nelco

21st June 2018

BSE Limited Corporate Relationship Dept. 1st. Floor, New Trading Ring Rotunda Building, P. J. Towers, Fort Fort, Mumbai – 400 001 Fax No.(022)22723121/2041 BSE:504112	National Stock Exchange of India Limited 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 Sirs,

Sub: Notice of the 75th Annual General Meeting of the Company for the Financial Year 2017-18 as required under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 attached herewith is the Notice of the 75th Annual General Meeting (AGM) of the Company along with the Attendance Slip and Proxy Form forming part of the Annual Report 2017-18. The AGM is scheduled on Friday, 20th July 2018 at 3.30 p.m. at Ebony Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400703.

The entire Annual Report is available on the following link:
http://nelco.in/pdf/Annual-Reports/NELCO-Limited/AnnualReport-2017-18.pdf

Please take the same on record.

Thanking you,

Yours faithfully
For Nelco Limited

NELCO LIMITED NAVI MUMBAI

Girish V.Kirkinde
Company Secretary & Head - Legal

Encl:As above.

NOTICE

The SEVENTY FIFTH ANNUAL GENERAL MEETING of NELCO LIMITED will be held on Friday, the 20th day of July, 2018 at 3.30 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:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018 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, 2018 together with the Report of the Auditors thereon.

3. To appoint a Director in place of Mr. R.R. Bhinge (DIN 00036557) who retires by rotation and, being eligible, offers himself for Re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment of Mr. P. J. Nath as Managing Director & CEO**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. P.J.Nath (DIN: 05118177) as the Managing Director & Chief Executive Officer of the Company for the period of 3 years commencing from 13th June 2018 to 12th June 2021, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Nath.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and 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 No.4 above and the relevant details of the Directors seeking re-appointment under Item No.3 & 4 above as required by Regulations 26(4) and 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, 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 on their behalf at the Meeting.

4. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance slip enclosed herewith to attend the AGM

5. 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.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 11th July 2018 to Friday, 13th July 2018 (both days inclusive).

7. Members are requested to notify immediately any change in their addresses, email addresses, telephone/mobile numbers, Permanent Account Number (PAN), Nominations, Power of Attorney, and/or the Bank Mandate details to their DPs in case the share are held in electronic form and to Company's Registrars and Share Transfer Agents, TSR Darashaw Limited (TSRDL) in case the shares are held in physical form.

8. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management.

9. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

10. Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details of unclaimed dividend and shares transferred to IEPF please refer to Company's website viz. www.nelco.in.

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

11. The Notice of the AGM along with the Seventy Fifth Annual Report 2017-18 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. Members may note that the Notice and Annual Report 2017-18 will also be available on the Company's website viz. www.nelco.in

12. The route map showing directions to reach the venue of the Seventy Fifth AGM is annexed.

13. To support the 'Green Initiative', the Members who have not registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TSRDL in case the shares are held by them in physical form

14 Voting through electronic means

I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), 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 the resolutions set forth in this Notice.

II. Members are provided with the facility for voting through "tablet based voting" 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 17th July 2018 (9.00 a.m. IST) and ends on 19th July 2018 (5.00 p.m. IST). Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 13th July 2018, 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:

The process and manner to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nelco.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. 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 download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

4. 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 13th July 2018. 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 electronic voting system or polling paper at the meeting.

(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. 13th July 2018, may obtain the login ID and Password by sending a request at evoting@nsdl.co.in or nelcoagm2018@tsrdarashaw.com.

(iii) Mr. P.N. Parikh, Company Secretary (FCS No. 327) or failing him Mr. Mitesh Dhabliwala, Company Secretary (FCS No. 8331) 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.

(iv) 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 "tablet based voting" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

(v) 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.

(vii) The results declared along with the Scrutinizer's Report, shall be placed on the Company's website viz. www.nelco.in and on the website of NSDL immediately. The Company shall simultaneously forward the result to 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.

By Order of the Board of Directors

Girish V Kirkinde
Company Secretary & Head - Legal

Navi Mumbai, 31st May 2018

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
CIN: L32200MH1940PLC003164

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 No.4 of the accompanying Notice dated 31st May 2018.

Item No. 4.

Mr. P. J. Nath was earlier re-appointed by the Board as Executive Director & CEO of the Company for the period commencing from 13th June 2015 to 12th June 2018. The Members also approved his reappointment by passing special resolution through postal ballot on 2nd September, 2015. He was re-designated as Managing Director & CEO effective from 1st June 2017.

Based on the recommendation made by the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 31st May 2018, passed a resolution for re-appointment of Mr. Nath as Managing Director & CEO of the Company for a period of 3 years commencing from 13th June 2018 to 12th June 2021, subject to approval of the Members.

Mr. Nath, aged 56 years, joined the Company on 21st February 2011, as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13th June 2012. Mr. Nath is a professional having a graduate level qualification with expert and specialized knowledge in the field of his profession. He has a Master of Management Studies (MMS) degree from BITS Pilani. He has over 30 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 20 years he has been in leadership roles . His varied experience over such long period has resulted into a wide and deep understanding of all the aspects of business. This enables him to drive operational excellence and strategic growth in the organization and deliver effectively across the breadth of responsibilities.

One of the key objectives of appointing Mr. Nath was to lead the restructuring of the Company and to change the direction towards the businesses which are growth oriented and profitable. The Company was making losses when he joined in the year 2011. While the Company made marginal profits in the previous three financial years, and the general health of the organization was improving, the substantial profitability has not been reflected due to losses of the earlier years. A complete turnaround of performance has been reflected for FY 2017-18 as the Company earned Operating PBT of ₹1151 lakhs on standalone basis and ₹ 1522 lakhs on Consolidated basis being the highest in preceding 15 years.

As the MD & CEO, he is responsible for managing the day-to-day business affairs of the Company. This includes formulation & implementation of strategic business plans, brand strategy, implementation of organization structure, ramping up visibility of the Company with the external customers and partners, establishing strong business & operational processes and overseeing various compliances.

Under the leadership of Mr. Nath, the Company and its wholly owned subsidiary, Tatanet Services Ltd. achieved continuous improvement in operating parameters and registered robust operating performance year on year especially in past 3 years which has reflected in improved operating profits. His sustained and focused efforts on improving operational performance, building relationships with key stakeholders and improving internal processes have led to achieving of financial performance goals. He has actively led the regulatory and advocacy efforts to ensure smooth working of business operations with Government, Regulators, Customers and other key stakeholders to overcome challenges and hurdles. He guided the setting up of new VSAT hub at Dehradun and an additional hub in Mahape by Tatanet Services Ltd.

The principal terms and conditions of Mr. Nath's reappointment as Managing Director & Chief Executive Officer (hereinafter referred to as 'Mr. Nath' or the 'Managing Director and CEO') and the main clauses of the agreement to be executed between the Company and Mr. Nath are as follows:

1. **Term and Termination:**

   1.1 From 13th June 2018 to 12th June 2021.

   1.2 The Agreement may be terminated earlier, without any cause, by Mr. Nath or the Company by giving six months' notice of such termination to the other party or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

2. **Duties and Powers:**

   2.1 The Managing Director & CEO shall devote his whole time and attention to the business of the Company and perform 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 the 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 one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the Managing Director & CEO 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.

2.2 The Managing Director & CEO shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.

2.3 The Managing Director & CEO undertakes to employ the best of his skill and ability and to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

2.4 Mr. Nath shall undertake his duties from such location as may be directed by the Board.

3. Remuneration:

3.1 So long as the Managing Director & CEO performs his duties and conforms to the terms and conditions contained in the Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force.

a) Salary: Basic Salary ₹ 4,77,400 per month upto a maximum of ₹ 8,00,000 per month, with authority to the Board to fix his salary within the said maximum amount from time to time. The annual increments which will be effective 1st April each year, will be decided by the Board based on recommendation of the NRC and will be merit-based and take into account the Company's performance as well.

b) Benefits, Perquisites, Allowances:

In addition to the Salary referred to in (a) above, Managing Director & CEO shall be entitled to:

(i) House Rent, House Maintenance and Utility Allowances aggregating 85% of basic Salary per annum.

(ii) Reimbursement of hospitalisation and major medical expenses incurred as per Company Rules including Mediclaim insurance premium for coverage of Rs 12 lakhs (floater coverage).

(iii) a car alongwith driver for official and personal uses with reimbursement of fuel charges and maintenance costs at actual. The value of the car to be provided shall not be exceed ₹ 20.00 lakhs (ex.showroom)

or

In case he opt to use his own car, he will be entitled for fixed allowance of ₹ 41,720/- (for use of his own car) and ₹ 40,800/- (for fuel and maintenance). The driver will be provided by the Company.

(iv) Telecommunication facility as per Rules of the Company.

(v) Other perquisites and allowances given below subject to a maximum of 55% of basic Salary per annum. This includes:

a. Medical allowance – 8.33%

b. Leave Travel Concession/Allowance – 8.33%

c. Meal vouchers and Other Allowances -33.34%

d. Personal Accident Insurance Premium } @ actual subject

e. Annual club membership fees } to a cap of 5%

(vi) Contribution to Provident Fund and Gratuity as per the Rules of the Company.

(vii) The MD & CEO shall be entitled to leave in accordance with Rules of the Company. The carry forward and encashment of leave earned but not availed by MD & CEO would be in accordance with the Rules of the Company.

c) Performance Linked Payment (PLP):

In addition to the Basic Salary, Benefits, Perquisites & Allowances, Mr. Nath will be paid annually such remuneration by way of performance linked payment not exceeding 200% of annual Basic Salary based on certain performance criteria and such other parameters as may be considered appropriate by the Board from time to time.

An indicative list of factors that may be considered for determination of the extent of Performance linked payment by the Board (as recommended by the NRC) are:

- The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time.
- Industry benchmarks of remuneration.
- Performance of the individual.

3.2 Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits, or its profits are inadequate, the Company will pay to the Managing Director & CEO remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

3.3 Insurance: The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire Term, subject to the terms of such policy in force from time to time.

4. The terms and conditions of the appointment of the Managing Director & CEO and/or the Agreement 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 V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.

5. The Managing Director & CEO, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

6. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.

7. The employment of the Managing Director and CEO may be terminated by the Company without notice or payment in lieu of notice:

   a. if the Managing Director and CEO 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 warning) or non-observance by the Managing Director & CEO of any of the stipulations contained in the Agreement; or

   c. in the event the Board expresses its loss of confidence in the Managing Director & CEO.

8. In the event the Managing Director & CEO is not able 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.

9. Upon the termination by whatever means of his employment under the Agreement:

   a. the Managing Director & CEO shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company;

   b. the Managing Director & CEO shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

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

11. The terms and conditions of the appointment of the Managing Director & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, maintenance of confidentiality, non-competition and non-solicitation.

12. Remuneration paid/payable to the Managing Director & CEO for FY 2018-19 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them.

The Directors are of the view that the reappointment of Mr. Nath as Managing Director & CEO will be beneficial to the functioning and future growth opportunities of the Company. The remuneration payable to him is commensurate with his abilities and experience and, accordingly, commend the Special Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Other than Mr. Nath, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.4 of the accompanying Notice. Mr. Nath is not related to any other Director or KMP of the Company.

Information pursuant to Schedule V of the Act.

I. General Information:

1. Nature of Industry: Electronics and Telecommunications (ISP) activities.

2. Date of /expected date of commencement of commercial production:

   The Company was incorporated on 31st August, 1940 and started commercial production immediately.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus: Not applicable.

4. Financial performance based on given indicators:

(₹ in lakhs)

Particulars	**For the year ended 31st March, 2018**	**For the year ended 31st March, 2017**
Consolidated Revenue from Operations (Gross)	14,961	14,367
Standalone Revenue from Operations (Gross)	3,190**	2,569**
Consolidated Profit/ (Loss) for the period	1,211	628
Standalone Profit/(Loss) for the period	977	667
Profit/Loss pursuant to Section 198 of the Companies Act, 2013.	(11,686)	(12,809)

**Continuing operation

The Company earned profits during FY 2016-17 and FY 2017-18 as well as consistently in all the preceding eight quarters, as shown below:

(₹ in lakhs)

Profit After Tax (PAT)	Quarter Ended Jun'16	Quarter Ended Sep'16	Quarter Ended Dec'16	Quarter Ended Mar'17	Quarter Ended Jun '17	Quarter Ended Sep'17	Quarter Ended Dec'17	Quarter Ended Mar'18
Standalone	154	101	162	250	161	249	278	289
Consolidated	179	122	229	98	199	285	343	384

5. Foreign investments or collaborators, if any:

   The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors mainly comprise of investors in the Company because of past issuances of shares and secondary market purchase.

II. Information about the Appointee:

1. Background details

Mr. Nath, aged 56 years, joined the Company on 21st February 2011 as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13th June 2012. and subsequently as Managing Director & CEO effective 1st June 2017. Mr. Nath is a professional having a graduate level qualification with expert and specialized knowledge in the field of his profession. He has a Master of Management Studies (MMS) degree from BITS Pilani. He has over 30 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 20 years have been in leadership roles in the various companies that he has worked for. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.

2. Past Remuneration

(₹ in lakhs)

Particulars	**FY 2017-18 (₹)**	**FY 2016-17 (₹)**
Basic Salary	52.80	38.12
Perquisites & Allowance	79.10	48.62
Retirals (PF + Gratuity)	8.87	6.68
Performance Linked Payment	36.04	-
Total	176.81	93.42

Contribution to Provident Fund, Gratuity as per the Rules of the Company.

Leave and encashment of un-availed leave as per the Rules of the Company.

3. Recognition and Awards

In his previous organizations, Mr. Nath, on multiple occasions has received many recognitions and appreciations for building up new businesses as well as turning around existing businesses.

4. Job Profile and his suitability

Taking into consideration the size of the Company, the complex nature of its operations, the strategic and operational restructuring and transformation required and Mr. Nath's broad functional and general management skills, his rich experience of over 30 years in growing organizations and developing new markets, the Board reappointed Mr. Nath effective from 13th June 2018. Also, as a Director, he is nominated on the Board of Company's wholly owned Subsidiaries and Associate Company.

5. Remuneration proposed

Please refer to the principal terms of remuneration as mentioned herein above of this Notice. In monetary terms the proposed remuneration for tenure from 13th June 2018 to 12th June 2021 is given hereunder:

Particulars	13th June 2018 to 12th June 2019 (₹)	13th June 2019 to 12th June 2020 (₹)	13th June 2020 to 12th June 2021 (₹)
Basic Salary	57.29	4,77,400 (per month) + Increment*	
Perquisites & Allowance including car	90.11	140% of Basic Salary	
Retirals (PF + Gratuity)	9.63	16.81% of Basic Salary	
Performance Linked Payment	114.57	Upto 200% of Basic Salary#	
Total	271.60		

Assumed at maximum level of 200% of basic salary.

* Actual Basic salary would be decided by the Board subject to performance and within the said maximum Basic salary of ₹ 8,00,000 /- per month. The remaining salary components are a function of the Basic salary as given above. The Company's annual increment cycle is currently applicable from 1st April to 31st March.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Considering the industry in which the Company operates, the size of the business as well as the profile of Mr. Nath and the responsibilities shouldered by him, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other companies in the industry.

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Mr. Nath has joined the Company in a professional capacity and meets the criteria of a professional director with appropriate qualifications, does not hold any securities of the Company and is not related to the promoters or any director of the Company. Besides the remuneration paid/payable to Mr. Nath, he does not have any other pecuniary relationship with the Company or with the managerial personnel of the Company.

III. Other information

1. Reasons for inadequate profits in earlier years:

The Company made loss of ₹ 512 lakhs in the 18 months period of year 2014-16 majorly on account of losses during the first 3 quarters of the year. These losses were incurred in certain business segments which the Company is now operating in a tapered down mode. The Networking segment of the Company has been steadily and continuously growing and making profits. Also, since Sep'15 quarter onwards the Company has been making profits on quarter on quarter basis. The loss in the past was due to some of the specific business lines having inherent challenges due to market conditions. In earlier years, the Company was more severely impacted in view of certain sectors performing more adversely, which impacted segments in which the Company had larger volumes and profits.

2. Steps taken by the Company to improve performance:

The Company has divested some of the loss-making business undertakings and tapered off the others to reduce the losses. While such important steps have been taken, it takes time to cut all the losses due to the residual impact of doing such businesses for many years in the past and fulfilling long term contractual obligations with the customers.

Under the leadership of Mr. Nath, the Company is continuously evaluating its business lines and is now focussing in building its strong position in the profitable businesses like the VSAT Services using Satellite communication and will pursue further synergistic opportunities in related areas. In the short to medium term the Company has started investing in expansion of its infrastructure for the VSAT services business. The Company is planning to create new market opportunities for the VSAT services, where the satellite communication has major advantages. The Company has significantly augmented its satellite transponder capacities which will continue to give further boost to the revenue and profitability. In the medium term and long run, the profits of the company are expected to increase further significantly, as the services revenue component grows on the strength of the additional capacities created.

The Company is concentrating more on the core competence areas in satellite communication, improving customer focus and marketing, increasing productivity and process improvements, enlarging subscription base into related customer segments and deeper geographies, efforts to reduce debts through improved Networking Capital Management, addressing the adjacent markets through alliances and expansion of products and services. Mr. Nath alongwith the Senior Management Team is in the process of leading the Company in a major strategic and operational transformation for significant and sustained improvement in the overall business and financial performance. This transformation initiative under his leadership will comprehensively cover all areas of operations in the Company like Company strategy, service chain, employee and managerial productivity, cost reduction & efficiency improvements, improved effectiveness in sales & marketing and customer satisfaction /relationships and breakthrough improvements in achieving best quality standards. The Company has earned improved profits in the financial years 2016-17 and 2017-18. The overall financial performance in 2017-18 has been particularly very encouraging. Considering these, the medium to long term prospects of the Company are quite promising.

3. Expected increase in productivity and profits in measurable terms:

With more improved and additional services in multiple segments and geographies which are in the pipeline and the number of initiatives/actions underway, the Company expects to significantly step up its operating and financial performance in the next few quarters and in the coming financial years. It is difficult to predict the increase in revenue and profit of the Company for future years as in the short and medium term the business plans envisage making investments to grow scale and not just profitability. Moreover, there are external dependencies on regulatory changes by the Govt., which are difficult to predict accurately in terms of time lines.

The NRC currently comprising of three independent directors [viz. Mr. K.Ramachandran (as Chairman of the Committee), Mr. K.Raghuraman, and Ms. Hema Hattangady], Mr. R.R.Bhinge (Non-Executive Chairman of the Board) and Mr. S. Ramakrishnan (Non-Executive-Non-Independent Director) reviews and recommends the revision in the remuneration on a yearly basis. This review is based on the Balance Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, revenue, EBITDA, cash flows, customer satisfaction, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-à-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent HR agencies on comparative industry remuneration and practices. The decisions taken at the NRC and the Board are within the broad framework of remuneration as approved by the Members.

The Company remains committed to pursue the long-term interest of all stakeholders, including the Company's Members and employees. To be able to achieve these objectives it is necessary to recruit and retain proven high calibre management team on a sustainable basis. This requires that the Company's leadership and talent base are appropriately remunerated, notwithstanding cyclical phases. This is particularly important when the Company has ongoing significant turnaround and growth strategies under execution.

Except Mr. Nath and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the aforesaid resolution.

By Order of the Board of Directors

Girish V Kirkinde
Company Secretary & Head - Legal

Navi Mumbai, 31st May 2018

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
CIN: L32200MH1940PLC003164

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

Landmark:
Near Inorbit Mall, Vashi,

Distance:
from Vashi Railway Station: 650 meters

Details of the Director seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulations 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 on General Meetings.

Name of the Director	Mr. R.R.Bhinge	Mr. P.J.Nath
Date of Birth	29th May 1952	1st February 1962
Date of Appointment	29th August 2003	13th June 2012
Expertise in Specific Functional Area.	He has over 43 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. He involved in all consultancy assignments undertaken in various industries by Tata Strategic Management Group (TSMG) since 1991. He retired as Executive Director of Tata Industries Ltd.	He has over 30 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 20 years have been in leadership roles in the various companies that he has worked for. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.
Qualifications	B.Tech.Hons.(Electrical) from IIT, Mumbai. Post Graduation in Business Administration from IIM.	Graduate from BITS Pilani in Master of Management Studies (MMS)
Relationship between Directors inter se	Mr. Bhinge is not related to any other Directors of the Company.	Mr. Nath is not related to any other Directors of the Company.
Directorship held in other Companies (excluding Foreign Companies)	• Infiniti Retail Ltd. • Tatanet Services Ltd. • Nelco Network Products Ltd. • Mahindra Consulting Engineers Ltd. • Tata Foundation (Registeed under Section 25 of the Companies Act, 1956).	• Tatanet Services Ltd. • Nelco Network Products Ltd. • Nelito Systems Ltd.
Committee positions held in other Companies	**Audit Committee** Member : Infiniti Retail Ltd. **Nomination & Remuneration Committee** Member : Infiniti Retail Ltd. **Corporate Social Responsibility Committee** Chairman : Infiniti Retail Ltd. **Executive Committee** Chairman: Infiniti Retail Ltd	None
Remuneration	Except sitting fees for attending the meetings of Board and Committees as mentioned in Report on Corporate Governance, no other remuneration is paid.	As mentioned in the Explanatory Statement to the Notice dated 31st May 2018 and also in Report on Corporate Governance.
No. of meetings of Board attended during the year	10	10
No. of shares held (a) Own (b) For other persons on a beneficial basis	 NIL NIL	 NIL NIL

NELCO LIMITED

CIN No. L32200MH1940PLC003164
Regd. Office: MIDC Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710
Tel: 91 22 67399100 **Fax:** 91 22 6739877, **Email:** services@nelco.in **Website:** www.nelco.in

ATTENDANCE SLIP

75th Annual General Meeting on Friday, 20th July, 2018 at 3.30 p.m.
at Ebony, Hotel Regenza By Tunga, Ground floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703

Folio No. ..... DP ID No.* ..... & Client ID No.* .....

Name of the Member ..... Signature .....

Name of the Proxy Holder ..... Signature .....

1. Only Member/ Proxy Holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for referenace at the Meeting

nelco
unlock potential

NELCO LIMITED

CIN No. L32200MH1940PLC003164
Regd. Office: MIDC Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710
Tel: 91 22 67399100 **Fax:** 91 22 6739877, **Email:** services@nelco.in **Website:** www.nelco.in

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]
Name of the Company : **NELCO Limited,**
Registered Office: MIDC Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710

Name of the member(s) : ..... Email ID: .....
Registered address : .....
.....
Folio No/Client ID: .....

I/We being the member(s) of _____ Shares of Nelco Limited, hereby appoint :

1. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: ..... or failing him
2. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: ..... or failing him
3. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 75th Annual General Meeting of the Company to be held on Friday, 20th July, 2018 at 3.30 p.m. at Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703 and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

Resolution No.	Description of Resolution	For	Against
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2018 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 March 31, 2018 together with the Report of the Auditors thereon.		
3	To appoint a Director in place of Mr. R.R. Bhinge (DIN 00036557) who retires by rotation and, being eligible, offers himself for Re-appointment.		
4	Re-appointment of Mr. P. J. Nath as Managing Director & CEO.		

Signed this ..... day of ....., 2018

Affix Rupee One Revenue Stamp

Signature of the shareholder : .....

Signature of Proxy holder(s) : .....

Note:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710, not less than 48 hours before the commencement of the Meeting.
2. Members are requested to Select by placing a tick (✓) mark against the resolution. It is optional for the member to indicate his/her preference. In case no specific direction is given, your proxy may vote or abstain as he/she thinks fit.
3. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.