

20<sup>th</sup> October 2022

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

National Stock Exchange of India Limited  
5<sup>th</sup> 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 for the quarter and six months ended 30<sup>th</sup> September 2022

In terms of Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, ('Listing Regulations'), and further to our letter dated 7<sup>th</sup> October 2022, we are submitting: -

1. Unaudited Standalone Financial Results for the quarter and six months ended 30<sup>th</sup> September 2022 along with the Limited Review Report by the Statutory Auditors.
2. Unaudited Consolidated Financial Results for the quarter and six months ended 30<sup>th</sup> September 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 20<sup>th</sup> October 2022 which commenced at 2.00 p.m. and concluded at 5.00 p.m.

The said Results are also available on Company's website [www.nelco.in](http://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](http://www.nelco.in)  
CIN No.L32200MH1940PLC003164; Email ID:-[services@nelco.in](mailto:services@nelco.in)

NELCO LIMITED

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

Statement of Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2022

(Rs in Lakhs)

Sr.No.	Particulars	3 Months ended	Preceding 3 Months	Corresponding 3	6 months ended	6 Months ended	Previous Year ended
		30-Sep-2022	ended 30-Jun-2022	Months ended	30-Sep-2022	30-Sep-2021	31-Mar-2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited (Refer note 2)
<b>A</b>	<b>Continuing operations</b>						
<b>1</b>	<b>Income</b>						
	a) Income from operations	4,715	4,170	3,328	8,885	6,743	14,316
	b) Other income	94	26	11	120	149	259
	<b>Total income (a+b)</b>	<b>4,809</b>	<b>4,196</b>	<b>3,339</b>	<b>9,005</b>	<b>6,892</b>	<b>14,575</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials consumed	-	1	-	1	-	43
	b) Operating expenses	2,668	2,215	1,960	4,883	3,850	8,005
	c) Employee benefits expense	600	577	533	1,177	1,087	2,115
	d) Other expenses (Refer note 4)	528	672	581	1,200	973	1,980
	<b>Total expenses</b>	<b>3,796</b>	<b>3,465</b>	<b>3,074</b>	<b>7,261</b>	<b>5,910</b>	<b>12,143</b>
<b>3</b>	<b>Profit before depreciation, amortisation, finance cost and tax from continuing operations (1-2)</b>	<b>1,013</b>	<b>731</b>	<b>265</b>	<b>1,744</b>	<b>982</b>	<b>2,432</b>
<b>4</b>	<b>Depreciation, amortisation and finance cost</b>						
	a) Depreciation and amortization expense	259	245	212	504	425	835
	b) Finance cost	101	100	43	201	104	268
	<b>Total depreciation, amortisation and finance cost</b>	<b>360</b>	<b>345</b>	<b>255</b>	<b>705</b>	<b>529</b>	<b>1,103</b>
<b>5</b>	<b>Profit before tax from continuing operations (3-4)</b>	<b>653</b>	<b>386</b>	<b>10</b>	<b>1,039</b>	<b>453</b>	<b>1,329</b>
<b>6</b>	<b>Tax expense</b>						
	a) Current tax	186	122	6	308	146	351
	b) Deferred tax	6	(7)	(3)	(1)	(11)	17
	c) Tax adjustment for earlier years pursuant to scheme ( Refer note 3)	-	-	-	-	-	(61)
	<b>Total tax expense</b>	<b>192</b>	<b>115</b>	<b>3</b>	<b>307</b>	<b>135</b>	<b>307</b>
<b>7</b>	<b>Net profit from continuing operations (5-6)</b>	<b>461</b>	<b>271</b>	<b>7</b>	<b>732</b>	<b>318</b>	<b>1,022</b>
<b>B</b>	<b>Discontinued operations ( Refer note 2)</b>						
<b>8</b>	<b>Profit before tax from discontinued operations</b>	-	-	-	-	116	116
<b>9</b>	<b>Tax expense of discontinued operations</b>						
	a) Current tax	-	-	-	-	55	55
	b) Deferred tax	-	-	-	-	(26)	(26)
<b>10</b>	<b>Net profit from discontinued operations (8-9)</b>	-	-	-	-	<b>87</b>	<b>87</b>
<b>11</b>	<b>Net profit for the period/year (7+10)</b>	<b>461</b>	<b>271</b>	<b>7</b>	<b>732</b>	<b>405</b>	<b>1,109</b>
<b>12</b>	<b>Other comprehensive income/(expenses)</b>						
	Items that will not be reclassified to profit or loss- continuing operations (net of tax)	(7)	(26)	(13)	(33)	(85)	(64)
	Items that will not be reclassified to profit or Loss- discontinued operations (net of tax)	-	-	-	-	8	8
	<b>Other comprehensive income/(expenses)</b>	<b>(7)</b>	<b>(26)</b>	<b>(13)</b>	<b>(33)</b>	<b>(77)</b>	<b>(56)</b>
<b>13</b>	<b>Total comprehensive income for the period/ year (11+12)</b>	<b>454</b>	<b>245</b>	<b>(6)</b>	<b>699</b>	<b>328</b>	<b>1,053</b>
<b>14</b>	<b>Paid up equity share capital ( face value Rs.10/- each)</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>
<b>15</b>	<b>Other equity</b>						<b>6,174</b>
<b>16</b>	<b>Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)</b>						
	From continuing operations	2.02	1.19	0.03	3.21	1.39	4.48
	From discontinued operations	-	-	-	-	0.38	0.38
	From continuing and discontinued operations	<b>2.02</b>	<b>1.19</b>	<b>0.03</b>	<b>3.21</b>	<b>1.77</b>	<b>4.86</b>
<b>17</b>	<b>Dividend per share ( Par value Rs 10 each )</b>						
	Final dividend on equity shares ( in Rs)	1.80	-	1.20	1.80	1.20	1.20
	<b>Total equity dividend percentage (%)</b>	<b>18</b>	<b>-</b>	<b>12</b>	<b>18</b>	<b>12</b>	<b>12</b>



**Notes to the Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2022**

- 1 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). These have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on October 20, 2022.
  - 2 (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. 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.

**(C) Details of discontinued operations**

Particulars	(Rs in Lakhs)					
	3 Months ended 30-Sep-2022	Preceding 3 Months ended 30-Jun-2022	Corresponding 3 Months ended 30-Sep-2021	6 months ended 30-Sep-2022	6 Months ended 30-Sep-2021	Previous Year ended 31-Mar-2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from operations including other income	-	-	-	-	1,419	1,419
Expenses	-	-	-	-	1,303	1,303
Profit before tax	-	-	-	-	116	116
Tax expense						
a) Current tax	-	-	-	-	55	55
b) Deferred tax	-	-	-	-	(26)	(26)

- 3 The Company 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 accounted in the quarter and year ended March 31, 2022.
- 4 During the quarter ended September 30, 2021, the Company has made provision aggregating to Rs 162 Lakhs pertaining to earlier years towards legal dispute and interest liability related to statutory dues.
- 5 For the financial year ended March 31, 2022, the Company 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 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.
- 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 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.
- 8 Previous period / year figures have been re-grouped or reclassified, to conform to such current period's classification.

For Nelco Limited  
P. J. Nath

Managing Director & CEO  
DIN :- 05118177

Place :- Mumbai  
Date :- October 20, 2022



**Nelco Limited**
**Standalone Statement of Assets and Liabilities**
*(Amount Rs in Lakhs, unless otherwise mentioned)*

Particulars	As at September 30, 2022	As at March 31, 2022
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	4,396	3,999
(b) Capital work-in-progress	497	242
(c) Right-of-use assets	997	1,100
(d) Intangible assets	425	390
(e) Financial assets		
(i) Investments	2,989	2,989
(iii) Other financial assets	53	190
(f) Deferred tax assets (net)	406	405
(g) Income tax assets (net)	587	994
(h) Other non-current assets	691	699
<b>Total non-current assets</b>	<b>11,041</b>	<b>11,008</b>
<b>Current assets</b>		
(a) Financial assets		
(i) Trade receivables	4,229	3,454
(ii) Cash and cash equivalents	1,951	478
(iii) Bank balances other than (ii) above	43	45
(iv) Loans	1	7
(v) Other financial assets	907	497
(b) Other current assets	507	367
<b>Total current assets</b>	<b>7,638</b>	<b>4,848</b>
<b>TOTAL ASSETS</b>	<b>18,679</b>	<b>15,856</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	2,282	2,282
(b) Other equity		
Reserve and surplus	6,452	6,164
Other reserves	10	10
<b>Total equity</b>	<b>8,744</b>	<b>8,456</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,050	-
(ia) Lease liabilities	883	974
<b>Total non-current liabilities</b>	<b>1,933</b>	<b>974</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,146	1,750
(ia) Lease liabilities	184	175
(ii) Trade payables	1,727	1,297
(iii) Other financial liabilities	764	1,253
(b) Provisions	214	207
(c) Contract Liabilities	2,333	1,506
(d) Other current liabilities	634	238
<b>Total Current liabilities</b>	<b>8,002</b>	<b>6,426</b>
<b>Total liabilities</b>	<b>9,935</b>	<b>7,400</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,679</b>	<b>15,856</b>



Nelco Limited

Standalone Statement of Cash Flows for the six months ended September 30, 2022

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	Period ended	Period ended
	September 30, 2022	September 30, 2021
	Unaudited	Unaudited
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from		
Continuing operations	1,039	453
Discontinued operations	-	116
<b>Profit before tax</b>	<b>1,039</b>	<b>569</b>
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	504	425
Finance costs	201	104
Interest income	(43)	(136)
Impairment allowance (allowance for bad and doubtful debts)	9	-
Provision for contingent liability	99	-
Remeasurement of post employment benefit obligations	(33)	-
Unrealised mark to market (gain) / loss on forward contracts	1	-
Unrealised foreign exchange (gain) / loss (net)	(15)	(1)
<b>Operating profit before working capital changes</b>	<b>1,762</b>	<b>961</b>
<b>Movement in working capital</b>		
<b>Movements in assets</b>		
- (Increase) / decrease in trade receivables & unbilled receivables	(784)	1,631
- (Increase) / decrease in financial assets - current -Loans	6	(1)
- (Increase) / decrease in financial assets - non-current - Loans	-	1
- (Increase) / decrease in other financial assets - current	(410)	(1,005)
- (Increase) / decrease in other financial assets - Non Current	137	(139)
- (Increase) / decrease in other current assets	(140)	(128)
- (Increase) / decrease in other non current assets	8	(267)
<b>Movements in liabilities</b>		
- (Decrease) / increase in trade payables	346	(173)
- (Decrease) / increase in provisions - non current	-	62
- (Decrease) / increase in other financial liabilities - current	(505)	(544)
- (Decrease) / increase in contract liabilities	827	(425)
- (Decrease) / increase in other current liabilities	396	187
- (Decrease) / increase in provisions - current	7	31
<b>Cash generated from operations</b>	<b>1,650</b>	<b>191</b>
- Direct taxes (paid)/ refund received	99	581
<b>Net cash flow generated from operating activities (A)</b>	<b>1,749</b>	<b>772</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment / intangible assets	(1,079)	(455)
Interest received	43	136
Bank Balance not considered as cash and cash equivalents- deposits placed	2	(7)
<b>Net cash flow (used in) investing activities (B)</b>	<b>(1,034)</b>	<b>(326)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	6,700	2,400
Repayment of borrowings	(5,750)	(2,070)
Payment of principal portion of lease liabilities	(82)	(57)
Payment of interest portion of lease liabilities	(45)	(19)
Finance costs paid	(150)	(86)
Dividend paid	(411)	(271)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>262</b>	<b>(103)</b>
<b>Net increase in cash &amp; cash equivalents [(A)+(B)+(C)]</b>	<b>977</b>	<b>343</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>478</b>	<b>186</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,455</b>	<b>529</b>

Cash and cash equivalents comprise of :	As at	As at
	September 30, 2022	September 30, 2021
a) Balance with scheduled banks in current accounts	1,243	480
b) Cash on hand	-	1
c) Cheques on hand	708	48
d) Bank overdraft	(496)	-
<b>Total</b>	<b>1,455</b>	<b>529</b>



**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 September 30, 2022 and year to date from April 01, 2022 to September 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 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.

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

**ANIKET ANIL  
SOHANI**

Digitally signed by ANIKET ANIL  
SOHANI  
DN: cn=ANIKET ANIL SOHANI,  
c=IN, o=Personal,  
email=aniket.sohani@srb.in  
Date: 2022.10.20 16:26:22 +05'30'



per Aniket Sohani  
Partner  
Membership No.: 117142  
UDIN: 22117142BAJTXD4723  
Mumbai  
October 20, 2022

**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 and six months ended September 30, 2022

(Rs. In Lakhs)

Sr.No.	Particulars	3 Months ended	Preceding	Corresponding	6 Months ended	6 Months ended	Previous Year ended
		30-Sep-22	3 Months ended	3 Months ended	30-Sep-22	30-Sep-21	31-Mar-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	a) Income from operations ( Refer note 5)	7,544	8,168	6,122	15,712	11,632	26,007
	b) Other income	74	29	24	103	176	474
	<b>Total income</b>	<b>7,618</b>	<b>8,197</b>	<b>6,146</b>	<b>15,815</b>	<b>11,808</b>	<b>26,481</b>
<b>2</b>	<b>Expenses</b>						
	a) Purchase of stock-in-trade	1,030	2,410	593	3,440	1,395	4,911
	b) Changes in Inventories of stock-in-trade	106	(434)	229	(328)	(108)	(443)
	c) Operating expenses	3,116	2,649	2,427	5,765	4,678	9,584
	d) Employee benefits expense	937	898	844	1,835	1,720	3,403
	e) Other expenses ( Refer note 4)	920	1,141	881	2,061	1,586	3,494
	<b>Total expenses</b>	<b>6,109</b>	<b>6,664</b>	<b>4,974</b>	<b>12,773</b>	<b>9,271</b>	<b>20,949</b>
<b>3</b>	<b>Profit before depreciation, amortisation, finance cost and tax (1-2)</b>	<b>1,509</b>	<b>1,533</b>	<b>1,172</b>	<b>3,042</b>	<b>2,537</b>	<b>5,532</b>
<b>4</b>	<b>Depreciation, amortisation and finance cost</b>						
	a) Finance cost	209	238	166	447	348	753
	b) Depreciation and amortization expense	671	628	552	1,299	1,123	2,464
	<b>Total depreciation, amortisation and finance cost</b>	<b>880</b>	<b>866</b>	<b>718</b>	<b>1,746</b>	<b>1,471</b>	<b>3,217</b>
	<b>Profit before tax (3-4)</b>	<b>629</b>	<b>667</b>	<b>454</b>	<b>1,296</b>	<b>1,066</b>	<b>2,315</b>
<b>5</b>	<b>Tax expense</b>						
	a) Current tax	265	304	154	569	370	718
	b) Deferred tax (net)	(83)	(109)	(40)	(192)	(82)	(105)
	c) Tax adjustment for earlier years pursuant to scheme ( Refer note 3)	-	-	-	-	-	94
	<b>Total tax expenses</b>	<b>182</b>	<b>195</b>	<b>114</b>	<b>377</b>	<b>288</b>	<b>707</b>
<b>6</b>	<b>Net profit for the period/year (4-5)</b>	<b>447</b>	<b>472</b>	<b>340</b>	<b>919</b>	<b>778</b>	<b>1,608</b>
<b>7</b>	<b>Other comprehensive income/(expenses)</b>						
	Items that will not be reclassified to profit or loss:						
	Remeasurement of post employment benefit obligations (net of tax)	(7)	(39)	1	(46)	(63)	(30)
<b>8</b>	<b>Total comprehensive income for the period/year (6+7)</b>	<b>440</b>	<b>433</b>	<b>341</b>	<b>873</b>	<b>715</b>	<b>1,578</b>
<b>9</b>	<b>Paid up equity share capital ( face value Rs.10/- each)</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>
<b>10</b>	<b>Other equity</b>						<b>6,623</b>
<b>11</b>	<b>Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)</b>	<b>1.96</b>	<b>2.07</b>	<b>1.49</b>	<b>4.03</b>	<b>3.41</b>	<b>7.05</b>
<b>12</b>	<b>Dividend per share ( Par Value Rs 10 each )</b>						
	Final dividend on equity shares ( in Rs)	1.80	-	1.20	1.80	1.20	1.20
	Total equity dividend percentage (%)	18	-	12	18	12	12



**Notes to the Consolidated Unaudited Financial Results for the quarter and six months ended September 30, 2022**

- 1 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). These have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on October 20, 2022.
- 2 (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. 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.
- 3 As mentioned in Note 1 above, the Group Companies 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.
- 4 During the quarter ended September 30, 2021, the Group made provision aggregating to Rs 162 Lakhs pertaining to earlier years towards legal dispute and interest liability related to statutory dues.
- 5 During the quarter ended September 30, 2021, the Group recognised revenue of Rs 186 Lakhs pertaining to earlier years based on certainty of collection during the quarter.
- 6 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.
- 7 For the financial year ended March 31, 2022, the Company 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.
- 8 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.
- 9 Previous period / year figures have been re-grouped or reclassified, to conform to such current period's classification.
- 10 The unaudited Standalone and Consolidated financial results for the quarter and six months ended September 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" .

For Nelco Limited  
P. J. Nath



Managing Director & CEO  
DIN :- 00036557



Place :- Mumbai  
Date :- October 20, 2022



**Nelco Limited**  
**Consolidated Statement of Assets and Liabilities**

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	As at	As at
	September 30, 2022	March 31, 2022
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	7,223	8,024
(b) Capital work-in-progress	497	260
(c) Right-of-use assets	2,441	2,591
(d) Intangible assets	427	394
(e) Financial assets		
(i) Investments	16	16
iii) Other financial assets	197	383
(f) Deferred tax assets (net)	1,059	867
(g) Income tax assets (net)	202	729
(h) Other non-current assets	693	703
<b>Total non current assets</b>	<b>12,755</b>	<b>13,967</b>
<b>Current assets</b>		
(a) Inventories	1,910	1,582
(b) Financial assets		
(i) Trade receivables	9,880	7,786
(ii) Cash and cash equivalents	2,277	1,565
(iii) Bank balances other than (ii) above	43	45
(iv) Loans	1	7
(v) Other financial assets	651	754
(c) Contract assets	681	137
(d) Other current assets	696	483
<b>Total current assets</b>	<b>16,139</b>	<b>12,359</b>
<b>TOTAL ASSETS</b>	<b>28,894</b>	<b>26,326</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	2,282	2,282
(b) Other equity		
Reserves and surplus	7,073	6,611
Other reserves	12	12
<b>Total equity</b>	<b>9,367</b>	<b>8,905</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,475	1,875
(ia) Lease liabilities	2,164	2,225
(b) Other non-current liabilities	1	4
<b>Total non-current liabilities</b>	<b>4,640</b>	<b>4,104</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,800	3,575
(ia) Lease liabilities	467	473
(ii) Trade payables	5,505	5,349
(iii) Other financial liabilities	1,000	1,364
(b) Provisions	472	313
(c) Contract liabilities	2,969	1,931
(d) Other current liabilities	674	312
<b>Total current liabilities</b>	<b>14,887</b>	<b>13,317</b>
<b>Total liabilities</b>	<b>19,527</b>	<b>17,421</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,894</b>	<b>26,326</b>



Nelco Limited

Consolidated Statement of Cash Flow for the six months ended September 30, 2022

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	Period ended	Period ended
	September 30, 2022	September 30, 2021
	Unaudited	Unaudited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,296	1,066
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	1,299	1,123
Finance Costs	447	348
Unrealised mark to market (gain) / loss on forward contracts	(23)	(32)
Unrealised foreign exchange (gain) / loss (net)	72	21
Impairment allowance (allowance for bad and doubtful debts)	34	59
Bad debts written off	9	-
Gain on disposal of property, plant and equipment (net)	(3)	(4)
Unwinding of discount on financial asset measured at amortised cost	(8)	(8)
Interest Income classified as investing cash flow	(18)	(8)
Interest income	18	(156)
<b>Operating Profit Before Working Capital Changes</b>	<b>3,123</b>	<b>2,409</b>
<b>Movement in working capital</b>		
- (Increase) / Decrease in trade receivables	(2,137)	(1,931)
- (Increase) / Decrease in other current assets	(213)	(156)
- (Increase) / Decrease in other non current assets	18	(259)
- (Increase) / Decrease in financial assets - non current - loans	-	1
- (Increase) / Decrease in inventories	307	(108)
- (Increase) / Decrease in other financial assets - current	109	19
- (Increase) / Decrease in other financial assets -non current	186	(6)
- (Increase) / Decrease in contract assets	(544)	-
- (Increase) / Decrease in other bank balances	2	(7)
<b>Movements in Liabilities</b>		
- (Decrease) / Increase in trade payables	107	2,059
- (Decrease) / Increase in other liabilities - non current	(3)	(4)
- (Decrease) / Increase in provisions - non current	-	72
- (Decrease) / Increase in other financial liabilities - current	(367)	(310)
- (Decrease) / Increase in current contract liabilities	1,038	499
- (Decrease) / Increase in other current liabilities	362	216
- (Decrease) / Increase in provisions - current	113	21
<b>Cash generated from operations</b>	<b>2,101</b>	<b>2,515</b>
- Direct taxes (paid)/ refund received	(42)	474
<b>Net cash flow generated from operating activities (A)</b>	<b>2,059</b>	<b>2,989</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment / intangible assets/Capital work-in-progress	(1,456)	(750)
Proceeds from sale of property, plant and equipment / intangible assets	9	14
Interest received	-	164
<b>Net cash flow (used in) investing activities (B)</b>	<b>(1,447)</b>	<b>(572)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings		
- Receipts	8,200	6,600
- Payments	(8,625)	(7,386)
Payment of principal portion of lease liabilities	130	(206)
Payment of interest portion of lease liabilities	(128)	(53)
Finance costs paid	(316)	(289)
Dividend Paid	(411)	(271)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(1,150)</b>	<b>(1,605)</b>
<b>Net (decrease) / increase in Cash &amp; Cash Equivalents [(A)+(B)+(C)]</b>	<b>(538)</b>	<b>812</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,565</b>	<b>190</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,027</b>	<b>1,002</b>

Cash and Cash Equivalents Comprise of :	As at	As at
	September 30, 2022	September 30, 2021
a) Balance with scheduled banks in current accounts	1,304	578
b) Cheques on Hand	973	424
c) Bank Overdraft	(1,250)	-
<b>Total</b>	<b>1,027</b>	<b>1,002</b>



**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 September 30, 2022 and year to date from April 01, 2022 to September 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, 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



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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.

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

**ANIKET ANIL  
SOHANI**

Digitally signed by ANIKET ANIL  
SOHANI  
DN: cn=ANIKET ANIL SOHANI,  
c=IN, o=Personal,  
email=aniket.sohani@arb.in  
Date: 2022.10.20 16:31:22 +05'30'



per Aniket Sohani  
Partner  
Membership No.:117142  
UDIN: 22117142BAJWJP7168  
Mumbai  
October 20, 2022