

NELCO LIMITED

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

Unaudited Financial Results for the Quarter ended 30th June 2012

Segment wise Revenue, Results and Capital Employed for the Quarter Ended 30th June 2012

Rs. In Lakhs

Rs. In Lakhs

| Sr. No. | Particulars | 3 Months period ended 30.06.2012 | Preceding 3 Months ended 31.03.2012 | Corresponding 3 Months ended 30.06.2011 in the previous year | 9 Months ended 30.06.2012 | 9 Months ended 30.06.2011 | Previous year ended 30.09.2011 |
|-----------|---|----------------------------------|-------------------------------------|--|---------------------------|---------------------------|--------------------------------|
| 1. | Income from Operations | | | | | | |
| | a) Sales / Income from Operations | 3,696 | 4,942 | 1,908 | 11,287 | 8,364 | 11,354 |
| | Less : Excise Duty | 140 | 116 | 3 | 295 | 204 | 226 |
| | Net Sales / Income from Operations | 3,556 | 4,826 | 1,905 | 10,992 | 8,160 | 11,128 |
| | b) Other Operating Income | - | - | - | 3 | 5 | 5 |
| | Total Income From Operations (net) | 3,556 | 4,826 | 1,905 | 10,995 | 8,165 | 11,133 |
| 2. | Expenses | | | | | | |
| | a) Cost of material consumed (Refer Note 2) | 881 | 759 | 24 | 1,740 | 1,630 | 1,897 |
| | b) Purchase of stock- in-trade | 1,260 | 1,916 | 1,302 | 4,602 | 2,978 | 4,542 |
| | c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade | (187) | 424 | (648) | (244) | (350) | (577) |
| | d) Employees Benefit Expense | 576 | 521 | 650 | 1,641 | 1,670 | 2,272 |
| | e) Depreciation and amortization expenses | 138 | 139 | 126 | 418 | 345 | 477 |
| | f) Provision for foreseeable losses | - | - | - | 34 | - | 504 |
| | g) Other expenses (Refer Note 5) | 816 | 804 | 717 | 2,427 | 2,420 | 3,469 |
| | Total Expenses | 3,484 | 4,563 | 2,171 | 10,618 | 8,693 | 12,584 |
| 3. | Profit / (Loss) From Operations before other income, finance costs and exceptional Items (1 - 2) | 72 | 263 | (266) | 377 | (528) | (1,451) |
| 4. | Other Income | 4 | 6 | 22 | 159 | 206 | 214 |
| 5. | Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4) | 76 | 269 | (244) | 536 | (322) | (1,237) |
| 6. | Finance cost | 243 | 207 | 188 | 624 | 615 | 800 |
| 7. | Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 - 6) | (167) | 62 | (432) | (88) | (937) | (2,037) |
| 8. | Exceptional Items (Refer Note 3) | 268 | - | - | 268 | 175 | 283 |
| 9. | Profit / (Loss) from ordinary activities before tax (7 - 8) | 101 | 62 | (432) | 180 | (937) | (1,754) |
| 10. | Tax expense | | | | | | |
| | a) Current Tax | - | - | - | - | (125) | (125) |
| | b) Deferred Tax | - | - | - | - | 88 | - |
| | c) Short / (Excess) Tax Provision for earlier years | - | - | - | - | 5 | 24 |
| 11. | Net Profit/ (Loss) from ordinary activities after tax (9 - 10) | 101 | 62 | (432) | 180 | (905) | (1,653) |
| 12. | Extraordinary items | - | - | - | - | - | - |
| 13. | Net Profit/ (Loss) for the period (11+12) | 101 | 62 | (432) | 180 | (905) | (1,653) |
| 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 | - | - | - | - | - | 287 |
| 16. | Earnings Per Share (before and after extraordinary items) (of Rs. 10/-each) (not annualised): | 0.44 | 0.27 | (1.89) | 0.79 | (3.97) | (7.24) |
| | (a) Basic | | | | | | |
| | (b) Diluted | | | | | | |

| Sr. No. | Particulars | 3 Months period ended 30.06.2012 | Preceding 3 Months ended 31.03.2012 | Corresponding 3 Months ended 30.06.2011 in the previous year | 9 Months ended 30.06.2012 | 9 Months ended 30.06.2011 | Previous year ended 30.09.2011 |
|---------|---|----------------------------------|-------------------------------------|--|---------------------------|---------------------------|--------------------------------|
| 1 | Segment Revenue (Net Sales / Income from operations) | | | | | | |
| | (i) Automation & Control | 1,798 | 2,398 | 66 | 4,711 | 3,309 | 4,451 |
| | (ii) Network Systems | 1,898 | 2,544 | 1,842 | 6,576 | 5,055 | 6,903 |
| | Less : Excise Duty | 140 | 116 | 3 | 295 | 204 | 226 |
| | Total | 3,556 | 4,826 | 1,905 | 10,992 | 8,160 | 11,128 |
| | Less : Inter Segment Revenue | | | | | | |
| | Net Sales / Income from Operations | 3,556 | 4,826 | 1,905 | 10,992 | 8,160 | 11,128 |
| 2 | Segment Results | | | | | | |
| | (i) Automation & Control | (167) | (96) | (391) | (241) | (450) | (1,674) |
| | (ii) Network Systems | 552 | 660 | 296 | 1,613 | 868 | 1,162 |
| | (iii) Property Development | - | - | - | - | (217) | (217) |
| | Total | 385 | 564 | (95) | 1,372 | 201 | (729) |
| | Less: | | | | | | |
| | (i) Interest expense | 224 | 173 | 160 | 560 | 485 | 648 |
| | (ii) Other un-allocable (income) /expenditure net of unallowable (income) / expenditure | 60 | 329 | 177 | 632 | 478 | 377 |
| | Profit/(Loss) Before Tax | 101 | 62 | (432) | 180 | (762) | (1,754) |
| 3 | Capital Employed (Segment Assets-Segment Liabilities) | | | | | | |
| | (i) Automation & Control | 4,669 | 4,314 | 3,132 | 4,669 | 3,132 | 2,638 |
| | (ii) Network Systems | 5,639 | 5,150 | 5,508 | 5,639 | 5,508 | 4,449 |
| | (iii) Property Development | - | - | - | - | - | - |
| | Total Segment Capital Employed (Segment Assets - Segment Liabilities) | 10,308 | 9,464 | 8,640 | 10,308 | 8,640 | 7,087 |

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.
- In the year ended September 30, 2010 the Company had transferred Traction Electronics, Supervisory Control and Data Acquisition (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. However, at the request of CGL, the Company continued with certain operations of the transferred businesses ,till 30th June 2011.Consequently Sales/Income from Operations ,Consumption of Raw Materials, Purchase of Traded Goods and Other Expenditure in respect of these contracts for the 9 months ended 30th June, 2011 and for the year ended 30th September, 2011 have been included under the respective head in the above results.

| Particulars | 3 Months period ended 30.06.2011 | 9 Months period ended 30.06.2011 | 12 Months period ended 30.09.2011 |
|------------------------------|----------------------------------|----------------------------------|-----------------------------------|
| Sales/Income from Operations | - | 1,932 | 1,932 |
| Consumption of Raw materials | - | 1,234 | 1,234 |
| Purchase of Traded Goods | - | 584 | 584 |
| Other Expenditure | - | 99 | 99 |

- Exceptional item for the quarter and nine months period ended 30th June, 2012 represents write back of provision towards liquidated damages of Rs.268 lakhs on recovery of the same by the company.
- Consequent to the reasons stated in note No 1 and 2 the figures for the current period are not comparable with that of corresponding quarter of previous year.
- Other expenditure includes loss of Rs.64.45 lakhs for the quarter ended 30th June, 2012 and loss of Rs.131.39 Lakhs for the nine month ended 30th June, 2012 (gain of Rs 68.90 lakhs for the quarter ended 31st March 2012, loss of Rs. 2.48 lakhs for the quarter ended 30th June, 2011, gain of Rs. 6.42 lakhs for the nine months ended 30th June 2011, and loss of Rs. 145.00 lakhs for the twelve months period ended 30th September, 2011) on account of foreign exchange fluctuations in respect of monetary items (viz foreign currency receivables and payables) in accordance with Accounting Standard 11.
- 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 return of these segments.
- Figures for the previous periods are re-classified / re-arranged / re-grouped, wherever necessary, as per the format revised by SEBI in conformity with the amended Schedule VI to the Companies Act , 1956 and in order to make it comparable.
- The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 9th August, 2012.
- In compliance with Clause 41 of the Listing Agreements with the Stock Exchanges, a Limited review of the results for the quarter ended 30th June,2012 has been carried out by the Statutory Auditors.

PART II

| Sr. No. | Particulars | 3 Months period ended 30.06.2012 | Preceding 3 Months ended 31.03.2012 | Corresponding 3 Months ended 30.06.2011 in the previous year | 9 Months ended 30.06.2012 | 9 Months ended 30.06.2011 | Previous year ended 30.09.2011 |
|----------|--|----------------------------------|-------------------------------------|--|---------------------------|---------------------------|--------------------------------|
| A | PARTICULARS OF SHAREOLDINGS | | | | | | |
| 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 |

| Particulars | 3 Months period ended 31.06.2012 (Unaudited) |
|--|--|
| B | |
| INVESTOR COMPLAINTS | |
| Pending at the beginning of the quarter | NIL |
| Received during the quarter | NIL |
| Disposed off during the quarter | NIL |
| Remaining unresolved at the end of quarter | NIL |

Place : Mumbai
Date : 9th August, 2012

FOR NELCO LIMITED

P. R. MENON
CHAIRMAN