nelco

29th June 2012

Bombay Stock Exchange Ltd.
Corporate Relationship Dept
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Fort,
Mumbai – 400 001

Fax No.(022)22723121/2041

BSE : 504112

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

Fax No.2659 8237/38

NSE: Nelco EQ

Dear Sir,

Sub : Abstract under Section 302 of the Companies Act, 1956

Please find enclosed herewith the Abstract under Section 302 of the Companies Act, 1956 which has been sent to the members of the Company regarding reappointment of Mr. P. J. Nath as Executive Director & Chief Executive Officer for a period of three years with effect from 13th June 2012 to 12th June 2015

Thanking you,

Yours faithfully
For Nelco Limited

Girish V. Kirkinde
Company Secretary

Encl: As above.

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NELCO Limited

To
The Members of
NELCO Ltd.

ABSTRACT UNDER SECTION 302 OF THE COMPANIES ACT, 1956

The Board of Directors of the Company (the Board) appointed Mr. P.J.Nath as an Additional Director and designated as "Executive Director & Chief Executive Officer of the Company for a period of 3 (three) years from 13th June, 2012 to 12th June, 2015.

Mr. Nath, aged 50 years joined the Company as Chief Executive Officer from 23rd February, 2011. Mr.Nath is a graduate from BITS Pilani in Master of Management Studies (MMS). He has over 25 years of rich experience in the Enterprise market in reputed IT & Telecom services companies – ICIM, Wipro, Tata Communications (VSNL) and Sify. His varied experience comprise of dealing with Private and Govt. sector enterprises, working in start-up as also well established organizations, creating/developing new business lines as well as handling large and profit center responsibilities. He has been in leadership roles for the last 14 years across different organizations. Before joining the Company he was with Sify Technologies Ltd., (a NASDAQ Listed Company mainly focused in IT, SI and Telecom Services in Indian market) as an Executive President – Enterprise Business, heading all the business lines for the Enterprise segment.

On the recommendation of the Nominations, HR & Remuneration Committee, the Board, vide Resolution passed on 11th June, 2012 approved the terms and conditions of the appointment of Mr. Nath as Executive Director & Chief Executive Officer, subject to the approval of the shareholders at the next General Meeting.

As required under Section 302 of the Companies Act, 1956 (the Act), an abstract of the main terms and conditions of the appointment of Mr. Nath as Executive Director & Chief Executive Officer together with the memorandum of concern or interest, is given below:

1. **Tenure of Agreement:**
For a period of 3 years commencing from 13th June, 2012 to 12th June, 2015.

2. **Nature of Duties:**
(a) Mr. Nath shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

(b) Mr. Nath shall not exceed the powers so delegated by the Board pursuant to clause 2(a) above.

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(c) Mr. Nath undertakes to employ the best of his skill and ability to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

3. (a) **Remuneration:**

i) Basic salary upto a maximum of Rs.5,00,000/- per month. The next annual increment will be effective 1st October, 2012 or such other date as may be decided by the Board, based on merit and taking into account the Company's performance;
ii) benefits, perquisites and allowances, as may be determined by the Board;
iii) Performance Linked Payment from time to time based on certain performance criteria, Company's performance and such other factors as may be determined by the Board;

(b) **Minimum Remuneration** : Where in any financial year during the currency of the tenure of Mr.Nath, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Nath remuneration by way of Salary, Benefits, Perquisites and Allowances and Performance Linked Payment, as specified above.

4. All Personnel Policies of the Company and the related Rules, which are applicable to other employees of the Company, shall also be applicable to Mr. Nath , unless specifically provided otherwise.

5. The terms and conditions of appointment of Mr. Nath also include clauses pertaining to adherence with the Tata Code of Conduct, intellectual property, non-competition, no conflict of interest with the Company and maintenance of confidentiality.

6. Mr. Nath shall not become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.

7. The terms and conditions of the appointment of Mr. Nath may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and Mr. Nath subject to such approvals as may be required.

8. This appointment may be terminated by giving six months' notice on either side or the Company paying six months' remuneration in lieu of such notice.

9. The employment of Mr. Nath may be terminated by the Company without notice or payment in lieu of notice:

(a) if Mr. Nath is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

(b) in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by Mr. Nath of any of the stipulations contained in the Agreement to be executed between the Company and Mr. Nath; or

(c) in the event the Board expresses its loss of confidence in Mr. Nath.

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10. In the event Mr. Nath is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

11. Upon the termination by whatever means of Mr. Nath's employment:

(a) Mr. Nath shall immediately tender his resignation from office as a Director of the Company and from such other offices held by him in any subsidiaries and associated companies and other entities without claim for compensation for loss of office and in the event of his failure to do so the Company is hereby irrevocably authorized to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies of which Mr. Nath is at the material time a Director or other officer;

(b) Mr. Nath shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associated companies.

12. Mr. Nath's appointment is by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1) (l) of the Act.

13. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Nath will cease to be the Executive Director & Chief Executive Officer and also cease to be a Director. If at any time, Mr. Nath ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director & Chief Executive Officer and the Agreement shall forthwith terminate. If at any time, Mr. Nath ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director & Chief Executive Officer of the Company.

14. Mr. Nath will also enjoy all benefits of continuity with regard to Gratuity and other benefits.

MEMORANDUM OF CONCERN OR INTEREST

Mr. Nath is concerned or interested in the terms and conditions mentioned above.

By Order of the Board,
Girish V. Kirkinde
Company Secretary

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

Navi Mumbai, 11th June, 2012

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