

72nd ANNUAL REPORT 2013-2014

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CORPORATE INFORMATION

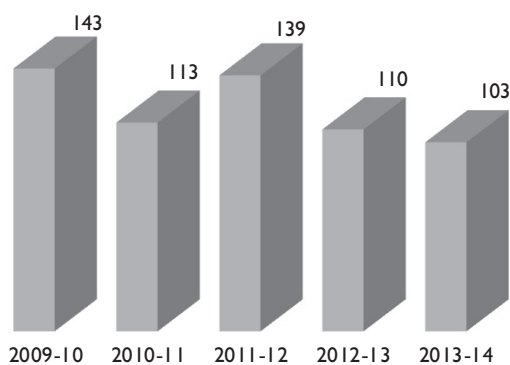
(As on 27th November, 2014)

Chairman Emeritus	R. N. Tata
Board of Directors	<p>Mr. R. R. Bhinge, Chairman</p> <p>Mr. S. Ramakrishnan</p> <p>Mr. P. K. Ghose</p> <p>Mr. V. K. Deshpande</p> <p>Mr. Sanjay Dube</p> <p>Mr. R. Savoor</p> <p>Mr. K. Raghuraman</p> <p>Mr. K. Ramachandran</p> <p>Ms. Hema Hattangady (from 1st October, 2014)</p> <p>Mr. P. J. Nath, Executive Director & CEO</p>
Company Secretary	Mr. Girish V. Kirkinde
Share Registrars	<p>TSR Darashaw Limited</p> <p>6-10, Haji Moosa Patrawala Industrial Estate,</p> <p>20, Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011.</p> <p>Tel : 022 66568484, Fax : 022 66568494</p> <p>Email: csg-unit@tsrdarashaw.com</p> <p>Website: www.tsrdarashaw.com</p>
Statutory Auditors	Deloitte Haskins & Sells LLP
Solicitors	Mulla & Mulla & Craigie Blunt & Caroe
Bankers	<p>Bank of India</p> <p>Union Bank of India</p> <p>Axis Bank Ltd.</p> <p>The Zoroastrian Co-Op. Bank Ltd.</p> <p>ICICI Bank Ltd.</p>
Registered Office	<p>EL-6, TTC Industrial Area,</p> <p>MIDC Electronics Zone, Mahape,</p> <p>Navi Mumbai – 400 710</p> <p>Email: services@nelco.in</p> <p>Investor relations : girish.kirkinde@nelco.in</p> <p>Website: www.nelco.in</p>
Corporate Identity No (CIN)	L32200MH1940PLC003164

5 Years Financial Highlights

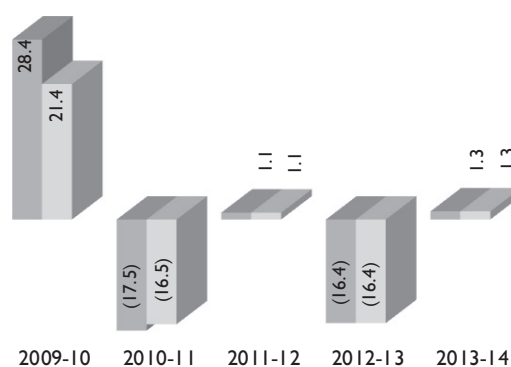
REVENUE

Figures in Rs Cr

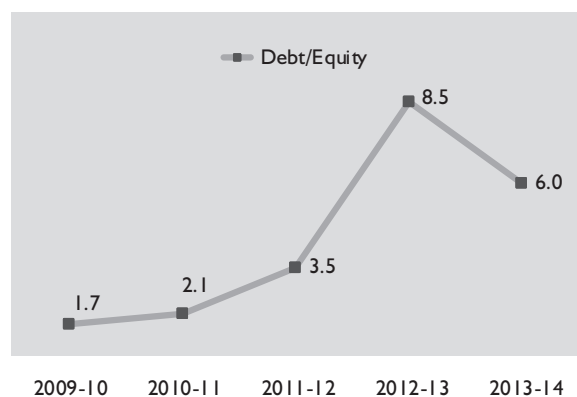


PBT & PAT

Figures in Rs Cr



Debt to Equity (Number of Times)



NWC As % of Revenue



Note : For the purpose of comparison, the figures are calculated on annualized basis wherever necessary.



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Please register your consent for this
purpose on
csg-unit@tsrdarashaw.com

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

As a measure of economy, copies of the Annual
Report will not be distributed at the Annual
General Meeting. Shareholders are requested
to kindly bring their copies to the meeting.

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Annual General Meeting

Date	: Wednesday, 28 th January, 2015
Time	: 3.00 p.m.
Venue	: "Unison", Hotel Four Points by Sheraton, 2nd floor, Plot no. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai 400 701.

NOTICE

The SEVENTY SECOND ANNUAL GENERAL MEETING of NELCO LIMITED will be held on Wednesday, the 28th day of January, 2015 at 3.00 p.m. at "Unison", Hotel Four Points By Sheraton, 2nd Floor, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai- 400 701 to transact the following business:-

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 30th September, 2014 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. Ramakrishnan (DIN: 0005090), who retires by rotation and is eligible for re-appointment.
3. **Appointment of Statutory Auditors**

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

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), the retiring Auditors of the Company, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Seventy Fifth AGM of the Company (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of service tax, travelling and out-of pocket expenses."

4. **Appointment of Ms. Hema Hattangady as Director**

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

"RESOLVED that Ms. Hema Hattangady (DIN:00175563), who was appointed an Additional Director of the Company with effect from 1st October, 2014 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company."

5. **Appointment of Ms. Hema Hattangady as an Independent Director**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Ms. Hema Hattangady (DIN: 00175563), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 28th January 2015 upto 27th January 2020."

6. **Appointment of Mr. R.R. Bhinge as an Independent Director**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. R.R. Bhinge (DIN:00036557), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 28th January 2015 upto 27th January 2020."

7. **Appointment of Mr. P.K.Ghose as an Independent Director**

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. P.K.Ghose (DIN: 00034945), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 28th January, 2015 upto 27th January, 2020"

8. **Appointment of Mr. R.Savoor as an Independent Director**

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. R.Savoor (DIN: 00149089), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 28th January, 2015 upto 27th January, 2020”

9. **Appointment of Mr. K.Raghuraman as an Independent Director**

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr.K.Raghuraman (DIN: 00320507), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 28th January, 2015 upto 27th January, 2020”

10. **Appointment of Mr. K. Ramachandran as an Independent Director**

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. K.Ramachandran (DIN: 00193357), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 28th January, 2015 upto 27th January, 2020”

11. **Approval for payment of Remuneration to Mr. P.J.Nath, Executive Director & CEO**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act and in pursuance of the Special Resolution passed by the Shareholders at the Annual General Meeting of the Company held on 22nd January, 2013 and subject to the approval of the Central Government and such other approvals as may be necessary, the Company hereby approves the payment of remuneration to Mr. P.J. Nath, Executive Director & CEO, from 1st April, 2014 till 12th June, 2015 (the remainder of the tenure of his existing contract) (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

12. **Payment of Remuneration to the Cost Auditors**

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

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 1,50,000/- plus service tax and out-of-pocket expenses payable to P. D. Dani & Co., who are appointed as Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the Financial Year 2014-15 in respect of “Telecommunication (ISP) activities” and “Electronics Product.”

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 3 to 12 above and the relevant details of the Directors seeking re-appointment/appointment under Item Nos. 2 and 4 to 10 above as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and the Transfer Books of the Company will remain closed from Friday, 16th January, 2015 to Monday, 19th January 2015, both days inclusive.
6. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents, TSR Darashaw Limited (TSRD) for shares held in physical form and to their respective Depository Participants (DPs) for shares held in electronic form.
7. Consequent upon the amendment of Section 205A of the Companies Act, 1956 and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends declared for the financial years upto 2005-06 remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company has been transferred to Investor Education and Protection Fund ("the Fund") set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year 2008-09, 2009-2010 and 2011-12 are requested to make their claims to the Company accordingly, without any delay.

8. Members holding shares in physical form and who have not registered their email IDs, are requested to register the same with TSRD.
9. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRD/Depositories.
11. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in this Notice.

Voting through electronic means:

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/depository participants(s)]:
 - (i) Open email and open PDF file viz; "NELCOe-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - vii) "EVEN" (e-voting EVENT Number) of NELCO Limited.
 - viii) Now you are ready for e-voting as Cast Vote page opens.
 - ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to nelco.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

- B) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy] :
- Initial password is provided in the enclosed ballot form: EVEN(e-voting EVENT Number)
User ID and Password.
 - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
 - If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- C) Other Instructions:
- The e-voting period commences on Wednesday 21st January, 2015 (9.00 a.m. IST) and ends on Friday, 23rd January, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 19th December, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
 - The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 19th December, 2014.
 - Mr. P. N. Parikh of M/s. Parikh and Associates, Practicing Company Secretary (Membership No. FCS 327), has been appointed as the Scrutinizer to conduct the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
 - Members who do not have access to e-voting facility may return the duly completed Ballot Form in the prepaid Business Reply Envelope (enclosed with the Annual Report) so as to reach the Scrutinizer at the Registered Office of the Company not later than Friday, 23rd January, 2015 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
 - Members have the option to request for physical copy of the Ballot Form by sending an e-mail to Csg-unit@tsrdarashaw.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Friday, 23rd January, 2015 (6.00 p.m. IST). Ballot Forms received after this date will be treated as invalid.
- A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and the vote cast through Ballot shall be treated as invalid.**
- The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.nelco.in and on the website of NSDL www.evoting.nsdl.co within two days of the passing of the resolutions at AGM of the Company on 28th January, 2015 and communicated to the BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

By Order of the Board of Directors,

Girish V Kirkinde
Company Secretary

Navi Mumbai, 27th November, 2014
CIN: L32200MH1940PLC003164

Registered Office:
EL6, TTC Industrial Area,
MIDC Electronics Zone, Mahape,
Navi Mumbai – 400 710
Tel.: 91 22 67399100 Fax.: 91 22 67398787
E-mail: services@nelco.in, Website: www.nelco.in

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 to 12 of the accompanying Notice dated 27th November, 2014:

Item No. 3: This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins & Sells LLP (DHS) (ICAI Firm Registration No. 112366W), Chartered Accountants (CAs), Mumbai were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 22nd January, 2014.

DHS LLP has been the Auditors of the Company since 2008-09 and has completed a term of six years. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. In view of the above, DHS LLP, being eligible for re-appointment and based on the recommendation of the Audit Committee of Directors, the Board of Directors has, at its meeting held on 27th November, 2014, proposed the appointment of DHS LLP as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the Seventy Fifth AGM of the Company (subject to ratification of their appointment at every AGM). The Board commends the Resolution at Item No.3 of the accompanying notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No 3 of the accompanying Notice.

Item Nos. 4: Ms. Hema Hattangady was appointed as an Additional Director of the Company with effect from 1st October, 2014 by the Board of Directors under Section 161 of the Act and Article 125 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Ms. Hattangady holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose the appointment of Ms. Hattangady as a Director.

Other than Ms. Hattangady, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item No. 4 of the accompanying Notice. Ms. Hattangady is not related to any other Director of the Company.

Item Nos. 5 to 10: The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges, appointed Mr. R.R.Bhinge, Mr. P.K.Ghose, Mr. R.Savoor, Mr. K.Raghuraman and Mr. K.Ramachandran and Ms. Hema Hattangady as Independent Directors at various times, in compliance with the requirements of the said Clause.

Pursuant to the provisions of Section 149 of the Act, which came into effect from 1st April 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Further, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation.

The matter regarding appointment of the above Directors as Independent Directors was placed before the Nominations and Remuneration Committee, which recommended their appointment as Independent Directors from the date of AGM upto the dates provided, as under:-

Name of Independent Director	Appointed upto
Mr. R.R.Bhinge	27 th January, 2019
Mr. P.K.Ghose	27 th January, 2019
Mr. R.Savoor	27 th January, 2019
Mr. K.Raghuraman	27 th January, 2019
Mr. K.Ramachandran	27 th January, 2019
Ms. Hema Hattangady	27 th January, 2019

The above named Directors have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

A brief profile of the Directors to be appointed is given below:

Mr. R.R.Bhinge

Mr. R.R.Bhinge is B.Tech. Hons.(Electrical) from IIT, Mumbai and a Post Graduation in Business Administration from IIM, Ahmedabad. He has over 30 years of professional experience. He was with Nelco for 14 years and during his tenure with the Company he had multi-functional operating experience in finance, marketing, operations and profit centre management. He was an author of the 1990 Strategic Plan for Tata Industries Ltd. and was responsible for its implementation. He participated in various Joint Venture planning and negotiations.