

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

Consolidated unaudited financial Results for the quarter and nine months ended 30th June 2014

Rs. In Lakhs

| Sr.No | Particulars | 3 Months ended 30.06.2014 | Preceding 3 Months ended 31.03.2014 | Corresponding 3 Months ended 30.06.2013 in the previous year | 9 Months ended 30.06.2014 | 9 Months ended 30.06.2013 | Previous year ended 30.09.2013 |
|-------|---|------------------------------|---|---|------------------------------|------------------------------|--------------------------------------|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. | Income from Operations | | | | | | |
| | a) Sales / Income from Operations | 2,886 | 3,554 | 3,677 | 9,958 | 9,895 | 13,517 |
| | Less : Excise Duty | 19 | 57 | 16 | 105 | 33 | 60 |
| | Net Sales / Income from Operations | 2,867 | 3,497 | 3,661 | 9,853 | 9,862 | 13,457 |
| | b) Other Operating Income | - | - | 1 | 26 | 17 | 17 |
| | Total Income From Operations (net) | 2,867 | 3,497 | 3,662 | 9,879 | 9,879 | 13,474 |
| 2. | Expenses | | | | | | |
| | a) Cost of material consumed | 149 | 216 | 234 | 401 | 444 | 813 |
| | b) Purchase of stock-in-trade | 510 | 925 | 1,452 | 2,444 | 3,588 | 4,561 |
| | c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade | 127 | 66 | (166) | 417 | (24) | 50 |
| | d) Employees Benefit Expense | 562 | 626 | 603 | 1,852 | 1,894 | 2,418 |
| | e) Depreciation and amortization expenses | 235 | 241 | 221 | 693 | 675 | 892 |
| | f) Provision for foreseeable losses | 24 | 11 | - | 35 | - | 6 |
| | g) Transporter charges | 375 | 384 | 354 | 1,140 | 1,045 | 1,429 |
| | h) Other expenses | 1,153 | 1,014 | 1,019 | 3,219 | 2,882 | 4,065 |
| | Total Expenses | 3,135 | 3,483 | 3,717 | 10,201 | 10,504 | 14,234 |
| 3. | Profit / (Loss) From Operations before other income, finance costs and exceptional items (1 - 2) | (268) | 14 | (55) | (322) | (625) | (760) |
| 4. | Other income (refer note 1) | 66 | 4 | 1 | 118 | 21 | 34 |
| 5. | Exceptional items (3 + 4) | (202) | 18 | (54) | (204) | (604) | (726) |
| 6. | Finance cost | 248 | 244 | 236 | 746 | 746 | 998 |
| 7. | Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional items (5 - 6) | (450) | (226) | (290) | (950) | (1,350) | (1,724) |
| 8. | Exceptional items (refer note 1) | 1,241 | - | - | 1,241 | - | - |
| 9. | Profit / (Loss) from ordinary activities before tax (7 + 8) | 791 | (226) | (290) | 291 | (1,350) | (1,724) |
| 10. | Tax expense | - | - | - | - | - | - |
| | a) Current Tax | - | 35 | 6 | 52 | (12) | (18) |
| | b) Deferred Tax | - | - | (2) | - | (11) | (8) |
| 11. | Net Profit / (Loss) from ordinary activities after tax (9 - 10) | 791 | (261) | (294) | 239 | (1,327) | (1,698) |
| 12. | Add : Share of Profit / (Loss) of Associate | (8) | 18 | 21 | 16 | 30 | 35 |
| 13. | Net Profit / (Loss) after tax, share of profit of associate (11+12) | 783 | (243) | (273) | 255 | (1,297) | (1,663) |

CIN NO. L32200MH1940PLC003164
EMAIL ID : services@nelco.in



13/06/14

| Sr.No | Particulars | 3 Months ended 30.06.2014 | Preceding 3 Months ended 31.03.2014 | Corresponding 3 Months ended 30.06.2013 in the previous year | 9 Months ended 30.06.2014 | 9 Months ended 30.06.2013 | Previous year ended 30.09.2013 |
|-------|---|------------------------------|---|---|------------------------------|------------------------------|--------------------------------------|
| 14. | Paid up equity share capital (face value Rs.10/-) | 2,282 | 2,282 | 2,282 | 2,282 | 2,282 | 2,282 |
| 15. | Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year | | | | | | (691) |
| 16. | Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised): | 3.43 | (1.07) | (1.20) | 1.12 | (5.69) | (7.29) |

| Part II | | 3 Months ended 30.06.2014 | 3 months ended 31.03.2014 | Corresponding 3 Months ended 31.03.2013 in the previous year | 9 Months ended 30.06.2014 | 6 Months ended 31.03.2013 | Previous year ended 30.09.2013 |
|---------------------------------------|--|------------------------------|------------------------------|---|------------------------------|------------------------------|--------------------------------------|
| A PARTICULARS OF SHAREHOLDINGS | | | | | | | |
| 1 | Public shareholding | | | | | | |
| | - Number of shares | 11385810 | 11385810 | 11385810 | 11385810 | 11385810 | 11385810 |
| | - Percentage of shareholding | 49.90 | 49.90 | 49.90 | 49.90 | 49.90 | 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 | 11432590 | 11432590 | 11432590 | 11432590 | 11432590 | 11432590 |
| | - Percentage of shares (as % of the total shareholding of promoter and promoter group) | 100 | 100 | 100 | 100 | 100 | 100 |
| | - Percentage of shares (as % of the total share capital of the company) | 50.10 | 50.10 | 50.10 | 50.10 | 50.10 | 50.10 |

| | | 3 months ended 30.6.2014 | | | |
|---|---------------------|---|--------------------------------|------------------------------------|--|
| | | Pending at the beginning of the quarter | Received during the quarter | Disposed off during the quarter | Remaining unresolved at the end of the quarter |
| B | INVESTOR COMPLAINTS | NIL | NIL | NIL | NIL |



Consolidated Segment wise Revenue, Results and Capital Employed for the quarter and nine months ended 30th June 2014

Rs. In Lakhs

| Sr. No. | Particulars | 3 months ended | Preceding 3 Months | Corresponding 3 | 9 Months ended | 9 Months ended | Previous year |
|----------|--|----------------|--------------------|--|----------------|----------------|------------------|
| | | 30.6.2014 | ended 31.03.2014 | Months ended 30.06.2013 in the previous year | 30.06.2014 | 30.06.2013 | ended 30.09.2013 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment Revenue (Net Sales / Income from operations) | | | | | | |
| | (i) Automation & Control | 267 | 967 | 903 | 2,152 | 2,579 | 3,416 |
| | (ii) Network Systems | 2,619 | 2,587 | 2,774 | 7,806 | 7,316 | 10,101 |
| | Less : Excise Duty | 19 | 57 | 16 | 105 | 33 | 60 |
| | Total | 2,867 | 3,497 | 3,661 | 9,853 | 9,862 | 13,457 |
| | Less : Inter Segment Revenue | - | - | - | - | - | - |
| | Net Sales / Income from Operations | 2,867 | 3,497 | 3,661 | 9,853 | 9,862 | 13,457 |
| 2 | Segment Results | | | | | | |
| | (i) Automation & Control | (410) | (91) | (244) | (665) | (847) | (1,164) |
| | (ii) Network Systems | 456 | 457 | 515 | 1,365 | 1,143 | 1,567 |
| | Total | 46 | 366 | 271 | 700 | 296 | 403 |
| | Less: | | | | | | |
| | (i) Interest expense | 229 | 232 | 229 | 698 | 694 | 909 |
| | (ii) Other un-allocable (income) / expenditure net of unallocable (income) / expenditure | (974) | 360 | 332 | (289) | 952 | 1,218 |
| | Profit/(Loss) Before Tax | 791 | (226) | (290) | 291 | (1,350) | (1,724) |
| 3 | Capital Employed (Segment Assets-Segment Liabilities) | | | | | | |
| | (i) Automation & Control | 3,555 | 3,934 | 3,903 | 3,555 | 3,903 | 4,099 |
| | (ii) Network Systems | 2,399 | 3,310 | 4,572 | 2,399 | 4,572 | 3,792 |
| | Total Segment Capital Employed (Segment Assets - Segment Liabilities) | 5,954 | 7,244 | 8,475 | 5,954 | 8,475 | 7,891 |



Notes :-

1 In the year 2006, the Company 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 06th February, 2012. The said award, however, was challenged by JNPT in the Hon'ble Bombay High Court which dismissed the plea on 06th February, 2014 and awarded the claim to the Company. JNPT paid in June, 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).

2 The Company has accumulated losses as at 30th June 2014 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 the financial support of the parent company and the business plan of the Company.

| 3 | Standalone Financials details | | Corresponding 3 Months ended 30.06.2013 in the previous year | | 9 Months ended 30.06.2014 | | 9 Months ended 30.06.2013 | | Previous year ended 30.09.2013 | |
|------------------------------------|-------------------------------|-----------|--|-----------|---------------------------|-----------|---------------------------|-----------|--------------------------------|---------|
| | 3 months ended 30.6.2014 | Unaudited | Preceding 3 Months ended 31.03.2014 | Unaudited | 9 Months ended 30.06.2014 | Unaudited | 9 Months ended 30.06.2013 | Unaudited | Audited | |
| Total Income From Operations (net) | 2,069 | Unaudited | 2,702 | Unaudited | 7,533 | Unaudited | 8,089 | Unaudited | 10,972 | Audited |
| Profit before tax | 735 | Unaudited | (296) | Unaudited | 124 | Unaudited | (1,263) | Unaudited | (1,637) | Audited |
| Profit after tax | 735 | Unaudited | (296) | Unaudited | 124 | Unaudited | (1,263) | Unaudited | (1,637) | Audited |

4 Due to the nature of project business, financial results for the quarter are not representative of the annual results.

5 Figures for the previous year/periods are re-classified / re-arranged / re-grouped, wherever considered necessary.

6 The unaudited standalone financial results for the quarter and nine months ended 30th June 2014 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".

7 The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 30th July 2014

8 In compliance with clause 41 of the listing agreements with stock exchanges, a limited review of the results for the quarter and nine months ended 30th June 2014 has been carried out by the Statutory Auditors.

Mumbai
30th July, 2014

For Nelco Limited
R. R. Bhinge
Chairman



11/03/14

Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF NELCO LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **NELCO LIMITED** ("the Company"), its subsidiary (the Company and its subsidiary constitute "the Group") and its share of the profit/ (loss) of its associate for the Quarter and Nine Months ended 30th June, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 7 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of 'Tatanet Services Limited', subsidiary and of 'Nelito Systems limited', an associate.
4. We did not review the interim financial results of a subsidiary included in the consolidated financial results, whose interim financial results reflect total revenues of Rs. 1,218 lakhs and Rs. 3,606 lakhs for the Quarter and Nine Months ended 30th June, 2014, respectively, and total profit after tax of Rs. 57 lakhs and Rs. 130 lakhs for the Quarter and Nine Months ended 30th June, 2014, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of loss of Rs. 8 lakhs and Group's share of profit of Rs. 16 lakhs for the Quarter and Nine Months ended 30th June, 2014, respectively, as considered in the consolidated financial results, in respect of an associate, whose interim financial statements results have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and an associate, is based solely on the reports of the other auditors.

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**Deloitte
Haskins & Sells LLP**

5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 2 to the Statement, which states that the accumulated losses as at 30th June, 2014 has substantially eroded the Company's net worth. Notwithstanding this, the Statement has been prepared on a going concern basis in view of financial support of the parent company. Our report is not qualified in respect of this matter.
7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months Ended 30th June, 2014 of the Statement, from the details furnished by the Registrars.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R.A. Banga

R.A. Banga
Partner
(Membership No. 37915)

MUMBAI, 30th July, 2014