NELCO LIMITED

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

CIN: L32200MH1940PLC003164

Statement of Consolidated Unaudited financial Results for the Quarter and Six Months ended 31st March, 2015

		O Maratha	Dunnalina	0	C Mantha	C Maratha	Rs. In Lak
Sr.		3 Months ended	Preceding 3 Months	Corresponding 3 Months	6 Months ended	6 Months ended	Previous year ended
No.	Particulars	31.03.2015	ended	ended	31.03.2015	31.03.2014	30.09.2014
INO.		31.03.2013	31.12.2014	31.03.2014	31.03.2013	31.03.2014	30.09.201-
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Income from Operations	0114441104	- Criadanoa	0114441154	o i i dadito d	0114441144	71001100
	a) Sales / Income from Operations	3,678	3,340	3,554	7,018	7,072	13,520
	Less: Excise Duty	1	2	57	3	86	115
	Net Sales / Income from Operations	3,677	3,338	3,497	7,015	6,986	13,405
	b) Other Operating Income	20			20	26	26
	Total Income From Operations (net)	3,697	3,338	3,497	7,035	7,012	13,43
2.	Expenses	0,007	0,000	0,.07	.,000	.,0.2	,
-	a) Cost of materials consumed	44	124	216	168	252	49
	b) Purchase of stock- in-trade	766	912	925	1,678	1,934	3,25
	c) Changes in Inventories of finished goods,	700	0.12	020	1,070	1,004	0,20
	work-in-progress and stock-in-trade	224	(77)	66	147	290	548
	d) Employee Benefits Expense	535	534	626	1,069	1,290	2,400
	e) Depreciation and amortization expense	000		020	.,000	.,200	2, 10
	(refer Note no 1 & 5)	289	460	241	749	458	919
	f) Provision for foreseeable losses	200	-	11	740	11	1
	g) Transponder charges	626	571	384	1,197	765	1,62
	h) Other expenses	1,256	1,136	1,014	2,392	2,066	4,41
	Total Expenses	3,740	3,660	3,483	7,400	7,066	13,66
3.	Profit / (Loss) From Operations before other	0,7.10	0,000	0,100	,,	.,000	10,00
	income, finance costs and exceptional Items						
	(1 - 2)	(43)	(322)	14	(365)	(54)	(231
1.	Other Income (refer note 4)	12	7	4	19	52	15
5.	Profit / (Loss) from ordinary activities before		,		10	02	
٠.	Finance Costs and Exceptional Items (3 + 4)	(31)	(315)	18	(346)	(2)	(73
3.	Finance cost	236	219	244	455	498	950
7.	Profit / (Loss) from ordinary activities after	200	210		400	400	
٠.	Finance Costs but before Exceptional Items						
	(5 - 6)	(267)	(534)	(226)	(801)	(500)	(1,023
3.	Exceptional Items (refer note 4)	(201)	(554)	(220)	(001)	(300)	1,24
9.	Profit / (Loss) from ordinary activities before	_	_		_		1,24
٠.	tax (7 + 8)	(267)	(534)	(226)	(801)	(500)	21
10.	Tax expense	(201)	(554)	(220)	(001)	(300)	
10.	a) Current Tax	_	_	35	_	52	5:
	b) Deferred Tax (refer note 5)		47	- 33	47	52	J.
11.	Net Profit/ (Loss) from ordinary activities after	_	7,	_	47	_	
٠	tax (9 - 10) (refer Note No 1 & 2)	(267)	(581)	(261)	(848)	(552)	16
12.	Add : Share of Profit/(Loss)of Associate	(207)	(561)	18	(646)	(552)	2
13.	Net Profit/ (Loss) after tax and share of profit	0		10	12	24	
	of associate (11+12)	(261)	(575)	(243)	(836)	(528)	19
13Δ	- From Continuing Operations (Net of Tax of Rs	(201)	(373)	(243)	(030)	(320)	13.
137	Nil for guarter ended 31-03-2015)	(182)	(472)	(169)	(654)	(235)	94
13B	- From Discontinuing Operations (Net of Tax	(162)	(472)	(109)	(054)	(233)	34
JD	of Rs Nil) (Refer Note no 1 & 2)	(79)	(103)	(74)	(182)	(293)	(754
14.	Paid up equity share capital (face value Rs.10/-)	2,282	2,282	2,282	2,282	2,282	2,28
4 . 5.	Reserves excluding Revaluation Reserve as	2,202	2,202	2,202	2,202	2,202	2,20
٥.	per Balance Sheet of previous accounting year						(592
16							(592
16.	Earnings Per Share Basic and Diluted (before						
	and after extraordinary items) (of Rs. 10/-	/4 4E\	(0.50)	(4.07)	(0.66)	(0.04)	0.0
I 6 A	each) (not annualised) - Total Operations	(1.15)	(2.52)	(1.07)	(3.66)	(2.31)	0.8
16A	,						
	and after extraordinary items) (of Rs. 10/-each)	(0.00)	(0.07)	(0.70)	(0.07)	(4.00)	
	(not annualised)- From Continuing Operations	(0.80)	(2.07)	(0.74)	(2.87)	(1.03)	4.1

PART	гп		•				
Sr. No.	Particulars	3 Months ended 31.03.2015	Preceding 3 Months ended 31.12.2014	Corresponding 3 Months ended 31.03.2014	6 Months ended 31.03.2015	6 Months ended 31.03.2014	Previous year ended 30.09.2014
A 1	PARTICULARS OF SHAREHOLDINGS Public shareholding - Number of shares - Percentage of shareholding	11385810 49.90	11385810 49.90	11385810 49.90	11385810 49.90	11385810 49.90	11385810 49.90
2	Promoter and promoter group shareholding a) Pledged/Encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) - Percentage of shares (as a % of the total	-	-	-	-	-	-
	share capital of the company) b) Non-encumbered - Number of shares - Percentage of shares (as % of the total shareholding of promoter and promoter	11432590	11432590	11432590	11432590	11432590	11432590
	group) - Percentage of shares (as % of the total share capital of the company)	100 50.10	100 50.10	100 50.10	100 50.10	100 50.10	100 50.10

Sr.			3 months en	s ended 31.03.2015				
	No.	Particulars	Pending at	Received	Disposed	Remaining		
П	140.		the beginning	during the	off during the	unresolved		
П			of the	quarter	quarter	at the end of		
L			quarter			the quarter		
	В	INVESTOR COMPLAINTS	NIL	NIL	NIL	NIL		

Consolidated Segment wise Revenue, Results and Capital Employed for the Quarter and Six Months ended 31st March, 2015

							Rs. In Lakhs
		3 Months	Preceding 3	Corresponding	6 Months	6 Months	Previous
Sr.	Particulars	ended	Months ended	3 Months ended	ended	ended	year ended
No.	Particulars	31.03.15	31.12.2014	31.03.2014	31.03.2015	31.03.2014	30.09.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue (Net Sales / Income from operations)						
1	(i) Automation & Control	255	348	967	603	1,885	2,545
1	(ii) Network Systems	3423	2992	2,587	6,415	5,187	10,975
1	Less : Excise Duty	1	2	57	3	86	115
1	Total	3,677	3,338	3,497	7,015	6,986	13,405
1	Less : Inter Segment Revenue	-	-	-	-	-	-
1	Net Sales / Income from Operations	3,677	3,338	3,497	7,015	6,986	13,405
2	Segment Results						
1	(i) Automation & Control	(251)	(329)	(91)	(580)	(255)	(746)
1	(ii) Network Systems	502	258	457	760	909	1,850
1	Total	251	(71)	366	180	654	1,104
1	Less:						
1	(i) Interest expense	236	219	244	455	498	950
1	(ii) Other un-allocable (income) /expenditure						
1	net of unallocable (income) / expenditure	282	244	348	526	656	(64)
1	Profit/(Loss) Before Tax	(267)	(534)	(226)	(801)	(500)	218
3	Capital Employed						
1	(Segment Assets-Segment Liabilities)						
1	(i) Automation & Control	3070	3320	3,934	3,070	3,934	3,471
1	(ii) Network Systems	2841	2568	3,310	2,841	3,310	2,396
1	Total Segment Capital Employed (Segment						
	Assets - Segment Liabilities)	5,911	5,888	7,244	5,911	7,244	5,867

Notes : -

1 The Company vide its letter dated 3rd April, 2014 had informed the Stock Exchange about the approval of the Board of Directors to restructure the operations of Company's Integrated Security & Surveillance Solutions business ("ISSS business") which inter alia, includes the business of Unattended Ground Sensors (UGS) and forms part of the 'Automation & Control' segment. As part of such restructuring, the Board of Directors of the Company at its meeting held on 28th January, 2015 accepted an "offer" made by The Tata Power Co. Ltd., (Parent Company) for its Strategic Engineering Division to purchase the business of UGS as a "going concern" on a "slump sale" basis at a consideration of Rs. 831 Lakhs with effect from 1st October 2014. This shall be subject to various approvals and consents including from the Members as required under applicable law.

The assets attributable to the UGS business have been impaired in the three months ended 31st December, 2014 to the tune of Rs. 166 Lakhs and disclosed as part of Depreciation & Amortisation expense.

The financial parameters in respect of the ordinary activities attributable to the UGS business are as follows:

Amount (Rs lakhs)

					AIII	ount (RS lakiis)
Particulars	3 Months ended 31.03.15	Preceding 3 Months ended 31.12.2014	Corresponding 3 Months ended 31.03.2014	6 Months ended 31.03.2015	6 Months ended 31.03.2014	Previous year ended 30.09.2014
Net Sales / Income from Operations	55	60	339	115	449	524
Expenses	110	111	181	221	293	423
Expenses attributable	33	35	55	68	102	209
Pre-tax profit / (loss)	(88)	(86)	103	(174)	54	(108)
Current Tax	-	-	-	-	-	-
Total Assets	834	913	1,142	834	1,142	1,050
Total Liabilities	8	61	46	8	46	46

The transfer being effective from 1st October, 2014, the results of operation for the three months and six months ended 31st March, 2015, includes a portion attributable to The Tata Power Company Limited which will be given effect to on completion of transaction.

2 Further, as part of restructuring, the Board of Directors of the Company at its meeting held on 18th March, 2015 accepted the offer received from a company for the transfer of Managed Services business ("MS Business") forming part of Network System segment as a "going concern" on a "slump sale" basis at a consideration up to Rs. 260 lakhs with effect from 1st April, 2015. This shall be subject to concluding a definitive agreement and various approvals and consents from the Members as required under applicable law.

The financial parameters in respect of the ordinary activities attributable to the MS business are as follows

Amount (Rs lakhs)

						,
	3 Months	Preceding	Corresponding	6 Months	6 Months	Previous
Dartie dara	ended	3 Months	3 Months	ended	ended	year ended
Particulars	31.03.15	ended	ended	31.03.2015	31.03.2014	30.09.2014
		31.12.2014	31.03.2014			
Net Sales / Income from Operations	235	156	81	391	230	580
Expenses	199	158	114	357	292	672
Expenses attributable	27	15	144	42	285	554
Pre-tax profit / (loss)	9	(17)	(177)	(8)	(347)	(646)
Current Tax	-	-	-	-	-	-
Total Assets	393	360	454	393	454	334
Total Liabilities	189	140	227	189	227	124

- 3 The Company has accumulated losses as at 31st March 2015 which has substantially eroded the Company's net worth. Notwithstanding this, these unaudited financial results have been prepared on going concern basis in view of a support letter from the Parent Company.
- 4 In the year 2006, the Company had filed arbitration proceedings against Jawaharlal Nehru Port Trust (JNPT) for enforcement of its claim in respect of the additional work carried out, wrongful deduction of liquidated damages and encashment of bank guarantee by JNPT. The Arbitration award was passed in favour of the Company on 6th February, 2012. The said award, however, was challenged by JNPT in the Hon'ble Bombay High Court which dismissed the plea on 6th February, 2014 and awarded the claim to the Company. JNPT paid in June quarter, 2014 Rs 1,303 lakhs as decretal dues (including interest and costs) to the Company (of which Rs 62 lakhs is included in other income as provision no longer required written back).
- Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Group has, effective 1st October 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act. Consequently, the depreciation charge for the three and six months ended 31st March, 2015 is higher by Rs. 94 Lakhs and Rs 199 lakhs respectively and Rs.104 lakhs (net of tax Rs. 47 lakhs) on account of transition provision has been adjusted to retained earnings as on 1st October, 2014.

Amount (Rs lakhs) 3 Months Preceding 3 Corresponding 3 6 Months 6 Months Previous ended Months ended Months ended ended ended vear ended Particulars 31.03.2015 31.03.15 31.03.2014 31.12.2014 31.03.2014 30.09.2014 Unaudited Unaudited Unaudited Unaudited Audited Unaudited Total Income From Operations (net) 2724 2516 2,702 5,240 5,464 10,277 Profit / (Loss) before tax Profit / (Loss) after tax (66)(411)(296)(477)(611)129

- 7 Due to the nature of project business, financial results for the periods are not representative of the annual results.
- 8 Figures for the previous year/periods are re-classified / re-arranged / re-grouped, wherever considered necessary.
- "The unaudited standalone financial results for the quarter ended 31st March 2015 of the Company are available on the Company's website "www.nelco.in", Bombay Stock Exchange's website "www.bseindia.com" and National Stock Exchange's website "www.nseindia.com".
- 10 The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 28th April . 2015.

Consolidated Statement of Assets and Liabilities as at 31st March, 2015

Consolidated Statement of Assets		Rs. In Lai
Particulars	As at 31 st March, 15 Unaudited	As at 30 th September, 14 Audited
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	2,282	2,282
(b) Reserves and surplus	(1,532)	(592)
Sub Total - Shareholder's Funds	750	1,690
2 Non-current liabilities		
(a) Long-term borrowings	500	323
(b) Deferred tax liability (Net)	-	-
(c) Other long-term liabilities	76	96
(d) Long-term provisions	521	505
Sub Total - Non Current Liabilities	1,097	924
3 Current liabilities		
(a) Short-term borrowings	7,294	6,201
(b) Trade payables	3,555	3,549
(c) Other current liabilities	1,392	1,846
(d) Short-term provisions	442	437
Sub Total - Current Liabilities	12,683	12,033
TOTAL EQUITY AND LIABILITES	14,530	14,647
B ASSETS		
1 Non-current assets		
(a) Fixed assets	3,195	3,881
(b) Non-current investments	845	833
(c) Long-term loans and advances	2,286	1,830
Sub Total - Non Current Assets	6,326	6,544
2 Current assets		
(a) Inventories	1,293	1,514
(b) Trade receivables	4,947	3,864
(c) Cash and bank balances	233	492
(d) Short-term loans and advances	750	1,006
(e) Other current assets	981	1,227
Sub Total - Current Assets	8,204	8,103
TOTAL ASSETS	14,530	14,647

FOR NELCO LIMITED

R.R. Bhinge CHAIRMAN

Date: 28th April, 2015

Place: Mumbai