

27th October 2016

BSE Limited Corporate Relationship Dept. 1 st . Floor, New Trading Ring Rotunda Building, P. J. Towers, Fort Fort, <u>Mumbai – 400 001</u> Fax No.(022)22723121/2041 BSE:504112	National Stock Exchange of India Limited 5 th Floor, Exchange Plaza, Plot No.C-1, Block "G" Bandra Kurla Complex Bandra (East) <u>Mumbai – 400 051</u> Fax No.2659 8237/38 NSE:Nelco EQ
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Dear Sirs,

Sub: Unaudited Financial Results & Limited Review Report for the Quarter ended 30th September 2016

Please refer our letter dated 14th October 2016.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed please find copy of the Unaudited Financial Results (Standalone and Consolidated) for the Quarter ended 30th September 2016 along with Limited review Reports by the Auditors of the Company.

The above financial results were approved by the Board of Directors at its Meeting held today, the 27th October 2016. The meeting of the Board of Directors of the Company commenced at 2.30 p.m. and concluded at 4.45 p.m.

Thanking you,

Yours faithfully
For NELCO Limited



Girish V. Kirkinde
Company Secretary

Encl:As above

NELCO LIMITED

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

Part-I
Statement of Standalone unaudited Financial Results for the quarter and six months ended 30th September, 2016

Rs in Lakhs

Sr.No.	Particulars	3 Months ended	Preceding 3	Corresponding 3	6 Months ended	12 Months ended
		30.09.2016	Months ended	Months ended	30.09.2016	30.09.2015
		Unaudited	30.06.2016	30.09.2015	Unaudited	(Refer note 5 and 8)
			Unaudited	Unaudited	Unaudited	Unaudited
1.	Income from Operations					
	a) Revenue from Operations (Gross)	2,371	2,295	2,099	4,666	9,543
	b) Other Operating Income	1	3	5	4	25
	Total Income From Operations (a+b)	2,372	2,298	2,104	4,670	9,568
2.	Expenses					
	a) Cost of materials consumed	-	-	7	-	205
	b) Purchase of stock- in-trade	771	670	486	1,441	2,893
	c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(65)	80	167	15	167
	d) Employee Benefits Expense	546	447	468	993	2,047
	e) Depreciation and amortization expense	82	130	105	212	666
	f) Sub Contracting Expenses	258	223	222	481	1,038
	g) Other expenses	563	501	545	1,064	2,503
	Total Expenses	2,155	2,051	2,000	4,206	9,519
3.	Profit / (Loss) From Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)	217	247	104	464	49
4.	Other Income (refer note 6)	80	108	64	188	251
5.	Profit / (Loss) from ordinary activities before Finance costs and Exceptional Items (3 + 4)	297	355	168	652	300
6.	Finance Cost	220	222	217	442	848
7.	Profit / (Loss) from ordinary activities after Finance Costs but before exceptional Items (5 - 6)	77	133	(49)	210	(548)
8.	Exceptional Items (refer note 2)	-	-	162	-	162
9.	Profit / (Loss) from ordinary activities before tax (7 + 8)	77	133	113	210	(386)
10.	Tax expense					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	47
11.	Net Profit/ (Loss) from ordinary activities after tax (9 - 10)	77	133	113	210	(433)
12.	Other Comprehensive Income	(12)	(15)	(6)	(27)	(41)
13.	Total Comprehensive Income (11+12)	65	118	107	183	(474)
14.	Paid up equity share capital (face value Rs.10/-)	2,282	2,282	2,282	2,282	2,282
15.	Earnings Per Share Basic and Diluted (before and after extraordinary Items) (Face Value Rs. 10/- each) (not annualised)	0.34	0.58	0.50	0.92	(1.90)
	See accompanying notes to the statement of standalone unaudited Financial Results					

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Segment wise Revenue, Results and Capital Employed for the quarter and six months ended 30th September, 2016						
Rs in Lakhs						
Sr. No.	Particulars (Refer notes below)	3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 (Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015 (Refer note 5 and 8)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue (Gross Sales / Income from operations)					
	(i) Automation & Control	50	365	154	415	1,074
	(ii) Network Systems	2,322	1,933	1,950	4,255	8,494
	Total	2,372	2,298	2,104	4,670	9,568
	Less : Inter Segment Revenue	-	-	-	-	-
	Gross Sales / Income from Operations	2,372	2,298	2,104	4,670	9,568
2	Segment Results					
	(i) Automation & Control	(137)	(80)	(101)	(217)	(778)
	(ii) Network Systems	673	582	530	1,255	2,059
	Total	536	502	429	1,038	1,281
	Less:-					
	(i) Finance Cost	220	222	217	442	848
	(ii) Other unallocable (income) / expenditure net off unallocable (income) / expenditure	239	147	261	386	981
	Add:-					
	(i) Exceptional Items unallocable to segment (refer note 2)	-	-	162	-	162
	Profit/(Loss) Before Tax	77	133	113	210	(386)
3	Segment Assets					
	(i) Automation & Control	3,773	3,905	4,086	3,773	4,086
	(ii) Network Systems	4,092	3,972	4,225	4,092	4,225
		7,865	7,877	8,311	7,865	8,311
	Unallocable Assets	4,915	4,451	3,873	4,915	3,873
	Total Assets	12,780	12,328	12,184	12,780	12,184
	Segment Liabilities					
	(i) Automation & Control	1,103	1,178	1,310	1,103	1,310
	(ii) Network Systems	2,393	2,050	2,295	2,393	2,295
		3,496	3,228	3,605	3,496	3,605
	Unallocable Liabilities	8,542	8,584	8,089	8,542	8,089
	Total Liabilities	12,038	11,812	11,694	12,038	11,694

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Notes :-

- 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, 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 approved the transaction. The Business Transfer Agreement (BTA) was signed on 5th August, 2015. This is subject to concluding various approvals and consents yet to be received.

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

Particulars	Rs in Lakhs				
	3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 (Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015 (Refer note 5 and 8)
Revenue from Operations	19	133	14	152	152
Expenses	18	127	50	145	271
Expenses attributable	24	28	19	52	106
Pre-tax (Loss) / Profit	(23)	(22)	(55)	(45)	(225)
Current Tax	-	-	-	-	-
Total Assets	885	812	829	885	829
Total Liabilities	-	-	1	-	1

The transfer being effective from 1st October, 2014, the results of operation for the period after 1st October, 2014 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. The said transaction is concluded on 31st August, 2015 after entering into definitive agreement and after obtaining various approvals as required under applicable laws. The said transaction was given effect during the quarter ended September, 2015 with effect from 1st April, 2015.

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

Particulars	Rs in Lakhs				
	3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 (Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015 (Refer note 5 and 8)
Revenue from Operations	-	-	65	-	553
Expenses	-	-	59	-	522
Expenses attributable	-	-	3	-	51
Pre-tax profit / (loss)	-	-	3	-	(20)
Current Tax	-	-	-	-	-
Total Assets	-	-	83	-	83
Total Liabilities	-	-	113	-	113

An Amount of Rs 162 Lakhs is accounted as profit on sale of this business for the 3 months and 12 months ended 30th September, 2015. Consequent to the sale of the business, the quarterly results are not comparable.

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- 3 The Company has accumulated losses as at 30th September, 2016 which has substantially eroded the Company's net worth. Notwithstanding this, these standalone unaudited financial results have been prepared on going concern basis in view of the company making profits including and since the quarter ending 30th September, 2015, the business plan and the support letter from the holding company.
- 4 The Company adopted Indian Accounting Standard ("IND AS") from 1st April, 2016 and accordingly these standalone unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of IND AS 34. The impact of transition has been provided in the opening reserves as at 1st October, 2014 and all periods presented have been restated accordingly.
- 5 The financial results for the 3 months and 12 months ended 30th September, 2015 have been presented based on the information compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with IND AS. This has not been audited or reviewed by the auditors.

6 Other income includes :-

Particulars	Rs in Lakhs				
	3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015(Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015(Refer note 5 and 8)
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Interest income (including discounting)	28	68	45	96	180
Liabilities / Provisions no longer required written back	-	15	6	15	40
Dividend income from Associate	7	-	2	7	2
Rent Income	21	21	-	42	-
Miscellaneous income	24	4	11	28	29
Total	80	108	64	188	251

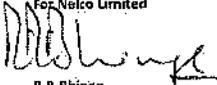
- 7 Reconciliation between the standalone unaudited financial results, as previously reported (referred to as 'previous GAAP') and as per IND AS is as under :-

Particulars	Rs in Lakhs	
	Corresponding 3 Months ended 30.09.2015(Refer note 5)	12 Months ended 30.09.2015(Refer note 5 and 8)
	Unaudited	Unaudited
Net Profit / (Loss) as per previous GAAP	100	(543)
Adjustments :		
Remeasurement of Defined benefit obligations recognised in Other Comprehensive Income	7	42
Reversal of depreciation on Discontinuing Operations	25	107
Effect of change in depreciation on account of componentisation of Property, Plant and Equipment	9	57
Interest income / (expense) on financial assets and financial liabilities (net)	(10)	(66)
Provision of trade receivables based on Expected Credit Loss model	(18)	(30)
Net Profit / (Loss) as per IND AS	113	(433)
Other Comprehensive Income	(6)	(41)
Total Comprehensive Income under IND AS	107	(474)

- 8 The previous financial year of the Company was for 18 months ended 31st March, 2016. Accordingly, the corresponding figures for period of 12 months ended 30th September, 2015 have been disclosed, and are not comparable with the figures for the 6 months period ended 30th September, 2016
- 9 The company has promoted a wholly owned subsidiary viz. "Nelco Network Products Limited" on 8th September, 2016. This subsidiary is yet to commence its business activity.

10. During the quarter, the Company has confirmed its intent to sell its investment in its associate. Consequently, the investment is classified as held for sale as on 30th September, 2016.
11. Due to the nature of project business, financial results for the interim periods are not representative of the annual results.
12. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 27th October, 2016.

Mumbai
27th October, 2016

For Nelco Limited

R.R. Bhinge
Chairman

Nelco Ltd	
Standalone statement of Assets and Liabilities as at 30th September, 2016	
PARTICULARS (Refer Notes above)	As at 30th September, 2016 (Unaudited)
ASSETS	Rs In Lakhs
Non-current assets	
(a) Property, plant and equipment	1,503
(b) Capital Work-in-Progress	248
(c) Intangible assets	9
(d) Financial Assets	
(i) Investments	500
(ii) Loans	910
(iii) Other Financial Assets	44
(e) Deferred tax assets (net)	-
(f) Non Current Tax Assets.(net)	1,848
(g) Other non-current assets	90
Sub - Total Non-Current Assets	5,152
Current assets	
(a) Inventories	780
(b) Financial Assets	
(i) Trade Receivables	3,496
(ii) Cash and cash equivalents	1,184
(iii) Bank balances other than (ii) above	35
(iv) Other Financial Assets	577
(c) Other current assets	466
Assets classified as held for sale	1,090
Sub - Total Current Assets	7,628
TOTAL ASSETS	12,780
EQUITY AND LIABILITIES	
EQUITY	
(a) Equity Share Capital	2,282
(b) Other Equity	(1,540)
TOTAL EQUITY	742
LIABILITIES	
Non-current liabilities	
(a) Financial Liabilities	
(i) Borrowings	12
(ii) Other financial liabilities	26
(b) Provisions	463
Sub - Total non-current Liabilities	501
Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	7,850
(ii) Trade Payables	2,688
(iii) Other financial liabilities	142
(b) Provisions	353
(c) Other current liabilities	504
Sub - Total Current Liabilities	11,537
TOTAL LIABILITIES	12,038
TOTAL LIABILITIES AND EQUITY	12,780

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
NELCO LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **NELCO LIMITED** ("the Company") for the quarter and six months ended September 30, 2016 and Standalone Unaudited Balance Sheet as at September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. We have not performed a review or audit, as stated in Note 5, of the figures relating to the corresponding quarter and twelve months ended September 30, 2015 and reconciliation of net profit for the quarter and twelve months ended September 30, 2015 between the previous GAAP and Indian Accounting Standards ("IND AS"), as reported in this statement.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the

aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw attention to Note 3 to the Statement which states that the Company has accumulated losses as at September 30, 2016 and its net worth has been substantially eroded. However, the Statement have been prepared on a going concern basis in view of the Company's business plan and the support letter from the Holding Company. Our report on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)



Gurvinder Singh
(Partner)
(Membership No. 110128)

Place: Mumbai
Date: October 27, 2016

NELCO LIMITED						
REGD. OFFICE :- EL-6, TTC INDUSTRIAL AREA, MIDC, ELECTRONIC ZONE, MAHAPE, NAVI MUMBAI - 400 710, CIN: L32200MH1940PLC003164						
Part-I						
Statement of Consolidated unaudited Financial Results for the quarter and six months ended 30th September, 2016						
Sr.No.	Particulars	3 Months ended	Preceding 3	Corresponding 3	6 Months	12 Months ended
		30.09.2016	Months ended	Months ended	ended	30.09.2015
		Unaudited	30.06.2016	30.09.2015	30.09.2016	(Refer note 5 and 8)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1.	Income from Operations					
	a) Revenue from Operations (Gross)	3,649	3,518	3,257	7,167	13,644
	b) Other Operating Income	1	3	5	4	25
	Total Income From Operations (a+b)	3,650	3,521	3,262	7,171	13,669
2.	Expenses					
	a) Cost of materials consumed	-	-	7	-	205
	b) Purchase of stock- in-trade	771	670	486	1,441	2,893
	c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(65)	80	167	15	167
	d) Employee Benefits Expense	546	447	468	993	2,047
	e) Depreciation and amortization expense	171	207	172	378	938
	f) Transponder Charges	724	728	685	1,452	2,529
	g) Other expenses	1,202	1,069	1,061	2,271	4,775
	Total Expenses	3,349	3,201	3,046	6,550	13,554
3.	Profit / (Loss) From Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)	301	320	216	621	115
4.	Other Income (refer note 6)	44	74	28	118	95
5.	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4)	345	394	244	739	210
6.	Finance Cost	250	252	242	502	952
7.	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	95	142	2	237	(742)
8.	Exceptional Items (refer note 2)	-	-	162	-	162
9.	Profit / (Loss) from ordinary activities before tax (7 + 8)	95	142	164	237	(580)
10.	Tax expense					
	a) Current Tax	9	7	8	16	8
	b) Deferred Tax	(9)	(7)	(8)	(16)	39
11.	Net Profit/ (Loss) from ordinary activities after tax (9 - 10)	95	142	164	237	(627)
12.	Add:- Share of Profit / (Loss) of Associate	4	15	7	19	27
13.	Net Profit / (Loss) after tax and share of profit / (Loss) of Associate (11+12)	99	157	171	256	(600)
14.	Other Comprehensive Income	(12)	(14)	(5)	(26)	(41)
15.	Total Comprehensive Income (13+14)	87	143	166	230	(641)
16.	Paid up equity share capital (face value Rs.10/-)	2,282	2,282	2,282	2,282	2,282
17.	Earnings Per Share Basic and Diluted (before and after extraordinary items) (Face value Rs. 10/-each) (not annualised)	0.43	0.69	0.75	1.12	(2.63)
	See accompanying notes to the statement of consolidated unaudited Financial Results					

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Consolidated Segment wise Revenue, Results and Capital Employed for the quarter and six months ended 30th September, 2016

Sr. No.	Particulars (Refer notes below)	Rs in Lakhs				
		3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 (Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015 (Refer note 5 and 8)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue (Gross Sales / Income from operations)					
	(i) Automation & Control	50	365	154	415	1,074
	(ii) Network Systems	3,600	3,156	3,108	6,756	12,595
	Total	3,650	3,521	3,262	7,171	13,669
	Less : Inter Segment Revenue	-	-	-	-	-
	Gross Sales / Income from Operations	3,650	3,521	3,262	7,171	13,669
2	Segment Results					
	(i) Automation & Control	(137)	(80)	(101)	(217)	(778)
	(ii) Network Systems	764	655	641	1,419	2,118
	Total	627	575	540	1,202	1,340
	Less:					
	(i) Finance Cost	250	252	242	502	952
	(ii) Other unallocable (Income) / expenditure net off unallocable (Income) / expenditure	282	181	296	463	1,130
	Add:-					
	(i) Exceptional Items unallocable to segment (refer note 2)	-	-	162	-	162
	Profit/(Loss) Before Tax	95	142	164	237	(580)
3	Segment Assets					
	(i) Automation & Control	3,773	3,905	4,086	3,773	4,086
	(ii) Network Systems	6,650	6,291	6,279	6,650	6,279
		10,423	10,196	10,365	10,423	10,365
	Unallocable Assets	5,742	4,666	4,113	5,742	4,113
	Total Assets	16,165	14,862	14,478	16,165	14,478
	Segment Liabilities					
	(i) Automation & Control	1,103	1,178	1,310	1,103	1,310
	(ii) Network Systems	4,188	2,987	3,619	4,188	3,619
		5,291	4,165	4,929	5,291	4,929
	Unallocable Liabilities	9,323	9,390	8,564	9,323	8,564
	Total Liabilities	14,614	13,555	13,493	14,614	13,493

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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, 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 approved the transaction. The Business Transfer Agreement (BTA) was signed on 5th August, 2015. This is subject to concluding various approvals and consents yet to be received.

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

Particulars	Rs in Lakhs				
	3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 (Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015 (Refer note 5 and 8)
Revenue from Operations	19	133	14	152	152
Expenses	18	127	50	145	271
Expenses attributable	24	28	19	52	106
Pre-tax (Loss) / Profit	(23)	(22)	(55)	(45)	(225)
Current Tax	-	-	-	-	-
Total Assets	885	812	829	885	829
Total Liabilities	-	-	1	-	1

The transfer being effective from 1st October, 2014, the results of operation for the period after 1st October, 2014 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 of Rs. 210 lakhs with effect from 1st April, 2015. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. The said transaction is concluded on 31st August, 2015 after entering into definitive agreement and after obtaining various approvals as required under applicable laws. The said transaction was given effect during the quarter ended September, 2015 with effect from 1st April, 2015.

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

Particulars	Rs in Lakhs				
	3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 (Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015 (Refer note 5 and 8)
Revenue from Operations	-	-	65	-	553
Expenses	-	-	59	-	522
Expenses attributable	-	-	3	-	51
Pre-tax profit / (loss)	-	-	3	-	(20)
Current Tax	-	-	-	-	-
Total Assets	-	-	83	-	83
Total Liabilities	-	-	113	-	113

An Amount of Rs 162 Lakhs is accounted as profit on sale of this business for the 3 months and 12 months ended 30th September, 2015. Consequent to the sale of the business, the quarterly results are not comparable.

- 3 The Company has accumulated losses as at 30th September, 2016 which has substantially eroded the Company's net worth. Notwithstanding this, these consolidated unaudited financial results have been prepared on going concern basis in view of the Company making profits including and since the quarter ending 30th September, 2015, the business plan and the support letter from the holding company.
- 4 The Company adopted Indian Accounting Standard ("INDAS") from 1st April, 2016 and accordingly these consolidated unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of IND AS 34. The impact of transition has been provided in the opening reserves as at 1st October, 2014 and all periods presented have been restated accordingly.
- 5 The financial results for the 3 months and 12 months ended 30th September, 2015 has been presented based on the information compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with IND AS. This has not been audited or reviewed by the auditors.

6 Other income includes :-

Particulars	Rs in Lakhs				
	3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015(Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015(Refer note 5 and 8)
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Interest income (Including discounting)	-	36	13	36	31
Liabilities / Provisions no longer required written back	-	15	6	15	40
Rent Income	21	21	-	42	-
Miscellaneous income	23	2	9	25	24
Total	44	74	28	118	95

7 Reconciliation between the consolidated unaudited financial results, as previously reported (referred to as 'previous GAAP') and as per IND AS is as under :-

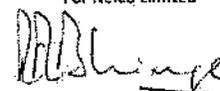
Particulars	Rs in Lakhs	
	Corresponding 3 Months ended 30.09.2015(Refer note 5)	12 Months ended 30.09.2015(Refer note 5 and 8)
	Unaudited	Unaudited
Net Profit / (Loss) as per previous GAAP	124	(837)
Adjustments :		
Remeasurement of Defined benefit obligations recognised in Other Comprehensive Income	7	42
Reversal of depreciation on Discontinuing Operations	25	107
Effect of change in depreciation on account of componentisation of Property, Plant and Equipment	45	208
Interest income / (expense) on financial assets and financial liabilities (net)	(10)	(66)
Provision of trade receivables based on Expected Credit Loss model	(21)	(62)
Income in respect of Associate on account of adoption of IND AS	1	8
Net Profit / (Loss) as per IND AS	171	(600)
Other Comprehensive Income	(5)	(41)
Total Comprehensive Income under IND AS	166	(641)

8. The previous financial year of the Company was for 18 months ended 31st March, 2016. Accordingly, the corresponding figures for period of 12 months ended 30th September, 2015 have been disclosed, and are not comparable with the figures for the 6 months period ended 30th September, 2016
9. The company has promoted a wholly owned subsidiary viz. "Nelco Network Products Limited" on 8th September, 2016. This subsidiary is yet to commence its business activity.
10. During the quarter, the Company has confirmed its intent to sell its investment in its associate. Consequently, the investment is classified as held for sale as on 30th September, 2016.

11. Standalone Financial details	Rs in Lakhs				
	3 Months ended 30.09.2016	Preceding 3 Months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 (Refer note 5)	6 Months ended 30.09.2016	12 Months ended 30.09.2015 (Refer note 5 and 8)
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Total Income from operations	2,372	2,298	2,104	4,670	9,568
Profit / (Loss) before Tax	77	133	113	210	(386)
Profit / (Loss) after Tax	77	133	113	210	(433)
Total Comprehensive income	65	118	107	183	(474)

12. The unaudited standalone financial results for the 3 months and 6 months ended 30th September, 2016 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 'nseindia.com'.
13. Due to the nature of project business, financial results for the interim periods are not representative of the annual results.
14. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 27th October, 2016.

For Nelco Limited



R.R. Bhinge
Chairman

Mumbai
27th October, 2016

Nelco Ltd	
Consolidated statement of Assets and Liabilities as at 30th September, 2016	
PARTICULARS (Refer Notes Above)	As at 30th September, 2016 (Unaudited)
ASSETS	Rs in Lakhs
Non-current assets	
(a) Property, plant and equipment	3,233
(b) Capital Work-in-Progress	248
(c) Intangible assets	123
(d) Financial Assets	
(i) Investments	13
(ii) Other Financial Assets	44
(e) Deferred tax assets (net)	68
(f) Non Current Tax Assets(net)	3,027
(g) Other non-current assets	90
Sub Total Non-Current Assets	6,846
Current assets	
(a) Inventories	780
(b) Financial Assets	
(i) Trade Receivables	3,592
(ii) Cash and cash equivalents	1,436
(iii) Bank balances other than (ii) above	55
(iv) Other Financial Assets	764
(c) Other current assets	921
Assets classified as held for sale	1,771
Sub Total Current Assets	9,319
TOTAL ASSETS	16,165
EQUITY AND LIABILITIES	
EQUITY	
(a) Equity Share Capital	2,282
(b) Other Equity	(731)
TOTAL EQUITY	1,551
LIABILITIES	
Non-current liabilities	
(a) Financial Liabilities	
(i) Borrowings	423
(ii) Other financial liabilities	26
(b) Provisions	463
Sub Total non-current liabilities	912
Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	8,223
(ii) Trade Payables	3,063
(iii) Other financial liabilities	366
(b) Provisions	353
(c) Other current liabilities	1,697
Sub Total current liabilities	13,702
TOTAL LIABILITIES	14,614
TOTAL LIABILITIES AND EQUITY	16,165

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF NELCO LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **NELCO LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its share of the profit of its associate for the quarter and six months ended September 30, 2016 and the Consolidated Unaudited Balance Sheet as at September 30, 2016 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. We have not performed a review or audit, as stated in Note 5, of the figures relating to the corresponding quarter and twelve months ended September 30, 2015 and reconciliation of net profit for the quarter and twelve months ended September 30, 2015 between the previous GAAP and Indian Accounting Standards ("IND AS"), as reported in this statement.

This Statement which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

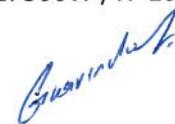
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of 'Tatanet Services Limited', subsidiary and of 'Nelito Systems Limited', an associate.
4. We did not review the interim financial results of a subsidiary included in the consolidated financial results, whose interim financial results reflect total assets of Rs.4,705 Lakhs as at

September 30, 2016, total revenues of Rs.1,912 Lakhs and Rs.3,730 Lakhs for the quarter and six months ended September 30, 2016, respectively, and total profit after tax of Rs.24 Lakhs and Rs.34 Lakhs and Total comprehensive income of Rs.24 lakhs and Rs.34 Lakhs for the quarter and six months ended September 30, 2016, respectively, as considered in the consolidated financial results.

This interim financial results have been reviewed by other auditor whose report have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor.

5. The consolidated financial results also includes the Group's share of profit after tax of Rs.4 Lakhs and Rs.19 Lakhs and Total comprehensive income of Rs.5 lakhs and Rs.21 Lakhs for the quarter and six months ended September 30, 2016, respectively, as considered in the consolidated financial results, in respect of an associate, based on their interim financial results which have not been reviewed by its auditor.
6. Based on our review conducted as stated above and based on the consideration of the report of the other auditor referred to in paragraph 4 above and except for the possible effects of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to Note 3 to the Statement which states that the Group has accumulated losses as at September 30, 2016 and its net worth has been substantially eroded. However, the Statement have been prepared on a going concern basis in view of the Group's business plan and the support letter from the Holding Company.
Our report on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)



Gurbinder Singh
(Partner)
(Membership No. 110128)

Place: Mumbai
Date: October 27, 2016