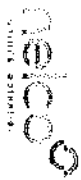


NELCO LIMITED

REGD. OFFICE : E1-6, TTC INDUSTRIAL AREA, MIDC, ELECTRONIC ZONE, MAHAPE,
NAVI MUMBAI - 400 710, CIN: L32200MH1900PLC003164



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

| Sr. No. | Particulars | 30.06.2015 | | | | | Previous year ended 30.09.2014 |
|---------|---|---------------------------|-------------------------------------|---|---------------------------|---------------------------|--------------------------------|
| | | 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 | |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. | Income from Operations | | | | | | |
| | a) Sales / Income from Operations | 2,262 | 2,705 | 2,088 | 7,485 | 7,612 | 10,366 |
| | Less : Excise Duty | 3 | 1 | 19 | 6 | 105 | 115 |
| | Net Sales / Income from Operations | 2,259 | 2,704 | 2,069 | 7,479 | 7,507 | 10,251 |
| | b) Other Operating Income | - | 20 | - | 20 | 26 | 26 |
| | Total Income From Operations (net) | 2,259 | 2,724 | 2,069 | 7,499 | 7,533 | 10,277 |
| 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) | 159 | 177 | 135 | 691 | 445 | 571 |
| | f) Provision for foreseeable losses | - | - | 24 | - | 35 | 10 |
| | g) Sub Contracting Expenses | 269 | 246 | 225 | 816 | 655 | 959 |
| | h) Other expenses | 709 | 639 | 716 | 1,928 | 1,937 | 2,590 |
| | Total Expenses | 2,288 | 2,631 | 2,449 | 7,648 | 8,186 | 10,823 |
| 3. | Profit / (Loss) From Operations before other income, finance costs and exceptional items (1 - 2) | (29) | 93 | (380) | (149) | (653) | (546) |
| 4. | Other Income (refer note 4) | 70 | 55 | 104 | 175 | 236 | 321 |
| 5. | Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4) | 41 | 148 | (276) | 26 | (417) | (225) |
| 6. | Finance cost | 207 | 214 | 230 | 622 | 700 | 887 |
| 7. | Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 - 6) | (166) | (66) | (506) | (596) | (1,117) | (1,112) |
| 8. | Exceptional Items (refer note 4) | - | - | 1,241 | - | 1,241 | 1,241 |
| 9. | Profit / (Loss) from ordinary activities before tax (7 + 8) | (166) | (66) | 735 | (596) | 124 | 129 |
| 10. | Tax expense | - | - | - | - | - | - |
| | a) Current Tax | - | - | - | 47 | - | - |
| | b) Deferred Tax (refer note 5) | - | (66) | 735 | (643) | 124 | 129 |
| 11. | Net Profit/(Loss) from ordinary activities after tax (9 - 10) | (166) | (66) | 735 | (643) | 124 | 129 |
| 12. | Extraordinary Items | - | - | - | - | - | - |
| 13. | Net Profit/(Loss) for the period (11+12) | (166) | (66) | 735 | (643) | 124 | 129 |
| 13 A | -From Continuing Operations (Net of Tax of Rs Nil for quarter ended 30-06-15) | (73) | 13 | 972 | (368) | 654 | 883 |
| 13 B | -From Discontinuing Operations (Net of Tax of Rs Nil) (Refer Note no 1 & 2) | (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/-) | Unaudited 2,282 | Unaudited 2,282 | Unaudited 2,282 | Unaudited 2,282 | Unaudited 2,282 | Audited 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 | (0.73) | (0.29) | 3.22 | (2.82) | 0.54 | 0.57 |
| 16 A | Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised) - From Continuing Operations | (0.32) | 0.06 | 4.26 | (1.61) | 2.87 | 3.87 |

| | | | | | | | |
|---------|--|---------------------------|-------------------------------------|---|---------------------------|---------------------------|--------------------------------|
| Part II | | | | | | | |
| A | 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 |
| 1 | Public shareholding | 11385810 | 11385810 | 11385810 | 11385810 | 11385810 | 11385810 |
| | - Number of shares | 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 | | | | | | |
| | - 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 |
| B | INVESTOR COMPLAINTS | NIL | NIL | NIL |

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 | Preceding | Corresponding 3 | 9 Months ended | 9 Months ended | Previous Year | | | |
|---|---|---|-----------------|--------------------------|----------------|----------------|------------------|--------|-------|-------|
| | | 30.06.2015 | 31.03.2015 | Months ended 30.06.2014 | 30.06.2015 | 30.06.2014 | ended 30.09.2014 | | | |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | | | |
| 1 | Segment Revenue (Net Sales / Income from operations) | | | | | | | | | |
| | | (i) Automation & Control | 358 | 255 | 267 | 961 | 2,152 | 2,545 | | |
| | | (ii) Network Systems | 1,904 | 2,450 | 1,821 | 6,524 | 5,460 | 7,821 | | |
| | | Less : Excise Duty | 3 | 1 | 19 | 6 | 105 | 115 | | |
| | | Total | 2,259 | 2,704 | 2,069 | 7,479 | 7,507 | 10,251 | | |
| | | Less : Inter Segment Revenue | - | - | - | - | - | - | | |
| | | Net Sales / Income from Operations | 2,259 | 2,704 | 2,069 | 7,479 | 7,507 | 10,251 | | |
| | | 2 | Segment Results | | | | | | | |
| | | | | (i) Automation & Control | (149) | (251) | (410) | (729) | (655) | (746) |
| | | | | (ii) Network Systems | 483 | 638 | 345 | 1,493 | 1,026 | 1,547 |
| Total | 334 | | | 387 | (65) | 764 | 361 | 801 | | |
| Less: | | | | | | | | | | |
| (i) Interest expense | 207 | | | 214 | 230 | 622 | 700 | 887 | | |
| (ii) Other un-allocable (income)/ expenditure net of unallocable (income) / expenditure | 293 | | | 239 | (1,030) | 738 | (463) | (215) | | |
| Profit/(Loss) Before Tax | (166) | | | (66) | 735 | (596) | 124 | 129 | | |
| 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 | 1,886 | 2,095 | 1,648 | 1,886 | 1,648 | 1,579 | | |
| | | Total Segment Capital Employed (Segment Assets - Segment Liabilities) | 4,547 | 5,165 | 5,203 | 4,547 | 5,203 | 5,049 | | |

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 "stump 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 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 |
|------------------------------------|------------------------------|---|---|---------------------------------|---------------------------------|--------------------------------------|
| 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) | (108) |
| Current Tax | - | - | - | - | - | - |

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.

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 "stump 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 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 |
|------------------------------------|------------------------------|---|---|---------------------------------|---------------------------------|--------------------------------------|
| 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 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 nine months ended 30th June, 2015 is higher by Rs 55 Lakhs and Rs 189 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 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.
- 7 Due to the nature of project business, financial results for the periods are not representative of the annual results.
- 8 Figures for the previous year/periods are re-classified / re-arranged / re-grouped, wherever considered necessary.
- 9 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

