

NELCO LIMITED (CONSOLIDATED)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nelco Limited

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

1. We have audited the accompanying consolidated Ind AS financial statements of Nelco Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and associate company; (refer Note 46 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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



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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nelco Limited

Report on the Consolidated Ind AS Financial Statements

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4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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

Other Matter

8. The consolidated Ind AS financial statements include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 54 lakhs for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of one associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associate, is based solely on the report of the other auditors.

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



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nelco Limited

Report on the Consolidated Ind AS Financial Statements

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

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (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 maintained by the Holding Company, its subsidiaries included in the Group and associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and associate company incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary companies and the report of the statutory auditors of the associate company incorporated in India, none of the directors of the Group and its associate company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nelco Limited

Report on the Consolidated Ind AS Financial Statements

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- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its associate – Refer Note 44 to the consolidated Ind AS financial statements.
- (ii) The Group and its associate had long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate company incorporated in India during the year ended March 31, 2018.
- (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

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



Sharmila A. Karve
Partner
Membership Number: 43229

Mumbai
April 27, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Nelco Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018
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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Nelco Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Nelco Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018
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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

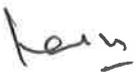
Opinion

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

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

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


Sharmila A. Karve
Partner
Membership Number: 43229

Mumbai
April 27, 2018

Nelco Limited

Consolidated Balance Sheet as at March 31, 2018

(Rs. in Lakhs)

| Particulars | Note No | As at March 31, 2018 | As at March 31, 2017 |
|---|---------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 4,886 | 3,443 |
| (b) Capital work-in-progress | 3 | 468 | 285 |
| (c) Intangible assets | 3 | 190 | 117 |
| (d) Financial assets | | | |
| (i) Investments | 4 | 576 | 527 |
| (ii) Trade receivable | 10 (a) | 223 | 304 |
| (iii) Loans | 6 (a) | 29 | 20 |
| (e) Deferred tax assets (net) | 36 | 38 | 78 |
| (f) Income tax assets (net) | 7 | 2,208 | 2,141 |
| (g) Other non-current assets | 8 (a) | 8 | 22 |
| Total non current assets | | 8,626 | 6,937 |
| Current assets | | | |
| (a) Inventories | 9 | 887 | 901 |
| (b) Financial assets | | | |
| (i) Trade receivables | 10 (b) | 5,473 | 3,365 |
| (ii) Cash and cash equivalents | 11 | 397 | 304 |
| (iii) Bank balances other than (ii) above | 12 | 28 | 54 |
| (iv) Loans | 6 (b) | 107 | 114 |
| (v) Other financial assets | 5 | 270 | 617 |
| (c) Other current assets | 8 (b) | 423 | 761 |
| Total current assets | | 7,585 | 6,116 |
| TOTAL ASSETS | | 16,211 | 13,053 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 13 | 2,282 | 2,282 |
| (b) Other equity | | | |
| Reserves and surplus | 14 | 1,083 | (106) |
| Other reserves | 14 (a) | 12 | 11 |
| Total equity | | 3,377 | 2,187 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 (a) | 758 | 168 |
| (ii) Other financial liabilities | 16 (a) | 10 | 20 |
| (b) Provisions | 17 (a) | 421 | 348 |
| (c) Other non-current liabilities | 19 | 30 | - |
| Total non-current liabilities | | 1,219 | 536 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 (b) | 3,839 | 5,232 |
| (ii) Trade payables | 18 | 3,251 | 2,368 |
| (iii) Other financial liabilities | 16 (b) | 1,769 | 1,132 |
| (b) Provisions | 17 (b) | 181 | 305 |
| (c) Other current liabilities | 20 | 2,575 | 1,293 |
| Total current liabilities | | 11,615 | 10,330 |
| Total liabilities | | 12,834 | 10,866 |
| TOTAL EQUITY AND LIABILITIES | | 16,211 | 13,053 |

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

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

Sharmila A. Karve
Partner
Membership No.43229

Place : Mumbai
Date : April 27, 2018

For and on behalf of the Board of Directors

R. R. Bhinge
Chairman

Uday Banerjee
Chief Financial Officer

Place : Mumbai
Date : April 27, 2018

P.J. Nath
Managing Director and CEO

Girish Kirande
Company Secretary &
Head - Legal



Nelco Limited

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

(Rs. in Lakhs)

| Particulars | Note No. | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|----------|------------------------------|------------------------------|
| Revenue from operations | 21 | 14,961 | 14,367 |
| Other income | 22 | 494 | 461 |
| Total Income | | 15,455 | 14,828 |
| Expenses | | | |
| (a) Purchases of stock-in-trade | | 1,830 | 2,640 |
| (b) Changes in inventories of stock-in-trade | 23 | 14 | (101) |
| (c) Employee benefits expense | 24 | 2,256 | 1,959 |
| (d) Voluntary retirement expenses | 41 | - | 159 |
| (e) Finance costs | 25 | 593 | 850 |
| (f) Depreciation and amortisation expense | 26 | 949 | 802 |
| (g) Transponder charges | | 3,140 | 2,982 |
| (h) Other expenses | 27 | 5,208 | 4,883 |
| Total expenses | | 13,990 | 14,174 |
| Profit before share of net profit of investment accounted for using equity method and tax | | 1,465 | 654 |
| Share of net profit of associate accounted for using the equity method | | 57 | 39 |
| Profit before tax | | 1,522 | 693 |
| Income tax expense | 28 | | |
| - Current tax | | 271 | 91 |
| - Deferred tax | | 40 | (26) |
| Total tax expense | | 311 | 65 |
| Net profit for the year | | 1,211 | 628 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| -Net fair value gain on investments in equity shares at FVTOCI | | 1 | 1 |
| -Share of other comprehensive income of associate accounted for using the equity method | | (3) | (1) |
| -Remeasurement of post employment benefit obligations | | (19) | (26) |
| Total other comprehensive income | | (21) | (26) |
| Total comprehensive income for the period | | 1,190 | 602 |
| Earnings per share (Face value of Rs 10/- per share) (Basic and diluted) | 43 | 5.31 | 2.75 |

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

Sharmila A. Karve

Sharmila A. Karve
Partner
Membership No.43229

Place : Mumbai
Date : April 27, 2018

For and on behalf of the Board of Directors

R. R. Bhinge

R. R. Bhinge
Chairman

Uday Banerjee
Uday Banerjee
Chief Financial Officer

Place : Mumbai
Date : April 27, 2018

P.J. Nath
P.J. Nath
Managing Director and CEO

Girish Kirinde
Girish Kirinde
Company Secretary &
Head - Legal



Nelco Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2018

A. Equity share capital

(Rs. in Lakhs)

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

B. Other equity

(Rs. in Lakhs)

| Particulars | Reserves and surplus | | Other reserves | Total |
|---|----------------------|-------------------|--------------------------|-------|
| | General reserve | Retained earnings | FVOCI Equity Instruments | |
| As at April 1, 2016 | 250 | (957) | 10 | (697) |
| Profit for the year | - | 628 | - | 628 |
| Other comprehensive income for the year | - | (27) | 1 | (26) |
| As at March 31, 2017 | 250 | (356) | 11 | (95) |
| Profit for the year | - | 1,211 | - | 1,211 |
| Other comprehensive income for the year | - | (22) | 1 | (21) |
| As at March 31, 2018 | 250 | 833 | 12 | 1,095 |

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

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

For and on behalf of the Board of Directors



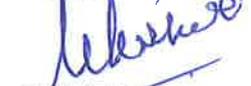
R. R. Bhinge
Chairman



Uday Banerjee
Chief Financial Officer



P.J. Nath
Managing Director and CEO



Girish Kirkinde
Company Secretary &
Head - Legal



Sharmila A. Karve
Partner
Membership No.43229

Place : Mumbai
Date : April 27, 2018

Place : Mumbai
Date : April 27, 2018



Nelco Limited

Consolidated Statement of Cash Flow as at March 31, 2018

(Rs. In Lakhs)

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|--|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before income tax | 1,522 | 693 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 949 | 802 |
| Finance Costs | 593 | 850 |
| Unrealised foreign exchange (gain) / loss | 9 | (13) |
| Provision for doubtful debts | (67) | (30) |
| Bad debts written off | 86 | 151 |
| Provision for warranty (net) | 20 | 9 |
| Liabilities/Provisions no longer required, written back | - | (91) |
| Provision for foreseeable losses written back | (45) | (43) |
| Gain on disposal of property, plant and equipment (net) | (21) | - |
| Unwinding of discount on financial asset measured at amortised cost | (43) | (38) |
| Interest Income classified as investing cash flow | (3) | (5) |
| Change in fair value Investment | (1) | (1) |
| Interest on income tax refund | (110) | (164) |
| Provision for contingency | 11 | 21 |
| Loss on sale of Investment in Associate | - | 10 |
| Share of net profit of associate accounted for using the equity method | (57) | (39) |
| Operating Profit Before Working Capital Changes | 2,843 | 2,112 |
| Adjustments For Changes In Working Capital: | | |
| Movements in Assets | | |
| - (Increase) / Decrease in Trade receivables | (2,003) | 559 |
| - (Increase) / Decrease in Other Current Assets | 338 | (256) |
| - (Increase) / Decrease in Other Non Current Assets | 14 | 24 |
| - (Increase) / Decrease in Financial Assets - Non Current - Loans | (9) | 684 |
| - (Increase) / Decrease in Inventories | 14 | (101) |
| - (Increase) / Decrease in Other Financial Assets - Current | 124 | 68 |
| - (Increase) / Decrease in Financial Assets - Current - Loans | 7 | 13 |
| - (Increase) / Decrease in Other Bank Balances | 6 | 3 |
| Movements in Liabilities | | |
| - Increase / (Decrease) in Trade Payables | 842 | (43) |
| - Increase / (Decrease) in Other Financial Liabilities - Non Current | (13) | (15) |
| - Increase / (Decrease) in Other Liabilities - Non Current | 30 | - |
| - Increase / (Decrease) in Provisions - Non Current | 54 | (89) |
| - Increase / (Decrease) in Other Financial Liabilities - Current | 24 | 41 |
| - Increase / (Decrease) in Other current liabilities | 1,282 | 390 |
| - Increase / (Decrease) in Provisions - Current | (110) | (90) |
| Cash generated from operations | 3,443 | 3,300 |
| - Taxes Paid (Net of refunds) | 228 | (493) |
| Net Cash generated from operating activities- (A) | 3,215 | 3,793 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments for Purchase of Property, Plant and Equipment / Intangible Assets | (2,079) | (1,621) |
| Proceeds from Sale of Property, Plant and Equipment / Intangible Assets | 401 | - |
| Interest Received | 3 | 5 |
| Proceeds from sale of investment in Associate Company | - | 380 |
| Proceeds received on account of sale of UGS business to holding company in previous year (Refer note 29) | 223 | 1,008 |
| Bank balances not considered as Cash and cash equivalents | - | (23) |
| - Fixed deposits placed | 20 | - |
| - Matured | 6 | - |
| Dividend From associate | 6 | - |
| Net Cash (Used in) Investing Activities (B) | (1,426) | (251) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings | | |
| - Receipts | 13,316 | 11,195 |
| - Payments | (13,866) | (14,317) |
| Finance lease payments | (67) | - |
| Finance Costs Paid | (596) | (887) |
| Dividend Paid | (6) | (3) |
| Net Cash (Used In) Financing Activities- (C) | (1,219) | (4,012) |
| Net Increase / (Decrease) in Cash & Cash Equivalents ((A)+(B)+(C)) | 570 | (470) |
| Cash and Cash Equivalents as at April 1, 2017 | (232) | 238 |
| Cash and Cash Equivalents as at March 31, 2018 | 338 | (232) |



Nelco Limited
 Consolidated Statement of Cash Flow as at March 31, 2018

| (Rs. in Lakhs) | | |
|---|-----------------------|-----------------------|
| Non-cash financing activities | | |
| - Acquisition of property, plant and equipment by means of finance lease | 443 | - |
| Reconciliation of cash and cash equivalents as per cash flow statement | | |
| (Rs. in Lakhs) | | |
| Cash and Cash Equivalents Comprise of : | As at | As at |
| | March 31, 2018 | March 31, 2017 |
| Cash and Cash Equivalents Comprise of : | | |
| Balance with Scheduled Banks in Current Accounts | 233 | 47 |
| Cash on Hand | 1 | 1 |
| Cheques on Hand | 163 | 256 |
| Bank Overdraft | (59) | (536) |
| Total | 338 | (232) |

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

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

Sharmila A. Karve
 Sharmila A. Karve
 Partner
 Membership No.43229

Place : Mumbai
 Date : April 27, 2018

For and on behalf of the Board of Directors

R. R. Bhinge
 R. R. Bhinge
 Chairman
Uday Banerjee
 Uday Banerjee
 Chief Financial Officer

P.J. Nath
 P.J. Nath
 Managing Director and CEO
Girish Kirkinde
 Girish Kirkinde
 Company Secretary &
 Head - Legal

Place : Mumbai
 Date : April 27, 2018



Nelco Limited

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

General Information

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

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

The Company's Subsidiary Tatanet Services Limited is in the business of providing VSAT domestic data network service to closed user group (CUG) networks via Satellite System on non-exclusive basis within the territorial boundary of India under the VSAT License granted by Department of Telecommunications (D.O.T.).

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

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

1. Summary of Significant accounting policies

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

1.1 Basis of preparation

a. Compliance with Ind AS

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

b. Historical Cost Convention

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

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

c. Amended standards adopted by the Group

The Amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities. Refer note 15.

d. Basis of consolidation

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

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



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

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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

Goodwill

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to statement of profit and loss or transferred to another category of equity as specified/permitted by



applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate.

Associates

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

1.2 Property, plant and equipment

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

a. Capital work-in-progress

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

b. Depreciation methods estimated useful lives and residual value

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

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

| Type of Assets | Useful Life |
|---------------------------------|--|
| Plant & Machinery | Radio Frequency (RF) Antenna – 9 Years Basic Electronics – 6 Years Networking Devices - 6 years RF and Baseband – 10 to 12 Years VSAT Antenna and parts – 15 Years |
| Office Equipments - VSAT | Antenna – 10 Years Electronics - 7.50 Years Basic Electronics – 6 Years |

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



1.3 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any. The Group amortises intangible assets using straight line method over the following periods.

| | |
|---------------------|---------------------------------------|
| License Fees – VSAT | : Over the license period of 20 years |
| License Fees – ISP | : Over the license period of 15 years |
| Testing software | : 5 years |

1.4 Impairment of non-financial Assets

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

1.5 Investments and other financial assets

a. Classification

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

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

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

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

b. Measurement

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

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

Equity Instruments

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



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

c. Impairment of financial assets

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

d. Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

e. Income Recognition

Interest Income

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

Dividend

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

1.6 Cash and cash equivalents

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

1.7 Trade receivable

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

1.8 Financial Liabilities

i) Classification



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

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

ii) Measurement

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

iii) Derecognition:

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

1.9 Trade and other payables

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

1.10 Offsetting financial instruments

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

on future events must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

1.11 Inventories

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

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



Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, which are specifically exempt from this requirement.

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

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

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

1.13 Revenue recognition

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

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

The group recognises revenue as follows:

a. Sale of goods

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

b. Rendering of Services

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

c. Rental Income

The groups's policy for recognition of revenue from operating leases is described in note 1.17 below.

d. Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised only to the



extent of contract costs incurred that are likely to be recoverable. Variations in contract work, claims and incentive payments are included to the extent that the amount have been agreed with the customers and are capable of being reliably measured and its receipt is considered probable.

1.14 Foreign currency translation

a. Functional and presentation currency

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

b. Transactions and balances

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

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

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

1.15 Derivative financial instruments:

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

1.16 Current and deferred tax

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



Nelco Limited

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

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

a. Current Tax

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

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

b. Deferred Tax

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

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

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

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

1.17 Leases

As a lessee

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

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

As a lessor

Lease income from operating leases where the group is a lessor is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in



the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.18 Borrowing

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

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

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

1.19 Borrowing costs

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

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

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

1.20 Provisions and contingent liabilities

a. Provisions

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

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



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

i) Onerous Contracts

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

ii) Warranties

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

b. Contingent liabilities

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

c. Contingent Assets

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

1.21 Employee benefits

a. Short-term obligations

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

b. Other long-term employee benefit obligations

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

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



c. Post-employment obligations (Defined Benefit Obligations)

The Group operates the following post-employment schemes:

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

Defined Benefit Plans

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

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

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

Defined contribution plans

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

Termination benefits

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

1.22 Segment reporting

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

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



- a. Automation and control comprises of sales of security and surveillance products.
- b. Network systems comprises sale of Very Small Aperture Terminals ("VSAT") hardware and providing allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers. (Refer note 35 of segment reporting)

1.23 Contributed equity

Equity shares are classified as equity.

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

1.24 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

1.25 Rounding of amounts

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

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

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

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

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

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

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



b) Estimation of defined benefit obligation

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

c) Recognition of deferred tax assets

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

d) Recognition and measurement of construction contract revenue

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

e) Estimation of provision for warranty claims

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

f) Expected Credit Loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. (Refer Note 31)

g) Estimation of Provisions & Contingent Liabilities

The group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability. (Refer Note 44)

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

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



a. Ind AS 115, Revenue from contracts with customers

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

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

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

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

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

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

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

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

The appendix can be applied:

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

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

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

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a



non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

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

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

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

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

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

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

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

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



Note 3 : Property, plant and equipment, intangible assets and capital work-in-progress

| Description | Cost | | | | Accumulated depreciation / amortisation | | | | Net block | |
|---|--------------------------|--------------------------|------------|--------------------------|---|--|-----------|--------------------------|--------------------------|--------------------------|
| | As at April 01, 2017 | Additions | Disposals | As at March 31, 2018 | As at April 01, 2017 | Depreciation / amortisation for the year | Disposals | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| i. Property, plant and equipment | | | | | | | | | | |
| Leasehold land (Finance lease) | 26 (26) | - | - | 26 (26) | 1 (1) | * | - | 1 (1) | 25 (25) | 25 (25) |
| Building | 139 (139) | - | - | 139 (139) | 30 (18) | 12 (12) | * | 42 (30) | 97 (109) | 109 (121) |
| Plant and machinery | 3,506 (2,610) | 1,182 (896) | 19 | 4,669 (3,506) | 1,214 (683) | 573 (531) | 10 | 1,777 (1,214) | 2,892 (2,292) | 2,292 (1,927) |
| Electric installation | 108 (103) | - | 2 | 106 (108) | 63 (48) | 15 (15) | 2 | 76 (63) | 30 (45) | 45 (55) |
| Furniture and Fixture | 107 (107) | 7 | - | 114 (107) | 97 (80) | 15 (17) | - | 112 (97) | 2 (10) | 10 (27) |
| Office equipment | | | | | | | | | | |
| (i) Own | 206 (140) | 83 (66) | 6 | 283 (206) | 98 (75) | 36 (23) | 6 | 128 (98) | 155 (108) | 108 (65) |
| (ii) Given on lease (Operating lease) | 1,183 (646) | 948 (537) | 408 | 1,723 (1,183) | 332 (162) | 209 (170) | 41 | 500 (332) | 1,723 (851) | 851 (484) |
| (iii) Assets taken on finance lease | - | 443 | - | 443 | - | 41 | - | 41 | 402 | - |
| Vehicles | 9 (9) | 68 | 8 | 69 (9) | 6 | 7 | 4 | 9 | 60 | 3 |
| Total - Property, plant and equipment (i) | 5,284 (3,780) | 2,731 (1,504) | 443 | 7,572 (5,284) | 1,841 (1,071) | 908 (770) | 63 | 2,686 (1,841) | 4,886 (3,443) | 3,443 (2,709) |
| ii. Intangible assets | | | | | | | | | | |
| Goodwill on consolidation* | - | - | - | - | - | - | - | - | - | - |
| License fees | 23 (23) | - | - | 23 (23) | 7 (4) | 2 (3) | - | 9 (7) | 14 (16) | 16 (19) |
| Testing software | 166 (69) | 114 (97) | - | 280 (166) | 65 (36) | 39 (29) | - | 104 (65) | 176 (101) | 101 (33) |
| Total Intangible assets (ii) | 189 (92) | 114 (97) | - | 303 (189) | 72 (40) | 41 (32) | - | 113 (72) | 190 (117) | 117 (52) |
| Total-Property, plant and equipment & intangible assets (i+ii) | 5,473 (3,872) | 2,845 (1,601) | 443 | 7,875 (5,473) | 1,913 (1,111) | 949 (802) | 63 | 2,799 (1,913) | 5,076 (3,560) | 3,560 (2,761) |
| iii. Capital work-in-progress | | | | | | | | | | |
| | | | | | | | | | 468 | 285 |
| Grand total (i+ii+iii) | | | | | | | | | (285) | (611) |
| | | | | | | | | | 5,544 | 3,845 |
| | | | | | | | | | (3,845) | (3,372) |

Figures in (brackets) represents previous year's figures

Note :-

- 1) Property, plant and equipment pledged as security by the group (refer note 34)
- 2) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note 38)
- 3) Capital Work in progress mainly comprises of VSAT given on lease and Ex-C hub equipment pending for installation.
- 4) The Lease term in respect of assets acquired under finance lease generally expires within three to five year.
- 5) * figures below rounding of norm adopted by the group.



Nelco Limited

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

| Particulars | (Rs. in Lakhs) | | | |
|--|----------------------|--------------|----------------------|--------------|
| | As at March 31, 2018 | | As at March 31, 2017 | |
| | Numbers | Amount | Numbers | Amount |
| Note 4 : Investments - Non current | | | | |
| Investment in equity instruments (Unquoted, fully paid, at cost) | | | | |
| Investments in associate | | | | |
| Nelito Systems Limited (Refer note 1 and 2 below) | 2,53,665 | 561 | 2,53,665 | 513 |
| Equity investments (Unquoted, fully paid, at FVOCI) | | | | |
| Technopolis Knowledge Park Limited (net of impairment of Rs.181 Lakhs (March 2017 : Rs. 181 Lakhs) | 18,10,000 | - | 18,10,000 | - |
| Zoroastrian Co-operative Bank Limited | 6,000 | 15 | 6,000 | 14 |
| Total equity instruments | | 576 | | 527 |
| Total investments | | 576 | | 527 |
| Aggregate amount of unquoted investments | | 576 | | 527 |
| Aggregate amount of impairment in the value of investments | | (181) | | (181) |

Notes :

1. Change in the Group's ownership interest in an Associate
In March 2017, the group disposed off a 9.95% interest in Nelito Systems Limited to a third party for sale proceeds of Rs.380 Lakhs, thus reducing the percentage holding to 12.30 % of the equity share capital of Nelito Systems Ltd
2. Although the group holds less than 20% of the equity shares of Nelito Systems Limited, and it has less than 20% of the voting power at shareholder meetings, the group exercises significant influence by virtue of its contractual right to appoint two out of seven directors to the board of directors of that Company.



| Nelco Limited | | |
|--|-------------------------|-------------------------|
| Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018 | | |
| Note 5 : Other financial assets - Current | | |
| (Rs. in Lakhs) | | |
| Particulars | As at March 31, 2018 | As at March 31, 2017 |
| Unbilled revenue | 221 | 358 |
| Fair value of foreign exchange forward contracts | 1 | - |
| Receivable from holding company (Refer note 29) | - | 223 |
| Others | 48 | 36 |
| Total | 270 | 617 |
| Note 6 : Loans | | |
| (a) Non-current | | |
| (Rs. in Lakhs) | | |
| Particulars | As at March 31, 2018 | As at March 31, 2017 |
| Unsecured, considered good | | |
| Security deposits | 29 | 20 |
| Total | 29 | 20 |
| (b) Current | | |
| (Rs. in Lakhs) | | |
| Particulars | As at March 31, 2018 | As at March 31, 2017 |
| Unsecured, considered good | | |
| Security deposits | 103 | 109 |
| Loans to employees | 4 | 5 |
| Unsecured and considered doubtful | | |
| Security deposits | 21 | 21 |
| Less : Allowance for doubtful deposits | (21) | (21) |
| Total | 107 | 114 |
| Note 7 : Income tax assets (net) - Non-current | | |
| (Rs. in Lakhs) | | |
| Particulars | As at March 31, 2018 | As at March 31, 2017 |
| Opening balance | 2,141 | 2,561 |
| Add : Tax deducted at source and advance tax [Net of provision for tax 2018 : Rs. 466 lakhs (2017: Rs. 195 lakhs)] | 1,042 | 753 |
| Less: Income tax refund | 704 | 1,082 |
| Less: Current tax payable for the year | 271 | 91 |
| Closing balance | 2,208 | 2,141 |
| Note 8 : Other assets | | |
| (a) Other non-current assets | | |
| (Rs. in Lakhs) | | |
| Particulars | As at March 31, 2018 | As at March 31, 2017 |
| Balances with government authorities | 2 | 22 |
| Deferred rent expenses | 6 | - |
| Total | 8 | 22 |
| (b) Other current assets | | |
| (Rs. in Lakhs) | | |
| Particulars | As at March 31, 2018 | As at March 31, 2017 |
| Prepaid expenses | 119 | 76 |
| Advance to suppliers | 91 | 122 |
| Balance with government authorities | 202 | 550 |
| Deferred rent expenses | 3 | - |
| Others | 8 | 13 |
| Total | 423 | 761 |



Nelco Limited
Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

Note 9 : Inventories (Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Inventories (lower of cost and net realisable value) | | |
| Contracts in progress | - | 35 |
| Stock-in-trade | 887 | 866 |
| Total | 887 | 901 |

Note 10 : Trade receivables (Rs. in Lakhs)

(a) Non current

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Trade receivables | 223 | 304 |
| Less : Allowance for Doubtful Debts (expected credit loss allowance) | - | - |
| Total | 223 | 304 |

Break-up of security details (Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|------------------------------|-------------------------|-------------------------|
| Secured, considered good | - | - |
| Unsecured, considered good | 223 | 304 |
| Doubtful | - | - |
| Total | 223 | 304 |
| Allowance for doubtful debts | - | - |
| Total | 223 | 304 |

(b) Current (Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Trade receivables | 5,660 | 3,616 |
| Receivable from related parties (refer note 42) | 1 | 1 |
| Less : Allowance for Doubtful Debts (expected credit loss allowance) | (188) | (252) |
| Total | 5,473 | 3,365 |

Break-up of security details (Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|------------------------------|-------------------------|-------------------------|
| Secured, considered good | - | - |
| Unsecured, considered good | 5,473 | 3,365 |
| Doubtful | 188 | 252 |
| Total | 5,661 | 3,617 |
| Allowance for doubtful debts | (188) | (252) |
| Total | 5,473 | 3,365 |

- 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 group ranges from 0 to 60 days.
- The group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables.
- There are no dues by directors or other officers of the group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.



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

Note 11 : Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|----------------------------|-------------------------|-------------------------|
| (a) Balances with Banks :- | | |
| In current accounts | 233 | 47 |
| (b) Cheques on hand | 163 | 256 |
| (c) Cash on hand | 1 | 1 |
| Total | 397 | 304 |

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

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

(Amount in Rs.)

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

* Includes Cash given to employees for maintaining imprest balance.

Note 12 : Bank balance other than Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| In earmarked Accounts | | |
| (a) Unpaid dividend accounts | 3 | 9 |
| (b) Balances held as margin money against letter of credit and bank guarantees | 25 | 45 |
| Total | 28 | 54 |



Nelco Limited

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

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

Notes:

(i) Movement in equity share capital

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

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| | Number of shares | Amount (Rs. in Lakhs) | Number of shares | Amount (Rs. in Lakhs) |
| The Tata Power Company Limited (48.65%)(Holding Company) | 1,10,99,630 | 1,110 | 1,10,99,630 | 1,110 |
| Aftaab Investment Company Limited (1.44%) (Subsidiary of Holding Company) | 3,28,310 | 33 | 3,28,310 | 33 |

(iii) Terms and rights attached to equity shares

The company has issued only one class of equity shares having a par value of Rs.10 /- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution of dividend and proceeds on liquidation will be in proportion to the number of equity shares held by the shareholders.

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

| Name of shareholder | As at March 31, 2018 | | As at March 31, 2017 | |
|---|-------------------------|-----------|-------------------------|-----------|
| | Number of shares held | % holding | Number of shares held | % holding |
| Equity shares with voting rights | | | | |
| The Tata Power Company Limited | 1,10,99,630 | 48.65% | 1,10,99,630 | 48.65% |

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

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



Nelco Limited
Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

| Note 14 : Reserves and surplus | | | (Rs. in Lakhs) |
|--------------------------------------|-------------------------|-------------------------|----------------|
| Particulars | As at March 31, 2018 | As at March 31, 2017 | |
| General reserve - Refer (i) below | 250 | 250 | |
| Retained earnings - Refer (ii) below | 833 | (356) | |
| Total | 1,083 | (106) | |

| (i) General reserve | | | (Rs. in Lakhs) |
|--------------------------|-------------------------|-------------------------|----------------|
| Particulars | As at March 31, 2018 | As at March 31, 2017 | |
| Opening balance | 250 | 250 | |
| Addition during the year | - | - | |
| Closing balance | 250 | 250 | |

| (ii) Retained earnings | | | (Rs. in Lakhs) |
|--|-------------------------|-------------------------|----------------|
| Particulars | As at March 31, 2018 | As at March 31, 2017 | |
| Opening balance | (356) | (957) | |
| Net Profit for the year | 1,211 | 628 | |
| Items of other Comprehensive income recognised directly in retained earning | | | |
| - Share of other comprehensive income of associate accounted for using the equity method | (3) | (1) | |
| - Remeasurements of post employment benefit obligations, net of tax | (19) | (26) | |
| Closing Balance | 833 | (356) | |

| Note 14 (a) : Other Reserve - Reserve for FVOCI Equity instrument | | | (Rs. in Lakhs) |
|---|-------------------------|-------------------------|----------------|
| Particulars | As at March 31, 2018 | As at March 31, 2017 | |
| Opening balance | 11 | 10 | |
| Changes in fair value of FVOCI equity instruments | 1 | 1 | |
| Closing Balance | 12 | 11 | |

General reserve

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

Retained earnings

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

Reserve for Equity FVOCI instrument

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



Nelco Limited

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

Note 15 : Borrowings

(a) Non-current

| Particulars | (Rs. in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Unsecured | | |
| (i) Deferred sales tax liability (Under the Sicom incentive scheme) | - | 12 |
| (ii) Finance lease obligation (Refer note (i) below) | 300 | - |
| | 300 | 12 |
| Secured | | |
| (i) Term Loans from banks | 458 | 156 |
| | 458 | 156 |
| Total | 758 | 168 |

Notes

(i) The terms of repayment of loans are stated below:

| Particulars | As at March 31, 2018 | As at March 31, 2017 | Terms of Repayment | Rate of Interest (p.a.) | Nature of Security |
|---|----------------------|----------------------|---|-------------------------|--|
| Finance lease obligation | 300 | - | Repayable in quarterly equal instalments for five years till December, 2023 | 9.50% | Unsecured |
| South Indian Bank Limited | 289 | - | Repayable in quarterly equal instalments till September, 2022 | MCLR + 0.5% | Hypothecation of asset acquired utilizing the loan. |
| ICICI Bank Ltd | 169 | - | Repayable in quarterly equal instalments till March, 2022 | I-MCLR 1 year +1.30% | Exclusive charge over the assets, financed by rupee term loan. |
| Axis Bank Ltd | - | 156 | Repayable in half yearly instalments till October, 2018 | Bank Base rate +1.35% | First charge over fixed assets and current assets. |
| Deferred sales tax liability (Under the Sicom Incentive Scheme) | - | 12 | Repayable in five equal annual instalments after ten years from the year of availment of respective loan. | Interest free | Unsecured |



Nelco Limited
Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

Note 16 : Other financial liabilities

(a) Non current (Rs. in Lakhs)

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

(b) Current (Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Interest accrued | 4 | 7 |
| Liability towards voluntary retirement scheme | 13 | 21 |
| Sundry deposits received from customers | 58 | 58 |
| Current maturities of long-term debt | 405 | 255 |
| Capital creditors | 769 | 265 |
| Employee benefits payable | 517 | 485 |
| Fair value of foreign exchange forward contracts | - | 32 |
| Unclaimed dividend | 3 | 9 |
| Total | 1,769 | 1,132 |

Note 17 : Provisions

(a) Non-current (Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Provision for Employee Benefits obligations: | | |
| Compensated absences (Refer note 40) | 177 | 145 |
| Gratuity (Refer note 40) | 244 | 192 |
| | 421 | 337 |
| Provision - Others: | | |
| Estimated losses on onerous contracts (Refer note 44) | - | 11 |
| Total | 421 | 348 |

(b) Current (Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Provision for employee benefits obligations: | | |
| Compensated absences (Refer note 40) | 22 | 31 |
| Gratuity (Refer note 40) | 14 | 35 |
| | 36 | 66 |
| Provision - Others: | | |
| Estimated losses on onerous contracts (Refer note 44) | 23 | 78 |
| Warranty (Refer note 44) | 49 | 99 |
| | 72 | 177 |
| Provision for disputes (Refer note 44) | 73 | 62 |
| Total | 181 | 305 |



Nelco Limited
Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

Note 18 : Trade payables - current

(Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Trade payables: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note 45) | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,251 | 2,368 |
| Total | 3,251 | 2,368 |

Note 19 : Other non current liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Deferred profit on sale of fixed assets on finance lease | 30 | - |
| Total | 30 | - |

Note 20 : Other current liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Advance received from customers | 862 | 396 |
| Income received in advance | 1,540 | 795 |
| Statutory dues payable | 164 | 102 |
| Deferred profit on sale of fixed assets on finance lease | 9 | - |
| Total | 2,575 | 1,293 |



Nelco Limited
Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

Note 21 : Revenue from operations

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--------------------------------|------------------------------|------------------------------|
| Sale of products | 2,787 | 3,239 |
| Sale of services | 12,166 | 11,123 |
| | 14,953 | 14,362 |
| Other operating revenue | | |
| Scrap sales | 8 | 5 |
| | 8 | 5 |
| Total | 14,961 | 14,367 |

Note 22 : Other income

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Interest income | | |
| - On bank deposits | 3 | 5 |
| - On income tax refund | 110 | 164 |
| | 113 | 169 |
| Other non-operating income | | |
| Insurance claims recovered | - | 14 |
| Rent income | 95 | 87 |
| Provision for foreseeable losses written back (Refer note 44) | 45 | 43 |
| Others | 177 | 97 |
| | 317 | 241 |
| Other gains | | |
| Profit on sale of property, plant and equipment (net) | 21 | - |
| Foreign exchange gain (net) | - | 13 |
| Unwinding of discount on financial asset measured at amortised cost | 43 | - |
| Net gain arising on financial assets designated at FVTPL | - | 38 |
| | 64 | 51 |
| Total | 494 | 461 |



Nelco Limited

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

Note 23 : Changes in inventories of stock-in-trade

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| <u>Inventories at the beginning of the period :</u> | | |
| Stock - in - trade | 866 | 716 |
| Contracts in progress | 35 | 84 |
| | 901 | 800 |
| <u>Less : Inventories at the end of the period :</u> | | |
| Stock - in - trade | 887 | 866 |
| Contracts in progress | - | 35 |
| | 887 | 901 |
| Net (increase) / decrease in inventories of stock-in-trade | 14 | (101) |



Nelco Limited
Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

Note 24 : Employee benefits expense

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Salaries and wages | 1,991 | 1,688 |
| Contributions to provident fund (Refer note 40) | 65 | 58 |
| Contributions to superannuation and other funds (Refer note 40) | 20 | 21 |
| Gratuity (Refer note 40) | 34 | 38 |
| Staff welfare expenses | 146 | 154 |
| Total | 2,256 | 1,959 |

Note 25 : Finance costs

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--------------------------------------|------------------------------|------------------------------|
| Interest expense on: | | |
| Borrowings | 537 | 771 |
| Trade payables | 7 | 4 |
| Bank charges | 49 | 69 |
| Unwinding of discounts on provisions | - | 6 |
| Total | 593 | 850 |

Note 26 : Depreciation and amortisation Expense

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment's | 908 | 770 |
| Amortisation of intangible assets | 41 | 32 |
| Total | 949 | 802 |



Nelco Limited
Notes annexed to and forming part of Consolidated Financial Statements for the year ended March 31, 2018

Note 27 : Other Expenses

| Particulars | (Rs. in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Consumption of loose tools | 10 | 22 |
| License fees to Department of Telecommunications | 1,064 | 965 |
| Subcontracting expenses | 1,132 | 995 |
| Power and fuel | 205 | 194 |
| Rent including lease rentals | 182 | 187 |
| Repairs and maintenance - Machinery | 131 | 75 |
| Repairs and maintenance - Others | 486 | 288 |
| Insurance | 7 | 10 |
| Rates and taxes | 13 | 12 |
| Travelling and conveyance | 164 | 211 |
| Freight and forwarding | 170 | 201 |
| Legal and professional charges | 297 | 200 |
| Consultancy charges | 288 | 314 |
| Director sitting fees | 42 | 31 |
| Installation expenses | 173 | 218 |
| Bad debts written off | 86 | 151 |
| Less: Provision for doubtful debts made in earlier years written back | (86) | (151) |
| Provision for doubtful debts | 19 | 121 |
| Provision for warranty (net) (Refer note 44) | 20 | 9 |
| Foreign exchange loss (net) | 30 | - |
| Miscellaneous expenses | 775 | 830 |
| Total | 5,208 | 4,883 |

Note 28 : Current and deferred tax

28 (a) Statement of profit and loss:

| Particulars | (Rs. in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 |
| <u>Income tax expenses</u> | | |
| Current tax on profits for the year | 271 | 91 |
| Total current tax expense | 271 | 91 |
| <u>Deferred tax</u> | | |
| Decrease / (increase) in deferred tax assets | (56) | 29 |
| (Decrease) / Increase in deferred tax liabilities | 96 | (55) |
| Total deferred tax expenses / (benefit) | 40 | (26) |
| Income tax expense | 311 | 65 |

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

| Particulars | (Rs. in Lakhs) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Profit Before Tax | 1,522 | 693 |
| Statutory income tax rate (%) | 33.06% | 33.06% |
| Tax at the Indian Statutory Tax Rate | 503 | 229 |
| Difference due to : | | |
| Expenses not deductible for tax purposes | 2 | - |
| Standard deduction on rental income under Section 24 of Income Tax Act 1961 | (9) | - |
| MAT Credit available under Section 115JAA of Income Tax Act 1961 not recognised | 174 | - |
| Previously unrecognised Deferred Tax Asset on Provision for doubtful debts | (7) | (22) |
| Previously unrecognised Deferred Tax Asset on Provision for Property Plant and Equipment | - | (7) |
| Difference in Tax Rate considered for deferred Tax liability recognised on unrealised share of Profit of Associate | (7) | - |
| Deferred tax asset not recognised on : | | |
| Disallowance u/s 43B (provision for Gratuity and leave encashment) | (53) | - |
| Provision for doubtful debts and Property Plant and Equipment | 10 | - |
| Provision for doubtful debts | 9 | - |
| Provision for sales tax liability | 5 | - |
| disallowance u/s 40(a)(i) of Income Tax Act 1961 | 5 | - |
| carried forward loss allowance under Income Tax Act 1961 | (320) | (134) |
| allowance for VRS u/s 35DDA of Income Tax Act 1961 | (11) | - |
| Previously unrecognised deferred tax liability on unrealised share of Profit of Associate | 12 | - |
| Other items | (2) | (1) |
| Total tax expense | 311 | 65 |

28 (c) Tax Losses

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

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



Note 29 : Unattended Ground Sensors Business (Discontinued Operations)

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

| Particulars | (Rs. in Lakhs) | |
|--|------------------------------|--------------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 # |
| Sale of Products @ | - | 538 |
| Revenue from Operations | - | 538 |
| Other Income | - | - |
| Total Income (A) | - | 538 |
| Expenses | | |
| Purchases of stock-in-trade @ | - | 364 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | - | (5) |
| Employee Benefits Expense | - | 88 |
| Finance costs | - | 73 |
| Other Expenses | - | 27 |
| Total Expenses (B) * | - | 547 |
| (Loss) Before Tax (A-B) | - | (9) |
| Less :- Tax Expenses | - | - |
| (Loss) After Tax | - | (9) |
| Carrying amount of assets as at the balance sheet date relating to the discontinued operation to be disposed off | - | - |
| Carrying amount of liabilities at the balance sheet date relating to the discontinued operation to be settled | - | - |
| Net Cash flow attributable to the discontinued operation | | |
| Cash flow from / (used in) operating activities | - | 1,005 |
| Cash flow from / (used in) investing activities | - | - |
| Cash flow from / (used in) financing activities | - | (73) |

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

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

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



Note 30 : Fair Value Measurements

30 (a) Financial instrument by category.

| Particulars | As at | | | As at | | |
|------------------------------------|----------------|-----------|----------------|----------------|-----------|----------------|
| | March 31, 2018 | | | March 31, 2017 | | |
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised Cost |
| Financial Assets | | | | | | |
| Investments | - | 15 | - | - | 14 | - |
| Trade Receivable | - | - | 5,696 | - | - | 3,669 |
| Cash and Cash equivalent | - | - | 397 | - | - | 304 |
| Other Bank Balances | - | - | 28 | - | - | 54 |
| Security Deposit | - | - | 132 | - | - | 129 |
| Loans to Employees | - | - | 4 | - | - | 5 |
| Other Financial Assets | 1 | - | 269 | - | - | 617 |
| Total Financial Assets | 1 | 15 | 6,526 | - | 14 | 4,778 |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 5,002 | - | - | 5,655 |
| Trade Payables | - | - | 3,251 | - | - | 2,368 |
| Other Financial Liabilities | - | - | 1,374 | 32 | - | 865 |
| Total Financial Liabilities | - | - | 9,627 | 32 | - | 8,888 |

(i) Fair Value hierarchy

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

| Financial assets and liabilities measured at fair value- recurring fair value measurement at March 31, 2018 | Notes | Level | | | Total |
|---|-------|----------|----------|-----------|-----------|
| | | Level 1 | Level 2 | Level 3 | |
| Financial Assets | | | | | |
| Financial instrument at FVOCI Investment in equity shares | 4 | - | - | 15 | 15 |
| Financial instrument at FVPL Foreign exchange forward contract | 5 | - | 1 | - | 1 |
| Total Financial Assets | | - | 1 | 15 | 16 |



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| | | (Rs. in Lakhs) | | | |
|---|-----------------|----------------|-----------|--------------|--------------|
| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018 | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | |
| Trade Receivables | 10 (a) & 10 (b) | - | - | 5,707 | 5,707 |
| Loans | 6 (a) & 6 (b) | - | - | 138 | 138 |
| Total Financial Assets | | - | - | 5,845 | 5,845 |
| Financial Liabilities | | | | | |
| Borrowings | 15 (a) & 15 (b) | - | - | 5,002 | 5,002 |
| Other Financial Liabilities | 16 (a) & 16 (b) | - | - | 1,374 | 1,374 |
| Total Financial Liabilities | | - | - | 6,376 | 6,376 |
| (Rs. in Lakhs) | | | | | |
| Financial assets and liabilities measured at fair value- recurring fair value measurement at March 31, 2017 | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | |
| Financial instrument at FVOCI Investment in equity shares | 4 | - | - | 14 | 14 |
| Total Financial Assets | | - | - | 14 | 14 |
| Financial Liabilities | | | | | |
| Financial instrument at FVPL Foreign exchange forward contract | 16 (b) | - | 32 | - | 32 |
| Total Financial Liabilities | | - | 32 | - | 32 |
| (Rs. in Lakhs) | | | | | |
| Financial assets and liabilities measured at amortised cost for which fair values are disclosed March 31, 2017 | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | |
| Trade Receivables | 10 (a) & 10 (b) | - | - | 3,706 | 3,706 |
| Loans | 6 (a) & 6 (b) | - | - | 130 | 130 |
| Total Financial Assets | | - | - | 3,836 | 3,836 |
| Financial Liabilities | | | | | |
| Borrowings | 15 (a) & 15 (b) | - | - | 5,655 | 5,655 |
| Other Financial Liabilities | 16 (a) & 16 (b) | - | - | 865 | 865 |
| Total Financial Liabilities | | - | - | 6,520 | 6,520 |

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

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

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

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



(ii) Valuation technique used to determine fair value

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

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

(iii) Valuation processes

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

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

| Particulars | As at | | As at | | (Rs. in Lakhs) |
|------------------------------------|------------------|--------------|------------------|--------------|----------------|
| | March 31, 2018 | | March 31, 2017 | | |
| | Carrying Amounts | Fair Value | Carrying Amounts | Fair Value | |
| Financial Assets | | | | | |
| Trade Receivables | 5,696 | 5,707 | 3,669 | 3,706 | |
| Loans | 136 | 138 | 134 | 130 | |
| Total Financial Assets | 5,832 | 5,845 | 3,803 | 3,836 | |
| Financial Liabilities | | | | | |
| Borrowings | 5,002 | 5,002 | 5,655 | 5,655 | |
| Other Financial Liabilities | 1,374 | 1,374 | 865 | 865 | |
| Total Financial Liabilities | 6,376 | 6,376 | 6,520 | 6,520 | |

Significant Estimates

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



Note 31 : Financial Risk Management

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

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

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

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with bank and financial institution, Loans and deposits with third party, Foreign exchange transactions and other financial instruments / assets. The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers reasonable and supportive forwarding-looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

**(i) Credit Risk Management
Financial Assets**

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

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

Trade receivables

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

Five customers as at March 31, 2018 and Four customers as at March 31, 2017 contributed to more than 5% of the total balance of trade receivables. Receivable (Gross) from these customers was Rs.2,130 Lakhs and Rs.1,293 Lakhs as at March 31, 2018 and as at March 31, 2017 respectively.



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

| Particulars | (Rs. in Lakhs) | | | | Total |
|----------------------|----------------|------------|----------------|--------------------|-------|
| | Not Due | 0-180 days | 181 - 365 days | More than 365 days | |
| As at March 31, 2018 | 1,885 | 2,834 | 382 | 783 | 5,884 |
| As at March 31, 2017 | 1,799 | 1,856 | 135 | 131 | 3,921 |

(ii) Reconciliation of loss allowances provision - Trade Receivable

| | (Rs. in Lakhs) |
|-----------------------------------|----------------|
| Loss Allowances on April 01, 2016 | 309 |
| Changes in loss allowances | (57) |
| Loss Allowances on March 31, 2017 | 252 |
| Changes in loss allowances | (64) |
| Loss Allowances on March 31, 2018 | 188 |

(B) Liquidity Risk

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

(i) Financing arrangements

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

| Particulars | (Rs. in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Floating Rate | | |
| Expiring within one year (Bank overdraft, Term Loans and other facilities) | 4,469 | 1,455 |
| Expiring beyond one year (Term loans) | - | - |
| Fixed Rate | | |
| Expiring within one year (Term Loans and other facilities) | 1,000 | 2,000 |
| Expiring beyond one year (Term loans) | - | - |
| Total | 5,469 | 3,455 |

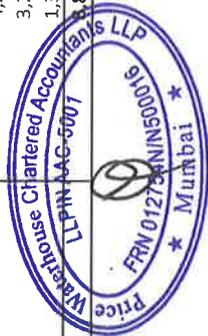
The Bank has an unconditional right to cancel the undrawn/ unused/ unavailed portion of the loan/ facility sanctioned at any time during the period of the loan/ facility, without any prior notice to the Company.

(ii) Maturities of financial liabilities

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

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

| Contractual maturities of financial liabilities | (Rs. in Lakhs) | | | | | Total |
|---|------------------|-------------|------------------|--|--------------|-------|
| | Less than 1 Year | 1 - 2 Years | 2 Year and Above | | | |
| March 31, 2018 | | | | | | |
| Non - Derivative | | | | | | |
| Borrowings | 4,244 | 241 | 517 | | 5,002 | |
| Trade payables | 3,251 | - | - | | 3,251 | |
| Other Financial Liabilities | 1,364 | 5 | 8 | | 1,377 | |
| Total Non derivative liabilities | 8,859 | 246 | 525 | | 9,630 | |



| Contractual maturities of financial liabilities March 31, 2017 | (Rs. in Lakhs) | | | Total |
|---|------------------|-------------|------------------|--------------|
| | Less than 1 Year | 1 - 2 Years | 2 Year and Above | |
| Non - Derivative | | | | |
| Borrowings | 5,487 | 168 | - | 5,655 |
| Trade payables | 2,368 | - | - | 2,368 |
| Other Financial Liabilities | 877 | 13 | 14 | 904 |
| Total Non derivative liabilities | 8,732 | 181 | 14 | 8,927 |

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

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

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

(a) Foreign currency risk exposure:

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

| Particulars | Foreign Currency | As at March 31, 2018 | | As at March 31, 2017 | |
|---|------------------|----------------------|--------------|----------------------|-------------|
| | | Rs in Lakhs | | Rs in Lakhs | |
| | | In foreign currency | | In foreign currency | |
| Financial Liabilities | | | | | |
| Trade Payables | USD | 25 | 1,646 | 14 | 901 |
| | EUR | - | - | * | 13 |
| | NOK | - | - | * | 1 |
| Derivative Liabilities | | | | | |
| Foreign exchange forward contract | | | | | |
| Buy Foreign Currency | USD | (4) | (276) | (13) | (872) |
| Net Exposure to Foreign Currency Liability | USD | 21 | 1,370 | * | 29 |
| Net Exposure to Foreign Currency Liability | EUR | - | - | * | 13 |
| Net Exposure to Foreign Currency Liability | NOK | - | - | * | 1 |
| Financial Assets | | | | | |
| Trade Receivables | USD | (3) | (176) | * | (17) |
| | GBP | - | - | * | (2) |
| | USD | * | (8) | * | 5 |
| Net Exposure to foreign currency Assets | USD | (3) | (184) | * | (12) |
| Net Exposure to foreign currency Assets | GBP | - | - | * | (2) |

* figures below rounding of norm adopted by the group.



(b) Sensitivity

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

| Particulars | Impact on profit after tax (Rs. in Lakhs) | |
|---|--|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| <i>USD sensitivity</i> | | |
| INR/USD - Increase by 5% (March 31, 2017 - 5%)* | (40) | (1) |
| INR/USD - Decrease by 5% (March 31, 2017 - 5%)* | 40 | 1 |
| <i>GBP sensitivity</i> | | |
| INR/GBP - Increase by 5% (March 31, 2017 - 5%)* | - | ** |
| INR/GBP - Decrease by 5% (March 31, 2017 - 5%)* | - | ** |
| <i>EUR sensitivity</i> | | |
| INR/EUR - Increase by 5% (March 31, 2017 - 5%)* | - | ** |
| INR/EUR - Decrease by 5% (March 31, 2017 - 5%)* | - | ** |
| <i>NOK sensitivity</i> | | |
| INR/NOK - Increase by 5% (March 31, 2017 - 5%)* | - | ** |
| INR/NOK - Decrease by 5% (March 31, 2017 - 5%)* | - | ** |

* Holding all other variables constant

**figures below rounding of norm adopted by the group.

(ii) Cash Flow and fair value interest rate risk

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

(a) Interest Rate risk exposure

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

| Particulars | As at (Rs. in Lakhs) | |
|--------------------------|-------------------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Variable Rate Borrowings | 1,112 | 1,191 |
| Fixed Rate Borrowings | 3,890 | 4,464 |
| Total Borrowings | 5,002 | 5,655 |

(b) Sensitivity

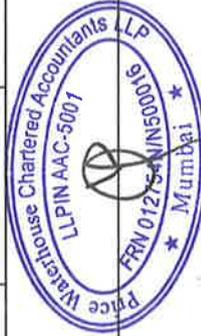
Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

| Particulars | Impact on profit after tax (Rs. in Lakhs) | |
|---|--|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Interest Rate - Increase by 100 basis points* | (3) | (4) |
| Interest Rate - Decrease by 100 basis points* | 3 | 4 |

* Holding all other variable constant

(iii) Price Risk

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



Note 32 : CAPITAL MANAGEMENT

Risk Management

The Group's objectives when managing capital are to

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

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

Loan covenants

Under the term of the major borrowing and facilities, the group is required to comply with the following financial covenants.

1. Net worth to remain positive.
2. Current ratio of at least 1:1
3. Debt Equity ratio of maximum 4:1
4. Total outside liabilities (TOL) to total net worth should be less than 5

Group has generally complied with the above covenants except for the requirement of current ratio. Current ratio of group as on March 31, 2018 and March 31, 2017 is 0.65:1 and 0.59:1 respectively.

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

Note 33 : OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

(a) Collateral against borrowings

The group has pledged financial instruments as collateral against a number of its borrowings. Refer to note no. 34 for further information on financial and non-financial collateral pledged as security against borrowings



Note 34 : ASSETS PLEDGE AS SECURITY

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

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2018 |
| Current Assets | | |
| Financial Assets | | |
| First Charge | | |
| Trade receivables | 5,696 | 3,669 |
| Inventories | 887 | 901 |
| Cash & cash equivalents | 397 | 304 |
| Bank balances other than above | 28 | 54 |
| Loans | 107 | 114 |
| Other financial assets | 270 | 617 |
| Other current assets | 423 | 761 |
| Total Current Assets pledged as Security | 7,808 | 6,420 |
| Non Current Assets | | |
| First Charge | | |
| (i) Plant and Machinery | 2,254 | 1,606 |
| (ii) Office Equipment | 10 | 13 |
| (iii) Intangible Assets | 184 | 108 |
| Total (A) | 2,448 | 1,727 |
| Second Charge | | |
| (i) Building | 97 | 109 |
| (ii) Plant and Machinery | 708 | 711 |
| (iii) Office Equipment | 1,321 | 943 |
| Total (B) | 2,126 | 1,763 |
| Total Non-Current Assets pledged as Security | 4,574 | 3,490 |
| Total Assets pledged as Security | 12,382 | 9,910 |



Note 35 : Segment reporting

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

a) Primary segment:

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

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

b) Secondary segment:

The group caters mainly to the needs of the domestic market, the export turnover of Rs. 395 Lakhs (Previous Year Rs. 64 Lakhs) is not significant in the context of the total external revenue of Rs.14,961 Lakhs (Previous Year Rs. 14,367 Lakhs).

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

Primary segment disclosure - Business segment for the year ended March 31, 2018**(Rs. in Lakhs)**

| Particulars | Automation & Control | Network Systems | Total |
|--|----------------------|-----------------|---------------|
| A Segment revenue from operations | | | |
| External revenue | 243 | 14,718 | 14,961 |
| | 394 | 13,973 | 14,367 |
| Less : Intersegment revenue | - | - | - |
| | - | - | - |
| Total segment revenue | | | 14,961 |
| | | | 14,367 |
| B Segment results | (340) | 3,633 | 3,293 |
| | (466) | 2,956 | 2,490 |
| Add / (Less) : | | | |
| Share of profit of associate accounted for using equity method | | | 57 |
| | | | 39 |
| Finance cost unallocable to segments | | | (553) |
| | | | (805) |
| Other unallocable income / (expenditure) | | | (1,275) |
| | | | (1,031) |
| C Profit before tax for the year | | | 1,522 |
| | | | 693 |
| D Segment assets | 1,696 | 10,878 | 12,574 |
| | 2,548 | 7,182 | 9,730 |
| Add: Unallocable corporate assets | | | 3,637 |
| | | | 3,323 |
| Total assets | | | 16,211 |
| | | | 13,053 |
| E Segment liabilities | 589 | 7,273 | 7,862 |
| | 933 | 3,694 | 4,627 |
| Add: Unallocable corporate liabilities | | | 4,972 |
| | | | 6,239 |
| Total Liabilities | | | 12,834 |
| | | | 10,866 |
| F Capital expenditure | 44 | 2,981 | 3,025 |
| | 12 | 1,262 | 1,274 |
| G Depreciation | 12 | 898 | 910 |
| | 29 | 773 | 802 |
| Depreciation - Unallocable | - | - | 39 |
| | - | - | - |
| Depreciation from total operations | 12 | 898 | 949 |
| | 29 | 773 | 802 |
| H Non Cash expenses | | | |
| Provision for doubtful debts/advances | 26 | (7) | 19 |
| | 36 | 85 | 121 |

Note: Figures in italics pertains to the previous year ended March 31, 2017

c) During the year and previous year, there are no any customer contribution



Note 36 : Income Tax

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

| Particulars | As at April 1, 2016 | Recognised in the statement of profit and Loss | As at March 31, 2017 | Recognised in the statement of profit and Loss | As at March 31, 2018 |
|---|------------------------|--|-------------------------|--|-------------------------|
| | (a) | (b) | (c= a+b) | (d) | (e=c+d) |
| i. Items of deferred tax liabilities : | | | | | |
| Property, plant and equipment and Intangible assets | 116 | (55) | 61 | 72 | 133 |
| Deferred tax on unrealised share of profit of associates | - | - | - | 24 | 24 |
| Total deferred tax liability (i) | 116 | (55) | 61 | 96 | 157 |
| ii. Items of deferred tax assets : | | | | | |
| Disallowances under Section 43B of the Income Tax Act, 1961 | 116* | (55) | 61* | 65 | 126 |
| Provision for doubtful debts (expected credit loss allowance) | 12 | 7 | 19* | (8) | 11 |
| Allowance for doubtful trade receivables and deposits | -* | - | -* | 7 | 7* |
| Provision for estimated losses on onerous contracts | -* | - | -* | - | -* |
| Voluntary retirement scheme under section 35DDA of the Income Tax Act, 1961 | -* | - | -* | - | -* |
| Disallowance under section 40(a)(ia) of The Income Tax Act, 1961 | - | - | - | 7 | 7 |
| Property, plant and equipment and Intangible assets | 40 | 19 | 59* | (15) | 44 |
| Total Deferred Tax Assets (ii) | 168 | (29) | 139 | 56 | 195 |
| Net Deferred Tax Assets (ii-i) | 52 | 26 | 78 | (40) | 38 |

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

Note 37 : Information in respect of "Construction Contracts" is as follows :-

| Particulars | (Rs. in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Contract revenue recognised during the year | 86 | 264 |
| Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto year end | 4,294 | 4,445 |
| Retention money for contracts in progress as at balance sheet date | 173 | 383 |
| Gross Amount due from Customers for contract work (Assets) as at balance sheet date | 317 | 238 |
| Gross Amount due to customers for contract work (Liability) as at balance sheet date | - | - |

For the method used to determine the contract revenue recognised and the stage of completion on contract in progress, refer note 1.13

Note 38 : Capital and other Commitments

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid) | 205 | 520 |
| Estimated amount of contracts remaining to be executed on other account and not provided for (net of advance paid) | 10 | 41 |



Note 39 : Lease**39.1) Finance lease liabilities**

The Group as Lessee

a) Leasehold land

(1) Asset acquired on finance lease represents Leasehold land. The lease term is 95 years and the company does not have as option to purchase the land at the end of the lease term.

(2) There are no minimum lease rentals payable in respect of asset acquired under finance lease.

(3) No contingent rent recognised (adjusted) in the Statement of Profit and Loss in respect of finance lease.

b) Office Equipment (VSAT)

During the year, the group sold certain office equipment (VSAT) and leased it back for 5 years on market terms. The Group classified these leases as finance leases under IND AS 17, because the present value of the lease payments amounted to substantially all of the fair value of the asset.

Finance lease liabilities are payable as follows.

| Particulars | Future minimum lease payments (A) | | | | Interest (B) | | Present value of minimum lease payments (A-B=C) | |
|---|-----------------------------------|----------------|----------------|----------------|----------------|----------------|---|----------------|
| | As at | | As at | | As at | | As at | |
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Not Later than 1 year | 108 | - | 33 | - | 75 | - | - | - |
| Later than 1 year and not longer than 5 years | 352 | - | 53 | - | 299 | - | - | - |
| Later than 5 years | - | - | - | - | - | - | - | - |
| Total | 460 | - | 86 | - | 374 | - | - | - |

39.2) Operating Lease

The Group as Lessor

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

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

(3) No refundable deposits are taken and the lease rentals recognised in the consolidated statement of Profit and Loss for the period included under sale of services under revenue from Operations aggregate to Rs 621 Lakhs (Previous Year Rs. 274 Lakhs)

Non- Cancellable operating lease receivables

| Particulars | (Rs. in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Not Later than 1 year | 351 | 194 |
| Later than 1 year and not longer than 5 years | 828 | 679 |
| Later than 5 years | - | - |
| Total | 1,179 | 873 |

39.3) Non cancellable operating lease Payables

The group has operating lease for 18 Meters satellite Antennae and associated RF equipment's and facilities to operate with satellite on KU Band over Indian skies. These lease arrangement is 5 years, which is non-cancellable lease. Lease payments recognised in the Statement of Profit and Loss during the year is Rs.182 lakhs (Previous year Rs.187 lakhs).

| Particulars | (Rs. in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: | | |
| Not Later than 1 year | 121 | 112 |
| Later than 1 year and not longer than 5 years | 31 | 151 |
| Later than 5 years | - | - |
| Total | 152 | 263 |



Note 40 : Employee benefit obligations

a. Short-term employee benefits

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

b. Long-term employee benefits

i) Defined contribution plans

Groups's contribution paid/payable during the period to superannuation fund and ESIC contribution are recognised as an expense and included in Note 24 under the heading "Contributions to superannuation and other funds" are as under:

| (Rs. in Lakhs) | | | |
|----------------|---|------------------------------|------------------------------|
| Sr. No | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
| a) | Contribution to employees' superannuation fund | 18 | 20 |
| b) | Contribution to employees' state insurance scheme | 2 | 1 |
| | Total | 20 | 21 |

ii) Defined Benefit Plans

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

-Provident Fund (Funded):

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

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

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

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

The Plan assets have been primarily invested in government securities

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

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

The Group contributed Rs 65 Lakhs and Rs 58 Lakhs during the year ended March 31, 2018 and March 31, 2017 respectively and the same has been recognized in the Statement of Profit and Loss under the employee benefit expenses.

-Gratuity (Unfunded)

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

Amount recognised in the statement of profit and loss

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

Amount recognised in other comprehensive income (OCI)

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

*figures are below rounding of norm adopted by the group



| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Change in Defined Obligation (DBO) during the year | | |
| Present value of DBO at the beginning | 228 | 262 |
| Current service cost | 17 | 18 |
| Interest cost (Net) | 17 | 20 |
| Liabilities transferred In/Acquisitions | 6 | - |
| Remeasurement (gain)/loss | 19 | 26 |
| Benefits paid | (29) | (98) |
| Present value of DBO at the end | 258 | 228 |

Principal Actuarial assumptions for valuation of gratuity liability

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

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

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

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

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

Sensitivity

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

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

*figures are below rounding of norm adopted by the group

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

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

Defined benefit liability and employers contributions

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

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

iii) Other Long-term employee benefits

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



An amount of Rs.47 Lakhs (previous year Rs.51 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2018 towards Compensated absences.

Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the Balance sheet date.

Principal Actuarial assumptions for valuation of long-term compensated absences

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

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

Note 41 : During the year ended March 31, 2017, the Group had Implemented a Voluntary Retirement Scheme (VRS). Accordingly, VRS expenditure of Rs. 159 Lakhs had been debited to the Statement of Profit and Loss for the year ended March 31, 2017.



Note 42 : Related party transactions**(A) Promotor of holding company**

Tata Sons Limited

(B) Parent entities :

The group is controlled by the following entity

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

(C) Subsidiary Companies

Interest in subsidiaries are set out in note 46

(D) Associate entities :

Interest in associate are set out in note 46

(E) Directors of the group**(i) Executive directors**

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

(ii) Independent and Non-Executive Directors

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

Mr.Sowmyan Ramakrishnan (Non-Executive Director)

Ms. Hema Hattangady (Independent Director)

Mr.Kailasam Raghuraman (Independent Director)

Mr. Sanjay Dube (Non-Executive Director) of Tatanet Services Ltd (Material subsidiary)

Mr.Krishnan Ramachandran (Independent Director)

(Rs. in Lakhs)

| Particulars | Year ended | |
|--|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| (i) Executive Directors | | |
| Short-term benefits | 187 | 182 |
| Post-employment benefits | 6 | 4 |
| Long-term employee benefits* | - | - |
| (ii) Non Executive and Independent Director | | |
| Director sitting fees | 42 | 31 |
| Total compensation | 235 | 217 |

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



Details of transactions between related parties are disclosed below :

| Sr.no. | Particulars | (Rs. in Lakhs) | | |
|---------------------------------------|-------------|--|---|------------------------------------|
| | | The Tata Power Company Limited (Holding Co.) | Tata Sons Limited (Promoter of Holding Co.) | Nelito Systems Limited (Associate) |
| 1) Purchase : | | | | |
| a) Services | | - | 28 | - |
| 2) Sales : | | (-) | (17) | (-) |
| a) Services | | 1 | (-) | (-) |
| 3) Other income | | (1) | (-) | (-) |
| a) Dividend received | | - | - | 6 |
| 4) Other transactions : | | (-) | (-) | (7) |
| a) Reimbursements made to parties | | - | - | - |
| 5) Balance Outstanding as at year end | | (-) | (-) | (-) |
| a) Trade receivables | | 1 | - | - |
| b) Trade payables | | (1) | (-) | (-) |
| c) Other recoverable | | - | 26 | (-) |
| | | (-) | (17) | (-) |
| | | (223) | (-) | (-) |

Note : (i) Figures in brackets pertain to the previous year ended March 31, 2017.

(ii) Related Party relationship is as identified by the group and relied upon by auditors.

(iii) * figures below rounding of norm adopted by the group.



Note 43 : Earnings per share (EPS)

| Sr No | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|-------|---|------------------------------|------------------------------|
| 1 | Net profit after tax attributable to equity shareholders (Rs. in Lakhs) | 1,211 | 628 |
| 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] | 5.31 | 2.75 |

Note 44 : Contingent liabilities

| Sr. No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---------|---|-------------------------|-------------------------|
| a) | Claims against the group not acknowledged as debt comprises of: i) Excise duty, sales tax and service tax claims disputed by the group relating to issues of applicability and classification | 4,114 | 4,326 |
| b) | ii) Other matters (excluding claims where amounts are not ascertainable) Claims from Vendor - Future cash outflows in respect of above matters are determinable only on receipt of judgments/ decisions pending at various forums / authorities | - | 29 |
| c) | Income tax demand against the group not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which group is in appeal. | 631 | 631 |

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



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

- a) Provision for disputes represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities. The information usually required by Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets”, is not disclosed on grounds that it can be expected to prejudice the interests of the group. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the group under the law and hence, the group is not able to reasonably ascertain the timing of the outflow.
- b) Provision for Warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under free warranty period ranging from one to three years.
- c) Provision for future losses pertains to certain onerous contracts where the unavoidable costs of meeting the obligations as per the contracts exceed the economic benefits expected to be received from it.
- d) The movement and provision during the period are as follows:

| Particulars | Provision for disputes | | | Warranties | | | Future foreseeable losses on contracts | | |
|---|------------------------|----------------|----------------|----------------|----------------|----------------|--|----------------|------------|
| | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended |
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2018 | March 31, 2017 | |
| Opening Balance | 62 | 41 | 99 | 227 | 149 | 89 | | | |
| Add: Provision during the year | 11 | 21 | 30 | 32 | | | | | |
| (Less): Utilisation during the year | - | - | (70) | (137) | | (21) | | (17) | |
| (Less): Reversal during the year | - | - | (10) | (23) | | (47) | | (54) | |
| Add: Effects of unwinding of discounts on Provision | - | - | - | - | | 2 | | 11 | |
| Closing Balance | 73 | 62 | 49 | 99 | 89 | 23 | | 78 | |
| Classified as current (Refer note 17(b)) | 73 | 62 | 49 | 99 | 89 | 23 | | 78 | |
| Classified as Non-current (Refer note 17(a)) | - | - | - | - | - | - | | 11 | |

Note 45 : There are no Micro and Small Enterprises to whom the Group owes dues, which are outstanding as at March 31, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Group.



(ii) Summarised financial information for associate

The tables below provide summarised financial information for the associate that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Nelco Limited's share of those amounts.

| Summarised Balance Sheet | Nelito Systems Limited (Rs. in Lakhs) | |
|-------------------------------|--|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Total current assets | 5,446 | 4,617 |
| Total non-current assets | 1,114 | 1,439 |
| Total current liabilities | 1,950 | 1,838 |
| Total Non-current liabilities | 60 | 66 |
| Net assets | 4,550 | 4,152 |

| Reconciliation to carrying amounts | Nelito Systems Limited (Rs. in Lakhs) | |
|---|--|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Opening net assets | 4,152 | 3,878 |
| Profit / (Loss) for the year | 482 | 319 |
| Other comprehensive income | (22) | (7) |
| Dividends paid | (62) | (37) |
| Closing net assets | 4,550 | 4,152 |
| Groups' share in % | 12.30% | 12.30% |
| Proportion of the groups ownership interest | 561 | 513 |
| Carrying amount | 561 | 513 |

| Summarised statement profit and loss | Nelito Systems Limited (Rs. in Lakhs) | |
|--------------------------------------|--|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Revenue | 8,740 | 7,806 |
| Profit / (Loss) for the year | 482 | 319 |
| Other comprehensive income | (22) | (7) |
| Total comprehensive income | 459 | 312 |
| Groups' share in % | 12.30% | 12.30% |
| Groups share of profit/(loss) | 57 | 39 |
| Dividends received | 6 | 7 |



Note 47 : Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

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

(Rs. in Lakhs)

| Name of the entity in the Group | As at March 31, 2018 | | As at March 31, 2017 | |
|---|--|--------------|---------------------------------|--------------|
| | Net assets, i.e., total assets minus total liabilities | | | |
| | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount |
| Parent | | | | |
| Nelco Limited | 72.58% | 2,451.00 | 68.22% | 1,492 |
| Indian Subsidiaries | | | | |
| Tatanet Services Limited | 30.22% | 1,020 | 37.00% | 809 |
| Nelco Network Products Limited | * | * | 0.18% | 4 |
| Indian Associate (Investment as per equity method) | | | | |
| Nelito Systems Limited | 16.61% | 561 | 23.46% | 513 |
| Adjustment on consolidation | -19.41% | (655) | -28.86% | (631) |
| Total | 100.00% | 3,377 | 100.00% | 2,187 |

* figures below rounding of norm adopted by the group.

b. Share in profit or loss

(Rs. in Lakhs)

| Name of the entity in the Group | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|---|--|--------------|--|------------|
| | Share in profit or loss | | | |
| | As % of consolidated net Profit and Loss | Amount | As % of consolidated net Profit and Loss | Amount |
| Parent | | | | |
| Nelco Limited | 80.67% | 977 | 106.21% | 667 |
| Indian Subsidiaries | | | | |
| Tatanet Services Limited | 17.42% | 211 | 35.67% | 224 |
| Nelco Network Products Limited | -0.33% | (4) | -0.16% | (1) |
| Indian Associate (Investment as per equity method) | | | | |
| Nelito Systems Limited | 4.71% | 57 | 6.21% | 39 |
| Adjustment on consolidation | -2.46% | (30) | -47.93% | (301) |
| Total | 100.00% | 1,211 | 100.00% | 628 |

c. Share in Other Comprehensive Income

(Rs. in Lakhs)

| Name of the entity in the Group | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|---|---|-------------|---|-------------|
| | Share in Other Comprehensive Income | | | |
| | As % of consolidated net Other Comprehensive Income | Amount | As % of consolidated net Other Comprehensive Income | Amount |
| Parent | | | | |
| Nelco Limited | 85.71% | (18) | 96.15% | (25) |
| Indian Subsidiaries | | | | |
| Tatanet Services Limited | | * | | * |
| Nelco Network Products Limited | | - | | - |
| Indian Associate (Investment as per equity method) | | | | |
| Nelito Systems Limited | 14.29% | (3) | 3.85% | (1) |
| Total | 100.00% | (21) | 100.00% | (26) |

* figures below rounding of norm adopted by the group.

d. Share in Total Comprehensive Income

(Rs. in Lakhs)

| Name of the entity in the Group | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|---|---|-------------|---|------------|
| | Share in Total Comprehensive Income | | | |
| | As % of consolidated net Total Comprehensive Income | Amount | As % of consolidated net Total Comprehensive Income | Amount |
| Parent | | | | |
| Nelco Limited | 80.58% | 959 | 106.64% | 642 |
| Indian Subsidiaries | | | | |
| Tatanet Services Limited | 17.73% | 211 | 37.21% | 224 |
| Nelco Network Products Limited | -0.34% | (4) | -0.17% | (1) |
| Indian Associate (Investment as per equity method) | | | | |
| Nelito Systems Limited | 4.54% | 54 | 6.31% | 38 |
| Adjustment on consolidation | -2.51% | (30) | -50.00% | (301) |
| Total | 100.00% | 1190 | 100.00% | 602 |

Signature to Notes forming part of Consolidated Financial Statements "1" to "47"

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/NS00016

Key

Sharmila A. Karve
Partner
Membership No.43229

Place : Mumbai
Date : April 27, 2018

For and on behalf of the Board of Directors

R. R. Bhinge
Chairman

Uday Banerjee
Chief Financial Officer

P. J. Nath
Managing Director and CEO

Girish Kirkinde
Company Secretary & Head - Legal

Place : Mumbai
Date : April 27, 2018

