

73rd Annual Report

(2014-2016)





DEHRADUN HUB



READY TO GO-LIVE ON THE NEW HUB



INAUGURATION OF NEW EXT-C BAND HUB



MAHAPE NEW EXT-C BAND ANTENNA

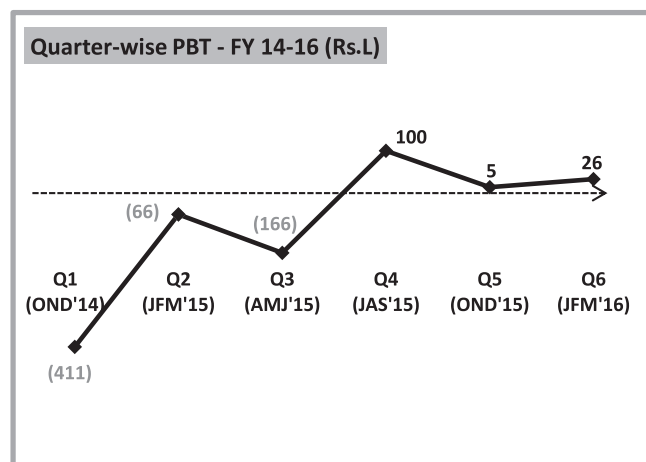
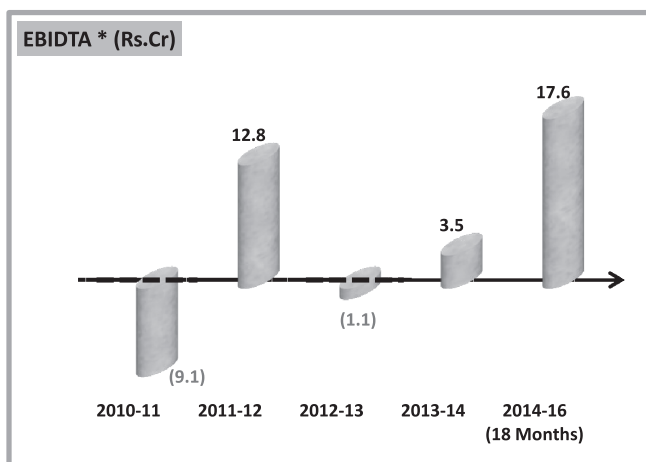
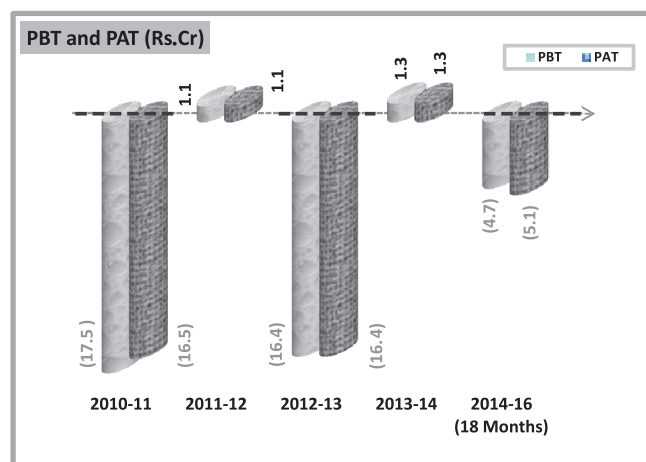
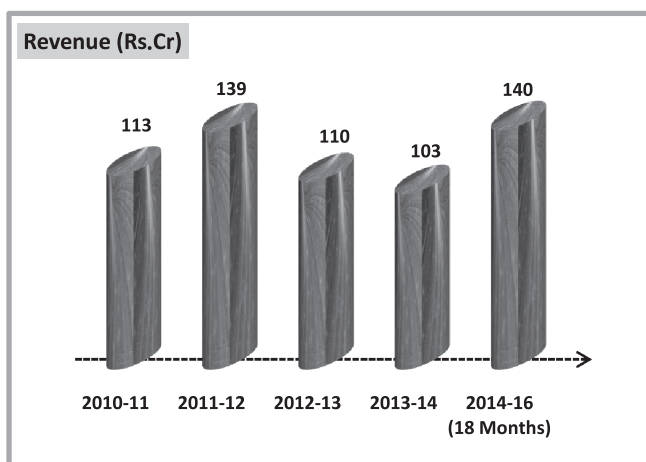


DEHRADUN KU BAND ANTENNA

CORPORATE INFORMATION (As on 31st May, 2016)

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

5 YEARS FINANCIAL HIGHLIGHTS - STANDALONE



* excluding exceptional income



SAVE TREES, SAVE THE EARTH

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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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73rd Annual General Meeting

Date : Monday, 25th July, 2016

Time : 3.00 p.m.

Venue : Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703

NOTICE

The SEVENTY THIRD ANNUAL GENERAL MEETING of NELCO LIMITED will be held on Monday, the 25th day of July, 2016 at 3.00 p.m. at Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 to transact the following business:-

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended 31st March 2016 together with the Report of the Auditors thereon.
3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED that Mr.R.R.Bhinge (DIN:00036557), who retires as a Director pursuant to the provisions of Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a Director of the Company.”

4. Ratification of appointment of Statutory Auditors and fixing their remuneration

To consider and, if thought fit, to pass with or without modification(s), 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 Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Seventy Fourth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company for the Financial Year 2016-17, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, be and is hereby ratified.”

5. Ratification of Cost Auditors' Remuneration for the financial year ended 31st March, 2016

To consider and, if thought fit, to pass with or without modification(s), 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 Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of Rs.2,25,000/- plus service tax and actual out-of-pocket expenses payable to M/s. P.D.Dani & Co., who were appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the period from 1st October, 2014 to 31st March, 2016 in respect of “Telecommunication (ISP) activities” and “Electronics Products.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Ratification of Cost Auditors' Remuneration – FY 2016-17

To consider and, if thought fit, to pass with or without modification(s), 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 Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of Rs.75,000/- plus service tax and actual out-of-pocket expenses payable to M/s. P.D.Dani & Associates, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2016-17 in respect of “Telecommunication (ISP) activities” and “Electronics Products.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the business as set out in Item Nos. 3 to 6 above and the relevant details of the Director seeking re-appointment/appointment under Item No 3 above as required by Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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 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 Tuesday, 12th July, 2016 to Thursday, 14th July 2016, 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 Participant (DP) for shares held in electronic form.
7. Consequent upon the amendment of Section 205A of the erstwhile 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. The Notice of the AGM along with the 73rd Annual Report 2014-16 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.
9. The route map showing directions to reach the venue of the Seventy-third AGM is annexed.
10. To support the 'Green Initiative', the Members holding shares in physical and/or electronic form and who have not registered their e-mail addresses are requested to register the same with TSRD/Depositories.

11. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting services. The facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. Members are provided with the facility for voting either through "e-voting" or "Polling Paper at the AGM and Members attending the meeting who have not already cast their vote by remote e-voting are eligible to exercise their right to vote at the meeting.
- III. Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- IV. The remote e-voting period commences on 22nd July 2016 (9.00 a.m. IST) and ends on 24th July 2016 (5.00 p.m. IST). Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th July 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- V. Process and manner for Members opting for remote e-voting are as under :

The instructions for remote 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. "Nelco e-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/PIN 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/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN 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) Select "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.
 - (xiii) You can similarly vote in respect of all other resolutions forming part of the Notice of the AGM. During the voting period, Members can log in any number of times till they have voted on all the resolutions.
 - (xiv) If you wish to log out after voting on few resolutions and continue voting for balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet cast the vote.
- 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 participants(s) or requesting physical copy.
- (i) Initial password is provided as below, at the bottom of the Attendance Slip for the AGM
- | | | |
|----------------------------|---------|----------|
| EVEN i.e. voting Event No. | User ID | Password |
|----------------------------|---------|----------|
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiv) above, to cast vote. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders which are available at the downloads section of www.evoting.nsdl.com or call on toll free no.1800-222-990.
- VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote. However, if you forget your password, you can reset your password by using "Forgot User details/Password" option available in www.evoting@nsdl.com or contact NSDL on toll free number 1800-222-990.
- VII. 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).

Other Instructions:

- (i) 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 cut off date 18th July 2016.
- (ii) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 18th July 2016, may obtain the login ID and Password by sending a request at evoting@nsdl.co.in or nelcoagm2016@tsrdarashaw.com.
- (iii) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting and voting through polling paper/e.voting at the meeting.
- (iv) Mr. Mitesh Dhabliwala, Company Secretary (FCS No. 8331) or failing him Ms. Sarvari Shah, Company Secretary (ACS No. 27572) of M/s. Parikh and Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner.
- (v) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "e.voting" or "Polling Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (vi) The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (vii) The Results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website viz. www.nelco.in and on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE Limited and The National Stock Exchange of India Limited.
- (viii) In case of grievances connected with facility for voting by electronic means, Members are requested to contact Mr. Amit Vishal, Senior Manager at amitv@nsdl.co.in or evoting@nsdl.co.in or on 022 2499 4360. Members may also write to him at NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

12. Updation of Members' Details

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/ Share Registers and Transfer Agents to record additional details of members, including their PAN details, email address, bank details for payment of dividend etc. Members holding their shares in physical form are requested to submit the said details to the Company or its Share Registrars and Transfer Agents. Members holding share in electronic form are requested to submit the details to their respective DPs.

By Order of the Board of Directors,

Girish V Kirkinde
Company Secretary

Navi Mumbai, 31st May, 2016
CIN: L32200MH1940PLC003164

Registered Office:
EL-6, 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

Pursuant to 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 6 of the accompanying Notice dated 31st May, 2016.

Item no. 3. At the 72nd Annual General Meeting (AGM) of the Company held on 28th January, 2015, the Members approved the appointment of Mr. R.R.Bhinge as Independent Director of the Company with effect from 28th January, 2015 to 27th January, 2020. However, Mr. R. R. Bhinge does not fulfill the criteria for Independent Director as laid down in the revised "Governance Guidelines for Tata Companies on Board Effectiveness" adopted by the Company at the Board meeting held on 18th March, 2015. Hence, effective from 18th March, 2015, his category/status as a Director has been changed from Independent Director to Non-Independent Director liable to retire by rotation. Accordingly, the resolution set out at item no. 3 of the accompanying notice is to seek the approval of the Members for reappointment of Mr. R.R.Bhinge as Director who retires by rotation at the ensuing AGM and is eligible for re-appointment.

Except Mr. R.R.Bhinge and his relatives, 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 No.:4 This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins & Sells LLP Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W/W-100018), were appointed as the statutory auditors of the Company at the Annual General Meeting (AGM) of the Company held on 28th January, 2015 for the period of three years.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the members is being sought for the proposal contained in the resolution set out at item No.4 of the accompanying notice. The Board commends the resolution at item no.4 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 is concerned or interested in the Resolution at Item No 4 of the accompanying Notice.

Item No.5: 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. At the 72nd Annual General Meeting held on 28th January 2015, the Members ratified the remuneration of Rs.1,50,000/- plus service tax and actual out-of-pocket expenses, of M/s. P.D.Dani & Co. (PDD) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2014-15 in respect of Telecommunication (ISP) activities and Electronics Products.

Since the Company's financial year has been extended by six months upto 31st March 2016, on the recommendation of the Audit Committee, the Board of Directors has also approved the extension of period for reappointment of M/s. P.D.Dani & Co. Cost Accountants as Cost Auditors of the Company upto 31st March 2016 with proportionate increase in remuneration aggregating to Rs. 2,25,000/- plus service tax and actual out-of-pocket expenses.

The Board commends the Resolution at Item No.5 of the accompanying Notice for ratification of the Cost Auditors' remuneration 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.5 of the accompanying Notice.

Item No.6: On the recommendation of the Audit Committee, the Board of Directors approved the appointment of M/s. P.D.Dani & Associates. (PDD) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2016-17 in respect of Telecommunication (ISP) activities and Electronics Products, at a remuneration of Rs.75,000/- plus service tax and actual out-of-pocket expenses.

PDD has furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. The Board commends the Resolution at Item No.6 of the accompanying Notice for ratification of the Cost Auditors' remuneration 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.6 of the accompanying Notice.

Navi Mumbai, 31st May 2016
CIN: L32200MH1940PLC003164

Registered Office:

EL-6, 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

By Order of the Board of Directors,

Girish V Kirkinde
Company Secretary