



TATANET SERVICES LIMITED

CIN :U67120MH1987PLC044351

28TH ANNUAL REPORT

2014-15

TATANET SERVICES LIMITED

28TH ANNUAL REPORT 2014-15

Board of Directors : Mr.R.R.Bhinge

Mr. Sanjay Dube

Ms. Hema Hattangady

Mr.P.J.Nath

Mr.R.B.Upadhyay

Mr.Uday Banerjee

Bankers : Bank of India, Mumbai

Axis Bank Limited, Mumbai

Auditors : M.H.Dalal & Associates, Mumbai

Registered Office: MIDC, EL-6 TTC Industrial Area,
Electronics Zone, Mahape,
Navi Mumbai – 400 710

Tatanet Services Limited

NOTICE

The Twenty Eighth Annual General Meeting of Tatanet Services Limited will be held on Monday, 31st August 2015 at 11.00 a.m. at the Registered Office of the Company situated at EL-6, TTC Industrial Area, Electronics Zone, MIDC, Mahape, Navi Mumbai – 400 710 to transact the following business:-

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2015 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. R.R.Bhinge (DIN No.00036557) who retires by rotation and is eligible for re-appointment.
3. To appointment of Statutory Auditors and fix their remuneration.
4. Director retire by rotation
To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution

RESOLVED THAT Mr.R.B.Upadhyay (DIN No.00112029) Director liable to retire by rotation, who does not offer himself for re-appointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up"

5. 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 No.00175563), who was appointed by the Board of Directors of the Company as an Additional Director with effect from 22nd April 2015 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."

6. 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 & other applicable provisions, if any, of the Companies Act, 2013 & the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs.75,000/- plus service tax and reimbursement of actual out of pocket expenses payable to P.D.Dani and 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 2015-16."

Notes:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the business as set out in Item 3,5 & 6 above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A 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.
3. The Register of Members and Transfer Books of the Company will remain closed from Monday, 24th August, 2015 to Friday, 28th August, 2015 both days inclusive.

By Order of Board of Directors


Uday Banerjee
Director

Navi Mumbai, 24th July 2015
CIN No.U67120MH1987PLC044351

Registered office:
EL-6, TTC Industrial Area,
MIDC Electronics Zone, Mahape,
Navi Mumbai – 400 710
Tel.91 22 67399100 Fax: 91 22 67398787
Email : services@nelco.in

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.4 to 6 of the accompanying Notice dated 24th July 2015.

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Item No.3

Mr. R.B.Upadhyay has been on the Board of the Company since 12th February 2008. Pursuant to Section 152 of the Companies Act 2013, Mr.Upadhyay retires by rotation at the forthcoming Annual General Meeting and eligible for reappointment. However, he has not offered himself for reappointment due to his other preoccupations. The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by Mr.Upadhyay during his tenure as a Director on the Board of the Company. The Board proposes that the vacancy caused by his retirement by rotation be not filled-up 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.3 of the accompanying Notice. The Board recommends the resolution for your approval.

Item No.5

Ms.Hema Hattangady was appointed as an Additional Director of the Company with effect from 22nd April 2015 by the Board of Directors under Section 161 of the Act and Article 129 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 his 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 Resolution at Item No.5 of the accompanying Notice. Ms.Hattangady is not related to any other Director of the Company.

Item Nos. 6

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. The Board of Directors has approved the appointment of P.D.Dani and Co.(PDD) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2015-16 at a remuneration of Rs.75,000/- plus service tax and actual out of pocket expenses.

PDD have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of cost records of the Company for the previous year under the provisions of the Companies Act, 2013.

The Board commends the resolution at item no.6 of the accompanying notice for ratification by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the resolution at item no.6 of accompanying notice.

By Order of the Board of Directors


Uday Banerjee
Director



Navi Mumbai, 24th July 2015
CIN No.U67120MH1987PLC044351

Registered office:
EL-6, TTC Industrial Area,
MIDC Electronics Zone, Mahape,
Navi Mumbai – 400 710
Tel.91 22 67399100 Fax: 91 22 67398787
Email : services@nelco.in

DIRECTORS' REPORT

To The Members,

The Directors are pleased to present the Twenty Eighth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2015.

1. FINANCIAL RESULTS (SUMMARIZED)

Figures Rs in '000

	FY15	FY14
(a) Net Service Income from Operations	5,08,214	4,62,639
(b) Operating Expenditure	4,81,435	3,95,976
(c) Operating Profit	26,779	66,663
(d) Add: Other Income	49	1,519
(e) Less: Finance Cost	23,614	25,118
(f) Profit before Depreciation and Tax	3,214	43,064
(g) Less: Depreciation / Amortisation / Impairment	41,889	29,519
(h) Profit before Tax	(38,675)	13,545
(i) Tax Expenses	0	5,200
(j) Net Profit / (Loss) after Tax	(38,675)	8,345

2. DIVIDEND

In view of the loss incurred during the year under review, the Board of Directors regrets their inability to recommend dividend for the financial year ended 31st March 2015

3. BUSINESS OVERVIEW

The Company is a leading VSAT Service Provider in the country catering to a large market segment. The Company has a major presence in the BFSI, Manufacturing and Oil & Gas sector.

The Company achieved growth of **9.85%** in revenue over the previous year. The Company set up a new hub at Dehradun (leased premises owned by Tata Communications Limited) which was operational from December 2014. New Space capacity of 36 MHz was procured from Antrix Corp. Ltd (Antrix). This additional capacity will boost the Company's revenue.

Opportunities:

The Company has continued its focus on the expansion in the Banking and Oil & Gas segments by targeting existing as well as new customers in the respective sectors. Additionally Company procured good orders from the Government & Enterprise segments. The Company is getting its fair share of business from the Banking Sector, which is the largest market for the VSAT industry in India and which has strong potentials for growth due to initiatives of the Govt. to increase the financial inclusion.

Threats:

The main threats for the VSAT industry come from availability of alternate technology at lower costs and scarcity of Satellite bandwidth coupled with high prices. The terrestrial Telecom industry could pose a threat to VSAT services if Telecom operators are able to roll out fibre infrastructure across remote locations of the country and offer reliable services at low costs. Considering the high capex, this threat may not be very pronounced for the next 3-4 years.



The fast evolving 3G and 4G services could also pose a threat for the VSAT industry, if the Telecom industry is able to obtain adequate spectrum in the appropriate frequencies and at competitive spectrum prices. However, in the current scenario, this is unlikely to be a major threat for the next 3-4 years.

Another major threat for the VSAT industry comes from the increasing prices of satellite transponder space, for which the industry is dependent only on one procurement agency – Antrix. In the past, the foreign satellite operators from whom Antrix procures capacities have increased or attempting to increase their prices.

4. DIRECTORS

Ms Hema Hattangady was appointed as an additional director with effect from 22nd April 2015. She holds office upto the forthcoming Annual General Meeting. A notice under section 160 of the companies Act, 2013 has been received from a Member signifying his intension to propose the appointment of Ms. Hattangady as a Director.

In accordance with the requirements of the Companies Act 2013, Mr. R.R.Bhinge retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

In accordance with the requirements of the Companies Act 2013, Mr. R.B. Upadhyay retires by rotation at the forthcoming Annual General Meeting and eligible for reappointment. However he has not offered himself for reappointment due to his other preoccupations.

Mr.R.B.Upadhyay has been on the Board of the Company since 12th February 2008. The Board places on record its appreciation and recognition of the valuable contribution and services rendered by Mr.Upadhyay during his tenure as a Director on the Board of the Company.

5. REGULATORY AND LEGAL

5.1. REGULATORY ENVIRONMENT

There is no change in the regulatory environment.

5.2. REGULATORY ORDERS OF RELEVANCE

There are no new tariff orders etc.

6. SUSTAINABILITY

6.1. SAFETY

The Company accords high priority to health, safety and environment, treating these as integral part of all its activities. The operations of the Company are not of a hazardous nature. However, the Company emphasizes on maintaining a healthy and safe environment in and around its facilities as well as contract sites where projects are under execution.

6.2. CARE FOR OUR ENVIRONMENT

Though the operations of the Company are not of hazardous nature, the Company shall take all necessary precautions to maintain healthy and safe environment in and around its facilities

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Annexure not attached as it is not applicable to the Company.
The Company has no exports.

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WBD

The foreign exchange earned during the period under review was **Nil**.
Total outgo of foreign currency was Rs. **30,970 (000')**

8. HUMAN RESOURCES

The Company maintained cordial industrial relations during the period under review.

9. CREDIT RATING

Total Bank Loan Facilities Rated: **Rs. 250 Million**
Long Term Rating: CRISIL A-/Negative (Reaffirmed)
Short Term Rating: CRISIL A2+ (Reaffirmed)

10. AUDITORS

M/s M. H Dalal & Associates, Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

11. COST AUDITOR AND COST AUDIT REPORT

In accordance with the requirement of the Central Government and pursuant to section 148 of the Companies Act 2013, the Company has carried out an audit of cost accounts for the year 2013-14 relating to its telecommunication business.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory and cost auditors and the reviews performed by Management the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

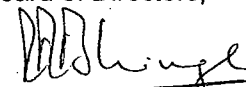
(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the support and assistance received from Customers, Business Associates, Bankers, Vendors and Regulatory & Governmental Authorities. The Board also acknowledges the continued support and guidance from Tata Group.

On behalf of the Board of Directors,



R.R. Bhinge
Chairman

Mumbai, 24th July 2015

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURNAS ON THE FINANCIAL YEAR ENDED ON
31ST MARCH 2015

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE
COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U67120MH1987PLC044351
ii.	Registration Date	12 th August 1987
iii.	Name of the Company	Tatanet Services Limited
iv.	Category / Sub-Category of the Company	Company Limited by share/ Indian Non Government - Company
v.	Address of the Registered office and contact details	MIDC, Plot No. EL-6, TTC Industrial Area, Electronic Zone, Mahape , Navi Mumbai - 400710
vi.	Whether listed Company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	VSAT Bandwidth Connectivity Service	5020	99.85%
2	Internet Services	5020	0.15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section(s)
1.	Nelco Limited MIDC, Plot No. EL-6, TTC Industrial Area, Electronic Zone, Mahape , Navi Mumbai - 400710	L32200MH1940PLC003164	Holding Company	100.00%	2(46) 2(87)




i. **Category-wise Share Holding**

[illegible]

(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	6000	6000	100.00	0	4900000	4900000	100.00	0

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Nelco Limited	5993	99.88	0	4899930	99.99	0	0.11
2.	Mr. M. Shah (Jointly With Nelco Ltd.)	1	0.02	0	10	0.01	0	-0.11
3.	Mr. P.J.Nath (Jointly With Nelco Ltd.)	1	0.02	0	10	0.00	0	0
4.	Mr. G.V. Kirkinde (Jointly With Nelco Ltd.)	1	0.02	0	10	0.00	0	0
5.	Mr. R.B. Upadhyay (Jointly With Nelco Ltd.)	1	0.02	0	10	0.00	0	0

for

BS