

31st July 2020

BSE Limited
Corporate Relationship Dept
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Fort,
Mumbai – 400 001

National Stock Exchange of India Limited
5th floor, Exchange Plaza, Plot No.C-1
Block "G" Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

BSE Code : 504112

NSE Code : Nelco EQ

Dear Sirs,

Sub: Outcome of Board Meeting
Unaudited Financial Results & Limited Review Report for the Quarter ended 30th June 2020

Further to our letter dated 15th July 2020, we are submitting: -

1. Unaudited Standalone Financial Results for the quarter ended 30th June 2020 along with the Limited Review Report by the Statutory Auditors.
2. Unaudited Consolidated Financial Results for the quarter ended 30th June 2020 along with the Limited Review Report by the Statutory Auditors.

Both the above have been approved by the Board of Directors at its meeting held on 31st July 2020 which commenced at 3.30 p.m. and concluded at 9.00 p.m.

The said Results along with the Unaudited Standalone Financial Results will be available on Company's website www.nelco.in

The Company will publish the Unaudited Consolidated Financial Results in the prescribed format.

Please take the aforesaid on record.

Thanking you

Yours faithfully,
NELCO Limited

Girish V. Kirkinde
Company Secretary & Head legal

Encl: As above.

Nelco Limited, EL-6, Electronics Zone, MIDC, Mahape,
Navi Mumbai - 400 710, India. Tel: +91 22 6791 8728, 6739 9100
Fax: +91 22 6791 8787 Web: www.nelco.in
CIN No.L32200MH1940PLC003164; Email ID:-services@nelco.in

NELCO LIMITED

REGD. OFFICE :- EL-6, TTC INDUSTRIAL AREA, MIDC, ELECTRONIC ZONE, MAHAPE, NAVI MUMBAI - 400 710, CIN: L32200MH1940PLC003164

Part-I

Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2020

Rs in Lakhs

| Sr.No. | Particulars | 3 Months ended | Preceding 3 | Corresponding 3 | Previous Year |
|-----------|---|----------------|----------------|-----------------|------------------|
| | | 30.06.2020 | Months ended | Months ended | ended 31.03.2020 |
| | | Unaudited | Unaudited | Unaudited | Audited |
| | | | (Refer note 7) | | |
| A | Continuing Operations | | | | |
| 1 | Income | | | | |
| | a) Income from Operations | 931 | 1,017 | 918 | 3,833 |
| | b) Other Income | 35 | 39 | 38 | 241 |
| | Total Income (a+b) | 966 | 1,056 | 956 | 4,074 |
| 2 | Expenses | | | | |
| | a) Employee Benefits Expense | 500 | 465 | 407 | 1,748 |
| | b) Finance Cost | 97 | 108 | 115 | 508 |
| | c) Depreciation and amortization expense | 15 | 25 | 13 | 72 |
| | d) Sub Contracting Expenses | 25 | 33 | 25 | 107 |
| | e) Other expenses | 212 | 283 | 291 | 1,092 |
| | Total Expenses | 849 | 914 | 851 | 3,527 |
| 3 | Profit before exceptional item and tax (1-2) | 117 | 142 | 105 | 547 |
| 4 | Exceptional Item (Refer note 3) | - | - | 564 | 564 |
| 5 | Profit before tax from continuing operations (3+4) | 117 | 142 | 669 | 1111 |
| 6 | Tax expense | | | | |
| | a) Current Tax | 10 | 13 | 67 | 144 |
| | b) Deferred Tax | 17 | (6) | 21 | 140 |
| 7 | Net Profit from Continuing Operations (5-6) | 90 | 135 | 581 | 827 |
| B | Discontinued Operations (Refer note 1) | | | | |
| 8 | Profit / (Loss) before tax from discontinued operations | -61 | 22 | 150 | 682 |
| 9 | Tax Expense of discontinued operations | - | (12) | 45 | 141 |
| 10 | Profit / (Loss) after tax from Discontinued Operations (8-9) | (61) | 34 | 105 | 541 |
| 11 | Net Profit for the period (7+10) | 29 | 169 | 686 | 1,368 |
| 12 | Other Comprehensive Income | | | | |
| | Items that will not be reclassified to Profit or Loss- Continuing Operations (net of tax) | (2) | (7) | (21) | (22) |
| | Items that will not be reclassified to Profit or Loss- Discontinued Operations (net of tax) | (5) | 1 | (13) | (9) |
| | Other Comprehensive Income | (7) | (6) | (34) | (31) |
| 13 | Total Comprehensive Income for the period (11+12) | 22 | 163 | 652 | 1,337 |
| 14 | Paid up equity share capital (face value Rs 10/- each) | 2,282 | 2,282 | 2,282 | 2,282 |
| 15 | Other Equity | | | | 2,854 |
| 16 | Earnings Per Share (Basic and Diluted) (Face Value Rs. 10/-each) (not annualised) | | | | |
| | From Continuing Operations | 0.39 | 0.59 | 2.55 | 3.63 |
| | From Discontinued Operations | -0.27 | 0.15 | 0.46 | 2.37 |
| | From Continuing and Discontinued Operations | 0.12 | 0.74 | 3.01 | 6.00 |
| 17 | Dividend Per Share (Par Value Rs 10 each) | | | | |
| | Final Dividend on Equity Shares (in Rs) | - | - | - | 1.50 |
| | Total Equity Dividend percentage (%) | - | - | - | 15 |



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Notes :-

- 1 The Company vide its letter dated September 1, 2017 informed the stock exchange about the approval of the Board of Directors to
- transfer by way of slump sale on a going concern basis, for a lump sum consideration to its wholly owned subsidiary, Nelco Network Products Ltd (NNPL) of the following :
 - Integrated Security and Surveillance Solution ('ISSS') business and
 - Very Small Aperture Terminals ("VSAT") hardware business and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers other than Tatanet Services Ltd (TNSL); and
 - the amalgamation of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed Scheme).

The Proposed Scheme has been approved by National Company Law Tribunal ('NCLT') on November 2, 2018 and approval from Department of Telecommunications (DoT) is awaited. Considering the management's intent to transfer the business as noted in (i) above, these businesses/ operations have been classified as discontinued operations in accordance with IND AS 105.

The financial parameters in respect of the activities attributable to the business referred to in (i) above are as follows :

| Particulars | Rs in Lakhs | | | |
|---|------------------------------|--|---|-----------------------------------|
| | 3 Months ended 30.06.2020 | Preceding 3 Months ended 31.03.2020 | Corresponding 3 Months ended 30.06.2019 | Previous Year ended 31.03.2020 |
| | Unaudited | Unaudited (Refer note 7) | Unaudited | Audited |
| Income from Operations including other income | 1,614 | 2,426 | 2,389 | 11,322 |
| Expenses | 1,675 | 2,404 | 2,239 | 10,640 |
| Profit/ (Loss) before Tax | (61) | 22 | 150 | 682 |
| Tax Expense | - | (12) | 45 | 141 |

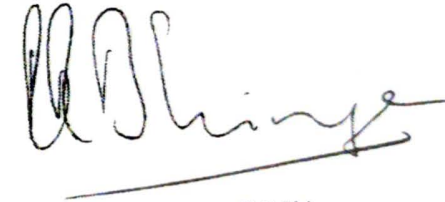
- 2 NCLT approved the Proposed Scheme on November 2, 2018. As per the NCLT Order, this Scheme is effective only on receiving the written approval from the Department of Telecommunications (DoT) for transfer of licenses. The NCLT Order required the Company to file the Order with the Registrar of Companies (RoC) within 30 days. Upon filing, RoC updated the records to reflect the Scheme as effective and TNSL as "amalgamated" even though DoT approval is awaited. Based on legal advice, the Company has approached NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the scheme with immediate effect. The decision of NCLT is awaited. Pending necessary approvals, the Scheme has not been given effect to in the financial results for the quarter ended June 30, 2020.
- 3 During the year ended March 31, 2020, the Company sold investments in Nelito Systems Limited (associate company), which was classified as assets held for sale in the previous year. The resultant gain on sale of investments has been disclosed as an exceptional item in the financial results of the quarter ended June 30, 2019 and year ended March 31, 2020.
- 4 The Company has considered the possible effects that may result from COVID-19 in the preparation of these interim financial results. The Company continued to provide VSAT related services, however the deployment of new VSATs has been minimal due to slow economic revival across various sectors and restrictions in movement. Based on the information available, the management has evaluated and considered the possible impact of the aforesaid situation on the business of the Company, including adjustment to the financial results. Considering the above and Company's current financial position there is no material uncertainty on the Company's ability to do business as a going concern and there are no impairment indicators for any of the assets of the company. The Company continues to monitor any material changes to future economic conditions and they may be different from the estimates made as on the date of the financial results.
- 5 As a part of transition to Goods Services Tax (GST) in June 2017, the Company carried forward the Cenvat/Service tax/Sales tax input credit balance of Rs 31 Lakhs as on June 30, 2020 for future set-off against GST payable. However, due to technical glitch on the GSTN portal, the Company could not file the Tran 1 Form within the prescribed period including the extended filing period. The Company filed a writ petition in the Hon'ble High Court of Bombay for allowing the carry forward of the input credit balances. However, vide its order dated March 20, 2020, the petition was dismissed and the claim of the Company was disallowed. In view of the multiple judgements by various High Courts in India on this matter which supports the Company's claim and based on the advice received from independent legal counsel, the Company expects to recover this input credit balance. The Company has filed Special Leave Petition in Hon'ble Supreme Court and which is expected to be admitted. In view of this, no provision has been made in the books of account against the recoverability of these balances.
- 6 Based on evaluation of key financial parameters, the Company believes that it operates in only one reportable segment i.e. Network Systems and accordingly the financial results are reported as single reportable segment.



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- 7 The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published year to date figures upto the third quarter ended December 31, 2019.
- 8 For the financial year ended March 31, 2020, the Board of Directors has recommended a final dividend of Rs.1.20 (12 %) per equity share. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- 9 The above results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 and have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2020.

For Nelco Limited



R.R. Bhinge
Chairman
DIN :- 00036557

Place :- Mumbai
Date :- July 31, 2020



Price Waterhouse Chartered Accountants LLP

To
The Board of Directors
Nelco Limited
EL-6, TTC Industrial Area
MIDC Electronic Zone, Mahape
Navi Mumbai – 400 710

1. We have reviewed the unaudited financial results of Nelco Limited (the "Company") for the quarter ended June 30, 2020, which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2019' (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to the following :
 - a. Note 2 to the Statement regarding composite scheme of arrangement between the Company, Tatanet Services Limited (TNSL) and Nelco Network Products Limited which was approved by the National Company Law Tribunal ("NCLT") vide its order dated November 2, 2018 (the "Scheme"). As per the NCLT Order, the Company intimated the Registrar of the Companies ("RoC") about the approval of the Scheme by NCLT, stating that Department of Telecommunications ("DoT") approval was not yet obtained. The RoC records were, however, updated to reflect the Scheme as effective and TNSL as "amalgamated" with the Company. Based on legal advice obtained by the Company, the Company has approached NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the Scheme with immediate effect. The decision of NCLT is awaited. The Scheme will be given effect to in the financial results on receipt of all necessary approvals.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)

Mumbai - 400 028

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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

- b. Note 4 to the Statement which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company and the adjustments made to these financial results. The management believes, in view of the various preventive measures taken (such as lock-down restrictions by the various state governments, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
- c. Note 5 to the Statement regarding the input tax credit balances under the Cenvat/Service tax/Sales tax considered fully recoverable by the management and no provision made against the same in the books based on the legal advice obtained and the special leave petition filed by the Company with the Hon'ble Supreme Court of India and which is expected to be admitted against the order passed by the Hon'ble High Court of Bombay disallowing the Company's claim to carry forward these balances on transition to Goods and Services Tax (GST) for future set-off against GST payable.

Our conclusion is not modified in respect of these matters.

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



Nehal Upadhyay
Partner

Membership Number: 115872
UDIN:20115872AAAADH7538

Mumbai
July 31, 2020

NELCO LIMITED

REGD. OFFICE :- EL-6, TTC INDUSTRIAL AREA, MIDC, ELECTRONIC ZONE, MAHAPE, NAVI MUMBAI - 400 710, CIN: L32200MH1940PLC003164

Part-I

Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2020

(Rs. In Lakhs)

| Sr.No. | Particulars | 3 Months ended | Preceding 3 Months | Corresponding 3 | Previous |
|-----------|--|----------------|--------------------|-----------------|---------------|
| | | 30.06.2020 | ended 31.03.2020 | Months ended | Year ended |
| | | Unaudited | Unaudited | Unaudited | Audited |
| | | | (Refer note 9) | | |
| 1 | Income | | | | |
| | a) Income from Operations | 4,952 | 6,123 | 4,876 | 21,993 |
| | b) Other Income | 80 | 46 | 34 | 259 |
| | Total Income (a+b) | 5,032 | 6,169 | 4,910 | 22,252 |
| 2 | Expenses | | | | |
| | a) Purchase of stock- in-trade | 425 | 505 | 949 | 3,374 |
| | b) Changes in Inventories of stock-in-trade | (210) | 175 | (347) | (263) |
| | c) Employee Benefits Expense | 891 | 853 | 832 | 3,361 |
| | d) Finance Cost | 294 | 367 | 303 | 1,323 |
| | e) Depreciation and amortization expense | 540 | 535 | 457 | 2,002 |
| | f) Transponder Charges | 1,446 | 1,377 | 867 | 4,241 |
| | g) Other expenses | 1,397 | 1,657 | 1,516 | 6,303 |
| | Total Expenses | 4,783 | 5,469 | 4,577 | 20,341 |
| 3 | Profit before exceptional item and tax (1-2) | 249 | 700 | 333 | 1,911 |
| 4 | Exceptional Item (Refer note 3) | - | - | 115 | 115 |
| 5 | Profit before tax (3+4) | 249 | 700 | 448 | 2,026 |
| 6 | Tax expense | | | | |
| | a) Current Tax | 56 | 158 | 132 | 499 |
| | b) Deferred Tax (net) | 9 | (40) | (22) | 89 |
| 7 | Net Profit for the period (5-6) | 184 | 582 | 338 | 1,438 |
| 8 | Other Comprehensive Income | | | | |
| | Items that will not be reclassified to Profit or Loss | | | | |
| | Remeasurement of post employment benefit obligations (net of tax) | (7) | (6) | (34) | (31) |
| 9 | Total Comprehensive Income for the period (7+8) | 177 | 576 | 304 | 1,407 |
| 10 | Paid up equity share capital (face value Rs.10/- each) | 2,282 | 2,282 | 2,282 | 2,282 |
| 11 | Other Equity | | | | 4,307 |
| 12 | Earnings Per Share (Basic and Diluted) (Face value Rs. 10/-each) (not annualised) | 0.81 | 2.55 | 1.48 | 6.30 |
| 13 | Dividend Per Share (Par Value Rs 10 each) | | | | |
| | Final Dividend on Equity Shares (in Rs) | - | - | - | 1.50 |
| | Total Equity Dividend percentage (%) | - | - | - | 15 |



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Notes :-

- 1 The Company vide its letter dated September 1, 2017 informed the stock exchange about the approval of the Board of Directors to
 - (i) transfer by way of slump sale on a going concern basis, for a lump sum consideration to its wholly owned subsidiary, Nelco Network Products Ltd (NNPL) of the following :
 - (a) Integrated Security and Surveillance Solution ('ISSS') business and
 - (b) Very Small Aperture Terminals ("VSAT") hardware business and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers other than Tatanet Services Ltd (TNSL); and
 - (ii) the amalgamation of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed Scheme). The Proposed Scheme has been approved by National Company Law Tribunal ('NCLT') on November 2, 2018 and approval from Department of Telecommunications (DoT) is awaited. Since, the above reorganisation is between the Company (holding company) and its two wholly owned subsidiaries, this has no implication on consolidated financial results of the Company along with its wholly owned subsidiaries.
- 2 NCLT approved the Proposed Scheme on November 2, 2018. As per the NCLT Order, this Scheme is effective only on receiving the written approval from the Department of Telecommunications (DoT) for transfer of licenses. The NCLT Order required the Company to file the Order with the Registrar of Companies (RoC) within 30 days. Upon filing, RoC updated the records to reflect the Scheme as effective and TNSL as "amalgamated" even though DoT approval is awaited. Based on legal advice, the Company has approached NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the scheme with immediate effect. The decision of NCLT is awaited. Pending necessary approvals, the Scheme has not been given effect to in the financial results for the quarter ended June 30, 2020.
- 3 During the year ended March 31, 2020, the Company sold investments in Nelito Systems Limited (associate company), which was classified as assets held for sale in the previous year. The resultant gain on sale of investments has been disclosed as an exceptional item in the financial results of quarter ended June 30, 2019 and year ended March 31, 2020.

| Standalone Financial details | 3 Months ended 30.06.2020 | Preceding 3 Months ended 31.03.2020 | Corresponding 3 Months ended 30.06.2019 | Previous Year ended 31.03.2020 |
|--|------------------------------|---|---|--------------------------------------|
| | Unaudited | Unaudited (Refer note 9) | Unaudited | Audited |
| Income from Continuing Operations | 931 | 1,017 | 918 | 3,833 |
| Profit before Tax- Continuing and Discontinued Operations | 56 | 164 | 819 | 1,793 |
| Profit after Tax- Continuing and Discontinued Operations | 29 | 169 | 686 | 1,368 |
| Total Comprehensive Income- Continuing and Discontinued Operations | 22 | 163 | 652 | 1,337 |

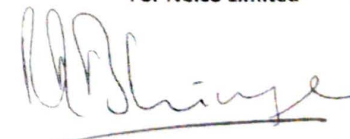
- 5 Based on evaluation of key financial parameters, the Company believes that it operates in only one reportable segment i.e. Network Systems and accordingly the financial results are reported as single reportable segment.



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- 6 The Company and its subsidiaries ("the Group") have considered the possible effects that may result from COVID-19 in the preparation of these interim financial results. The Group continued to provide VSAT connectivity and maintenance services and VSAT equipment on lease. However, the deployment of new VSATs has been minimal due to slow economic revival across various sectors and restrictions in movement. Based on the information available, the management has evaluated and considered the possible impact of the aforesaid situation on the business of the Group, including adjustment to the financial results. Considering the above and Group's current financial position there is no material uncertainty on the Group's ability to do business as a going concern and there are no impairment indicators for any of the assets of the Group. The Group continues to monitor any material changes to future economic conditions and they may be different from the estimates made as on the date of the financial results.
- 7 As a part of transition to Goods Services Tax (GST) in June 2017, the Company and its subsidiary carried forward the Cenvat/Service tax/Sales tax input credit balance for future set-off against GST payable aggregating to Rs. 116 Lakhs. However, due to technical glitch on the GSTN portal, the Company and its subsidiary could not file the Tran 1 Form within the prescribed period including the extended filing period. The Company and its subsidiary filed a writ petition in the Hon'ble High Court of Bombay for allowing the carry forward of the input credit balances. However, vide its order dated March 20, 2020, the petition was dismissed and the claim of the Company was disallowed. In view of the multiple judgements by various High Courts in India on this matter which supports the Company's claim and based on the advice received from independent legal counsel, the Company expects to recover this input credit balance. The Company has filed Special Leave Petition in Hon'ble Supreme Court and which is expected to be admitted. In view of this, no provision has been made in the books of account against the recoverability of these balances.
- 8 The Unaudited Standalone and Consolidated financial results for the quarter ended June 30, 2020, of the Company are available on the Company's website 'www.nelco.in', Bombay Stock Exchange's website "www.bseindia.com" and National Stock Exchange's website "www.nseindia.com" .
- 9 The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published year to date figures upto the third quarter ended December 31, 2019.
- 10 For the financial year ended March 31, 2020, the Board of Directors has recommended a final dividend of Rs. 1.20 (12%) per equity share. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- 11 The above results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 and have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2020.

For Nelco Limited



R.R. Bhinge

Chairman

DIN :- 00036557

Place :- Mumbai

Date :- July 31, 2020



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Price Waterhouse Chartered Accountants LLP

The Board of Directors
Nelco Limited
EL-6, TTC Industrial Area
MIDC Electronic Zone, Mahape
Navi Mumbai – 400 710

1. We have reviewed the unaudited consolidated financial results of Nelco Limited (the “Parent”), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the “Group”) for the quarter ended June 30, 2020 which are included in the accompanying ‘Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2020’ (the “Statement”). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Parent’s Management and has been approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following Subsidiaries: Tatanet Services Limited (TNSL) and Nelco Network Products Limited (NNPL).
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
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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

6. We draw your attention to the following :

- a. Note 2 to the Statement regarding composite scheme of arrangement between the Parent Company, Tatanet Services Limited (TNSL) and Nelco Network Products Limited which was approved by the National Company Law Tribunal ("NCLT") vide its order dated November 2, 2018 (the "Scheme"). As per the NCLT Order, the Company intimated the Registrar of the Companies ("RoC") about the approval of the Scheme by NCLT, stating that Department of Telecommunications ("DoT") approval was not yet obtained. The RoC records were, however, updated to reflect the Scheme as effective and TNSL as "amalgamated" with the Company. Based on legal advice obtained by the Company, the Company has approached NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the Scheme with immediate effect. The decision of NCLT is awaited. The Scheme will be given effect to in the financial results on receipt of all necessary approvals.
- b. Note 6 to the Statement which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Group and the adjustments made to these financial results. The management believes, in view of the various preventive measures taken (such as lock-down restrictions by the various state governments, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
- c. Note 7 to the Statement regarding the input tax credit balances under the Cenvat/Service tax/Sales tax considered fully recoverable by the management and no provision made against the same in the books based on the legal advice obtained and the special leave petition filed by the Holding Company with the Hon'ble Supreme Court of India and which is expected to be admitted against the order passed by the Hon'ble High Court of Bombay disallowing the Holding Company's claim to carry forward these balances on transition to Goods and Services Tax (GST) for future set-off against GST payable.

Our conclusion is not modified in respect of these matters.

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



Nehal Upadhayay
Partner

Membership Number: 115872
UDIN:20115872AAAADI6826

Mumbai
July 31, 2020