

18th July 2022

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 ended 30th June 2022

Further to our letter dated 5th July 2022, we are submitting: -

1. Unaudited Standalone Financial Results for the quarter ended 30th June 2022 along with the Limited Review Report by the Statutory Auditors.
2. Unaudited Consolidated Financial Results for the quarter ended 30th June 2022 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 18th July 2022 which commenced at 3.00 p.m. and concluded at 5.55 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 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, EL-6, Electronics Zone, MIDC, Mahape,
Navi Mumbai - 400 710, India. Tel: +91 22 6791 8728, 6739 9100
Fax: +91 22 6791 8787 Web: www.nelco.in
CIN No.L32200MH1940PLC003164; Email ID:-services@nelco.in

NELCO LIMITED

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



Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2022

Sr.No.	Particulars	(Rs. In Lakhs)			
		3 Months ended 30.06.2022	Preceding 3 Months ended 31.03.2022	Corresponding 3 Months ended 30.06.2021	Previous Year ended 31.03.2022
		Unaudited	Audited (Refer note 6)	Unaudited	Audited
1	Income				
	a) Income from operations				
	b) Other income	8,168	7,169	5,510	26,007
	Total income (a+b)	29	154	152	474
2	Expenses	8,197	7,323	5,662	26,481
	a) Purchase of stock- in-trade				
	b) Changes in Inventories of stock-in-trade	2,410	1,658	802	4,911
	c) Operating expenses	(434)	(182)	(337)	(443)
	d) Employee benefits expense	2,621	2,406	2,240	9,468
	e) Other expenses	898	864	876	3,403
	Total expenses	1,169	1,154	716	3,610
3	Profit before depreciation, amortisation, finance cost and tax (1-2)	6,664	5,900	4,297	20,949
4	Depreciation, amortisation and finance cost	1,533	1,423	1,365	5,532
	a) Finance cost				
	b) Depreciation and amortization expense	238	198	182	753
	Total depreciation, amortisation and finance cost	628	702	571	2,464
	Profit before tax (3-4)	866	900	753	3,217
5	Tax expense	667	523	612	2,315
	a) Current tax				
	b) Deferred tax (net)	304	213	216	718
	c) Tax adjustment for earlier years pursuant to scheme (Refer note 2)	(109)	(87)	(42)	(105)
	Total tax expense	-	94	-	94
6	Net profit for the period/year (4-5)	195	220	174	707
7	Other comprehensive income/(expenses)	472	303	438	1,608
	Items that will not be reclassified to profit or loss:				
	Remeasurement of post employment benefit obligations (net of tax)	(39)	29	(64)	(30)
8	Total comprehensive income for the period/year (6+7)	433	332	374	1,578
9	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282
10	Other equity				
11	Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)				
12	Dividend per share (Par value Rs 10 each)	2.07	1.33	1.92	6,623
	Final dividend on equity shares (in Rs)				7.05
	Total equity dividend percentage (%)	-	-	-	1.80
		-	-	-	18



Notes to the Consolidated Unaudited Financial Results for the quarter ended June 30, 2022

- 1 (A) The Company vide its letter dated September 1, 2017 informed the stock exchanges about the approval of the Board of Directors to
 - (i) the 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 Limited (TNSL); and
 - (ii) the amalgamation of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed Scheme).

(B) The Proposed Scheme was approved by National Company Law Tribunal ('NCLT') on November 2, 2018. During the quarter ended June 2021 the Company received the approval from Department of Telecommunications (DoT) on June 9, 2021. The Scheme was effective from the appointment date i.e. April 1, 2017. Since, the above reorganisation was between the Company and its two wholly owned subsidiaries, this had no implication on the consolidated financial results of the Group, other than impact on accounting of tax charge, if any, on computation of revised returns.
- 2 As mentioned in Note 1 above, the Group Companies has completed the process of finalising revised tax accounts and returns from April 1, 2017 till March 31, 2021 and net tax impact including interest thereon, pursuant to the above has been accounted and disclosed separately in the quarter and year ended March 31, 2022.
- 3 Based on evaluation of key financial parameters, the Group believes that it operates in only one reportable segment i.e. Network Systems and accordingly the financial results are reported as single reportable segment.
- 4 As a part of transition to Goods and Services Tax (GST) in June 2017, the Company carried forward the Cenvat/Service tax/Sales tax input credit balance of Rs 116 Lakhs for future set-off against GST payable. However, due to technical glitch on the GSTN portal, the Company could not file the TRAN 1 Form within the prescribed period including the extended filing period. A writ petition filed by the Company in the Hon'ble High Court of Bombay for allowing the carry forward of the input credit balances of Rs 31 Lakhs, which was dismissed vide its order dated March 20, 2020. The Company has filed Special Leave Petition in Hon'ble Supreme Court and hearing in the matter is awaited. During the current quarter, in case of TNSL which was merged with the Company pursuant to the Scheme mentioned above, Hon'ble High court of Bombay vide order dated May 02, 2022 allowed a writ petition and allowed to file form TRAN 1 in respect of amount of Rs 85 Lakhs. The Company has approached to local GST officials to facilitate filing of form TRAN 1 and reply from authorities is awaited. In view of the multiple judgements by various High Courts in India on this matter which supports the Company's claim and based on the advice received from an independent legal counsel, the Company expects to recover total input credit balance of Rs 116 Lakhs. Accordingly, no provision has been recognised in the books of account against the recoverability of these balances.
- 5 For the financial year ended March 31, 2022, the Company has paid final dividend of Rs. 1.80 (18%) per equity share which was recommended by the Board and approved by shareholders at the Annual General Meeting of the Company held on July 8, 2022.
- 6 The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and unaudited published year to date figures upto the December 31, 2021.



Notes to the Consolidated Unaudited Financial Results for the quarter ended June 30, 2022

- 7 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 8 Previous period / year figures have been re-grouped or reclassified, to conform to such current period's classification.
- 9 The unaudited Standalone and Consolidated financial results for the quarter ended June 30, 2022, 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".
- 10 The above Consolidated financial results of Nelco Limited ("the Holding Company") and its subsidiary Nelco Network Products Limited (together referred to as "Group") 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 (Amended). This have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on July 18, 2022.

For Nelco Limited

P. J. Nath

Managing Director & CEO
DIN :- 05118177

Place :- Mumbai
Date :- July 18, 2022



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Nelco Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Nelco Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter ended June 30, 2022 and year to date from April 01, 2022 to June 30, 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. 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 No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Holding Company:

- Nelco Limited

Subsidiary Company:

- Nelco Network Products Limited

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, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed or that it contains any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. We draw your attention to Note 4 to the Consolidated Financial results regarding the Holding Company's claim to carry forward Cenvat / Service Tax / Sales Tax input tax credit balances upon transition to The Central Goods and Services Tax Act, 2017 ("GST") and set-off such input tax credit availed against GST payable. The Holding Company based on external legal advice obtained has filed a petition with courts in this regard.

Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

ANIKET ANIL
SOHANI

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Date: 2022.07.18 17:13:03 +05'30'



per Aniket Sohani
Partner
Membership No.: 117142
UDIN: 22117142ANCSEA3268
Mumbai
July 18, 2022

NELCO LIMITED

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



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Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2022

(Rs in Lakhs)

Sr.No.	Particulars	3 Months ended	Preceding 3 Months	Corresponding 3	Previous Year ended
		30.06.2022	ended 31.03.2022	Months ended	31.03.2022
		Unaudited	Audited (Refer note 7)	Unaudited (Refer note 1)	Audited (Refer note 1)
A	Continuing operations				
1	Income				
	a) Income from operations	4,170	3,921	3,415	14,316
	b) Other income	26	65	138	259
	Total income (a+b)	4,196	3,986	3,553	14,575
2	Expenses				
	a) Cost of materials consumed	1	14	-	43
	b) Operating expenses	2,243	2,105	1,910	8,075
	c) Employee benefits expense	577	517	554	2,115
	d) Other expenses	644	582	372	1,910
	Total expenses	3,465	3,218	2,836	12,143
3	Profit before depreciation, amortisation, finance cost and tax from continuing operations (1-2)	731	768	717	2,432
4	Depreciation, amortisation and finance cost				
	a) Depreciation and amortization expense	245	179	213	835
	b) Finance cost	100	77	61	268
	Total depreciation, amortisation and finance cost	345	256	274	1,103
5	Profit before tax from continuing operations (3-4)	386	512	443	1,329
6	Tax expense				
	a) Current tax	122	79	140	351
	b) Deferred tax	(7)	46	(8)	17
	c) Tax adjustment for earlier years pursuant to scheme (Refer note 2)	-	(61)	-	(61)
	Total tax expense	115	64	132	307
7	Net profit from continuing operations (5-6)	271	448	311	1,022
B	Discontinued operations (Refer note 1)				
8	Profit before tax from discontinued operations	-	-	116	116
9	Tax expense of discontinued operations				
	a) Current tax	-	-	55	55
	b) Deferred tax	-	-	(26)	(26)
10	Net profit from discontinued operations (8-9)	-	-	87	87
11	Net profit for the period/year (7+10)	271	448	398	1,109
12	Other comprehensive income/(expenses)				
	Items that will not be reclassified to profit or loss- continuing operations (net of tax)	(26)	18	(72)	(64)
	Items that will not be reclassified to profit or Loss- discontinued operations (net of tax)	-	-	8	8
	Other comprehensive income/(expenses)	(26)	18	(64)	(56)
13	Total comprehensive income for the period/ year (11+12)	245	466	334	1,053
14	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282
15	Other equity				6,174
16	Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)				
	From continuing operations	1.19	1.96	1.36	4.48
	From discontinued operations	-	-	0.38	0.38
	From continuing and discontinued operations	1.19	1.96	1.74	4.86
17	Dividend per share (Par value Rs 10 each)				
	Final dividend on equity shares (in Rs)	-	-	-	1.80
	Total equity dividend percentage (%)	-	-	-	18



Notes to the Standalone Unaudited Financial Results for the quarter ended June 30, 2022

- 1 (A) The Company vide its letter dated September 1, 2017 informed the stock exchanges about the approval of the Board of Directors to (i) the 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 Limited (TNSL); and
- (ii) the amalgamation of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed Scheme).
- (B) The Proposed Scheme was approved by National Company Law Tribunal ('NCLT') on November 2, 2018. During the quarter ended June 2021 the Company received the approval from Department of Telecommunications (DoT) on June 9, 2021. The Scheme was effective from the appointment date i.e. April 1, 2017. Pursuant to the approval, the Scheme was accounted as follows:
- Discontinued operations was transferred to NNPL in accordance with IND AS 105, effective June 1, 2021; and
 - TNSL merger was accounted in accordance with Appendix C of IND AS 103 "Business Combination" and results of all the previous periods were restated.

(Rs in Lakhs)

(C) Details of discontinued operations

Particulars	3 Months ended 30.06.2022	Preceding 3 Months ended 31.03.2022	Corresponding 3 Months ended 30.06.2021	Previous Year ended 31.03.2022
	Unaudited (Refer note above)	Audited (Refer note above)	Unaudited (Refer note above)	Audited (Refer note 1)
Income from operations including other income	-	-	1,419	1,419
Expenses	-	-	1,303	1,303
Profit before tax	-	-	116	116
Tax expense	-	-	55	55
a) Current tax	-	-	(26)	(26)
b) Deferred tax	-	-	-	-

- 2 The Company has completed the process of finalising revised tax accounts and returns from April 1, 2017 till March 31, 2021 and net tax impact including interest thereon, pursuant to the above has been accounted and disclosed separately in the quarter and year ended March 31, 2022.
- 3 As a part of transition to Goods and Services Tax (GST) in June 2017, the Company carried forward the Cenvat/Service tax/Sales tax input credit balance of Rs 116 Lakhs for future set-off against GST payable. However, due to technical glitch on the GSTN portal, the Company could not file the TRAN 1 Form within the prescribed period including the extended filing period. A writ petition filed by the Company in the Hon'ble High Court of Bombay for allowing the carry forward of the input credit balances of Rs 31 Lakhs, which was dismissed vide its order dated March 20, 2020. The Company has filed Special Leave Petition in Hon'ble Supreme Court and hearing in the matter is awaited. During the current quarter, in case of TNSL which was merged with the Company pursuant to the Scheme mentioned above, Hon'ble High court of Bombay vide order dated May 02, 2022 allowed a writ petition and allowed to file form TRAN 1 in respect of amount of Rs 85 Lakhs. The Company has approached to local GST officials to facilitate filing of form TRAN 1 and reply from authorities is awaited. In view of the multiple judgements by various High Courts in India on this matter which supports the Company's claim and based on the advice received from an independent legal counsel, the Company expects to recover total input credit balance of Rs 116 Lakhs. Accordingly, no provision has been recognised in the books of account against the recoverability of these balances.



Notes to the Standalone Unaudited Financial Results for the quarter ended June 30, 2022

- 4 For the financial year ended March 31, 2022, the Company has paid final dividend of Rs. 1.80 (18%) per equity share which was recommended by the Board and approved by shareholders at the Annual General Meeting of the Company held on July 8, 2022.
- 5 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.
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 7 The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and unaudited published year to date figures upto the December 31, 2021.
- 8 Previous period / year figures have been re-grouped or reclassified, to conform to such current period's classification.
- 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 (Amended). This has been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on July 18, 2022.

For Nelco Limited
P. J. Nath

Managing Director & CEO
DIN :- 05118177

Place :- Mumbai
Date :- July 18, 2022



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Nelco Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Nelco Limited (the "Company") for the quarter ended June 30, 2022 and year to date from April 01, 2022 to June 30, 2022 (the "Statement") attached herewith being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed or that it contains any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. We draw your attention to Note 3 to the Standalone Financial results regarding the Company's claim to carry forward Cenvat / Service Tax / Sales Tax input tax credit balances upon transition to The Central Goods and Services Tax Act, 2017 ("GST") and set-off such input tax credit availed against GST payable. The Company based on external legal advice obtained has filed a petition with courts in this regard.

Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

ANIKET ANIL
SOHANI

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per Aniket Sohani

Partner

Membership No.: 117142

UDIN: 22117142ANCRRY3573

Mumbai

July 18, 2022