

# NELCO LIMITED

REGD. OFFICE :- EL-6, TTC INDUSTRIAL AREA, MIDC, ELECTRONICS ZONE, MAHAPE, NAVI MUMBAI - 400 710  
CIN : L32200MH1940PLC003164

## Standalone Unaudited Financial Results for the Quarter Ended 31<sup>st</sup> December, 2014

Rs. In Lakhs

Sr. No.	Particulars	3 Months ended 31.12.2014 Unaudited	Preceding 3 Months ended 30.09.2014 Unaudited (Refer note 4)	Corresponding 3 Months ended 31.12.2013 in the previous year Unaudited	Previous year ended 30.09.2014 Audited
1.	<b>Income from Operations</b>				
	a) Sales / Income from Operations	2,518	2,754	2,765	10,366
	Less : Excise Duty	2	10	29	115
	Net Sales / Income from Operations	2,516	2,744	2,736	10,251
	b) Other Operating Income	-	-	26	26
	Total Income From Operations (net)	2,516	2,744	2,762	10,277
2.	<b>Expenses</b>				
	a) Cost of material consumed	124	90	36	491
	b) Purchase of stock-in-trade	917	810	1,009	3,254
	c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(77)	131	224	548
	d) Employees Benefit Expense	534	548	664	2,400
	e) Depreciation and amortization expenses ( Refer note 1 & 5)	355	126	144	571
	f) Provision for foreseeable losses	(5)	(25)	-	10
	g) Other expenses	881	956	844	3,548
	Total Expenses	2,729	2,637	2,921	10,823
3.	Profit / (Loss) From Operations before other income, finance costs and exceptional Items (1 - 2)	(213)	107	(159)	(546)
4.	Other Income (refer note 3)	50	85	84	321
5.	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4)	(163)	192	(75)	(225)
6.	Finance cost	201	187	240	887
7.	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	(364)	5	(315)	(1,112)
8.	Exceptional Items (refer note 3)	-	-	-	1,241
9.	Profit / (Loss) from ordinary activities before tax (7 + 8)	(364)	5	(315)	129
10.	Tax expense				
	a) Current Tax	-	-	-	-
	b) Deferred Tax ( refer note 5)	47	-	-	-
	c) MAT Credit reversed/(recoverable)	-	-	-	-
	c) Fringe Benefit Tax	-	-	-	-
	e) Short Tax Provision for earlier years	-	-	-	-
11.	Net Profit/ (Loss) from ordinary activities after tax (9 - 10)	(411)	5	(315)	129
12.	Extraordinary items	-	-	-	-
13.	Net Profit/ (Loss) for the period (11+12)	(411)	5	(315)	129
14.	Paid up equity share capital ( face value Rs.10/-)	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)	(1.80)	0.02	(1.38)	0.57

### PART II

Sr. No.	Particulars	3 Months ended 31.12.2014	Preceding 3 Months ended 30.09.2014	Corresponding 3 Months ended 31.12.2013 in the previous year	Previous year ended 30.09.2014
A	<b>PARTICULARS OF SHAREHOLDINGS</b>				
1	Public shareholding				
	- Number of shares	11385810	11385810	11385810	11385810
	- Percentage of shareholding	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
	- Percentage of shares (as % of the total shareholding of promoter and promoter group)	100	100	100	100
	- Percentage of shares (as % of the total share capital of the company)	50.10	50.10	50.10	50.10

		3 months ended 31.12.2014			
Particulars	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

### Segment wise Revenue, Results and Capital Employed for the quarter ended 31<sup>st</sup> December 2014

Rs. In Lakhs

Sr. No.	Particulars	3 Months ended 31.12.2014 Unaudited	Preceding 3 Months ended 30.09.2014 Unaudited (Refer note 4)	Corresponding 3 Months ended 31.12.2013 in the previous year Unaudited	Previous year ended 30.09.2014 Audited
1	Segment Revenue (Net Sales / Income from operations)				
	(i) Automation & Control	348	393	918	2,545
	(ii) Network Systems	2170	2361	1,847	7,821
	Less : Excise Duty	2	10	29	115
	<b>Total</b>	<b>2,516</b>	<b>2,744</b>	<b>2,736</b>	<b>10,251</b>
	<b>Less : Inter Segment Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Net Sales / Income from Operations</b>	<b>2,516</b>	<b>2,744</b>	<b>2,736</b>	<b>10,251</b>
2	Segment Results				
	(i) Automation & Control	(329)	(81)	(164)	(746)
	(ii) Network Systems	372	521	361	1,547
	<b>Total</b>	<b>43</b>	<b>440</b>	<b>197</b>	<b>801</b>
	Less:				
	(i) Interest expense	201	187	240	887
	(ii) Other un-allocable (income) /expenditure net of unallocable (income) / expenditure	206	248	272	(215)
	<b>Profit/(Loss) Before Tax</b>	<b>(364)</b>	<b>5</b>	<b>(315)</b>	<b>129</b>
3	Capital Employed (Segment Assets-Segment Liabilities)				
	(i) Automation & Control	3320	3471	3,931	3,471
	(ii) Network Systems	1743	1579	2,054	1,579
	<b>Total Segment Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>5,063</b>	<b>5,049</b>	<b>5,985</b>	<b>5,049</b>

#### Notes :-

- 1-a 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.
- 1-b The assets attributable to the UGS business have been impaired to the tune of Rs. 166 Lakhs and disclosed as part of Depreciation & Amortisation.
- 1-c The financial parameters in respect of the ordinary activities attributable to the UGS business for the quarter ended 31st December 2014 are as follows:

Particulars	Amount (Rs lakhs)
Revenue	60.00
Expenses	111.00
Pre-tax loss before impairment	(51.00)
Income tax	-

- The transfer being effective from 1st October, 2014, the results of operations for the quarter ended 31st December, 2014, includes a portion attributable to The Tata Power Company Limited which will be given effect to on completion of transaction.
- 2 The Company has accumulated losses as at 31st December 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 support letter from parent company.
- 3 In the year 2006, the Company filed arbitration proceedings against Jawaharalal 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).
- 4 The figures for the preceding 3 months ended 30.09.2014 are the balancing figures between the audited figures in respect of the full financial year ended 30.09.2014 and the published year to date figures upto the third quarter of that financial year.
- 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 quarter ended 31st December, 2014 is higher by Rs.68 lakhs 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 quarter 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 January, 2015.

FOR NELCO LIMITED

R.R.Bhinge  
Chairman

Place : Mumbai  
Date : 28<sup>th</sup> January, 2015