

23rd October 2019

BSE Limited
Corporate Relationship Dept
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Fort,
Mumbai – 400 001

National Stock Exchange of India Limited
5th floor, Exchange Plaza, Plot No.C-1
Block "G" Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

BSE Code : 504112

NSE Code : Nelco EQ

Dear Sirs,

Sub: Outcome of Board Meeting
Unaudited Financial Results & Limited Review Report for the Quarter and Half Year ended
30th September 2019

Further to our letter dated 10th October 2019, we are submitting:-

1. Unaudited Standalone Financial Results for the Quarter and Half Year ended 30th September 2019 along with the Limited Review Report by the Statutory Auditors.
2. Unaudited Consolidated Financial Results for the Quarter and Half Year ended 30th September 2019 along with the Limited Review Report by the Statutory Auditors.

Both the above have been approved by the Board of Directors at its meeting held on 23rd October 2019. The Meeting of the Board of Directors of the Company commenced at 2.30 p.m. and concluded at 5.00 p.m.

The said Results along with the Unaudited Standalone Financial Results will be available on Company's website www.nelco.in.

The Company will publish in newspapers the Unaudited Consolidated Financial Results in the prescribed format.

Please take the aforesaid on record.

Thanking you

Yours faithfully,
NELCO Limited



Girish V. Kirkinde
Company Secretary & Head legal

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 half year ended September 30, 2019

(Rs in Lakhs)

Sr.No.	Particulars	3 Months ended	Preceding 3	Corresponding 3	6 Months ended	6 Months ended	Previous Year
		30.09.2019	Months ended	Months ended	30.09.2019	30.09.2018	ended 31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Continuing Operations						
1	Income						
	a) Income from Operations	919	918	824	1,837	1,642	3,357
	b) Other Income	96	38	45	134	96	245
	Total Income (a+b)	1,015	956	869	1,971	1,738	3,602
2	Expenses						
	a) Employee Benefits Expense	429	407	494	836	1,008	1,758
	b) Finance Cost	127	115	109	242	209	439
	c) Depreciation and amortization expense	20	13	17	33	35	93
	d) Sub Contracting Expenses	24	25	33	49	66	113
	e) Other expenses	236	291	251	527	482	1,043
	Total Expenses	836	851	904	1,687	1,800	3,446
3	Profit / (Loss) before exceptional item and tax (1-2)	179	105	(35)	284	(62)	156
4	Exceptional Item (Refer note 3)	-	564	-	564	-	-
5	Profit / (Loss) before tax from continuing operations (3 +4)	179	669	(35)	848	(62)	156
6	Tax expense						
	a) Current Tax	58	67	-	125	-	47
	b) Deferred Tax	12	21	(792)	33	(792)	(826)
7	Net Profit / (Loss) from Continuing Operations (5-6)	109	581	757	690	730	935
B	Discontinued Operations (Refer note 1)						
8	Profit before tax from discontinued operations	296	150	356	446	733	1,192
9	Tax Expense of discontinued operations	97	45	152	142	212	355
10	Profit after tax from Discontinued Operations (8-9)	199	105	204	304	521	837
11	Net Profit for the period (7+10)	308	686	961	994	1,251	1,772
12	Other Comprehensive Income						
	Items that will not be reclassified to Profit or Loss- Continuing Operations	-	(21)	(2)	(21)	(7)	(10)
	Items that will not be reclassified to Profit or Loss- Discontinued Operations	-	(13)	3	(13)	(7)	(11)
	Other Comprehensive Income	-	(34)	1	(34)	(14)	(21)
13	Total Comprehensive Income for the period (11+12)	308	652	962	960	1,237	1,751
14	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282	2,282
15	Other Equity						1,920
16	Earnings / (Loss) Per Share (Basic and Diluted) (Face Value Rs. 10/-each) (not annualised)						
	From Continuing Operations	0.48	2.55	3.32	3.02	3.20	4.10
	From Discontinued Operations	0.87	0.46	0.89	1.33	2.28	3.67
	From Continuing and Discontinued Operations	1.35	3.01	4.21	4.35	5.48	7.77
17	Dividend Per Share (Par Value Rs 10 each)						
	Declared Dividend on Equity Shares (in Rs)	1.50	-	-	1.50	-	-
	Total Equity Dividend Percentage (%)	15	-	-	15	-	-



Notes :-

- 1 The Company vide its letter dated September 1, 2017 informed the stock exchange about the approval of the Board of Directors to
- (i) transfer by way of slump sale on a going concern basis, for a lump sum consideration to its wholly owned subsidiary, Nelco Network Products Ltd (NNPL) of the following :
 - (a) Integrated Security and Surveillance Solution ('ISSS') business and
 - (b) Very Small Aperture Terminals ("VSAT") hardware business and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers other than Tatanet Services Ltd (TNSL); and
 - (ii) the amalgamation of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed Scheme).

The Proposed Scheme has been approved by National Company Law Tribunal ('NCLT') on November 2, 2018 and approval from Department of Telecommunications (DoT) is awaited. Considering the management's intent to transfer the business as noted in (i) above, these businesses/ operations have been classified as discontinued operations in accordance with IND AS 105.

The financial parameters in respect of the activities attributable to the business referred to in (i) above are as follows :

Particulars	(Rs in Lakhs)					
	3 Months ended 30.09.2019	Preceding 3 Months ended 30.06.2019	Corresponding 3 Months ended 30.09.2018	6 months ended 30.09.2019	6 months ended 30.09.2018	Previous Year ended 31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from Operations including other income	3,076	2,389	2,298	5,465	4,795	9,467
Expenses	2,780	2,239	1,942	5,019	4,062	8,275
Profit before Tax	296	150	356	446	733	1,192
Tax Expense	97	45	152	142	212	355

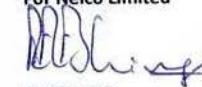
- 2 NCLT approved the Proposed Scheme on November 2, 2018. As per the NCLT Order, this Scheme is effective only on receiving the written approval from the Department of Telecommunications (DoT) for transfer of licenses. The NCLT Order required the Company to file the Order with the Registrar of Companies (RoC) within 30 days. Upon filing, RoC updated the records to reflect the Scheme as effective and TNSL as "amalgamated" even though DoT approval is awaited. Based on legal advice, the Company has approached NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the scheme with immediate effect. The decision of NCLT is awaited. Pending necessary approvals, the Scheme has not been given effect to in the financial results for the quarter and half year ended September 30, 2019.
- 3 During the half year ended September 30, 2019, the Company sold investments in Nelito Systems Limited (associate company), which was classified as assets held for sale in the previous year. The resultant gain on sale of investments has been disclosed as an exceptional item in the financial results of quarter ended June 30, 2019.
- 4 Standalone unaudited statement of cash flow is attached in Annexure I.
- 5 The Company has adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using the modified retrospective approach and comparative information is not restated. Accordingly in the current period, the Company has recognised right-of-use assets of Rs 120 Lakhs and lease liabilities of Rs 124 Lakhs. Further, the expenses of the nature of lease rentals classified under Other expenses in previous periods has changed to depreciation cost for the right-of-use asset and finance cost for interest accrued. The net effect of this adoption is insignificant on the profit for the period and earnings per share.
- 6 Based on evaluation of key financial parameters, the Company believes that it operates in only one reportable segment i.e. Network Systems and accordingly the financial results are reported as single reportable segment for the quarter and half year ended September 30, 2019. Consequently, prior period comparatives have been modified to conform to current period's presentation.
- 7 The above results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 and have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on October 23, 2019.



Place :- Mumbai
Date :- October 23, 2019



For Nelco Limited



R.R. Bhinge
Chairman
DIN :- 00036557

Nelco Limited
Standalone Unaudited Balance Sheet as at September 30, 2019

Particulars	Rs in Lakhs	
	As at September 30, 2019	As at March 31, 2019
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	263	259
(b) Capital Work-in-Progress	-	22
(c) Intangible assets	2	3
(d) Financial assets		
(i) Investments (Refer note 3)	507	507
(e) Deferred tax assets (net)	636	710
(f) Income tax assets (net)	1,009	1,324
(g) Other non-current assets	3	6
Total non-current assets	2,420	2,831
Current assets		
(a) Financial assets		
(i) Trade receivables	1,249	984
(ii) Cash and cash equivalents	296	265
(iii) Bank balances other than (ii) above	33	29
(iv) Loans	429	524
(v) Other financial assets	38	52
(b) Other current assets	690	703
Assets classified as held for sale (Refer note 1,2 and 5)	15,253	13,336
Total current assets	17,988	15,893
TOTAL ASSETS	20,408	18,724
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	2,282	2,282
(b) Other equity		
Reserve and surplus	2,469	1,911
Other reserves	9	9
Total equity	4,760	4,202
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	4	7
(b) Provisions	303	242
Total non-current liabilities	307	249
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,821	3,269
(ii) Trade payables		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues other than (ii) (a) above	196	211
(iii) Other financial liabilities	261	453
(b) Provisions	84	119
(c) Other current liabilities	97	140
Liabilities directly associated with assets classified as held for sale (Refer note 1, 2 and 5)	9,882	10,081
Total Current liabilities	15,341	14,273
Total liabilities	15,648	14,522
TOTAL EQUITY AND LIABILITIES	20,408	18,724



Nelco Limited

Consolidated Statement of Cash Flow for the six months ended September 30, 2019

(Rs. In Lakhs)

Particulars	Six months ended September 30, 2019 (Unaudited)	Six months ended September 30, 2018 (Unaudited)	Year Ended March 31, 2019 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax	751	889	2,002
Profit before income tax	751	889	2,002
Adjustments for:			
Depreciation and amortisation expense	884	585	1,296
Finance Costs	578	306	738
Amortisation of leased assets	73	-	-
Interest on lease assets	34	-	-
Unrealised foreign exchange (gain) / loss	54	-	(7)
Provision for doubtful debts	-	49	(32)
Bad debts written off	-	-	72
Provision for warranty (net)	-	16	26
Liabilities/Provisions no longer required, written back	-	-	(69)
Provision for foreseeable losses written back	-	-	(10)
Gain on disposal of property, plant and equipment (net)	(5)	(5)	(6)
Profit on sale of investment in associate	(115)	-	-
Unwinding of discount on financial asset measured at amortised cost	-	(28)	(57)
Interest Income classified as investing cash flow	(26)	(47)	(22)
Change in fair value Investment	-	(1)	-
Interest income	-	-	(179)
Remeasurement of post employment benefit obligations	(34)	-	-
Amortisation of processing fees	4	-	-
Share of net profit of associate accounted for using the equity method	-	(9)	(9)
Operating Profit Before Working Capital Changes	2,198	1,755	3,743
Adjustments For Changes In Working Capital:			
Movements in Assets			
- (Increase) / Decrease in Trade receivables	(645)	354	(340)
- (Increase) in Other Current Assets	(90)	(544)	(539)
- Decrease/(Increase) in Other Non Current Assets	14	(20)	(46)
- (Increase) in Financial Assets - Non Current - Loans	-	(1)	5
- (Increase) in Inventories	(439)	(132)	98
- (Increase) Other Financial Assets - Current	(384)	(543)	(849)
- (Increase) in Other Financial Assets -Non Current	(46)	(384)	(269)
- (Increase) / Decrease in Financial Assets - Current - Loans	(29)	7	28
- (Increase) / Decrease in Other Bank Balances	(4)	(119)	(1)
Movements in Liabilities			
- (Decrease)/Increase in Trade Payables	(289)	664	495
- (Decrease) in Other Financial Liabilities - Non Current	(3)	(4)	(3)
- (Decrease) in Other Liabilities - Non Current	(5)	(5)	(9)
- Increase in Provisions - Non Current	81	41	70
- (Decrease) in Other Financial Liabilities - Current	(315)	(195)	136
- (Decrease) in current Contract Liabilities	(145)	-	2,352
- Increase / (Decrease) in Other current liabilities	79	(479)	(2,324)
- (Decrease) in Provisions - Current	(34)	(20)	(12)
Cash generated from operations	(56)	375	2,535
- Taxes Paid (Net of refunds)	(246)	(181)	(413)
Net cash (used in)/generated from operating activities (A)	(302)	194	2,122



Nelco Limited

Consolidated Statement of Cash Flow for the six months ended September 30, 2019

(Rs. In Lakhs)

Particulars	Six months ended September 30, 2019 (Unaudited)	Six months ended September 30, 2018 (Unaudited)	Year Ended March 31, 2019 (Audited)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Purchase of Property, Plant and Equipment / Intangible Assets	(2,283)	(792)	(5,339)
Proceeds from Sale of Property, Plant and Equipment / Intangible Assets	5	24	680
Interest Received	25	47	201
Proceeds from sale of investment in Associate Company	677	-	-
Fixed deposits placed	-	-	(16)
Dividend From associate	-	-	6
Net cash (used in) investing activities (B)	(1,576)	(721)	(4,468)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings			
- Receipts	3,701	7,332	18,544
- Payments	(1,819)	(6,487)	(15,229)
Finance lease payments	(92)	(39)	(75)
Finance costs paid (including interest towards lease liabilities)	(564)	(306)	(738)
Payment of lease liabilities	(51)	-	-
Dividend Paid	(398)	-	-
Net cash generated from financing activities (C)	777	500	2,502
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	(1,101)	(27)	156
Cash and Cash Equivalents as at April 1, 2019	494	338	338
Cash and Cash Equivalents as at September 30, 2019	(607)	311	494

Reconciliation of cash and cash equivalents as per cash flow statement

Cash and Cash Equivalents Comprise of :	As at September 30, 2019 (Unaudited)	As at September 30, 2018 (Unaudited)	As at March 31, 2019 (Audited)
Cash and Cash Equivalents Comprise of :			
Balance with Scheduled Banks in Current Accounts	98	400	422
Cash on Hand	2	2	1
Cheques on Hand	285	184	125
Bank Overdraft	(992)	(275)	(54)
Total	(607)	311	494

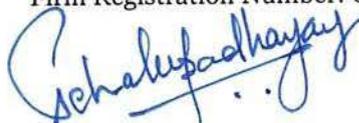


Price Waterhouse Chartered Accountants LLP

The Board of Directors
Nelco Limited
EL-6, TTC Industrial Area
MIDC Electronic Zone, Mahape
Navi Mumbai – 400 710

1. We have reviewed the unaudited financial results of Nelco Limited (the "Company") for the quarter and the half year ended September 30, 2019 which are included in the accompanying Statement of Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2019, the Standalone Unaudited Balance Sheet as at that date and the Statement of unaudited Cash flows for the half-year ended on that date (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. 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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to note 2 to the Statement regarding composite scheme of arrangement between the Company, Tatanet Services Limited (TNSL) and Nelco Network Products Limited which was approved by the National Company Law Tribunal ("NCLT") vide its order dated November 2, 2018 (the "Scheme"). As per the NCLT Order, the Company intimated the Registrar of the Companies ("RoC") about the approval of the Scheme by NCLT, stating that Department of Telecommunications ("DoT") approval is awaited. The RoC records were, however, updated to reflect the Scheme as effective and TNSL as "amalgamated" with the Company. Based on legal advice, the Company has approached NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the Scheme with immediate effect. The decision of NCLT is awaited. The Scheme will be given effect to in the financial results on receipt of all necessary approvals. Our conclusion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Nehal Upadhayay
Partner
Membership Number: 115872
UDIN: 19115872AAAACH5065

Mumbai
October 23, 2019

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
Mumbai - 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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 half year ended September 30, 2019

(Rs. In Lakhs)

Sr.No.	Particulars	3 Months ended	Preceding 3 Months	Corresponding 3	6 Months ended	6 Months ended	Previous
		30.09.2019	ended 30.06.2019	Months ended	30.09.2019	30.09.2018	Year ended 31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	a) Income from Operations	5,358	4,876	4,519	10,234	9,422	19,101
	b) Other Income	105	34	114	139	186	428
	Total Income (a+b)	5,463	4,910	4,633	10,373	9,608	19,529
2	Expenses						
	a) Purchase of stock- in-trade	1,142	949	951	2,091	2,083	3,297
	b) Changes in Inventories of stock-in-trade	(92)	(347)	(129)	(439)	(132)	98
	c) Employee Benefits Expense	827	832	654	1,659	1,348	2,779
	d) Finance Cost	309	303	164	612	315	738
	e) Depreciation and amortization expense	500	457	296	957	585	1,296
	f) Transponder Charges	955	867	856	1,822	1,717	3,469
	g) Other expenses	1,519	1,516	1,457	3,035	2,812	5,859
	Total Expenses	5,160	4,577	4,249	9,737	8,728	17,536
3	Add:- Share of Profit of Associate accounted for using equity method	-	-	10	-	9	9
4	Profit before exceptional item and tax (1-2+3)	303	333	394	636	889	2,002
5	Exceptional Item (Refer note 3)	-	115	-	115	-	-
6	Profit before Tax (4+5)	303	448	394	751	889	2,002
7	Tax expense						
	a) Current Tax	135	132	163	267	277	596
	b) Deferred Tax (net)	15	(22)	(778)	(7)	(790)	(823)
8	Net Profit for the period (6-7)	153	338	1,009	491	1,402	2,229
9	Other Comprehensive Income						
	Items that will not be reclassified to Profit or Loss						
	Remeasurement of post employment benefit obligations	-	(34)	-	(34)	(15)	(21)
	Share of other comprehensive income of Associate accounted for using equity method	-	-	-	-	(1)	(1)
10	Total Comprehensive Income for the period (8+9)	153	304	1,009	457	1,386	2,207
11	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282	2,282
12	Other Equity						3,302
13	Earnings Per Share (Basic and Diluted) (Face value Rs. 10/-each) (not annualised)	0.67	1.48	4.42	2.15	6.14	9.77
14	Dividend Per Share (Par Value Rs 10 each)						
	Final Dividend Per Share (in Rs)	1.50	-	-	1.50	-	-
	Total Equity Dividend percentage (%)	15	-	-	15	-	-



Notes :-

- 1 The Company vide its letter dated September 1, 2017 informed the stock exchange about the approval of the Board of Directors to
- (i) transfer by way of slump sale on a going concern basis, for a lump sum consideration to its wholly owned subsidiary, Nelco Network Products Ltd (NNPL) of the following :
 - (a) Integrated Security and Surveillance Solution ('ISSS') business and
 - (b) Very Small Aperture Terminals ("VSAT") hardware business and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers other than Tatanet Services Ltd (TNSL); and
 - (ii) the amalgamation of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed Scheme).

The Proposed Scheme has been approved by National Company Law Tribunal ('NCLT') on November 2, 2018 and approval from Department of Telecommunications (DoT) is awaited. Since, the above reorganisation is between the Company (holding company) and its two wholly owned subsidiaries, this has no implication on consolidated financial results or consolidated financial position of the Company along with its wholly owned subsidiaries.

- 2 NCLT approved the Proposed Scheme on November 2, 2018. As per the NCLT Order, this Scheme is effective only on receiving the written approval from the Department of Telecommunications (DoT) for transfer of licenses. The NCLT Order required the Company to file the Order with the Registrar of Companies (RoC) within 30 days. Upon filing, RoC updated the records to reflect the Scheme as effective and TNSL as "amalgamated" even though DoT approval is awaited. Based on legal advice, the Company has approached NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the scheme with immediate effect. The decision of NCLT is awaited. Pending necessary approvals, the Scheme has not been given effect to in the financial results for the quarter and half year ended September 30, 2019.
- 3 During the half year ended September 30, 2019, the Company sold investments in Nelito Systems Limited (associate company), which was classified as assets held for sale in the previous year. The resultant gain on sale of investments has been disclosed as an exceptional item in the financial results of quarter ended June 30, 2019.
- 4 Consolidated unaudited statement of cash flow is attached in Annexure I.
- 5 The Company and its subsidiaries has adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using the modified retrospective approach and comparative information is not restated. Accordingly in the current period, the Company has recognised right-of-use assets of Rs. 700 lakhs and lease liabilities of Rs. 722 lakhs. Further, the expenses of the nature of lease rentals classified under Other expenses in previous periods has changed to depreciation cost for the right-of-use asset and finance cost for interest accrued. The net effect of this adoption is insignificant on the profit for the period and earnings per share.



LB



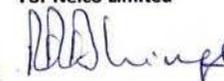
6 Standalone Financial details	3 Months ended 30.09.2019	Preceding 3 Months ended 30.06.2019	Corresponding 3 Months ended 30.09.2018	6 Months ended 30.09.2019	6 Months ended 30.09.2018	Previous Year ended 31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from Continuing Operations	919	918	824	1,837	1,642	3,357
Profit before Tax- Continuing and Discontinued Operations	475	819	321	1,294	671	1,348
Profit after Tax- Continuing and Discontinued Operations	308	686	961	994	1,251	1,772
Total Comprehensive Income- Continuing and Discontinued Operations	308	652	962	960	1,237	1,751

- 7 Based on evaluation of key financial parameters, the Company believes that it operates in only one reportable segment i.e. Network Systems and accordingly the financial results are reported as single reportable segment for the quarter and half year ended September 30, 2019. Consequently, prior period comparatives have been modified to conform to current period's presentation.
- 8 The unaudited Standalone and Consolidated financial results for the quarter and half year ended September 30, 2019, 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".
- 9 The above results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 and have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on October 23, 2019.

Place :- Mumbai
Date :- October 23, 2019



For Nelco Limited



R.R. Bhinge

Chairman

DIN :- 00036557



Nelco Limited
Consolidated Balance Sheet as at September 30, 2019

(Rs. in Lakhs)

Particulars	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	10,336	8,486
(b) Capital work-in-progress	530	1,660
(c) Right-of-use assets (Refer Note 5)	700	
(d) Intangible assets	154	182
(e) Financial assets		
(i) Investments	16	16
(ii) Trade receivable	-	-
(iii) Loans	25	24
(iv) Other financial assets	331	285
(f) Deferred tax assets (net)	711	745
(g) Income tax assets (net)	2,163	2,141
(h) Other non-current assets	40	54
Total non current assets	15,006	13,593
Current assets		
(a) Inventories	1,228	789
(b) Financial assets		
(i) Trade receivables	6,642	5,997
(ii) Cash and cash equivalents	385	548
(iii) Bank balances other than (ii) above	33	29
(iv) Loans	165	136
(v) Other financial assets	1,503	1,119
(c) Other current assets	1,052	962
Assets classified as held for sale	-	562
Total current assets	11,008	10,142
TOTAL ASSETS	26,014	23,735
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	2,282	2,282
(b) Other equity		
Reserves and surplus	3,345	3,290
Other reserves	12	12
Total equity	5,639	5,584
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,849	3,385
(ii) Lease liabilities (Refer Note 5)	605	-
(ii) Other financial liabilities	4	7
(b) Provisions	572	491
(c) Other non-current liabilities	16	21
Total non-current liabilities	5,046	3,904
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,531	3,406
(ii) Trade payables		
(a) total outstanding dues of micro and small enterp	-	-
(b) total outstanding dues other than (ii) (a) above	3,380	3,633
(iii) Lease liabilities (Refer Note 5)	117	-
(iv) Other financial liabilities	3,592	4,399
(b) Provisions	172	206
(c) Contract liabilities	2,207	2,352
(d) Other current liabilities	330	251
Total current liabilities	15,329	14,247
Total liabilities	20,375	18,151
TOTAL EQUITY AND LIABILITIES	26,014	23,735




Nelco Limited
Consolidated Statement of Cash Flow for the six months ended September 30, 2019

(Rs. In Lakhs)

Particulars	Six months ended September 30, 2019 (Unaudited)	Six months ended September 30, 2018 (Unaudited)	Year Ended March 31, 2019 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax	751	889	2,002
Profit before income tax	751	889	2,002
Adjustments for:			
Depreciation and amortisation expense	884	585	1,296
Finance Costs	578	306	738
Amortisation of leased assets	73	-	-
Interest on lease assets	34	-	-
Unrealised foreign exchange (gain) / loss	54	-	(7)
Provision for doubtful debts	-	49	(32)
Bad debts written off	-	-	72
Provision for warranty (net)	-	16	26
Liabilities/Provisions no longer required, written back	-	-	(69)
Provision for foreseeable losses written back	-	-	(10)
Gain on disposal of property, plant and equipment (net)	(5)	(5)	(6)
Profit on sale of investment in associate	(115)	-	-
Unwinding of discount on financial asset measured at amortised cost	-	(28)	(57)
Interest Income classified as investing cash flow	(26)	(47)	(22)
Change in fair value Investment	-	(1)	-
Interest income	-	-	(179)
Remeasurement of post employment benefit obligations	(34)	-	-
Amortisation of processing fees	4	-	-
Share of net profit of associate accounted for using the equity method	-	(9)	(9)
Operating Profit Before Working Capital Changes	2,198	1,755	3,743
Adjustments For Changes In Working Capital:			
Movements in Assets			
- (Increase) / Decrease in Trade receivables	(645)	354	(340)
- (Increase) in Other Current Assets	(90)	(544)	(539)
- Decrease/(Increase) in Other Non Current Assets	14	(20)	(46)
- (Increase) in Financial Assets - Non Current - Loans	-	(1)	5
- (Increase) in Inventories	(439)	(132)	98
- (Increase) Other Financial Assets - Current	(384)	(543)	(849)
- (Increase) in Other Financial Assets - Non Current	(46)	(384)	(269)
- (Increase) / Decrease in Financial Assets - Current - Loans	(29)	7	28
- (Increase) / Decrease in Other Bank Balances	(4)	(119)	(1)
Movements in Liabilities			
- (Decrease)/Increase in Trade Payables	(289)	664	495
- (Decrease) in Other Financial Liabilities - Non Current	(3)	(4)	(3)
- (Decrease) in Other Liabilities - Non Current	(5)	(5)	(9)
- Increase in Provisions - Non Current	81	41	70
- (Decrease) in Other Financial Liabilities - Current	(315)	(195)	136
- (Decrease) in current Contract Liabilities	(145)	-	2,352
- Increase / (Decrease) in Other current liabilities	79	(479)	(2,324)
- (Decrease) in Provisions - Current	(34)	(20)	(12)
Cash generated from operations	(56)	375	2,535
- Taxes Paid (Net of refunds)	(246)	(181)	(413)
Net cash (used in)/generated from operating activities (A)	(302)	194	2,122



Nelco Limited
Consolidated Statement of Cash Flow for the six months ended September 30, 2019

(Rs. In Lakhs)

Particulars	Six months ended September 30, 2019 (Unaudited)	Six months ended September 30, 2018 (Unaudited)	Year Ended March 31, 2019 (Audited)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Purchase of Property, Plant and Equipment / Intangible Assets	(2,283)	(792)	(5,339)
Proceeds from Sale of Property, Plant and Equipment / Intangible Assets	5	24	680
Interest Received	25	47	201
Proceeds from sale of investment in Associate Company	677	-	-
Fixed deposits placed	-	-	(16)
Dividend From associate	-	-	6
Net cash (used in) investing activities (B)	(1,576)	(721)	(4,468)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings			
- Receipts	3,701	7,332	18,544
- Payments	(1,819)	(6,487)	(15,229)
Finance lease payments	(92)	(39)	(75)
Finance costs paid (including interest towards lease liabilities)	(564)	(306)	(738)
Payment of lease liabilities	(51)	-	-
Dividend Paid	(398)	-	-
Net cash generated from financing activities (C)	777	500	2,502
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	(1,101)	(27)	156
Cash and Cash Equivalents as at April 1, 2019	494	338	338
Cash and Cash Equivalents as at September 30, 2019	(607)	311	494

Reconciliation of cash and cash equivalents as per cash flow statement

Cash and Cash Equivalents Comprise of :	As at September 30, 2019 (Unaudited)	As at September 30, 2018 (Unaudited)	As at March 31, 2019 (Audited)
Cash and Cash Equivalents Comprise of :			
Balance with Scheduled Banks in Current Accounts	98	400	422
Cash on Hand	2	2	1
Cheques on Hand	285	184	125
Bank Overdraft	(992)	(275)	(54)
Total	(607)	311	494




Price Waterhouse Chartered Accountants LLP

The Board of Directors
Nelco Limited
EL-6, TTC Industrial Area
MIDC Electronic Zone, Mahape
Navi Mumbai – 400 710

1. We have reviewed the unaudited consolidated financial results of Nelco Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group") and associate company for the quarter and the half year ended September 30, 2019 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2019', the Consolidated Unaudited Balance Sheet as on that date and the Consolidated unaudited statement of cash flows for the half-year ended on that date (the "Statement"). The Statement has been prepared by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. The Statement includes the results of of subsidiaries: Tatanet Services Limited ("TNSL") and Nelco Network Products Limited (NNPL) and associate company: Nelito Systems Limited (upto May 29, 2019).
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

6. We draw your attention to note 2 to the Statement regarding composite scheme of arrangement between the Company, TNSL and NNPL which was approved by the National Company Law Tribunal ("NCLT") vide its order dated November 2, 2018 (the "Scheme"). As per the NCLT Order, the Company intimated the Registrar of the Companies ("RoC") about the approval of the Scheme by NCLT, stating that Department of Telecommunications ("DoT") approval is awaited. The RoC records were, however, updated to reflect the Scheme as effective and TNSL as "amalgamated" with the Company. Based on legal advice, the Company has approached NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the Scheme with immediate effect. The decision of NCLT is awaited. The Scheme will be given effect to in the financial results on receipt of all necessary approvals. Our conclusion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Nehal Upadhayay
Partner

Membership Number: 115872
UDIN: 19115872AAAACI1025

Mumbai
October 23, 2019