

28<sup>th</sup> May 2024

BSE Limited Corporate Relationship Dept. 1 <sup>st</sup> . Floor, New Trading Ring, Rotunda Building, P. J. Towers, Fort <u>Mumbai – 400 001</u>  BSE:504112	National Stock Exchange of India Limited 5 <sup>th</sup> Floor, Exchange Plaza, Plot No.C-1, Block “G” Bandra Kurla Complex Bandra (East) <u>Mumbai – 400 051</u>  NSE:Nelco EQ
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Dear Sirs,

Sub: Notice of the 81<sup>st</sup> Annual General Meeting (AGM)

The 81<sup>st</sup> Annual General Meeting (AGM) of the Company will be held on Tuesday, 25<sup>th</sup> June 2024 at 03.30 p.m. (IST) via two-way Video Conference / Other Audio-Visual Means.

Pursuant to Regulation 30 and 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are submitting herewith the Notice of the AGM for the financial year 2023-24.

The Annual Report containing the notice of AGM is also available on the Company's website at [www.nelco.in](http://www.nelco.in) and on the following link:

<https://www.nelco.in/pdf/Annual-Reports/NELCO-Limited/81-annual-report-2023-24.pdf>

This is for your information and record.

Thanking you,

Yours faithfully  
For Nelco Limited

Ritesh N. Kamdar  
Company Secretary  
ACS 20154

Encl: As above.

## NOTICE

The **EIGHTY FIRST ANNUAL GENERAL MEETING** of **NELCO LIMITED** will be held on Tuesday, the 25<sup>th</sup> day of June, 2024 at 3.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2024.
4. To appoint a Director in place of Mr. A.S. Lakshminarayanan (DIN 08616830) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 5. **Revision in the terms of remuneration of Mr. P.J Nath (DIN: 05118177) Managing Director & CEO**

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

**"RESOLVED THAT** in partial modification of the Resolution no. 5 passed at the Annual General Meeting of the Company held on 22<sup>nd</sup> June 2021 for the reappointment and terms of remuneration of Mr. P.J.Nath (DIN: 05118177), Managing Director & CEO of the Company and 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 and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the revision in the remuneration of Mr. P.J.Nath, Managing Director & CEO of the Company, by way of payment of ₹ 28,51,263/- as Long-Term Performance-based Incentive Plan (LTIP) which is over and above his existing approved remuneration.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof from time to time), approval of the Company be and is hereby accorded to pay the incentive as mentioned above, to the MD & CEO of the Company, in the event of inadequacy of profits in the financial year 2023-24.

**RESOLVED FURTHER THAT** all other terms and conditions of the LTIP Scheme as approved by the Board shall be applicable for payment of this Incentive to Mr. Nath.

**RESOLVED FURTHER that** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution".

#### 6. **Re-appointment of Mr. P. J. Nath (DIN: 05118177) 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 Section 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("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 reappointment and terms of remuneration of Mr. P. J. Nath as Managing Director & Chief Executive Officer (DIN: 05118177) of the Company for a period commencing from 13<sup>th</sup> June 2024 to 28<sup>th</sup> February 2027 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and upon the terms and

conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting (including 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 re-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.”

## 7. Ratification of Cost Auditor’s Remuneration

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,25,000 (Rupees one lakh twenty-five thousand) plus GST and reimbursement of out of pocket expenses on actual basis incurred in connection with the audit, payable to M/s. P. D. Dani & Associates (Firm Registration No. 000593), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2023-24.”

By Order of the Board of Directors

**Girish V. Kirkinde**  
Company Secretary & Head – Legal  
ACS 7493

Navi Mumbai, 23<sup>rd</sup> April 2024

### Registered Office:

EL-6, TTC Industrial Area, MIDC Electronics Zone,

Mahape, Navi Mumbai – 400 710

CIN: L32200MH1940PLC003164

Tel.: 91 22 67399100 Fax.: 91 22 67398787

E-mail: [services@nelco.in](mailto:services@nelco.in)

Website: [www.nelco.in](http://www.nelco.in)

### NOTES:

1. The Ministry of Corporate Affairs (“MCA”) inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting through Video Conferencing (“VC”) or through other audiovisual means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the 81<sup>st</sup> Annual General Meeting (“Meeting” or “AGM”) of the Company is scheduled to be held through VC / OAVM on Tuesday, 25<sup>th</sup> June, 2024, at 3:30 a.m. (IST). The proceedings of the AGM deemed to be conducted at the Registered Office of the Company situated at EL-6, TTC Industrial Area, Electronics Zone, MIDC, Mahape, Navi Mumbai – 400 710.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
3. The relative Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 5 to 7 of the Notice, is annexed hereto. As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated 5<sup>th</sup> May 2020, the matter of Special Business as appearing at Item No. 5 to 7 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM are also annexed. Requisite declarations have been received from Director for seeking appointment/re-appointment.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Institutional Investors, who are Members of the Company, are encouraged to attend the 81<sup>st</sup> AGM through VC / OAVM mode and vote electronically. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutiniser by e-mail at [nelco.scrutinizer@gmail.com](mailto:nelco.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2023-24 is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories and physical copies to those shareholders who request for the same. The Notice convening the 81<sup>st</sup> AGM has been uploaded on the website of the Company at [www.nelco.in](http://www.nelco.in) and may also be accessed from the relevant section of the websites of BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. **Book Closure and Dividend:**
  - i) The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 11<sup>th</sup> June 2024 to Monday, 17<sup>th</sup> June 2024 both days inclusive. Record date is Monday, 10<sup>th</sup> June 2024. The dividend of ₹ 2.20 per equity share of ₹ 10 each (i.e. 22%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable, on or after Friday, 28<sup>th</sup> June 2024 as under:

To all the Beneficial Owners as at the end of the day on Monday, 10<sup>th</sup> June 2024 as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/Registrar and Share Transfer Agent on or before the close of business hours on Monday, 10<sup>th</sup> June 2024.

- ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') in case held in electronic form or in case shares are held in physical form, with the Company by sending documents through e-mail by Friday, 7<sup>th</sup> June 2024. For the detailed process, please click here <https://www.nelco.in/pdf/disclosure-of-events/notice-13-05-2024.pdf>
- iii) Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents, Link Intime Private Limited, so that it reaches them latest by Friday, 7<sup>th</sup> June 2024:
  - a. signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
    - Name and Branch of Bank and Bank Account type;
    - Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
    - 11 digit IFSC Code.
  - b. self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
  - c. self-attested copy of the PAN Card; and
  - d. self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

- iv) Shareholders holding physical securities are requested to note that SEBI, vide its circular dated 3rd November 2021 (subsequently amended by circulars dated 14 December 2021, 16 March 2023 and 17 November 2023) mandated that the security holders, holding securities in physical form, whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details, Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from 1st April 2024, upon their furnishing all the aforesaid details in entirety to Registrar and transfer Agent.

- v) 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 IEPF Authority. In view of this, Members/Claimants 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 web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details of unclaimed dividend and shares transferred to IEPF, please refer to Company's website viz. [www.nelco.in](http://www.nelco.in). Members who have not yet encashed their dividend warrant(s) for the financial year 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23 are requested to make their claims to the Company accordingly, without any delay.
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.nelco.in/investor-relation/shareholder-information.php> and on the website of the Company's Registrar and Transfer Agents, Link Intime Private Limited ("Link Intime") at <https://www.tcplindia.co.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
10. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Link Intime, for assistance in this regard.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Link Intime at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) in case the shares are held in physical form, quoting their folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at [www.nelco.in](http://www.nelco.in). Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA at mail to [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) in case the shares are held in physical form, quoting your folio number.
13. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to [ritesh.kamdar@nelco.in](mailto:ritesh.kamdar@nelco.in) by mentioning their DP ID & Client ID/Physical Folio Number.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
15. To support the 'Green Initiative', the Members who have not yet 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 Link Intime in case the shares are held by them in physical form.



**Process for registering e-mail addresses to receive this Notice electronically and cast votes electronically:**

- i. Registration of e-mail addresses with Link Intime: The Company has made special arrangements with Link Intime for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/DPs are required to provide the same to Link Intime on or before 5.00 p.m. (IST) on Thursday, 20<sup>th</sup> June 2024.

**Process to be followed for registration of e-mail address is as follows:**

- a. Visit the link [https://liiplweb.linkintime.co.in/EmailReg/Email\\_Register.html](https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html)
- b. Select the Name of the Company from dropdown
- c. Enter the Folio No./DP ID, Client ID, Shareholder Name, PAN details, Mobile no. and E-mail id. Shareholders holding shares in physical form are required to additionally enter one of their share certificate numbers.
- d. System will send OTP on mobile no and email id.
- e. Enter OTP received on mobile no and email id.
- f. The system will then confirm the e-mail address for the limited purpose of service of Notice of AGM and Annual Report 2023-24.

The above system also provides a facility to the Members holding shares in physical form to upload a self-attested copy of their PAN Card, if the PAN details are not updated in accordance with the requirements prescribed by SEBI.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2023-24 along with the e-Voting user ID and password. In case of any queries, Members may write to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- ii. **Registration of e-mail address permanently with Company/DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with Link Intime, in respect of physical holding, by writing to them at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in). Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/ Link Intime to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.
- iii. Alternatively, Members may also send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) along with the following documents for procuring user id and password and registration of e-mail addresses for e-Voting for the resolutions set out in this Notice:
  - **In case shares are held in physical form**, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
  - **In case shares are held in demat form**, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
- iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**16. Remote e-Voting before/during the AGM:**

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if it/they have been passed at the AGM.
- ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, 18<sup>th</sup> June 2024 may cast their vote by remote e-Voting. A person who is not a Member as on the cutoff date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, 18<sup>th</sup> June 2024, may obtain the User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- iii. The remote e-Voting period commences on Friday, 21<sup>st</sup> June 2024 at 9.00 a.m. (IST) and ends on Monday, 24<sup>th</sup> June 2024 at 5.00 p.m. (IST). 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. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 18<sup>th</sup> June 2024.
- iv. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- v. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

**17. Other instructions**

- (i) 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 by the Board for providing facility to the Members of the Company to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.
- (ii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility.
- (iii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 48 hours of 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 will acknowledge the receipt of the same and declare the result of the voting forthwith.
- (iv) The results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.nelco.in](http://www.nelco.in) and on the website of NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the results are declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE").



- (v) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Tuesday, 25<sup>th</sup> June 2024.
- (vi) All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM upon log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

**18. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:**

**A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM**

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. **Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 81<sup>st</sup> AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at [ritesh.kamdar@nelco.in](mailto:ritesh.kamdar@nelco.in) before 3.00 p.m. (IST) on Saturday, 22<sup>nd</sup> June 2024. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.**
- vi. Members who would like to express their views/ask questions as a speaker at the Meeting may **pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [ritesh.kamdar@nelco.in](mailto:ritesh.kamdar@nelco.in) between Tuesday, 18<sup>th</sup> June 2024 (9.00 a.m. IST) and Saturday, 22<sup>nd</sup> June 2024 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.**
- vii. Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Abhijeet Gunjal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**B. INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE AGM**

The instructions for remote e-Voting before the AGM are as under:

**How do I vote electronically using NSDL e-Voting system?**




The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system****A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>a. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>b. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>c. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Type of shareholders	Login Method
	<p>d. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
<p>Individual Shareholders holding securities in demat mode with <b>CDSL</b>.</p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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:
i. 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*****.
ii. 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*****
iii. 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. Password details for shareholders other than Individual shareholders 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 to 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
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](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**The instructions for e-Voting during the AGM are as under:**

- i. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.

- ii. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**General Guidelines for Members:**

- i. 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](http://www.evoting.nsdl.com) to reset the password.
- ii. In case of any queries/grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Abhijeet Gunjal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [ritesh.kamdar@nelco.in](mailto:ritesh.kamdar@nelco.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [ritesh.kamdar@nelco.in](mailto:ritesh.kamdar@nelco.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

By Order of the Board of Directors

**Girish V. Kirkinde**

Company Secretary & Head – Legal  
ACS 7493

Navi Mumbai, 23<sup>rd</sup> April 2024

**Registered Office:**

EL-6, TTC Industrial Area, MIDC Electronics Zone,  
Mahape, Navi Mumbai – 400 710  
CIN: L32200MH1940PLC003164  
Tel.: 91 22 67399100 Fax.: 91 22 67398787

**E-mail:** [services@nelco.in](mailto:services@nelco.in)

**Website:** [www.nelco.in](http://www.nelco.in)



## EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 to 7 of the accompanying Notice dated 23<sup>rd</sup> April 2024.

### **Item No.: 5 Revision in terms of remuneration of Mr. P.J Nath (MD & CEO):**

Based on the recommendation made by the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 24<sup>th</sup> April 2023 approved the Long-Term Incentive Plan (LTIP) to the identified employees of the Company including Managing Director & CEO which is based on the Company parameters and the performance to be considered linked with long-term goals.

The Members of the Company by passing the Special Resolution at the Annual General Meeting held on 22<sup>nd</sup> June 2021 had approved the reappointment of Mr. P. J. Nath (DIN: 05118177) as the Managing Director & Chief Executive Officer (MD & CEO) for a period of 3 years at a remuneration and on the terms and conditions extracts of which are as under:

#### **1. Term and Termination:**

- 1.1 From 13<sup>th</sup> June 2021 to 12<sup>th</sup> June 2024.
- 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 bodies or any committees 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 endeavours 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) Basic Salary: ₹ 5,67,000/- per month upto a maximum of ₹ 10,00,000/- 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 1<sup>st</sup> April each year, will be decided by the Board based on recommendation of the NRC and will be merit-based and taking 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) Hospitalization, Telecommunication & other facilities:
  - Reimbursement of hospitalization and major medical expenses incurred as per Company Rules including Medclaim insurance premium for insurance coverage upto ₹ 25 lakhs (floater coverage).
  - Telecommunication facilities including broadband, internet and mobile as per the Rules of the Company.
- (iii) a car along with 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 exceed ₹ 20.00 lakhs (ex-showroom)

or

In case he opts to use his own car, he will be entitled for fixed allowance of ₹ 41,720/- and ₹ 45,000/- (for fuel and maintenance). The driver will be provided by the Company.

The Board may revise the said fixed car allowances as per the base cost calculation, as and when necessary.

- (iv) 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%
- (v) Contribution to Provident Fund and Gratuity as per the Rules of the Company.
- (vi) The MD & CEO shall be entitled to privilege, sick and casual leave in accordance with the 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.
- (vii) The MD & CEO will also enjoy all benefits of continuity of service with regard to Gratuity and other benefits for the purposes of which the date of joining shall be the date on which he joined as Chief Executive Officer of the Company.
- (viii) It is clarified that the details mentioned under Car, Hospitalization, Telecommunication and other facilities, shall not be included in computation of Annual Fixed Compensation.

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 subject to a maximum of 78% of Annual Fixed Compensation 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.

Commission: In addition to Salary, Benefits, Perquisites, Allowances, the Managing Director & CEO would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director & CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

The aforesaid Performance Linked Payment would be payable only when the Company will not be paying the commission.

- 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 performance linked payment 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.

Approval of the Members is now being sought for the payment of ₹ 28,51,263/- (over and above his existing approved remuneration) as Long-Term Performance-based Incentive to Mr. P.J. Nath, Managing Director and CEO which is 20% of the total Incentive amount of ₹ 1,42,56,318/- (being 70% of the Fixed CTC of FY'23 as approved under LTIP Scheme of the Company).

Necessary disclosures as required under Schedule V of the Act are given in "Annexure A" to this notice.

Details pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in "Annexure B"

Other than Mr. Nath and his relatives, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Special Resolution at Item No.5 of the accompanying Notice.

Mr. Nath is not related to any Director or KMP of the Company.

The Board is of the view that the remuneration payable to him under the LTIP Scheme is commensurate with his abilities and experience and, accordingly, commend the Resolution at Item No.5 of the accompanying Notice for approval by the Members of the Company.

**Item No. 6: Reappointment of Mr. P. J. Nath as Managing Director & CEO:**

Mr. P.J.Nath (DIN No: 05118177) was reappointed as Managing Director & CEO of the Company by the Members at the 78<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> June 2021, for a period of 3 years commencing from 13<sup>th</sup> June 2021 upto 12<sup>th</sup> June 2024.

Based on the recommendation of the Nomination and Remuneration Committee (NRC) and pursuant to the performance evaluation of Mr. Nath as a Member of the Board and considering his background, experience and contribution, which would be beneficial to the Company, the Board, at its meeting held on 23<sup>rd</sup> April 2024, approved his re-appointment as Managing Director & CEO of the Company, for a period commencing from 13<sup>th</sup> June 2024 upto 28<sup>th</sup> February 2027 (the date

on which he is scheduled to superannuate from the services of the Company on completion of 65 years of age), subject to approval of the Members. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received from Mr. Nath (i) Consent to act as a Director & Key Managerial Personnel (KMP) in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (the Rules); (ii) Intimation in Form DIR-8 in terms of the Rules to the effect that he is not disqualified under the provisions of Section 164(2) of the Act; (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by Securities and Exchange Board of India or any other such authority.

Further, on the recommendation of the NRC, the Board at its meeting held on 23<sup>rd</sup> April 2024, approved the terms and conditions of Mr. Nath's re-appointment, subject to the approval of the Members.

**A brief profile of Mr. Nath is given below:**

Mr. Nath, aged 62 years, joined the Company on 21<sup>st</sup> February 2011, as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13<sup>th</sup> June 2012. He was re-designated as Managing Director & CEO effective from 1<sup>st</sup> June 2017. Mr. Nath has a Master of Management Studies (MMS) degree from BITS Pilani and over the years have acquired specialized knowledge in his field of profession. He has over 36 years of professional experience in the Enterprise market, during which he has 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. He has been in leadership roles for the past 26 years. 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.

As the MD & CEO he is responsible for managing the day-to-day business affairs of the Company as well as planning & achieving its long-term strategic growth. This includes formulation & implementation of strategic business plans, brand strategy, designing & implementing effective organization structure, ramping up visibility of the Company with the external customers and partners, forging alliances with global players, establishing strong business & operational processes, risk management and overseeing various compliances.

Under the leadership of Mr. Nath, the Company and its wholly owned subsidiary, Nelco Network Products 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. Mr. Nath has also successfully led the restructuring of the Company and turned it into a profitable and healthy Satcom Service Company. His sustained and focused efforts on improving operational performance, strengthening relationships with global partners as well as 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 relationships with Government and the various regulatory bodies. He has brought in increased focus on Customer centricity, which has led to the Company having an extremely loyal set of customers and sustained leadership in some of the key market segments in the country. Due to the foresight about the future trends in the industry brought in by him, the Company was the first to start the Commercial services for Aero IFC and Maritime communication in the Country in early 2020 and continues to be a dominant player in these segments till date. Some of the best-known global players are partnering with the Company in these two businesses.

Under the leadership of Mr. Nath, the Company has increased its Satellite infrastructure multi-fold in the last 4 years and is well geared to have accelerated growth in the coming years. There are also a number of new areas in which the Company has started expanding and has the potential for growing into major business lines in the future.

The Standalone Profit / (Loss) Before Tax has grown from ₹ (16.17) crores in FY 2011 to ₹ 30.24 crores in FY 2024. The Company at a Consolidated basis has successfully been profitable at Operating PBDIT of ₹ 61.75 crores and PBT of ₹ 33.51 crores in FY 2024. The Net worth of the Company is also at its highest ever at ₹ 117.75 crores as on 31<sup>st</sup> March 2024.

One of the main objectives of reappointing Mr. Nath is to help the Company sustain its market leadership in the key high growth segments as well as build leadership positions in newer areas and to lead the Company to the next level of accelerated growth.

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 13<sup>th</sup> June 2024 to 28<sup>th</sup> February 2027.
- 1.2 The Agreement may be terminated earlier, without any cause, by either Party 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 bodies or any committees 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 endeavours 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 The Managing Director & CEO 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) Basic Salary: ₹ 8,21,000/- per month upto a maximum of ₹ 15,00,000/- 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 1<sup>st</sup> April each year, will be decided by the Board based on recommendation of the NRC and will be merit-based and taking 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:
    - a) Rent-free residential accommodation (furnished or otherwise), the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of basic Salary per annum. (in case residential accommodation is not provided by the Company).

- b) Hospitalization, Transport, Telecommunication & other facilities:
- i. Reimbursement of hospitalization and major medical expenses incurred as per Company Rules including Medclaim insurance premium for insurance coverage upto ₹ 30 lakhs (floater coverage).
  - ii. a car along with 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 exceed ₹ 60.00 lakhs (ex-showroom).

or

In case he opts to use his own car, he will be entitled for fixed allowance of ₹ 45,000/- and ₹ 50,000/- (for fuel and maintenance). The driver will be provided by the Company.

The Board may revise the said fixed car allowances as per the base cost calculation, as and when necessary.

- iii. Telecommunication facilities including broadband, internet and mobile as per the Rules of the Company.
- c) Other perquisites and allowances given below subject to a maximum of 55% of basic Salary per annum. This includes:
- i. Meal vouchers and Allowances - 33.34%
  - ii. Leave Travel Concession/Allowance - 8.33%
  - iii. Medical allowance - 8.33%
  - iv. Personal Accident Insurance Premium } @ actual subject
  - v. Annual club membership fees } to a cap of 5%
- d) Contribution to Provident Fund and Gratuity as per the Rules of the Company.
- e) The MD & CEO shall be entitled to privilege, sick and casual leave in accordance with the 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.
- f) The MD & CEO will also enjoy all benefits of continuity of service with regard to Gratuity and other benefits for the purposes of which the date of joining shall be the date on which he joined as Chief Executive Officer of the Company.
- g) It is clarified that the details mentioned under Car, Hospitalization, Telecommunication and other facilities, shall not be included in computation of Annual Fixed Compensation.

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 subject to a maximum of 78% of Annual Fixed Compensation 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.



Commission: In addition to Salary, Benefits, Perquisites, Allowances the Managing Director & CEO would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director & CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

The aforesaid Performance Linked Payment would be payable only when the Company will not be paying the Commission.

D) Incentive under the Long Term Incentive Program ("LTIP")

In addition to the Basic Salary, Benefits, Perquisites & Allowances, PLP/Commission, Mr. Nath will be paid an incentive of ₹ 1,42,56,318/- being 70% of the Fixed CTC of FY'23 which would be payable in the ratio of 20% (in FY24-25, subject to the approval of shareholders at this Annual General Meeting) and subsequently 20% and 60% in FY 2025-26 and FY 2026-27 respectively based on the criteria and as per the terms and conditions of the LTIP Scheme. Further, he will also be entitled to any additional Incentive schemes including under any new / revised LTIP Scheme in future, which may be approved by the Board on the recommendation of the NRC.

E) 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, performance linked payment/Commission and Incentive under the LTIP as specified in A, B, C, and D above.

F) 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. Other Terms of Re-appointment

(i) Variation

The terms and conditions of the re-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.

(ii) Selling Agency

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.

(iii) Summary termination of employment

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.

(iv) Termination due to physical / mental incapacity

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.

(v) Resignation from directorships

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 virtue of 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.

(vi) Personnel Policies

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.

(vii) Agreement co-terminus with employment/directorship

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.

(viii) The terms and conditions of re-appointment of the Managing Director & CEO also include adherence with the Tata Code of Conduct, no conflict of interest with the Company, other Directorships, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality.

The remuneration paid/payable to the Managing Director & CEO for FY 2023-24 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by him.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, and Regulation 17(1C) of the Listing Regulations, the terms of re-appointment and remuneration of the Managing Director & CEO as specified above are now being placed before the Members for their approval by way of Special Resolution.

Other than Mr. Nath and his relatives, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the Resolution at Item No.6 of the accompanying Notice. Mr. Nath is not related to any other Director or KMP of the Company.

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, the Board commend the Special Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

The Managing Director & CEO satisfies all the conditions set out in Part –I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for reappointment. He is not disqualified from being a Director in terms of Section 164 of the Act. Necessary disclosures as required under Schedule V of the Act are given in “Annexure A”.

Details pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are given in “Annexure B”

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

**Item No.: 7**

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the appointment of M/s. P.D.Dani & Associates (PDA) (Firm Registration No. 000593) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for FY 2023-24, at a remuneration of ₹1,25,000 (Rupees One Lakh Twenty Five Thousand) plus GST and reimbursement of out of pocket expenses on actual basis incurred in connection with the audit. They have vast experience in the field of cost audit. Pursuant to Section 148(3) of the Act, approval by the Members is required for the payment of above remuneration to the cost auditor.

The Board recommends the Ordinary Resolution at Item No.7 of the accompanying Notice for ratification of the Cost Auditors’ remuneration by the Members of the Company. None of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested in the Resolution at Item No.7 of the accompanying Notice.

By Order of the Board of Directors

**Girish V. Kirkinde**  
Company Secretary & Head – Legal  
ACS 7493

Navi Mumbai, 23<sup>rd</sup> April 2024

**Registered Office:**

EL-6, TTC Industrial Area, MIDC Electronics Zone,

Mahape, Navi Mumbai – 400 710

CIN: L32200MH1940PLC003164

Tel.: 91 22 67399100 Fax.: 91 22 67398787

**E-mail:** [services@nelco.in](mailto:services@nelco.in)

**Website:** [www.nelco.in](http://www.nelco.in)

## Annexure A to the Notice of Annual General Meeting

### Information pursuant to Schedule V of the Act

#### I. General Information:

1. Nature of Industry: Electronics and Telecommunications activities
2. Date of /expected date of commencement of commercial production:  
The Company was incorporated on 31<sup>st</sup> 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	FY 2023-24	FY 2022-23	FY 2021-22	FY2020-21	FY 2019-20
Consolidated Revenue from Operations (Gross)	32,030	31,333	26,007	22,612	21,993
Standalone Revenue from Operations (Gross) **	22,268	19,704	14,316	13,112	3,833
Consolidated Profit/(Loss)	2,367	1,985	1,6081	1,236	1,438
Standalone Profit/(Loss)	2,127	2,088	1,022	924	827
Profit/Loss pursuant to Section 198 of the Companies Act, 2013	902	Nil	Nil	Nil	Nil

\*\*Continuing operations.

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 62 years, joined the Company on 21<sup>st</sup> February 2011, as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13<sup>th</sup> June 2012. He was re-designated as Managing Director & CEO effective from 1<sup>st</sup> 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 36 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 26 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.

2. Past Remuneration

(₹ in lakhs)

Particulars	FY 2023-24	FY 2022-23
Basic Salary	83.15	75.25
Perquisites & Allowance including car	125.70	112.57
Retirals (PF + Gratuity)	13.98	12.65
Performance Linked Payment	150.74	134.93
<b>Total</b>	<b>373.57</b>	<b>335.40</b>

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 or Awards

During his professional career, Mr. Nath, on multiple occasions has received recognitions and appreciations for building up new businesses as well as turning around existing businesses. His contribution has also been recognized in the turning around of the Company and putting it in the path of profitable growth by focusing on the Satellite communication services business and taking leadership position in some of the important markets.

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 36 years in growing organizations and developing new markets, the Board reappointed Mr. Nath effective from 13<sup>th</sup> June 2024. Also, as a Director, he is nominated on the Board of Company's wholly owned Subsidiary 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 13<sup>th</sup> June 2024 to 28<sup>th</sup> February 2027 is given hereunder:

Particulars	13 <sup>th</sup> June 2024 to 31 <sup>st</sup> March 2025 (₹ in Lakhs)	1 <sup>st</sup> April 2025 to 31 <sup>st</sup> March 2026 (₹)	1 <sup>st</sup> April 2026 to 28 <sup>th</sup> February 2027 (₹)
Basic Salary	81.56	8,21,490 (per month) + Increment*	
Perquisites & Allowance including car	123.62	140% of Basic Salary + Car Allowance	
Retirals (PF + Gratuity)	13.71	16.81% of Basic Salary	
Performance Linked Payment	163.38	Upto 78% of Fixed CTC #	
<b>Total</b>	<b>382.27</b>		

# Assumed at maximum level of 78% of Fixed CTC or Commission as the case maybe.

Fixed CTC is sum of Basic + Perquisites & Allowance (excluding car allowance) + Retirals.

\* Actual Basic salary would be decided by the Board subject to performance and within the said maximum Basic salary of ₹ 15,00,000/- per month. The remaining salary components are a function of the Basic salary & Fixed CTC as given above. The Company's annual increment cycle is currently applicable from 1<sup>st</sup> April to 31<sup>st</sup> March.

Incentive under the Long Term Incentive Program ("LTIP")

In addition to the Basic Salary, Benefits, Perquisites & Allowances, PLP/Commission, Mr. Nath will be paid an incentive of ₹ 1,42,56,318/- being 70% of the Fixed CTC of FY'23 which would be payable in the ratio of 20% (in FY24-25, subject to the approval of shareholders at this Annual General Meeting) and subsequently 20% and 60% in FY 2025-26 and FY 2026-27 respectively based on the criteria and as per the terms and conditions of the LTIP Scheme. Further, he will also be entitled to any additional Incentive schemes including under any new / revised LTIP Scheme in future, which may be approved by the Board on the recommendation of the NRC

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 or other directors, 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 or other directors of the Company.

**III. Other information**

1. Reasons for inadequate profits in earlier years:

The Company has been making profits every year since Financial Year 2013-14 and the profits have been growing year on year. The reason for inadequate profits under Section 197 is due to the accumulated losses of the past periods. The Company suffered losses in the past, mainly from some of the businesses which were not able to generate profits due to the market conditions. The Company divested these loss-making businesses and since then making profits consistently year on year.

2. Steps taken by the Company to improve performance:

The Company has divested all its loss-making businesses except one, which is being run on a maintenance mode to honour the warranty and annual maintenance commitments as per the contract. The Company has been focusing only on the profitable business of Satellite communication services, which has large growth prospects globally and in India.

Under the leadership of Mr. Nath, the Company has transformed itself to become a major Satellite communication service provider. The Company has demonstrated its agility in creating new businesses and solutions and delivering value to customers and global partners. The Company is a leading Satellite Communication service provider in the country and serves industry leaders in most of the major segments of the Enterprise market. The Company has also established itself as a leading In-Flight and Maritime Communications (IFMC) player, serving both Aero IFC and Maritime communication services in India. The Company is offering Aero IFC services currently, enabling more than 1500 international aircrafts flying over India to provide Wi-Fi onboard the aircrafts and will offer similar services for the domestic aviation sector in near future. The Company has been a lead adopter of Satcom technologies and will continue to leverage global technology advancements to serve a larger number of segments and applications using GSO and NGSO networks, software defined satellites, new-age electronics and many more technologies as and when these are available. The Company has partnered with multiple



global players and will continue to have more partnerships in future to enhance its offerings and reach. The Company continuously explores newer Satcom technologies and services and markets where Satcom can be used effectively. The Company is developing newer verticals in the Enterprise market and planning to expand into newer segments in future.

In addition, the Company has been making continuous investment in augmenting its infrastructure for providing reliable and high quality Satcom services. The Company has currently deployed the latest technologies for its multiple satellite gateways in Mahape and Dehradun. The Company has also deployed High Throughput Satellite (HTS) capacities on Indian and foreign satellites, apart from the conventional wide-beam FSS satellites, which is expanding the market opportunities of the Company. The Company has been augmenting the satellite bandwidth capacity for serving the growing needs of its customers.

With all these initiatives the Company will be able to have even faster growth and further strengthen its position in the market.

Mr. Nath is actively involved in discussions with the Govt. and telecom regulators, important industry bodies associated with the Satellite industry to bring about progressive regulatory regime in the country to facilitate faster growth in the Space sector. The Company has been growing its revenue steadily and made very healthy profits for last Nine Financial Years. Based on all the strategies deployed and the various initiatives taken, it is expected that the Company would grow at a fast pace in the short to medium term.

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

With expanded business lines including IFMC, augmented infrastructure, changing regulatory framework in the country, future expansion to markets beyond India and the various initiatives being taken up, the Company expects to significantly step up its operating and financial performance in the coming years. The Company also has a very ambitious growth plan for the next 5 years. It is difficult to predict the increase in revenue and profit of the Company for future years, as there are external dependencies on regulatory changes by the Govt., which are difficult to predict accurately in terms of timelines.

The NRC currently comprising of three independent directors [viz. Dr. Lakshmi Nadkarni (as Chairperson of the Committee), Mr. K. Narasimha Murthy, and Mr. Ajay Kumar Pandey], and Mr. Saurabh Ray (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-a-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.

### Annexure B to the Notice of Annual General Meeting

Details/Brief resume of the Director seeking appointment / re-appointment at Annual General Meeting [Pursuant to Regulations 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. A.S. Lakshminarayanan	Mr. P.J.Nath
DIN	08616380	05118177
Date of Birth (Age)	13 <sup>th</sup> April 1961 (63 Years)	1 <sup>st</sup> February 1962 (62 years)
Date of Appointment	29 <sup>th</sup> May 2022	13 <sup>th</sup> June 2012
Expertise in Specific Functional Area	Deep understanding of the global technology market and enterprises' growing digital needs	He has over 36 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 26 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.
Qualifications	Degree in Mechanical Engineering from BITS, Pilani Alumnus of London Business School	Graduate from BITS Pilani in Master of Management Studies (MMS)
Terms and conditions of appointment or re-appointment	Re-appointment in terms of section 152(6) of the Companies Act, 2013	As mentioned in the Explanatory statement attached to the notice of AGM dated 23 <sup>rd</sup> April 2024
Relationship between Directors, Manager and other Key Managerial Personnel inter se	Mr. Lakshminarayanan is not related to any other Directors, Manager and other Key Managerial Personnel of the Company.	Mr. Nath is not related to any other Directors, Manager and other Key Managerial Personnel of the Company.
Directorship held in other Companies (excluding Foreign Companies)	Tata Communications Ltd. Tata Teleservices Ltd. Tata Teleservices (Maharashtra) Ltd.	Nelco Network Products Ltd. Technopolis Knowledge Park Ltd. Piscis Networks Pvt. Ltd.

Committee positions held in other Companies	<p><u>Tata Communications Ltd.</u> Member</p> <ul style="list-style-type: none"> <li>• Corporate Social Responsibility Committee</li> <li>• Stakeholders Relationship Committee</li> </ul> <p><u>Tata Teleservices Ltd.</u> Member</p> <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee</li> <li>• Finance Committee</li> <li>• Empowered Committee</li> <li>• Share / warrant / Debenture Allotment &amp; Transfer Committee</li> </ul> <p><u>Tata Teleservices (Maharashtra) Ltd.</u> Member</p> <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee</li> </ul>	Nil
Remuneration	Sitting fees paid to Mr. Lakshminarayanan for FY 2023-24 is ₹ 1,20,000.	As mentioned in the Explanatory Statement to the Notice dated 23 <sup>rd</sup> April 2024 and also in Report on Corporate Governance.
Details of Remuneration sought to be paid	Sitting fees will be paid to Mr. Lakshminarayanan as approved by the Board	As mentioned in the Explanatory Statement to the Notice dated 23 <sup>rd</sup> April 2024.
Name of the listed entities for which the person has resigned in the past three years	Tejas Networks Limited	None
No. of meetings of Board attended during the year	6	6
No. of shares held (a) Own (b) For other persons on a beneficial basis	Nil	Nil