

NELCO LIMITED

Regd. Office: Francysters Cybernetics Centre, Eucharistic Congress building No. III, 5, Convent Street, Colaba, Mumbai -400 039.

Unaudited Financial Results for the Quarter ended 31st December, 2010

Rs. In Lakhs

Sr. No.	Particulars	3 Months period ended 31.12.2010 (Unaudited)	3 Months period ended 31.12.2009 (Unaudited)	Year ended 30.09.2010 (Audited)
1.	Sales / Income from Operations	3,922	4161	14297
	Less : Excise Duty	150	85	351
	a) Net Sales / Income from Operations	3,772	4076	13946
	b) Other Operating Income	-	-	10
	Total Income From Operations	3,772	4076	13956
2.	Expenditure			
	a) (Increase) in stock in trade and work in progress	(105)	(124)	67
	b) Consumption of raw materials (Refer Note 4)	1,278	1,582	3,505
	c) Purchase of traded goods	1,148	844	3,478
	d) Employees cost	545	660	2,705
	e) Depreciation	105	113	437
	f) Other expenditure	961	941	5,172
	Total Expenditure	3,932	4,016	15,364
3.	Profit / (Loss) From Operations before Other Income, Interest and Exceptional Items (1 - 2)	(160)	60	(1408)
4.	Other Income	140	82	327
5.	Profit / (Loss) before Interest and Exceptional Items (3 + 4)	(20)	142	(1081)
6.	Interest expense	172	296	1273
7.	Profit / (Loss) after Interest but before Exceptional Items (5 - 6)	(192)	(154)	(2354)
8.	Exceptional Items			
	Less: Deferred Revenue Expenditure	-	53	106
	Add : Profit on sale of business to crompton greaves Ltd	-	-	5,302
9.	Profit / (Loss) before tax (7 - 8)	(192)	(207)	2842
10.	Tax expense			
	a) Current Tax	-	(19)	725
	b) Deferred Tax	-	-	(33)
	c) Short Tax Provision for earlier years	5	-	10
11.	Net Profit/ (Loss) after tax (9 - 10)	(197)	(188)	2139
12.	Paid up equity share capital (face value Rs.10/-)	2282	2282	2282
13.	Reserves excluding Revaluation Reserve	-	-	1,940
14.	Earnings Per Share (Rs.)- Basic and diluted	(0.86)	(0.82)	9.37
15.	Public shareholding			
	- Number of shares	11385760	11385760	11385760
	- Percentage of shareholding	49.90	49.90	49.90
16.	Promoter and promoter group shareholding			
	a) Pledged/Encumbered			
	- Number of shares	-	-	-
	- Percentage of shareholding (as % of the total shareholding of promoter and promoter group)	-	-	-
	- Percentage of shareholding (as % of the total share capital of the company)	-	-	-
	b). Non-encumbered			
	- Number of shares	11432640	11432640	11432640
	- Percentage of shareholding (as % of the total shareholding of promoter and promoter group)	100	100	100
	- Percentage of shareholding (as % of the total share capital of the company)	50.10%	50.10%	50.10%
17.	Dividend (Proposed)			
	Rate per share (Face Value Rs. 10/-) (In Rupees)	-	-	2.00
	Amount (Rs. In Lakhs)	-	-	456

Segmentwise Revenue, Results and Capital Employed for the Quarter Ended 31st December, 2010

Rs. In Lakhs

Sr. No.	Particulars	3 Months period ended 31.12.2010 (Unaudited)	3 Months period ended 31.12.2009 (Unaudited)	Year ended 30.09.2010 (Audited)
1	Segment Revenue (Net Sales / Income from operations)			
	(i) Automation & Control	2,511	1435	6304
	(ii) Network Systems	1,411	2726	7993
	(iii) Property Development	-	-	-
	(iv) Others	-	-	-
	Less : Excise Duty	150	85	351
	Total	3772	4076	13946
	Less : Inter Segment Revenue	-	-	-
	Net Sales / Income from Operations	3772	4076	13946
2	Segment Results			
	(i) Automation & Control	(161)	(234)	(1559)
	(ii) Network Systems	276	556	1329
	(iii) Property Development	-	-	-
	(iv) Others	-	-	-
	Total	115	322	(230)
	Less:			
	(i) Interest expense	172	296	1273
	(ii) Other un-allocable (income) /expenditure net of unallocable (income) / expenditure	135	233	(4345)
	(Loss)/Profit Before Tax	(192)	(207)	2842
3	Capital Employed (Segment Assets-Segment Liabilities)			
	(i) Automation & Control	3581	5338	3795
	(ii) Network Systems	6672	7177	7463
	(iii) Property Development	217	217	217
	Total Segment Capital Employed (Segment Assets - Segment Liabilities)	10470	12732	11475

Notes : -

- Due to the nature of project business, financial performance is not uniform across the quarters. Hence, financial results for the quarter are not representative of the annual results.
- During the quarter ended 30th September, 2010 the company transferred Traction Electronics, SCADA and Industrial Drives businesses (sub-divisions of Automation and Control segment) to Crompton Greaves Limited (CGL) as a "going concern" on a slump sale basis for a total consideration of Rs. 8,100 lakhs. However, at the request of CGL, the Company has continued with certain operations of the transferred businesses, pending assignment of certain contracts by customers to CGL. Consequently Sales / Income from Operation, Consumption of Raw material, Purchase of Traded goods and Other expenditure in respect of these contracts for the quarter ended 31st December, 2010 and for the year ended 30th September, 2010 have been included under the respective head in the above results.

Particulars	3 Months period ended 31.12.2010	Year ended 30.09.2010
Sales / Income from operations	1,917	467
Consumption of Raw material	1,220	391
Purchase of traded goods	584	-
Other expenditure	99	72

- Consequent to the reasons stated in note 1 & 2 above, figures for current year are not comparable with the previous period.
- Other expenditure includes loss of Rs.3.49 lakhs for the Quarter ended 31st December 2010 (Quarter ended 31st December 2009 gain of Rs.186 lakhs and for the year ended 30th September 2010 gain of Rs. 234.03 lakhs) on account of foreign exchange fluctuations in respect of monetary items (viz foreign currency receivables and payables) in accordance with Accounting Standard 11.
- Other Income for the quarter ended 31st December, 2010 includes Rs. 96.90 lakhs relating to liabilities no longer required written back (quarter ended 31st December 2009 Rs. Nil and year ended 30th September, 2010 Rs. 53.45 lakhs) and Rs. 38.69 lakhs relating to interest on income tax refund (quarter ended 31st December 2009 Rs. Nil and year ended 30th September, 2010 Rs.91.98 lakhs)
- Business Segments have been identified as reportable primary segments in accordance with Accounting Standard 17, taking into account the organisational structure as well as the differing of risks and returns of these segments.
- Previous period's/year's figures have been regrouped, wherever necessary, in order to make them comparable.
- The Board of Directors at its meeting held on 22nd November 2010 has for the year ended 30th September 2010 recommended a dividend of Rs. 2 per equity share (10% Ordinary and 10% special dividend on a face value of Rs. 10/- each) amounting to Rs. 456 lakhs, which has been approved by the shareholders at the Annual General Meeting of the Company held on 19th January, 2011.
- Status of Investors Complaints for the quarter ended 31.12.2010: - At the beginning - Nil, Received - Nil, Disposed off - Nil and unresolved - Nil
- The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 10th February 2011.
- In compliance with Clause 41 of the Listing Agreement with the Stock Exchange, a Limited Review of the results for the quarter ended 31st December, 2010 has been carried out by the Statutory Auditors.

FOR NELCO LIMITED

Place : Mumbai

Date : 10th February, 2011

Sd/
P.R.MENON
CHAIRMAN