	243	367	442
(c) Other current liabilities	19	1,284	895	1,020
Sub Total current liabilities		10,286	13,489	13,118
TOTAL LIABILITIES		10,866	13,990	13,691
TOTAL LIABILITIES AND EQUITY		13,053	15,575	14,683

See accompanying notes forming part of the Condensed Consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered AccountantsGurvinder Singh
PartnerPlace: Mumbai
Date: 9th May, 2017

For and on behalf of the Board of Directors

R.R. Dhinge - Chairman

P. J. Nath - Executive Director & CEO

Uday Banerjee - Chief Financial Officer

Girish V. Kirande - Company Secretary

Place: Mumbai
Date: 9th May, 2017

Nelco Limited

Condensed Consolidated Statement of Changes in Equity (SOCIE) for the year ended 31st March, 2017

(Rs. in Lakh)

Particulars	Equity Share Capital		Reserves and Surplus		Equity Instruments through OCI [d]	Total [a+b+c+d]
	Number of shares	Equity share capital [a]	General Reserve [b]	Retained earnings [c]		
Balance as at 1st April, 2015	2,28,17,461	2,282	250	(1,550)	10	992
Profit for the year ended 31st March, 2016	-	-	-	599	-	599
Other comprehensive Income for the year ended 31st March, 2016	-	-	-	(6)	-	(6)
Balance as at 31st March, 2016	2,28,17,461	2,282	250	(957)	10	1,585
Profit for the year ended 31st March, 2017	-	-	-	628	-	628
Other comprehensive Income for the year ended 31st March, 2017	-	-	-	(27)	1	(26)
Balance as at 31st March, 2017	2,28,17,461	2,282	250	(356)	11	2,187

See accompanying notes forming part of the condensed consolidated financial statements

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

Gurvinder Singh
Partner

Place: Mumbai
Date : 9th May, 2017

For and on behalf of the Board of Directors

R.R. Bhinge - Chairman

P. J. Nath - Executive Director & CEO

Uday Banerjee - Chief Financial Officer

Girish V. Kirinde - Company Secretary

Place: Mumbai
Date : 9th May, 2017

Nelco Limited
Condensed Consolidated Statement of Cash Flows for the year ended 31st March, 2017 (contd...)

Notes:

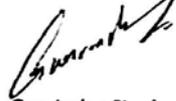
1) Cash and cash equivalents includes:

(Rs. In Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Balances with Banks :- On Current accounts	47	218	197
(b) Cheques on hand	256	272	-
(c) Cash on hand	1	3	2
Total - Cash and cash equivalents as per Condensed Consolidated statement of cash flows	304	493	199

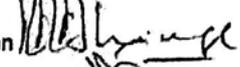
2) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Statement of Cash Flows".

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


 Gurvinder Singh
 Partner

Place: Mumbai
 Date : 9th May, 2017

For and on behalf of the Board of Directors

R.R. Bhinge - Chairman 

P. J. Nath - Executive Director & CEO 

Uday Banerjee - Chief Financial Officer 

Girish V. Kirande - Company Secretary 

Place: Mumbai
 Date : 9th May, 2017

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Condensed Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

(Rs. in Lakhs)

Particulars		Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Revenue from Operations	20	14,367	13,502
2	Other Income	21	493	264
3	Total Income (1+2)		14,860	13,766
4	Expenses			
	(a) Cost of materials consumed		-	20
	(b) Purchases of stock-in-trade		2,640	2,523
	(c) Changes in Inventories of finished goods, stock-in-trade and work-in-progress	22	(101)	(57)
	(d) Employee Benefits Expense	23	1,959	1,856
	(e) Voluntary Retirement Expenses	37	159	-
	(f) Finance costs	24	850	915
	(g) Depreciation and Amortisation Expense	25	802	705
	(h) Other Expenses	26	7,897	7,399
	Total expenses (4)		14,206	13,361
5	Share of profit of associate		39	32
6	Profit before tax (3-4+5)		693	437
7	Tax expense:-			
	(i) Current tax	33	91	52
	(ii) Deferred tax	33	(26)	(52)
	Total Tax Expense (i+ii)		65	-
8	Profit for the period from Continuing Operations (6-7)		628	437
	Discontinued Operations			
9	(Loss) from Discontinued Operations	29	-	-
10	Add :- Gain on sale of Managed Services (MS) Business	29	-	162
11	Profit from discontinued operations (9+10)		-	162
12	Profit for the period (8+11)		628	599
	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss	27	(26)	(6)
13	Total Other Comprehensive Income		(26)	(6)
14	Total Comprehensive Income for the period (12+13)		602	593
15	Earnings per share (Face value of Rs 10/- per share) : (Basic and Diluted)	41		
	Continuing Operations		2.75	1.91
	Discontinued Operations		-	0.71
	Total Operations (for continuing and discontinued operations)		2.75	2.62

See accompanying notes forming part of the Condensed Consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Gurvinder Singh
PartnerPlace: Mumbai
Date: 9th May, 2017

For and on behalf of the Board of Directors

R.R. Bhinge - Chairman

P. J. Nath - Executive Director & CEO

Uday Banerjee - Chief Financial Officer

Girish V. KirKinde - Company Secretary

Place: Mumbai
Date: 9th May, 2017

Nelco Limited

Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

1.1 General Information

Nelco Limited (Formerly known as National Ekco Radio & Engineering Co Ltd) herein after referred to as "Nelco" or "the Company" was established in 1940. The Company was formed as a JV between E K Cole & Fazalbhoj. The Company became "Nelco Limited" in 1969.

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

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

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

Equity shares of the Company are listed in India on the Bombay Stock Exchange and The National Stock Exchange. The registered office of the Company is located at EL-6, TTC Industrial Area, MIDC, Electronic Zone, Mahape, Navi Mumbai - 400 710, CIN: L32200MH1940PLC003164.

The Condensed Consolidated financial statements are presented in Indian Rupee (INR) which is also Functional Currency of the Company. The Condensed Consolidated financial statements were authorised for issue by the directors on 9th May, 2017.

- 1.2** The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS and interpretations that are issued and effective for the 'First Ind AS financial statements' for the year ended 31st March, 2017, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Group has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained in note 3.1 below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in retained earnings.

2. Summary of Significant accounting policies

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

2.1 Basis of preparation

a. Statement of Compliance

The Condensed Consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015.

Upto the twelve months ended 31st March, 2016, the Company prepared its Condensed Consolidated financial statements in accordance with the requirements of previous GAAP, which included standards notified under the Companies (Accounting Standard) Rules, 2006. These are the company's first Ind AS Condensed Consolidated financial statements. The date of transition to Ind AS is 1st April, 2015. Refer Note 3 for the details of first time adoption exemptions availed by the company.

b. Basis of consolidation

As required by the Companies Act 2013, the company in the previous year, had extended its financial year end from 30th September to 31st March. Consequently, the comparative figures in the audited financial statement of the company for the year ended 31st March, 2017 are for 18 months from 1st October, 2014 to 31st March, 2016 and the opening Ind AS Balance sheet is as at 1st October, 2014. However, for the purpose of consolidation of the accounts of Parent Company ("The Tata Power Company Limited"), the Company has prepared these Interim Financial Information for the year ended 31st March, 2017 with comparatives as year ended 31st March, 2016 and opening Ind AS Balance sheet as at 1st April, 2015.

The Company consolidates entities which it owns or controls. The Condensed Consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate (together referred to as "the Group"). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate.

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

Nelco Limited

Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

Particulars of subsidiaries and an associate:

Name of the Company	Principal Activity	Country of Incorporation	Percentage of Voting Power as at 31 st March, 2017	Percentage of Voting Power as at 31 st March, 2016	Percentage of Voting Power as at 1 st April, 2015
I. Subsidiary Companies					
- Direct					
a) Tatanet Services Limited (TNSL)	Providing Bandwidth Services	India	100.00	100.00	100.00
b) Nelco Network Products Limited (NNPL)	Sale of VSAT Equipments	India	100.00	N/A	N/A
II. Associate					
a) Nelito Systems Limited (Nelito)	Software Solutions and Services	India	12.30	22.25	22.25

c. Basis of measurement

The Condensed Consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- Financial assets and financial liabilities measured initially at fair value (refer accounting policy on financial Instruments);
- Defined benefit and other long-term employee benefits.

2.2 Property, plant and equipment

All items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the items. Subsequent costs are added to existing item's carrying amount or recognised as a separate item, 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. All other subsequent costs related to an item 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 tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

b. Depreciation methods, estimated useful lives and residual value

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

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Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

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

Type of Assets	Useful Life
Plant & Machinery (Third Shift)	Radio Frequency (RF) Antenna – 9 Years Basic Electronics – 6 Years
Office Equipment	
a) VSAT	Antenna – 10 Years Electronics - 7.50 Years Basic Electronics – 6 Years
b) HUB	RF Hub – 11 Years Base Hub - 10 Years Basic Electronics – 6 Years

Intangible assets are amortised over 5 years based on useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 gains/ (losses).

2.3 Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.4 Investments and other financial assets

a. Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or in the other comprehensive income.

Investment in equity shares (Other than investment in associate) have been designated at Fair value through Other Comprehensive Income (FVTOCI) on the basis of facts and circumstances that existed at the transition date.

b. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, except for specifically identified cases, Company follows a simplified approach where provision is made as per the ageing buckets which are designed based on historical facts and patterns.

c. Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

2.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

2.6 Financial Liabilities

Financial Liabilities are subsequently measured at amortised cost or at Fair Value through Profit or Loss (FVTPL). Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost.

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Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2.7 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.

2.8 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.

2.9 Inventories

Inventories are valued at cost, which is determined on weighted average net off provision for cost of obsolescence / slow moving inventory and other anticipated losses, wherever considered necessary.

Cost of inventories includes all other costs incurred in bringing the inventories to their present location and condition.

2.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Group recognises revenue as follows:

a. Sale of goods

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

b. Rendering of Services

Revenue from contracts is recognised as services are rendered and as related costs are incurred.

Revenue from maintenance contracts is recognised on a pro-rata basis over the period of the contract.

c. Dividend and Interest Income

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

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

d. Rental Income

The Group's policy for recognition of revenue from operating leases is described in note 2.13 below.

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Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

e. Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

2.11 Foreign currency translation

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 gains/ (losses).

2.12 Income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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.

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

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

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Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

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. 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.

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.

2.13 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Finance Lease

When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Corresponding liability to the lessor is included in the Condensed Consolidated financial statements as finance lease obligation.

Operating Lease

Lease payments under operating leases are recognised as an income / expense on a straight line basis in the Condensed Consolidated Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.14 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.

2.15 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.

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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.

a. Onerous Contracts

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

b. Warranties

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

2.16 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 reporting period are recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

b. Other long-term employee benefit obligations

The liabilities for Gratuity and Compensated absences which are not expected to be settled wholly within 12 months after the end of the reporting period are 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. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

c. Post-employment obligations (Defined Benefit Obligations)

The Company operates the following post-employment schemes:

- defined benefit plans - Gratuity
- defined contribution plans such as Provident Fund, Superannuation Fund and Employees' State Insurance Corporation (ESIC).

Defined Benefit Plans - Gratuity obligations

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

The present value of the defined benefit obligation 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 defined benefit obligation. This cost is included in "Employee Benefit Expenses" in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Defined contribution plans

Company pays Provident Fund, Superannuation Fund and ESIC contributions to publicly administered funds as per local regulations. Company's contribution to Provident Fund, Superannuation Fund and ESIC is recognised on accrual basis in the Statement of Profit and Loss

2.17 Segment reporting

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

The Group has identified following 2 reportable segments.

- a. Automation and control comprises of sales of security and surveillance products.
- b. Network systems comprises of sales of solution for management of network connectivity, networking services and turnkey communication systems supply and integration.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax before other comprehensive income by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is computed by dividing the profit after tax before other comprehensive income by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

2.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets

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Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

a) Useful lives of property, plant and equipment

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

b) Estimation of defined benefit obligation

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

c) Recognition of deferred tax assets

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

d) Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure so provided and included as liability.

e) Recognition and measurement of unbilled revenue

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

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2.20 Derivative financial instruments:

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

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

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and noncash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This amendment which is yet to be notified may have impact on the company's Condensed Consolidated statement of cash flows.

3. First time adoption of Ind AS

These are the Group's first Condensed Consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the Condensed Consolidated financial statements for the year ended 31st March, 2017, the comparative information presented in these Condensed Consolidated financial statements for the year ended 31st March, 2016 and in the preparation of the opening Ind AS balance sheet as at 1st April, 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in Condensed Consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

3.1 Exemptions and exceptions availed

3.2 Reconciliation of total equity as at 31st March, 2016 and as at 1st April, 2015.

3.3 Reconciliation of total comprehensive income for the year ended 31st March, 2016.

3.4 Impact on cash flows for the year ended 31st March, 2016.

3.1 Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

a. Ind AS Optional exemptions

i. Deemed Cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all of its property, plant and equipment as recognised in the Condensed Consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii. Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

iii. Equity investments at FVTOCI

The Group has designated investment in equity shares (Other than investment in subsidiaries and associate) at FVTOCI on the basis of facts and circumstances that existed at the transition date.

b. Ind AS mandatory exceptions

i. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Group accordingly has made such assessment to assess such classification and measurement on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iii. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iv. Government loans

A first-time adopter shall classify all government loans received as a financial liability or an equity instrument in accordance with Ind AS 32, Financial Instruments: Presentation. A first-time adopter shall apply the requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind ASs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequently, if a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind ASs as the carrying amount of the loan in the opening Ind AS Balance Sheet. An entity shall apply Ind AS 109 to the measurement of such loans after the date of transition to Ind ASs.

The company has sales tax deferral loan, whereby the sales tax collected by the Company is to be deposited with the authorities in a phased manner without any interest. Accordingly, the Company has elected to carry such sales tax deferral loan at previous GAAP carrying value.

v. Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

**3.2 Reconciliation of total equity as at 31st March, 2016 and as at 1st April, 2015.
Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2016 and 1st April, 2015:**

Particulars	Notes	As at 31 st March 2016 (End of last period presented under previous GAAP)		As at 1 st April, 2015 (Date of transition)		
		As per Previous GAAP	Effect of Ind AS transition	As per Ind AS	As per Previous GAAP	Effect of Ind AS transition
ASSETS						
Non-current assets						
(a) Property, plant and equipment	a, c	2,415	294	2,709	2,839	2,935
(b) Capital Work-in-Progress		611	-	611	70	70
(c) Intangible assets	a	169	(117)	52	286	81
(d) Financial Assets						
(i) Investments	f	874	3	877	846	847
(ii) Other Financial Assets		44	-	44	165	165
(e) Deferred tax assets (net)		52	-	52	-	-
(f) Income Tax Assets (net)		2,561	-	2,561	2,044	2,044
(g) Other non-current assets		90	-	90	77	77
Sub Total Non-Current Assets		6,816	180	6,996	6,327	6,219
Current assets						
(a) Inventories	a	1,347	(547)	800	1,293	775
(b) Financial Assets						
(i) Trade Receivables		4,585	(274)	4,311	4,947	4,738
(ii) Cash and cash equivalents		493	-	493	199	199
(iii) Bank balances other than (ii) above		34	-	34	34	34
(iv) Other Financial Assets		1,162	1,232	2,394	1,077	2,073
(d) Other current assets		547	-	547	645	645
Sub Total Current Assets		8,168	411	8,579	8,195	8,464
TOTAL ASSETS		14,984	591	15,575	14,522	14,683

(Rs. in Lakhs)

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Significant accounting policies and notes to the accounts of Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

Particulars	(Rs. in Lakhs)					
	As at 31 st March 2016 (End of last period presented under previous GAAP)			As at 1 st April, 2015 (Date of transition)		
	As per Previous GAAP	Effect of Ind AS transition	As per Ind AS	As per Previous GAAP	Effect of Ind AS transition	As per Ind AS
EQUITY AND LIABILITIES						
EQUITY						
(a) Equity Share Capital	2,282	-	2,282	2,282	-	2,282
(b) Other Equity	(1,314)	617	(697)	(1,532)	242	(1,290)
TOTAL EQUITY	968	617	1,585	750	242	992
LIABILITIES						
Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	29	-	29	49	-	49
(ii) Other financial liabilities	48	(13)	35	76	(22)	54
(b) Provisions	450	(13)	437	521	(51)	470
Sub Total non-current liabilities	527	(26)	501	646	(73)	573
Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	8,451	-	8,451	7,745	-	7,745
(ii) Trade Payables	3,091	-	3,091	3,547	(8)	3,539
(iii) Other financial liabilities	685	-	685	372	-	372
(b) Provisions	367	-	367	442	-	442
(c) Other current liabilities	895	-	895	1,020	-	1,020
Sub Total current liabilities	13,489	-	13,489	13,126	(8)	13,118
TOTAL LIABILITIES	14,016	(26)	13,990	13,772	(81)	13,691
TOTAL LIABILITIES AND EQUITY	14,984	591	15,575	14,522	161	14,683

3.2 Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015 (Contd...)

Rs. in Lakhs

Particulars	Notes	As at 31 st March, 2016	As at 1 st April, 2015
Equity under Previous GAAP		968	750
Add :- Profit / (loss) on transfer of UGS business (Refer note 28)	a	293	114
Adjustments :-			
Reversal of depreciation on Discontinued Operations	a	157	56
Effect of change in depreciation on account of componentisation of Property, Plant and Equipment	c	297	115
Interest income / (expense) on financial assets and financial liabilities (net)	d	(72)	(38)
Provision of trade receivables based on Expected Credit Loss model	e	(62)	(7)
Effect of measuring investments at fair value through Other Comprehensive Income	f	12	10
Income in respect of Associate on account of adoption of IND AS		(7)	(9)
Others		(1)	1
Equity under IND AS		1,585	992

3.3 Reconciliation of total comprehensive income for the year ended 31st March, 2016Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

(Rs. in Lakhs)

Particulars	Notes	For the year ended 31 st March, 2016 (End of last period presented under previous GAAP)		
		As per Previous GAAP	Effect of Ind AS transition	As per Ind AS
I Revenue from Operations	d(i)	13,514	(12)	13,502
II Other Income	d(i)	278	(14)	264
III Total Income (I + II)		13,792	(26)	13,766
IV Expenses :				
Cost of materials consumed		20	-	20
Purchase of stock- in-trade		2,523	-	2,523
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(57)	-	(57)
Employee Benefits Expense	b	1,864	(8)	1,856
Finance Costs	d(ii)	906	9	915
Depreciation and Amortisation Expense	c	887	(182)	705
Other Expenses	d(iii), e	7,348	51	7,399
Total Expenses (IV)		13,491	(130)	13,361
V Share of profit of associate		30	2	32
VI Profit Before Tax (III-IV+V)		331	106	437
VII Tax Expense:				
(i) Current Tax		52	-	52
(ii) Deferred Tax		(52)	-	(52)
Total Tax Expense (i+ii)		-	-	-
VIII Profit for the period from Continuing Operations (VI-VII)		331	106	437
IX Discontinued Operations				
(Loss) from Discontinued Operations	a	(275)	275	-
X Add :-Gain on sale of MS Business		162	-	162
XI Profit from discontinued operations		(113)	275	162
XII Profit for the period (VIII+XI)		218	381	599
XIII Other Comprehensive Income				
Items that will not be reclassified to profit or loss	b, f, g	-	(6)	(6)
XIII Total Other Comprehensive Income		-	(6)	(6)
XIV Total Comprehensive Income for the period (XII+XIII)		218	375	593

3.3 Reconciliation of total comprehensive income for the year ended 31st March, 2016 (Contd...)

		Rs in Lakhs
Particulars	Notes	Year ended 31 st March, 2016
Net Profit / (Loss) as per previous GAAP		218
Add :- Profit / (loss) on transfer of UGS business (Refer note 28)	a	179
Adjustments :		
Remeasurement of Defined benefit obligations recognised in Other Comprehensive Income	b	8
Reversal of depreciation on Discontinued Operations	a	101
Effect of change in depreciation on account of componentisation of Property, Plant and Equipment	c	182
Interest income / (expense) on financial assets and financial liabilities (net)	d	(34)
Provision of trade receivables based on Expected Credit Loss model	e	(55)
Income in respect of Associate on account of adoption of IND AS		2
Others		(2)
Net Profit / (Loss) as per IND AS		599
Other Comprehensive Income	g	(6)
Total Comprehensive Income under IND AS		593

Notes to the reconciliations:**a. Profit / (loss) on transfer of UGS business (Refer note 28)**

During the quarter ended 31st December, 2016, all the conditions precedent for transfer of Unattended Ground Sensors (UGS) Business to The Tata Power Company Limited (TPCL) were satisfied and a joint letter confirming the same was signed subsequently on 2nd January, 2017 and accordingly, the financial information of prior periods have been restated with effect from 1st October, 2014, as if transfer had occurred on 1st October, 2014, as the transaction is between the entities under common control. Accordingly, the depreciation charge of Rs. 101 Lakhs in respect of UGS Business for the year ended 31st March, 2016 has also been reversed. The assets attributable to the UGS business have been impaired as at 1st October, 2014 to the tune of Rs. 166 Lakhs.

The net effect of these changes is an increase in total equity as at 31st March, 2016 of Rs. 450 Lakhs comprising of reversal of depreciation of Rs. 157 Lakhs and profit on transfer of UGS Business of Rs.293 Lakhs for the year ended 31st March, 2016 (Increase in total equity of Rs. 170 Lakhs as at 1st April, 2015), and Increase in profit before tax of Rs. 280 Lakhs, and in profit for the period of Rs. 280 Lakhs for the year ended 31st March, 2016.

b. Remeasurement of Defined benefit obligations recognised in Other Comprehensive Income

Under previous GAAP, actuarial gains and losses were recognised in the Statement of Profit and Loss. Under Ind AS, actuarial gains and losses form part of remeasurement which is recorded in other comprehensive income. The actuarial gains for the year ended 31st March, 2016 were Rs. 8 Lakhs. This change does not affect total equity, but there is an increase in profit before tax of Rs. 8 Lakhs, and in profit for the period of Rs. 8 Lakhs for the year ended 31st March, 2016.

c. Effect of change in depreciation on account of componentisation of Property, Plant and Equipment

Ind AS 16 requires significant component parts of an item of property, plant and equipment to be depreciated separately. Accordingly, the Group has carried out componentization for applicable class of assets. The net effect of these changes is an increase in total equity as at 31st March, 2016 of Rs. 297 Lakhs (Increase in total equity of Rs. 115 Lakhs as at 1st April, 2015), and Increase in profit before tax of Rs. 182 Lakhs, and in profit for the period of Rs. 182 Lakhs for the year ended 31st March, 2016.

d. Interest income / (expense) on financial assets and financial liabilities (net)

d(i). Trade Receivables

Under Ind AS, the Group has measured long term trade receivables at amortised cost based on the effective interest rate method subsequent to initial recognition. The net effect of these changes is a decrease in total equity as at 31st March, 2016 of Rs. 100 Lakhs (Decrease of Rs. 111 Lakhs as at 1st April, 2015), and Increase in profit before tax of Rs. 11 Lakhs, and in profit for the period of Rs. 11 Lakhs for the year ended 31st March, 2016.

d(ii). Liability towards voluntary retirement scheme

Under Ind AS, the Group has measured "Liability towards voluntary retirement scheme" at amortised cost based on the effective interest rate method subsequent to initial recognition. The net effect of these changes is an increase in total equity as at 31st March, 2016 of Rs. 13 Lakhs (Increase of Rs. 22 Lakhs as at 1st April, 2015), and decrease in profit before tax of Rs. 9 Lakhs, and in profit for the period of Rs. 9 Lakhs for the year ended 31st March, 2016.

d(iii). Provision for estimated losses on onerous contracts

Under previous GAAP, discounting of provisions was not permitted and provisions were measured at best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. The Group has discounted the provisions to present value at the reporting dates resulting in the provisions being decreased by Rs. 13 Lakhs as at 31st March, 2016 (Rs. 51 Lakhs as at 1st April, 2015). The net effect of these changes is an increase in total equity as at 31st March, 2016 of Rs. 13 Lakhs (Rs. 51 Lakhs as at 1st April, 2015), and decrease in profit before tax of Rs. 38 Lakhs, and in profit for the period of Rs. 38 Lakhs for the year ended 31st March, 2016.

e. Provision of trade receivables based on Expected Credit Loss model

Under previous GAAP, the Group has created provision for impairment of receivables based on incurred losses model. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Due to ECL model, the Group impaired its trade receivables by Rs.62 Lakhs as at 31st March, 2016. The net effect of these changes is a decrease in total equity as at 31st March, 2016 of Rs. 62 Lakhs (Decrease in total equity of Rs. 7 Lakhs as at 1st April, 2015), and decrease in profit before tax of Rs. 55 Lakhs, and in profit for the period of Rs. 55 Lakhs for the year ended 31st March, 2016.

f. Effect of measuring investments at fair value through Other Comprehensive Income

Under previous GAAP, investment in equity shares (excluding Investments in Subsidiaries and Associate) were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified as FVTOCI. On date of transition to Ind AS, these financial assets have been recorded at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount by Rs. 12 Lakhs as at 31st March, 2016 and by Rs. 10 Lakhs as at 1st April, 2015. The net effect of these changes is an increase in total equity as at 31st March, 2016 of Rs. 12 Lakhs (Rs. 10 Lakhs as at 1st April, 2015). This change does not affect profit before tax and profit for the period for the year ended 31st March, 2016.

g. Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

3.4 Impact on cash flows for the year ended 31st March, 2016

(Rs. in Lakhs)

Particulars	For the year ended 31 st March, 2016 (End of last period presented under previous GAAP)		
	As per Previous GAAP	Effect of Ind AS transition	As per Ind AS
A. Net cash generated by/(used in) operating activities	1,225	(407)	818
B. Net cash generated by/(used in) investing activities	(496)	191	(305)
C. Net cash generated by/(used in) financing activities	(435)	216	(219)
Net increase in cash and cash equivalents (A+B+C)	294	-	294
Cash and cash equivalents at the beginning of the year	199	-	199
Cash and cash equivalents at the end of the year (as defined in Ind AS 7 "Statement of Cash Flows") included in Note 11	493	-	493

Nelco Limited

Notes forming part of the Condensed Consolidated financial statements

Note 5. Investments - Non Current

Particulars	Face value (Rs.)	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Quantity (Numbers)	Amount (Rs in Lakhs)	Quantity (Numbers)	Amount (Rs in Lakhs)	Quantity (Numbers)	Amount (Rs in Lakhs)
Unquoted-Equity Shares (all fully paid)							
Investments in Associate							
Nelito Systems Limited (Refer notes 1 and 2 below)	10	2,53,665	513	4,58,877	864	4,58,877	835
In Other Companies							
Technopolis Knowledge Park Limited (Carried at Fair Value through OCI)	10	18,10,000	-	18,10,000	-	18,10,000	-
Other investments							
Ordinary Shares of Zoroastrian Co-operative Bank Limited (Carried at Fair Value through OCI)	25	6,000	14	6,000	13	6,000	12
Total Investments			527		877		847

Notes

1. Change in the Group's ownership interest in an Associate

As at 31st March, 2016, the Group held a 22.25% interest in Nelito Systems Limited. In March 2017, the Group disposed off a 9.95% interest in Nelito Systems Limited to a third party for sale proceeds of Rs.380 Lakhs.

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

Note 6. Other Financial Assets

(a) Non-Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2015
Security Deposits	20	44	165
Total	20	44	165

(b) Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Security Deposits			
- Unsecured, considered good	109	117	94
- Doubtful	21	21	21
	130	138	115
Less : Allowance for Doubtful Deposits	(21)	(21)	(21)
	109	117	94
b) Loans to Employees	5	10	11
c) Receivable from Holding Company	223	1,231	996
d) Unbilled Debtors	358	1,036	972
Total	695	2,394	2,073

Note 7. Income Tax Assets (net)

Non-Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Tax refund receivable	2,141	2,561	2,044
Total	2,141	2,561	2,044

Note 8. Other assets

(a) Other non-current assets

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with Government Authorities	22	90	42
Others	-	-	35
Total	22	90	77

(b) Other current assets

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Prepaid Expenses	76	76	157
Advance to Suppliers	122	76	63
VAT Receivable	34	40	153
CENVAT Credit Receivable	447	229	232
Amount due as refund of Additional duty of Customs	50	-	-
Others	68	126	40
Total	797	547	645

Note 9. Inventories

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Inventories (lower of cost and net realisable value)			
a) Contracts in progress	35	84	77
b) Raw Materials	-	-	36
c) Work-in-progress	-	-	-
d) Stock-in-trade	866	699	662
e) Stock-in-trade in Transit	-	17	-
Total	901	800	775

Note 10. Trade receivables - Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivables			
- Unsecured, considered good	3,669	4,311	4,738
- Doubtful	252	309	282
	3,921	4,620	5,020
Less : Allowance for Doubtful Debts (expected credit loss allowance)	(252)	(309)	(282)
Total	3,669	4,311	4,738

- Trade receivables are dues in respect of goods sold and services rendered in the normal course of business.
- The Normal credit period allowed by the Company ranges from 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 or a member.
- Information about major customers:**
Four customers as at 31st March, 2017 and three customers as at 31st March, 2016 contributed to more than 5% of the total balance of trade receivables. Receivable (Gross) from these customers was Rs. 1,293 Lakhs and Rs.1,383 Lakhs as at 31st March, 2017 and as at 31st March, 2016, respectively.

Movement in expected credit loss allowance

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Balance at the beginning of the year	309	282
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (Simplified approach)	(57)	27
Balance at the end of the year	252	309

Note 11. Cash and cash equivalents

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Balances with Banks :- On Current accounts	47	218	197
(b) Cheques on hand	256	272	-
(c) Cash on hand	1	3	2
Total - Cash and cash equivalents as per Condensed Consolidated statement of cash flows	304	493	199

Specified Bank Notes Disclosure (SBN's)

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are given below:

(Amount in Rs.)

Particulars	Specified Bank Notes	Other Denomination Note	Total
Closing cash on hand as on 8th November, 2016	1,26,500*	1,39,208	2,65,708
(+) Permitted receipts	-	4,25,001	4,25,001
(-) Permitted payments	-	(4,41,860)	(4,41,860)
(-) Amounts Deposited in Banks	(1,26,500)	-	(1,26,500)
Closing cash on hand as on 30th December, 2016	-	1,22,349	1,22,349

* Includes Cash given to employees for maintaining imprest balance.

Note 12. Bank balance other than Cash and cash equivalents

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
In earmarked Accounts			
(a) Unpaid Dividend accounts	9	12	12
(b) Balances held as margin money against letter of credit and bank guarantees	45	22	22
Total	54	34	34

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Notes forming part of the Condensed Consolidated financial statements

Note 13. Equity Share Capital

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised share capital:			
2,50,00,000 (2,50,00,000 as at 31st March, 2016) equity shares of Rs.10/- each	2,500	2,500	2,500
Redeemable Preference Shares of Rs.100/- each	2,500	2,500	2,500
	5,000	5,000	5,000
Issued share capital:			
2,28,18,400 (2,28,18,400 as at 31st March, 2016) equity shares of Rs.10/- each	2,282	2,282	2,282
	2,282	2,282	2,282
Subscribed and paid-up share capital:			
2,28,17,461 (2,28,17,461 as at 31st March, 2016) equity shares of Rs.10/- each	2,282	2,282	2,282
Total	2,282	2,282	2,282

Notes:

(i) There has been no movement in issued, subscribed and paid-up share capital of the Company, during the last five years.

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

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Equity shares - Subscribed						
The Tata Power Company Limited (48.65%) (Holding Company)	1,10,99,630	1,110	1,10,99,630	1,110	1,10,99,630	1,110
Aftaab Investment Company Limited (1.44%) (Subsidiary of Holding Company)	3,28,410	33	3,28,410	33	3,28,410	33

(iii) The company has issued only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors, if any, is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights						
The Tata Power Company Limited	1,10,99,630	48.65%	1,10,99,630	48.65%	1,10,99,630	48.65%

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Notes forming part of the Condensed Consolidated financial statements

Note 14. Other Equity (refer SOCIE)

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
General Reserve	250	250	250
Retained Earnings	(356)	(957)	(1,550)
Reserve for equity instruments through OCI	11	10	10
Total	(95)	(697)	(1,290)

14.1 General Reserve

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

14.2 Retained Earnings

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

14.3 Reserve for equity instruments through OCI

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

Nelco Limited
Notes forming part of the Condensed Consolidated financial statements

Note 15. Borrowings

(a) Non-Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured - at amortised cost			
(i) Deferred Sales tax liability (Under the Sicom Incentive Scheme)	12	29	49
	12	29	49
Secured - at amortised cost			
(i) Term Loans from Banks (Refer note (i) below)	200	-	-
	200	-	-
Total	212	29	49

Notes

(i) Secured by pari-passu first charge both on the present and future property, plant and equipment (all tangible moveable plant and machinery) of the company.

(ii) The terms of repayment of term loans and other loans are stated below:

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	Terms of Repayment	Rate of Interest (p.a.)
Deferred Sales tax liability (Under the Sicom Incentive Scheme)	12	29	49	Repayable in five equal annual instalments after ten years from the year of availment of respective loan.	Interest free
Axis Bank Limited	200	-	-	Half yearly repayment	10.85%

(b) Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured - at amortised cost			
(i) Term Loans from Banks	3,000	3,750	3,250
(ii) Inter Corporate Deposits	1,100	3,500	3,700
	4,100	7,250	6,950
Secured - at amortised cost			
(i) Term Loans from Banks (Refer note (i) below)	794	946	756
(ii) Cash Credit balance with Banks (Refer note (ii) below)	536	255	39
	1,330	1,201	795
Total	5,430	8,451	7,745

Notes:

(i) Secured by pari-passu first charge both on the present and future property, plant and equipment (all tangible moveable plant and machinery) of the company.

(ii) Secured by hypothecation of all tangible moveable assets, including stocks of raw materials, finished goods, goods-in-process, book debts, monies receivable and a second charge on property, plant and equipment of the Company.

(iii) The Term Loans from Banks are repayable on demand. Repayment schedule is as follows:

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	Terms of Repayment	Rate of Interest (p.a.)
IDFC Bank Limited	2,500	-	-	Quarterly repayment	9.85%
South Indian Bank Limited	500	2,500	2,000	Bullet repayment - payable on February, 2017 and June, 2017	10.80%
Zoroastrian Bank Limited	597	946	756	Sixty monthly instalments	11.00%
Axis Bank Limited	197	-	-	Half yearly repayment	10.85%
Bank of India	-	1,250	1,250	Half yearly repayment	10.45%

Note 16. Other Financial Liabilities

(a) Non Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Liability towards Voluntary Retirement Scheme	20	35	54
Total	20	35	54

(b) Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest accrued but not due on borrowings	3	44	34
Liability towards Voluntary Retirement Scheme	21	28	49
Sundry Deposits received from Customers	58	58	24
Current maturities of long-term debt	17	19	179
Capital creditors	89	524	74
Fair value of foreign exchange forward contracts	32	-	-
Unclaimed Dividend	9	12	12
Total	229	685	372

Note 17. Provisions

(a) Non-Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for Employee Benefits obligations:			
Compensated absences (Refer Note 37)	145	143	129
Gratuity (Refer Note 37b(ii))	192	240	218
	337	383	347
Provision - Others:			
Estimated losses on onerous contracts (Refer Note 43)	11	54	123
Total	348	437	470

(b) Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for Employee Benefits obligations:			
Compensated absences (Refer Note 37)	31	23	21
Gratuity (Refer Note 37b(ii))	35	22	25
	66	45	46
Provision - Others:			
Estimated losses on onerous contracts (Refer Note 43)	78	95	73
Warranty (Refer Note 43)	99	227	323
	177	322	396
Total	243	367	442

Note 18. Trade Payables - Current

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade Payables:			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 44)	-	-	-
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	3,100	3,091	3,539
Total	3,100	3,091	3,539

Note 19. Other current liabilities

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i) Advance received from customers	396	317	358
(ii) Income received in Advance	795	496	580
(iii) Liability towards Department of Telecommunications	-	4	3
(iv) Liability towards Standing Advisory Committee on Radio Frequency Allocation	-	-	-
(v) Statutory remittances (contribution to PF, ESIC and withholding taxes)	93	78	79
Total	1,284	895	1,020

Note 20 Revenue from operations

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of products	3,239	3,383
Sale of Services	11,123	10,091
Total A	14,362	13,474
Other Operating revenue		
Scrap sales	5	2
Commission income	-	26
Total B	5	28
Total Revenue from Operations (A+B)	14,367	13,502

Note 21 Other income

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Interest Income		
Interest on Bank deposits	5	4
Interest on Income tax refund	164	39
	169	43
b) Other non-operating income (net of expenses directly attributable to such income)		
Insurance claims recovered	14	-
Liabilities/Provisions no longer required, written back	91	93
Bad Debts Recovered	-	27
Rent Income	87	56
Provision for foreseeable losses written back (Refer note 43)	43	20
Others	6	1
	241	197
c) Other gains and losses		
Foreign exchange gain (net)	45	-
Net gain/ (loss) arising on financial assets designated at FVTPL	38	24
	83	24
Total	493	264

Note 22 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<u>Inventories at the beginning of the period :</u>		
Stock - in - trade	716	662
Contracts in progress	84	77
	800	739
Less :- Inventories of MS Business transferred (Refer note 29)		
Stock - in - trade	-	(4)
<u>Less : Inventories at the end of the period :</u>		
Stock - in - trade	866	716
Contracts in progress	35	84
	901	800
Net (increase) / decrease in inventories of finished goods, stock-in-trade and work-in-progress	(101)	(57)

Note 23. Employee Benefits Expense

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and Wages	1,688	1,641
Contributions to provident fund and other funds (Refer note 37b(i))	79	76
Gratuity (Refer note 37b(ii))	38	29
Staff Welfare Expenses	154	110
Total Employee Benefits Expense	1,959	1,856

Note 24. Finance costs

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest expense on:		
Borrowings	771	846
Trade payables	4	2
Bank charges	69	58
Unwinding of Discounts on provisions	6	9
Total Finance costs	850	915

Finance costs relating to financial liabilities designated as at fair value through profit or loss are included in 'Other income' in Note 21.

Note 25 Depreciation and Amortisation Expense

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	770	672
Amortisation of intangible assets	32	33
Total Depreciation and Amortisation Expense	802	705

Note 26 Other Expenses

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of loose tools	22	19
License fees to Department of Telecommunications	965	837
Transponder charges	2,982	2,770
Subcontracting expenses	995	877
Power and fuel	194	191
Rent including lease rentals	187	171
Repairs and maintenance - Machinery	75	47
Repairs and maintenance - Others	288	193
Insurance	10	14
Rates and taxes	12	12
Travelling and conveyance	211	224
Freight and forwarding	201	195
Legal and professional charges	200	138
Consultancy charges	314	258
Installation expenses	218	519
Bad debts written off	151	128
Less: Provision for doubtful debts made in earlier years written back	(151)	(128)
Doubtful advances written off	-	23
Provision for doubtful debts	121	126
Loss on fixed assets sold (net)	-	1
Provision for warranty (net) (Refer note 43)	9	(35)
Net (Gain) / Loss on foreign exchange forward contracts	32	-
Miscellaneous expenses	861	819
Total Other Expenses	7,897	7,399

Note 27 Other Comprehensive Income - Items that will not be reclassified to profit or loss

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net fair value gain on investments in equity shares at FVTOCI	1	1
Share of other comprehensive income in associate, to the extent not to be reclassified to profit or loss	(1)	1
Remeasurement of Defined benefit obligations (Refer note 37b(ii))	(26)	(8)
Total Other Comprehensive Income	(26)	(6)

28) Unattended Ground Sensors Business (Discontinued Operations)

- a. The Company vide its letter dated 3rd April, 2014 had informed the Stock Exchange about the approval of the Board of Directors to restructure the operations of Company's Integrated Security & Surveillance Solutions business (ISSS business) which inter alia, includes the business of Unattended Ground Sensors (UGS) and forms part of the Automation & Control segment. As part of such restructuring, the Board of Directors of the Company at its meeting held on 28th January, 2015 accepted an offer made by The Tata Power Company Limited (TPCL), for its Strategic Engineering Division to purchase the business of UGS as a going concern on a slump sale basis at a consideration of Rs. 831 Lakhs with effect from 1st October 2014. The shareholders by postal ballot on 25th June, 2015 approved the transaction. The Business Transfer Agreement (BTA) was signed on 5th August, 2015. During the quarter ended 31st December, 2016, all the conditions precedent were satisfied and a joint letter confirming the same was signed subsequently on 2nd January, 2017 and accordingly, the Condensed Consolidated financial statements for the year ended 31st March, 2016 have been restated to give effect of transfer of UGS Business to TPCL with effect from 1st October, 2014, as the transaction is between the entities under common control.
- b. The assets attributable to the UGS business have been impaired as at 1st October, 2014 to the tune of Rs. 166 Lakhs. The same has been adjusted against opening reserves as at 1st October, 2014.
- c. The financial parameters in respect of the ordinary activities attributable to the UGS business are as follows:

(Rs. in Lakhs)

Particulars	Year ended 31 st March, 2017 #	Year ended 31 st March, 2016 #
Sale of Products @	538	132
Sale of Services	-	-
Revenue from Operations	538	132
Other Income	-	-
Total Income (A)	538	132
Expenses		
Cost of Materials Consumed	-	63
Purchases of stock-in-trade @	364	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(5)	-
Employee Benefits Expense	88	123
Finance costs	73	67
Depreciation and Amortisation Expense	-	-
Other Expenses	27	53
Total Expenses (B) *	547	306
(Loss) Before Tax (A-B)	(9)	(174)
Less :- Tax Expenses	-	-
(Loss) After Tax	(9)	(174)
Carrying amount of assets as at the balance sheet date relating to the discontinued operation to be disposed off	-	941
Carrying amount of liabilities at the balance sheet date relating to the discontinued operation to be settled	-	-

Net Cash flow attributable to the discontinued operation		
Cash flow from / (used in) operating activities	1,005	(220)
Cash flow from / (used in) investing activities	-	(3)
Cash flow from / (used in) financing activities	(73)	(67)

* includes Rs.78 Lakhs (Previous year Rs 74 Lakhs) expenses attributable to UGS business.

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

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

29) Managed Services Business (Discontinued Operations)

- a. Further, as part of restructuring, the Board of Directors of the Company at its meeting held on 18th March, 2015 accepted the offer received from a company for the transfer of Managed Services business (MS Business) forming part of Network System segment as a going concern on a slump sale basis at a consideration of Rs. 210 Lakhs with effect from 1st April, 2015. The shareholders by postal ballot on 25th June, 2015 had approved the transaction. The said transaction was concluded on 31st August, 2015 after entering into definitive agreement and after obtaining various approvals as required under applicable laws. The said transaction was given effect during the quarter ended 30th September, 2015 with effect from 1st April, 2015. An amount of Rs.162 Lakhs is accounted as "Gain on sale of MS Business" during the year ended 31st March, 2016.
- b. The financial parameters in respect of the ordinary activities attributable to the MS business are as follows:

Particulars	(Rs. in Lakhs)	
	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Sale of Products	-	50
Sale of Services	-	112
Revenue from Operations	-	162
Other Income	-	-
Total Income (A)	-	162
Expenses		
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-	34
Employee Benefits Expense	-	54
Finance costs	-	1
Depreciation and Amortisation Expense	-	-
Other Expenses	-	86
Total Expenses (B) *	-	175
(Loss) Before Tax (A-B)	-	(13)
Less :- Tax Expenses	-	-
(Loss) After Tax #	-	(13)

Nelco Limited**Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)**

Carrying amount of assets as at the balance sheet date relating to the discontinued operation to be disposed off	-	-
Carrying amount of liabilities at the balance sheet date relating to the discontinued operation to be settled	-	-
Net Cash flow attributable to the discontinued operation		
Cash flow from / (used in) operating activities	-	23
Cash flow from / (used in) investing activities	-	15
Cash flow from / (used in) financing activities	-	(1)

* includes Nil (Previous year Rs 9 Lakhs) expenses attributable to MS business.

includes, loss after tax of Nil (Previous year Rs 13 Lakhs) in respect of MS business run on behalf of other company for the period from 1st April, 2015 to 31st August, 2015.

30) Though the Group has accumulated losses as at 31st March, 2017, considering that the Group has made profit after tax of Rs. 628 Lakhs for the year ended 31st March, 2017 and also considering the business plan, the Group has prepared these Condensed Consolidated financial statements on going concern basis.

31) Financial Instruments (Fair Value Measurements):

The Group has various financial assets and liabilities. The disclosures regarding the classification, fair value hierarchy, capital management, credit risk, liquidity risk and market risk are as follows:

a. Classification of Financial Assets and Liabilities

Particulars	Note No.	(Rs. in Lakhs)		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A. Financial Assets				
I. Measured at Cost				
(i) Investment in subsidiaries and associate	5	513	864	835
II. Measured at FVTOCI				
(i) Investment in equity instruments	5	14	13	12
III. Measured at Amortised Cost				
(i) Trade Receivables	10	3,669	4,311	4,738
(ii) Cash and cash equivalents	11	304	493	199
(iii) Bank balances other than (ii) above	12	54	34	34
(iv) Other Financial Assets	6	715	2,438	2,238
Total (A)		5,269	8,153	7,209
B. Financial Liabilities				
I. Measured at Amortised Cost				
(i) Borrowings	15	5,642	8,480	7,794
(ii) Trade Payables	18	3,100	3,091	3,539
(iii) Other Financial Liabilities	16	249	720	426
Total (B)		8,991	12,291	11,759

b. Fair Value Hierarchy of Financial Assets and Liabilities

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Group has measured investment in equity shares (Other than investment in subsidiaries and associate) at FVTOCI on level 3 input in terms of Ind AS 113.

c. Capital Management

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Group is not subject to any externally imposed capital requirements.

d. Financial risk management

Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and its impact on the Condensed Consolidated financial statements.

(i) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The credit risk arises from trade receivables and security deposits.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited as majority credit sales are made to high credit worthy entities and balance credit sales are against securities in the form of customer security deposits, bank guarantees and letter of credit. All trade receivables are reviewed and assessed for default on regular basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

For trade receivables, except for specifically identified cases, the Group follows a simplified approach where provision is made as per Ageing buckets which are designed based on Historical facts and patterns. The ageing for trade receivables is as follows:

	(Rs. in Lakhs)		
Particulars (Ageing)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within the Credit Period	1,799	1,770	2,431
Upto 6 months	1,856	2,108	2,202
6 months to 1 year	135	569	258
Above 1 year	131	173	129
Gross Trade receivables	3,921	4,620	5,020
Allowance for bad receivables	(252)	(309)	(282)
Net Trade receivables	3,669	4,311	4,738

Other financial assets

The Company maintains exposure in security deposits, cash and cash equivalents and Bank balance in earmarked Accounts.

In case of security deposits, the credit risk is low.

In case of Bank balance in earmarked Accounts, the credit risk is very low.

The Company's maximum exposure to credit risk as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 is the carrying value of each class of financial assets as disclosed in the Condensed Consolidated financial statements.

(ii) Liquidity Risk

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

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities: (Rs. in Lakh)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Upto 1 year	More than 1 year	Total	Upto 1 year	More than 1 year	Total	Upto 1 year	More than 1 year	Total
(i) Borrowings									
- Non-Current	-	212	212	-	29	29	-	49	49
- Current	5,153	277	5,430	7,823	628	8,451	7,294	451	7,745
(ii) Trade Payables	3,100	-	3,100	3,091	-	3,091	3,539	-	3,539
(iii) Other Financial Liabilities	229	20	249	685	35	720	372	54	426
Total	8,482	509	8,991	11,599	692	12,291	11,205	554	11,759

The table below provides details regarding the contractual maturities of significant financial assets:

(Rs. in Lakhs)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Upto 1 year	More than 1 year	Total	Upto 1 year	More than 1 year	Total	Upto 1 year	More than 1 year	Total
(i) Investment in equity instruments *	-	14	14	-	13	13	-	12	12
(ii) Trade Receivables	3,669	-	3,669	4,311	-	4,311	4,738	-	4,738
(iii) Cash and cash equivalents	304	-	304	493	-	493	199	-	199
(iv) Bank balances other than (iii) above	54	-	54	34	-	34	34	-	34
(v) Other Financial Assets	695	20	715	2,394	44	2,438	2,073	165	2,238
Total	4,722	34	4,756	7,232	57	7,289	7,044	177	7,221

* Investment does not include investment in equity shares of subsidiaries and associate.

The Company manages contractual financial liabilities and contractual financial assets on net basis.

(iii) Market Risk

Foreign Exchange 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 exchange 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 risk is measured through a forecast of highly probable foreign currency cash flows.

The table below shows the unhedged currency exposure of financial assets and liabilities:

Particulars	Foreign Currency	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
		Amount in Foreign currency (in Lakhs)		
Receivable	USD	0.27	0.19	0.35
	GBP	0.03	-	-
Payable	USD	0.45	1.13	3.30
	EUR	0.18	0.20	0.20
	NOK	0.12	0.12	0.12

Foreign currency exposures in respect of payable that have been hedged by a forward exchange contract as at the period end USD 13.37 Lakhs (As at 31st March, 2016 - USD 10.63 Lakhs and as at 1st April, 2015 – USD 9.71 Lakhs)

The sensitivity of profit or loss and equity to changes in the exchange rates that arise from foreign currency denominated financial instruments mentioned above is as below.

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. in Lakhs)

Particulars	Impact on profit or loss and equity		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
USD Sensitivity :			
Increase by 5%	(0.56)	(3.12)	(9.23)
Decrease by 5%	0.56	3.12	9.23
GBP Sensitivity :			
Increase by 5%	0.12	-	-
Decrease by 5%	(0.12)	-	-
EURO Sensitivity :			
Increase by 5%	(0.63)	(0.75)	(0.68)
Decrease by 5%	0.63	0.75	0.68
NOK Sensitivity :			
Increase by 5%	(0.05)	(0.05)	(0.05)
Decrease by 5%	0.05	0.05	0.05

Interest Rate Risk:

The Group borrows funds only at fixed interest rates. Hence, the Group is not exposed to Interest rate risk presently.

32) **Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker are the Board of Directors.

a. Primary Segment:

The Company has identified business segments as reportable segments. The segment have been identified taking in to account the organisational structure as well as the differing risks and returns of these segments. The identified business segments are

- 1) Automation and control comprises of sales of security and surveillance products
- 2) Network systems comprises of sales of solution for management of network connectivity, networking services and turnkey communication systems supply and integration.

b. Secondary Segment:

The company caters mainly to the needs of the domestic market, the export turnover of Rs. 64 Lakhs (Previous Year Rs. 112 Lakhs) is not significant in the context of the total external revenue of Rs. 14,367 Lakhs (Previous Year Rs. 13,502 Lakhs).

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

Primary Segment Disclosure - Business Segment for the year ended 31st March, 2017 (Rs. in Lakhs)

	Particulars	Automation & Control	Network Systems	Total
A	Segment Revenue from continuing operations			
	External Revenue	394	13,973	14,367
		803	12,699	13,502
	Less : Intersegment Revenue	-	-	-
	Total Segment revenue from continuing operations			14,367 13,502
B	Segment Results from continuing operations	(466)	3,001	2,535
		(298)	2,625	2,327
	Add / (Less) :			
	Share of Profit of Associate			39
				32
	Finance Cost unallocable to Segments			(850)
				(915)
	Other unallocable income / (expenditure)			(1,031)
				(1,007)
	Profit before Taxes from continuing operations			693 437
C	Discontinued Operations			
	Segment Results from discontinued operations	-	-	-
		-	-	-
	Add:- Gain on sale of MS Business (Refer Note 29)	-	-	-
		162	162	
	Net Profit before Taxes from discontinued operations	-	-	-
		-	162	162
D	Profit before tax for the period (B+C)			693 599

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Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

	Particulars	Automation & Control	Network Systems	Total
E	Segment Assets from continuing operations	2,548	7,182	9,730
		<i>3,030</i>	<i>6,892</i>	<i>9,922</i>
	Segment Assets from discontinued operations	-	-	-
		-	-	-
	Add: Unallocable Corporate Assets			3,323
				<i>5,653</i>
	Total Assets			13,053
				<i>15,575</i>
F	Segment Liabilities from continuing operations	933	3,694	4,627
		<i>1,206</i>	<i>3,437</i>	<i>4,643</i>
	Segment Liabilities from discontinued operations	-	-	-
		-	-	-
	Add: Unallocable Corporate Liabilities			6,239
				<i>9,347</i>
	Total Liabilities			10,866
				<i>13,990</i>
G	Capital Expenditure from continuing operations	12	1,262	1,274
		<i>4</i>	<i>1,005</i>	<i>1,009</i>
	Capital Expenditure from discontinued operations	-	-	-
		-	-	-
	Capital Expenditure from Total Operations	12	1,262	1,274
		<i>4</i>	<i>1,005</i>	<i>1,009</i>
H	Depreciation from continuing operations	29	773	802
		<i>43</i>	<i>662</i>	<i>705</i>
	Depreciation from discontinued operations	-	-	-
		-	-	-
	Depreciation from Total Operations	29	773	802
		<i>43</i>	<i>662</i>	<i>705</i>
I	Non-Cash expenses from continuing operations			
	Provision for doubtful debts/advances	36	85	121
		<i>24</i>	<i>102</i>	<i>126</i>
	Doubtful advances written off	-	-	-
		<i>23</i>	-	<i>23</i>
	Non-Cash expenses from discontinued operations	-	-	-
		-	-	-

Note: Figures in italics pertains to the previous year ended 31st March, 2016.

Information about major customers:

There are no customers who individually represents more than 10% of the revenue, during the year ended 31st March 2017 and year ended 31st March, 2016.

33) Income Tax

a. Components and movements of Deferred Tax Assets (Net) :

(Rs. in Lakhs)

Particulars	As at 1st April, 2015 (a)	Recognised in the Statement of Profit and Loss (b)	As at 31 st March, 2016 (c = a + b)	Recognised in the Statement of Profit and Loss (d)	As at 31 st March, 2017 (e = c + d)
i. Items of Deferred Tax Assets :					
Disallowances under Section 43B of the Income Tax Act, 1961	88*	28	116*	(55)	61*
Provision for Doubtful Debts (expected credit loss allowance)	12*	-	12*	7	19*
Provision for Estimated losses on onerous contracts	-*	-	-*	-	-*
Voluntary Retirement Scheme under Section 35DDA of the Income Tax Act, 1961	-*	-	-*	-	-*
Unabsorbed tax depreciation and business losses	-*	40	40*	19	59*
Total Deferred Tax Assets (i)	100	68	168	(29)	139
ii. Items of Deferred Tax Liabilities :					
Property, Plant and Equipment and Intangible Assets	100	16	116	(55)	61
Total Deferred Tax Liability (ii)	100	16	116	(55)	61
Net Deferred Tax Assets (i-ii)	-	52	52	26	78

b. Components of Income Tax Expense

(Rs. in Lakhs)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Income Tax Expense		
i. Current Tax		
Current Tax on Profits for the year	91	52
Total Current Tax (i)	91	52
ii. Deferred Tax		
Decrease / (Increase) in Deferred Tax Assets	29*	(68)*
Increase / (Decrease) in Deferred Tax Liability	(55)	16
Total Deferred Tax (ii)	(26)	(52)
Total Income Tax Expense (i+ii)	65	-

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

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Significant accounting policies and notes to the accounts of Condensed Consolidated Financial Statements for the year ended 31st March, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

34) Information in respect of "Construction Contracts", is as follows: (Rs. in Lakhs)

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Contract revenue recognised during the period	264	405
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to period end	4,445	8,702
Retention money for contracts in progress as at Balance Sheet date	383	372
Gross amount due from customers for contract work (Asset) as at Balance Sheet date	238	968
Gross amount due to customers for contract work (Liability) as at Balance Sheet date	-	-

For the method used to determine the contract revenue recognised and the stage of completion on contract in progress, refer note 2.10 (e).

35) Capital and other commitments

(Rs. in Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1st April, 2015
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances paid)	520	122	58
Other Commitments (in respect of backhaul connectivity charges)	41	18	5

36) Lease

36.1) Finance Lease

The Group as Lessee

- (1) Asset acquired on finance lease represents Leasehold land. The lease term is 95 years and the company does not have an option to purchase the land at the end of the lease term.
- (2) There are no Minimum lease rentals payable in respect of asset acquired under finance lease.
- (3) No contingent rent recognised / (adjusted) in the Statement of Profit and Loss in respect of finance lease.

36.2) Operating lease

The Group as Lessor

- (1) Operating leases relate to VSATs given on lease, owned by the Group with lease terms between 5 to 7 years.
- (2) The lessee does not have an option to purchase the VSATs at the expiry of the lease period.
- (3) No refundable deposits are taken and the lease rentals recognised in the Condensed Consolidated Statement of Profit and Loss for the period included under Sale of Services under Revenue from Operations aggregate to Rs. 274 Lakhs (Previous Year : Rs. 227 Lakhs).

Non-cancellable operating lease receivables

(Rs. in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Not later than 1 year	194	128
Later than 1 year and not longer than 5 years	679	565
Later than 5 years	-	-
Total	873	693

37) Employee Benefit Obligations

a. Short-term Employee Benefits

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

b. Long-term Employee Benefits

i) Defined Contribution Plans

Company's contribution paid/payable during the period to provident fund, superannuation fund and ESIC contribution are recognised as an expense and included in Note 23 under the heading "Contributions to provident and other funds" are as under:

(Rs. in Lakhs)

Sr. No	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
a)	Contribution to Employees' Superannuation Fund	20	19
b)	Contribution to Employees' State Insurance Scheme	1	-
c)	Contribution to Provident Fund	58	57
	Total	79	76

Provident Fund:

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

The Rules of the Company's provident fund administered by the Trust requires that if the Board of Trustees are unable to pay interest at the rate declared by Central Government under para 60 of the Employees' Provident Fund Scheme, 1952 then the shortfall shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any shortfall in the foreseeable future.

ii) Defined Benefit Plans

The Company offers the following defined benefit schemes to its employees:

- Gratuity (Unfunded)

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

Amount recognised in the Statement of Profit and Loss		(Rs. in Lakhs)	
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016	
Current Service Cost	18	14	
Interest Cost (Net)	20	15	
Total Expense recognised in the Statement of Profit and Loss	38	29	

Amount recognised in Other Comprehensive Income		(Rs. in Lakhs)	
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016	
Due to change in Demographic Assumptions	1	5	
Due to change in Financial Assumptions	1	6	
Due to Experience	24	(3)	
Total Remeasurement (gains)/losses recognised in OCI	26	8	

Change in defined obligation (DBO) during the year		(Rs in Lakhs)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
Present value of DBO at the beginning	262	243	
Current Service Cost	18	14	
Interest Cost (Net)	20	15	
Remeasurement (gain)/loss	26	8	
Benefits paid	(99)	(18)	
Present value of DBO at the end	227	262	

Principal Actuarial assumptions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Discount rate	7.51%	7.56%
Expected rate of escalation in salary	6.00%	6.00%
Rate of Employee Turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 14.70% p.a. b. For service 5 years and above - 5.30% p.a.
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	

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

- Interest rate risk** - A decrease in the bond interest rate will increase the plan liability.
- Demographic risk** - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

- c) **Salary risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in Assumption	(Rs. in Lakhs)			
		As at 31st March, 2017		As at 31st March, 2016	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(12)	14	(14)	16
Expected rate of escalation in salary	1%	14	(13)	16	(15)
Rate of Employee Turnover	1%	1	(1)	1	(1)

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

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

iii) Other Long-term Employee Benefits

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

An amount of **Rs.51 Lakhs** (previous year Rs.35 Lakhs) has been charged to the Statement of Profit and Loss for the year ended 31st March, 2017 towards Compensated absences.

Actuarial assumptions for long-term compensated absences

Particulars	As at 31st March, 2017	As at 31st March, 2016
Discount rate	7.51%	7.56%
Expected rate of escalation in salary	6.00%	6.00%
Rate of Employee Turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 14.70% p.a. b. For service 5 years and above - 5.30% 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.

- 38) During the year ended 31st March, 2017, the Company has implemented a Voluntary Retirement Scheme (VRS). Accordingly, VRS expenditure of Rs.159 Lakhs has been debited to the Statement of Profit and Loss.

39) **Related Party Transactions**

Description of relationship	Names of related parties
Holding company	The Tata Power Company Limited
Promoter of Holding company	Tata Sons Limited
Associate	Nelito Systems Limited
Key Management Personnel (KMP)	Mr. P. J. Nath (Executive Director and CEO)

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(Rs. in Lakhs)					
Sr. no	Particulars	The Tata Power Company Limited	Tata Sons Limited	Nelito Systems Limited	Key Management Personnel
		(Holding Co.)	(Promoter of Holding Co.)	(Associate)	
1)	Receiving:				
a)	Services	-	17	-	-
		(-)	(-)	(-)	(-)
2)	Sales/ Rendering:				
a)	Goods	-	-	-	-
		(72)	(-)	(-)	(-)
b)	Services	-	-	-	-
		(5)	(-)	(-)	(-)
3)	Other Income	1	-	-	-
		(2)	(-)	(-)	(-)
4)	Finance :				
a)	Interest Paid/Payable	-	-	-	-
		(27)	(-)	(-)	(-)
b)	Dividend received	-	-	7	-
		(-)	(-)	(2)	(-)

Sr. no	Particulars	The Tata Power Company Limited	Tata Sons Limited	Nelito Systems Limited	Key Management Personnel
		(Holding Co.)	(Promoter of Holding Co.)	(Associate)	
5)	Balance Outstanding as at the end of the period				
a)	Trade Receivables	1	-	-	-
		(1)	(-)	(-)	(-)
b)	Trade Payables	-	17	-	-
		(-)	(-)	(-)	(-)
c)	Sales consideration receivable for UGS Business (Refer note 28)	-	-	-	-
		(831)	(-)	(-)	(-)
d)	Other Recoverable	223	-	-	-
		(400)*	(-)	(-)	(-)
6)	Managerial Remuneration (Refer note 40 below)	-	-	-	91
		(-)	(-)	(-)	(117)

Notes:

i) Related Party relationship is as identified by the Company and relied upon by the auditors.

ii) Figures in brackets pertain to the previous year.

* Includes loss after tax of Rs.293 Lakhs in respect of UGS Business run on behalf of TPCL for the period from 1st October, 2014 to 31st March, 2016.

40) Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

(Rs in Lakhs)

Particulars	For the Year ended 31 st March, 2017	For the Year ended 31 st March, 2016
Short-term benefits	87	112
Post-employment benefits	4	5
Other long-term benefits (Refer note (i) below)	-	-
Total	91	117

Notes:

i) The Company provides long term benefits in the form of Gratuity to Key managerial personnel along with all employees, cost of same is not identifiable separately and hence not disclosed.

41) Earnings per Share (EPS)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
1. Net profit after tax attributable to equity shareholders (Rs. in Lakhs)		
(a) Continuing Operations	628	437
(b) Discontinued Operations	-	162
(c) Total Operations	628	599
2. Weighted Average Number of Equity Shares	2,28,17,461	2,28,17,461
3. EPS (Rs.) [Basic and Diluted] (Face value per share Rs. 10)		
(a) Continuing Operations (1(a) / 2)	2.75	1.91
(b) Discontinued Operations (1(b) / 2)	-	0.71
(c) Total Operations (1(c) / 2)	2.75	2.62

42) Contingent Liabilities (to the extent not provided for)

(Rs. in Lakhs)

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a)	Claims against the company not acknowledged as debt comprises of:			
	i) Excise duty, sales tax and service tax claims disputed by the company relating to issues of applicability and classification	4,326	4,394	4,404
	ii) Other matters (excluding claims where amounts are not ascertainable)	29	29	29
b)	Income Tax Demand against the company not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which company is in appeal.	631	631	631
	Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums / authorities			

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

- Provision for Warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under free warranty period ranging from one to three years.
- Provision for future losses pertains to certain onerous contracts where the unavoidable costs of meeting the obligations as per the contracts exceed the economic benefits expected to be received from it.

c. The movement and provision during the period are as follows:

(Rs. in Lakhs)

Particulars	Warranties		Future foreseeable losses on contracts	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening Balance	227	323	149	196
Add: Provision during the period	32	49	-	5
(Less): Utilisation during the period	(137)	(61)	(17)	(27)
(Less): Reversal during the period	(23)	(84)	(54)	(63)
Add: Effects of unwinding of discounts on Provision	-	-	11	38
Closing Balance	99	227	89	149
Current (Refer note 17(b))	99	227	78	95
Non-current (Refer note 17(a))	-	-	11	54

- 44) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. This information has been relied upon by the Auditors. There are no outstanding dues of Micro, Small and Medium Enterprises, which are outstanding for more than the stipulated period. There is no amount of interest due and payable.
- 45) During the last year, the Company had surrendered its factory license, as the Company does not intend to carry out any manufacturing activity.
- 46) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Condensed Consolidated Financial Statements to Schedule III to the Companies Act, 2013

a. Net assets, i.e., total assets minus total liabilities

Name of the entity in the Group	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Net assets, i.e., total assets minus total liabilities					
	As % of consolidated net assets	Amount (Rs.in Lakhs)	As % of consolidated net assets	Amount (Rs.in Lakhs)	As % of consolidated net assets	Amount (Rs.in Lakhs)
Nelco Limited	(33.52%)	(733)	(100.00%)	(1,585)	(161.69%)	(1,604)
Indian Subsidiaries						
Tatanet Services Limited	109.83%	2,402	145.49%	2,306	177.52%	1,761
Nelco Network Products Limited	0.23%	5	-	-	-	-
Indian Associate (Investment as per equity method)						
Nelito Systems Limited	23.46%	513	54.51%	864	84.17%	835
Total	100.00%	2,187	100.00%	1,585	100.00%	992

b. Share in profit or loss

Name of the entity in the Group	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	Share in profit or loss			
	As % of consolidated net Profit and Loss	Amount (Rs.in Lakhs)	As % of consolidated net Profit and Loss	Amount (Rs.in Lakhs)
Nelco Limited	58.12%	365	38.06%	228
Indian Subsidiaries				
Tatanet Services Limited	35.67%	224	56.60%	339
Nelco Network Products Limited	(0.16%)	(1)	-	-
Indian Associate (Investment as per equity method)				
Nelito Systems Limited	6.37%	40	5.34%	32
Total	100.00%	628	100.00%	599

c. Share in Other Comprehensive Income

Name of the entity in the Group	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	Share in Other Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount (Rs.in Lakhs)	As % of consolidated net Other Comprehensive Income	Amount (Rs.in Lakhs)
Nelco Limited	96.15%	(25)	116.67%	(7)
Indian Subsidiaries				
Tatanet Services Limited		*		*
Nelco Network Products Limited	-	-	-	-
Indian Associate (Investment as per equity method)				
Nelito Systems Limited	3.85%	(1)	(16.67%)	1
Total	100.00%	(26)	100.00%	(6)

* Figures are less than Rs.50,000

d. Share in Total Comprehensive Income

Name of the entity in the Group	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	Share in Total Comprehensive Income			
	As % of consolidated net Total Comprehensive Income	Amount (Rs.in Lakhs)	As % of consolidated net Total Comprehensive Income	Amount (Rs.in Lakhs)
Nelco Limited	56.48%	340	37.27%	221
Indian Subsidiaries				
Tatanet Services Limited	37.21%	224	57.17%	339
Nelco Network Products Limited	(0.17%)	(1)	-	-
Indian Associate (Investment as per equity method)				
Nelito Systems Limited	6.48%	39	5.56%	33
Total	100.00%	602	100.00%	593

47) **Events after the reporting period**

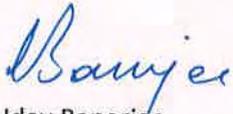
There are no events after the reporting period that materially affect these Condensed Consolidated financial statements.

48) **Approval of Condensed Consolidated financial statements**

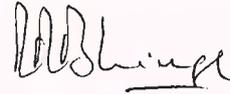
The Condensed Consolidated financial statements were approved for issue by the board of directors on 9th May, 2017.

Signature to Notes forming part of the Condensed Consolidated Financial Statements "1" to "48"

For and on behalf of the Board of Directors



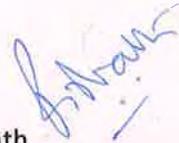
Uday Banerjee
Chief Financial Officer



R.R. Bhinge
Chairman



Girish V. Kirkinde
Company Secretary



P.J. Nath
Executive Director & CEO

Place: Mumbai

Date: 9th May, 2017

