

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months ended 30th June, 2015

Sr.No	Particulars	3 Months ended		9 Months ended		9 Months ended		Previous year ended 30.09.2014
		30.06.2015	31.03.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2014	
1.	Income from Operations	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	a) Sales / Income from Operations	3,410	3,678	2,886	10,428	9,958	13,520	
	Less : Excise Duty	3	1	19	6	105	115	
	Net Sales / Income from Operations	3,407	3,677	2,867	10,422	9,853	13,405	
	b) Other Operating Income	-	20	-	20	26	26	
	Total Income From Operations (net)	3,407	3,697	2,867	10,442	9,879	13,431	
2.	Expenses							
	a) Cost of materials consumed	24	44	149	192	401	491	
	b) Purchase of stock - in-trade	729	766	510	2,407	2,444	3,254	
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(147)	224	127	-	417	548	
	d) Employee Benefits Expense	545	535	562	1,614	1,852	2,400	
	e) Depreciation and amortization expense (refer Note no 1 & 5)	262	289	235	1,011	693	919	
	f) Provision for foreseeable losses	-	-	24	-	35	10	
	g) Transponder charges	647	626	375	1,844	1,140	1,621	
	h) Other expenses	1,263	1,256	1,153	3,655	3,219	4,419	
	Total Expenses	3,323	3,740	3,135	10,723	10,201	13,662	
3.	Profit / (Loss) From Operations before other income, finance costs and exceptional items (1 - 2)	84	(43)	(268)	(281)	(322)	(231)	
4.	Other income (refer note 4)	35	12	66	55	118	158	
5.	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional items (3 + 4)	120	(31)	(202)	(226)	(204)	(73)	
6.	Finance cost	246	236	248	701	746	950	
7.	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional items (5 - 6)	(126)	(267)	(450)	(927)	(950)	(1,023)	
8.	Exceptional items (refer note 4)	-	-	1,241	-	1,241	1,241	
9.	Profit / (Loss) from ordinary activities before tax (7 + 8)	(126)	(267)	791	(927)	291	218	
10.	Tax expense	-	-	-	-	52	52	
	a) Current Tax	-	-	-	-	52	52	
	b) Deferred Tax (refer note 5)	-	-	-	47	-	-	
11.	Net Profit/ (Loss) from ordinary activities after tax (9 - 10)	(126)	(267)	791	(974)	239	166	
12.	Add : Share of Profit/(Loss)of Associate	1	6	(8)	13	16	28	
13.	Net Profit/ (Loss) after tax and share of profit of associate (11+12)	(125)	(261)	783	(961)	255	194	
13 A	- From Continuing Operations (Net of Tax of Rs Nil for quarter ended 30-06-2015)	(32)	(182)	1,020	(686)	785	948	
13 B	- From Discontinuing Operations (Net of Tax of Rs Nil)	(93)	(79)	(237)	(275)	(530)	(754)	

Rs. In Lakhs

Sr.No	Particulars	3 Months ended 30.06.2015	Preceding 3 Months ended 31.03.2015	Corresponding 3 Months ended 30.06.2014	9 Months ended 30.06.2015	9 Months ended 30.06.2014	Previous Year ended 30.09.2014
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						(592)
16.	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised) - Total Operations	(0.55)	(1.15)	3.43	(4.21)	1.12	0.85
16 A	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised) - From Continuing Operations	(0.14)	(0.80)	4.47	(3.01)	3.44	4.15

Part II

PARTICULARS OF SHAREHOLDINGS		3 Months ended 30.06.2015	Preceding 3 Months ended 31.03.2015	Corresponding 3 Months ended 30.06.2014	9 Months ended 30.06.2015	9 Months ended 30.06.2014	Previous Year ended 30.09.2014
A	Public shareholding						
1	- 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)						
	b) Non-encumbered						
	- Percentage of shares (as a % of the total share capital of the company)						
	- 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 ended 30.06.2015				
		Pending at the beginning of the quarter	Received during the quarter	Disposed off during the quarter	Remaining unresolved at the end of the quarter		
		NIL	NIL	NIL	NIL		
B	INVESTOR COMPLAINTS						

Consolidated Segment wise Revenue, Results and Capital Employed for the Quarter and Nine Months ended 30th June, 2015

Rs in Lakhs

Sr. No.	Particulars	3 Months ended 30.06.15	Preceding 3 Months ended 31.03.15	Corresponding 3 months ended 30.6.2014	9 Months ended 30.06.2015	9 Months ended 30.06.2014	Previous year ended 30.09.2014
1	Segment Revenue (Net Sales / Income from operations)						
	(i) Automation & Control	358	255	267	961	2,152	2,545
	(ii) Network Systems	3,052	3,423	2,619	9,467	7,806	10,975
	Less : Excise Duty	3	1	19	6	105	115
	Total	3,407	3,677	2,867	10,422	9,853	13,405
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Net Sales / Income from Operations	3,407	3,677	2,867	10,422	9,853	13,405
	Segment Results						
	(i) Automation & Control	(149)	(251)	(410)	(729)	(665)	(746)
	(ii) Network Systems	595	502	456	1,355	1,365	1,850
Total	446	251	46	626	700	1,104	
Less:							
(i) Interest expense	246	236	248	701	746	950	
(ii) Other un-allocable (income) / expenditure net of unallocable (income) / expenditure	326	282	(993)	852	(337)	(64)	
Profit/(Loss) Before Tax	(126)	(267)	791	(927)	291	218	
3	Capital Employed (Segment Assets-Segment Liabilities)						
	(i) Automation & Control	2,661	3,070	3,555	2,661	3,555	3,471
	(ii) Network Systems	2,467	2,841	2,399	2,467	2,399	2,396
Total Segment Capital Employed (Segment Assets - Segment Liabilities)	5,128	5,911	5,954	5,128	5,954	5,867	

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 Company Limited (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. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. This shall be subject to concluding a business transfer agreement and various approvals and consents to be received.

The assets attributable to the UGS business have been impaired in the three months 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:

Particulars	3 Months ended		Corresponding 3		9 Months ended		9 Months ended		Previous year ended
	30.06.15	31.03.15	30.6.2014	30.06.2015	30.06.2014	30.06.2015	30.09.2014		
Net Sales / Income from Operations	23	55	30	138	479	524			
Expenses	82	110	64	303	357	423			
Expenses attributable	19	33	56	87	158	209			
Pre-tax profit / (loss)	(78)	(88)	(90)	(252)	(36)	(109)			
Current Tax	-	-	-	-	-	-			

2 The transfer being effective from 1st October, 2014, the results of operation for the three months and nine months ended 30th June, 2015, includes a portion attributable to The Tata Power Company Limited which will be given effect to on completion of transaction.

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 of Rs. 210 lakhs with effect from 1st April, 2015. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. This shall be subject to various approvals and consents to be obtained.

The financial parameters in respect of the ordinary activities attributable to the MS business are as follows :

Particulars	3 Months ended		Corresponding 3		9 Months ended		9 Months ended		Previous year ended
	30.06.15	31.03.15	30.6.2014	30.06.2015	30.06.2014	30.06.2015	30.09.2014		
Net Sales / Income from Operations	97	235	229	488	459	580			
Expenses	106	199	234	463	526	672			
Expenses attributable	6	27	142	48	427	554			
Pre-tax profit / (loss)	(15)	9	(147)	(23)	(494)	(646)			
Current Tax	-	-	-	-	-	-			

The transfer being effective from 1st April, 2015, the results of operation for the three months and nine months ended 30th June, 2015, includes a portion attributable to the Purchaser, which will be given effect to on completion of transaction.

3 The Company has accumulated losses as at 30th June, 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 Group 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 and nine months ended 30th June, 2015 is higher by Rs. 83 Lakhs and Rs 282 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.

Rs in Lakhs

Standalone Financials details	3 Months ended 30.06.15	Preceding 3 Months ended 31.03.15	Corresponding 3 months ended 30.6.2014	9 Months ended 30.06.2015	9 Months ended 30.06.2014	Previous year ended 30.09.2014
Total Income From Operations (net)	Unaudited 2259	Unaudited 2724	Unaudited 2,069	Unaudited 7,499	Unaudited 7,533	Audited 10,277
Profit / (Loss) before tax	(166)	(66)	735	(596)	124	129
Profit / (Loss) after tax	(166)	(66)	735	(643)	124	129

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

8 In order to be in compliance with The Companies Act, 2013, the Board of Directors at its meeting held on 30th July, 2015 has given its approval to extend the year end of its financial statements from 30th September, 2015 to 31st March, 2016. Subject to approval of the Registrar of Companies (ROC), the financial statements for the period 1st October, 2014 to 31st March, 2016 would be for 18 months.

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

10 The unaudited standalone financial results for the quarter ended 30th June, 2015 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".

11 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, 2015.

For Nelco Limited

R.R. Bhinge
 Chairman

Mumbai
 30th July, 2015