

# NELCO LIMITED

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

CIN : L32200MH1940PLC003164

## Statement of Standalone Unaudited Financial Results for the Quarter and Six Months Ended 31st March 2015

Rs. In Lakhs

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
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	<b>Income from Operations</b>						
	a) Sales / Income from Operations	2705	2,518	2,759	5,223	5,524	10,366
	Less : Excise Duty	1	2	57	3	86	115
	Net Sales / Income from Operations	2,704	2,516	2,702	5,220	5,438	10,251
	b) Other Operating Income	20	-	-	20	26	26
	Total Income From Operations (net)	2,724	2,516	2,702	5,240	5,464	10,277
2.	<b>Expenses</b>						
	a) Cost of materials consumed	44	124	216	168	252	491
	b) Purchase of stock- in-trade	766	912	925	1,678	1,934	3,254
	c) Changes in Inventories of finished goods, 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 ( Refer Note No 1 & 5)	177	355	166	532	310	571
	f) Provision for foreseeable losses	-	-	11	-	11	10
	g) Sub Contracting Expenses	246	301	214	547	430	959
	h) Other expenses	639	580	592	1,219	1,220	2,590
	Total Expenses	2,631	2,729	2,816	5,360	5,737	10,823
3.	Profit / (Loss) From Operations before other income, finance costs and exceptional Items (1 - 2)	93	(213)	(114)	(120)	(273)	(546)
4.	Other Income (refer note 4)	55	50	48	105	132	321
5.	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4)	148	(163)	(66)	(15)	(141)	(225)
6.	Finance cost	214	201	230	415	470	887
7.	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	(66)	(364)	(296)	(430)	(611)	(1,112)
8.	Exceptional Items (refer note 4)	-	-	-	-	-	1,241
9.	Profit / (Loss) from ordinary activities before tax (7 + 8)	(66)	(364)	(296)	(430)	(611)	129
10.	Tax expense						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax ( refer note 5)	-	47	-	47	-	-
11.	Net Profit/ (Loss) from ordinary activities after tax (9 - 10)	(66)	(411)	(296)	(477)	(611)	129
12.	Extraordinary items	-	-	-	-	-	-
13.	Net Profit/ (Loss) for the period (11+12)	(66)	(411)	(296)	(477)	(611)	129
13A	-From Continuing Operations ( Net of Tax of Rs Nil for quarter ended 31-03-15)"	13	(308)	(222)	(295)	(318)	883
13B	-From Discontinuing Operations ( Net of Tax 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	2,282
15.	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year						(1,245)
16.	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/- each) (not annualised) - Total Operations	(0.29)	(1.80)	(1.30)	(2.09)	(2.68)	0.57
16A	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/ each) (not annualised)- From Continuing Operations	0.06	(1.35)	(0.97)	(1.29)	(1.39)	3.87

### PART II

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	<b>PARTICULARS OF SHAREHOLDINGS</b>						
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

Sr. No.	Particulars	3 months ended 31.03.2015			
		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	<b>INVESTOR COMPLAINTS</b>	NIL	NIL	NIL	NIL

## Segment wise Revenue, Results and Capital Employed for the Quarter and Six Months ended 31st March 15

Rs. In Lakhs

Sr. No.	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
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue (Net Sales / Income from operations)						
	(i) Automation & Control	255	348	967	603	1,885	2,545
	(ii) Network Systems	2450	2170	1792	4,620	3,639	7,821
	Less : Excise Duty	1	2	57	3	86	115
	<b>Total</b>	<b>2,704</b>	<b>2,516</b>	<b>2,702</b>	<b>5,220</b>	<b>5,438</b>	<b>10,251</b>
	Less : Inter Segment Revenue	-	-	-	-	-	-
	<b>Net Sales / Income from Operations</b>	<b>2,704</b>	<b>2,516</b>	<b>2,702</b>	<b>5,220</b>	<b>5,438</b>	<b>10,251</b>
2	Segment Results						
	(i) Automation & Control	(251)	(329)	(91)	(580)	(255)	(746)
	(ii) Network Systems	638	372	320	1,010	681	1,547
	<b>Total</b>	<b>387</b>	<b>43</b>	<b>229</b>	<b>430</b>	<b>426</b>	<b>801</b>
	Less:						
	(i) Interest expense	214	201	230	415	470	887
	(ii) Other un-allocable (income) /expenditure net of unallocable (income) / expenditure	239	206	295	445	567	(215)
	<b>Profit/(Loss) Before Tax</b>	<b>(66)</b>	<b>(364)</b>	<b>(296)</b>	<b>(430)</b>	<b>(611)</b>	<b>129</b>
3	Capital Employed (Segment Assets-Segment Liabilities)						
	(i) Automation & Control	3070	3320	3934	3,070	3,934	3,471
	(ii) Network Systems	2095	1743	2028	2,095	2,028	1,579
	<b>Total Segment Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>5,165</b>	<b>5,063</b>	<b>5,962</b>	<b>5,165</b>	<b>5,962</b>	<b>5,049</b>

### 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 quarter 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)

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 quarter 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)

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	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).

5 Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company 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 months and six months ended 31st March 2015 is higher by Rs 66 Lakhs and Rs 134 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.

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

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

8 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

Rs. In Lakhs

Particulars	As at 31st March, 15 Unaudited	As at 30th September, 14 Audited
<b>A EQUITY AND LIABILITIES</b>		
1 Shareholders' funds		
(a) Share capital	2,282	2,282
(b) Reserves and surplus	(1,826)	(1,245)
Sub Total- Shareholders Fund	456	1,037
2 Non-current liabilities		
(a) Long-term borrowings	49	49
(b) Deferred tax liability (Net)		
(c) Other long-term liabilities	76	96
(d) Long-term provisions	520	504
Sub Total- Non Current Liabilities	645	649
3 Current liabilities		
(a) Short-term borrowings	7,294	6,202
(b) Trade payables	3,205	3,321
(c) Other current liabilities	571	626
(d) Short-term provisions	442	437
Sub Total -Current Liabilities	11,512	10,586
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,613</b>	<b>12,272</b>
<b>B ASSETS</b>		
1 Non-current assets		
(a) Fixed assets	1,831	2,330
(b) Non-current investments	696	212
(c) Long-term loans and advances	2,482	2,601
Sub Total - Non Current Assets	5,009	5,143
2 Current assets		
(a) Inventories	1,293	1,514
(b) Trade receivables	4,844	3,679
(c) Cash and bank balances	70	130
(d) Short-term loans and advances	484	614
(e) Other current assets	913	1,192
Sub Total Current assets	7,604	7,129
<b>TOTAL ASSETS</b>	<b>12,613</b>	<b>12,272</b>

FOR NELCO LIMITED

Place : Mumbai  
Date : 28th April, 2015

R.R. Bhinge  
CHAIRMAN