

NEICO 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 Twelve Months ended 30th September, 2015

Rs. in Lakhs

Sr.No	Particulars	3 Months ended 30.09.2015	Preceding 3 Months ended 30.06.2015	Corresponding 3 Months ended 30.09.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Income from Operations					
	a) Sales / Income from Operations	3,257	3,410	3,562	13,685	13,520
	Less : Excise Duty	-	3	10	6	115
	Net Sales / Income from Operations	3,257	3,407	3,552	13,679	13,405
	b) Other Operating Income	5	-	-	25	26
	Total Income From Operations (net)	3,262	3,407	3,552	13,704	13,431
2.	Expenses					
	a) Cost of materials consumed	7	24	90	199	491
	b) Purchase of stock- in-trade	486	729	810	2,893	3,254
	c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	167	(147)	131	167	548
	d) Employee Benefits Expense	475	545	548	2,089	2,400
	e) Depreciation and amortization expense (refer Note no 1 & 5)	242	262	226	1,253	919
	f) Transponder charges	685	647	481	2,529	1,621
	g) Other expenses	1,020	1,263	1,175	4,675	4,429
	Total Expenses	3,082	3,323	3,461	13,805	13,662
3.	Profit / (loss) From Operations before other income, finance costs and exceptional items (1 - 2)	180	84	91	(101)	(231)
4.	Other income (refer note 6)	16	36	40	71	158
5.	Profit / (loss) from ordinary activities before Finance Costs and Exceptional items (3 + 4)	196	120	131	(30)	(73)
6.	Finance cost	240	246	204	941	950
7.	Profit / (loss) from ordinary activities after Finance Costs but before Exceptional items (5 - 6)	(44)	(126)	(73)	(971)	(1,023)
8.	Exceptional items (refer note 2 for 3 and 12 months ended 30th September, 2015 and note 4 for previous year ended 30th September, 2014)	162	-	-	162	1,241
9.	Profit / (loss) from ordinary activities before tax (7 + 8)	118	(126)	(73)	(809)	218
10.	Tax expense					
	a) Current Tax	8	-	-	8	52
	b) Deferred Tax (refer note 5)	(8)	-	-	39	-
11.	Net Profit/ (loss) from ordinary activities after tax (9 - 10)					
12.	Add : Share of Profit/(Loss) of Associate (refer Note No 1 & 2)	118	(126)	(73)	(856)	166
13.	Net Profit/ (loss) after tax and share of profit of associate (11+12)	6	1	12	19	28
13 A	- From Continuing Operations (Net of Tax of Rs Nil for quarter ended 30-09-2015)	124	(125)	(61)	(837)	194
13 B	- From Discontinuing Operations (Net of Tax of Rs Nil for quarter ended 30-09-2015) (Refer Note no 1 & 2)	42	(32)	163	(659)	948
13 C	- Profit on sale of Discontinuing Operations (refer note 2)	(80)	(93)	(224)	(340)	(754)
		162	-	-	162	-

Sr.No	Particulars	3 Months ended 30.09.2015	Preceding 3 Months ended 30.06.2015	Corresponding 3 Months ended 30.09.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
14.	Paid up equity share capital (face value Rs.10/-)	Unaudited 2,282	Unaudited 2,282	Unaudited 2,282	Unaudited 2,282	Audited 2,282
15.	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year					(592)
16.	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised) - Total Operations	0.54	(0.55)	(0.27)	(3.67)	0.85
16 A	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised) - From Continuing Operations	0.18	(0.14)	0.71	(2.89)	4.15

Part - II						
Particulars		3 Months ended 30.09.2015	Preceding 3 Months ended 30.06.2015	Corresponding 3 Months ended 30.09.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
PARTICULARS OF SHAREHOLDING						
1	Public shareholding					
	- Number of shares	11385810	11385810	11385810	11385810	11385810
	- Percentage of shareholding	49.90	49.90	49.90	49.90	49.90
2	Promoter and promoter group shareholding					
	a) Pledged/Encumbered					
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
	b) Non-encumbered					
	- Number of shares	11432590	11432590	11432590	11432590	11432590
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	50.10	50.10	50.10	50.10	50.10
Particulars		3 months ended 30.09.2015				
	Pending at the beginning of the quarter					
	Received during the quarter					
	Disposed off during the quarter					
	Remaining unresolved at the end of the quarter					
B	INVESTOR COMPLAINTS	NIL	NIL	NIL	NIL	

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Consolidated Segment wise Revenue, Results and Capital Employed for the Quarter and Twelve Months ended 30th September, 2015						
Sr. No.	Particulars	3 Months ended 30.09.15	Preceding 3 Months ended 30.06.15	Corresponding 3 months ended 30.9.2014	12 Months ended 30.09.2015	Rs in Lakhs Previous year ended 30.09.2014
1	Segment Revenue (Net Sales / Income from operations)	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	(i) Automation & Control	154	358	393	1,115	2,545
	(ii) Network Systems	3103	3,052	3,169	12,570	10,975
	Less : Excise Duty	-	3	10	6	115
	Total	3,257	3,407	3,552	13,679	13,405
	Less : Inter Segment Revenue	-	-	-	-	-
	Net Sales / Income from Operations	3,257	3,407	3,552	13,679	13,405
2	Segment Results					
	(i) Automation & Control	(138)	(149)	(81)	(867)	(746)
	(ii) Network Systems	617	595	485	1,972	1,850
	Total	479	446	404	1,105	1,104
	Less:					
	(i) Interest expense	240	246	204	941	950
	(ii) Other un-allocable (Income) / expenditure net of unallocable (income) / expenditure	283	326	273	1,135	1,177
	Add:-					
	(i) Exceptional Items unallocable to segment (refer note 2 for 3 and 12 months ended 30th Sep, 15 and note 4 for previous year ended 30th Sep 14)	162	-	-	162	1,241
	Profit/(Loss) Before Tax	118	(126)	(73)	(809)	218
3	Capital Employed (Segment Assets-Segment Liabilities)					
	(i) Automation & Control	2760	2,661	3,471	2,760	3,471
	(ii) Network Systems	2510	2,467	2,396	2,510	2,396
	Total Segment Capital Employed (Segment Assets - Segment Liabilities)	5,270	5,128	5,867	5,270	5,867

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Nelco Limited

Consolidated Statement of Assets and Liabilities as at 30th September, 2015

Particulars		As at	As at
		30th September, 2015	30th September, 2014
		Unaudited	Audited
		Rs in lakhs	Rs in lakhs
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	2,282	2,282
	(b) Reserves and surplus	(1,533)	(592)
	Sub Total - Shareholders' Funds	749	1,690
2	Non-current liabilities		
	(a) Long-term borrowings	383	323
	(b) Other long-term liabilities	61	96
	(c) Long-term provisions	514	505
	Sub Total - Non Current Liabilities	958	924
3	Current liabilities		
	(a) Short-term borrowings	7,176	6,201
	(b) Trade payables	3,184	3,549
	(c) Other current liabilities	1,732	1,846
	(d) Short-term provisions	414	437
	Sub Total - Current Liabilities	12,506	12,033
	TOTAL EQUITY AND LIABILITIES	14,213	14,647
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	2,924	3,881
	(b) Non-current investments	850	833
	(c) Deferred tax assets (net)	8	-
	(c) Long-term loans and advances	2,610	1,830
	Sub Total - Non Current Assets	6,392	6,544
2	Current assets		
	(a) Inventories	1,225	1,514
	(b) Trade receivables	4,450	3,864
	(c) Cash and Cash Equivalents	256	492
	(d) Short-term loans and advances	873	1,006
	(e) Other current assets	1,017	1,227
	Sub Total - Current Assets	7,821	8,103
	TOTAL ASSETS	14,213	14,647

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1 The Company vide its letter dated 3rd April, 2014 had informed the Stock Exchange about the approval of the Board of Directors to restructure the operations of Company's Integrated Security & Surveillance Solutions business ("ISS business") which inter alia, includes the business of Unattended Ground Sensors (UGS) and forms part of the 'Automation & Control' segment. As part of such restructuring, the Board of Directors of the Company at its meeting held on 28th January, 2015 accepted an "offer" made by The Tata Power Company Limited, (Parent Company) for its Strategic Engineering Division to purchase the business of UGS as a "going concern" on a "slump sale" basis at a consideration of Rs. 831 Lakhs with effect from 1st October 2014. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. The Business Transfer Agreement (BTA) is signed on 5th August, 2015. This shall be subject to concluding various approvals and consents to be received.

The assets attributable to the UGS business have been impaired in the three months ended 31st December, 2014 to the tune of Rs. 166 Lakhs and disclosed as part of Depreciation & Amortisation expense.

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

Particulars	3 Months ended 30.09.15	Preceding 3 Months ended 30.06.15	Corresponding 3 months ended 30.9.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
Net Sales / Income from Operations	14	23	45	152	524
Expenses	75	82	66	378	423
Expenses attributable	19	19	51	106	209
Pre-tax profit / (loss)	(80)	(78)	(72)	(332)	(108)
Total Assets	722	747	997	722	997
Total Liabilities	1	1	-	1	-

Rs in Lakhs

The transfer being effective from 1st October, 2014, the results of operation for the quarter and twelve months ended 30th September, 2015 and three months ended 30th June, 2015, includes a portion attributable to The Tata Power Company Limited which will be given effect to on completion of transaction.

2 Further, as part of restructuring, the Board of Directors of the Company at its meeting held on 18th March, 2015 accepted the offer received from a company for the transfer of Managed Services business ("MS Business") forming part of Network System segment as a "going concern" on a "slump sale" basis at a consideration of Rs. 210 lakhs with effect from 1st April, 2015. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. The said transaction is concluded on 31st August, 2015 after entering into definitive agreement and after obtaining various approvals as required under applicable laws. The said transaction is given effect during the quarter with effect from 1st April, 2015. Consequent to the consummation of the transaction of MS business on a slump sale basis the effect of which is accounted in the current quarter the preceding quarters are not comparable. An Amount of Rs 162 Lakhs is accounted as profit on sale of this business as disclosed under exceptional item.

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

Particulars	3 Months ended 30.09.15	Preceding 3 Months ended 30.06.15	Corresponding 3 months ended 30.9.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
Net Sales / Income from Operations	65	97	121	553	580
Expenses	59	106	146	522	672
Expenses attributable	3	6	127	51	554
Pre-tax loss profit / (loss)	3	(15)	(152)	(20)	(646)
Total Assets	83	141	100	83	100
Total Liabilities	113	67	-	113	-

Rs in Lakhs

3 The Company has accumulated losses as at 30th September, 2015 which has substantially eroded the Company's net worth. Notwithstanding this, these unaudited financial results have been prepared on going concern basis in view of a support letter from the Parent Company.

4 In the year 2006, the Company had filed arbitration proceedings against Jawaharlal Nehru Port Trust (JNPT) for enforcement of its claim in respect of the additional work carried out, wrongful deduction of liquidated damages and encashment of bank guarantee by JNPT. The Arbitration award was passed in favour of the Company on 6th February, 2012. The said award, however, was challenged by JNPT in the Hon'ble Bombay High Court which dismissed the plea on 6th February, 2014 and awarded the claim to the Company. JNPT paid Rs 1,241 lakhs as decretal dues in June quarter, 2014.

5 Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Group has, effective 1st October 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act. Consequently, the depreciation charge for the three and twelve months ended 30th September, 2015 is higher by Rs. 54 lakhs and Rs 336 lakhs respectively and Rs.104 lakhs (net of tax Rs. 47 lakhs) on account of transition provision has been adjusted to retained earnings as on 1st October, 2014.

6 Other income includes:

Particulars	3 Months ended 30.09.15	Preceding 3 Months ended 30.06.15	Corresponding 3 months ended 30.9.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
Interest Income	Unaudited 1	Unaudited 2	Unaudited 1	Unaudited 7	Audited 43
Liabilities / Provisions no longer required written back	6	34	19	40	82
Miscellaneous income	9	-	20	24	33
Total	16	36	40	71	158

7 Standalone Financials details	3 Months ended 30.09.15	Preceding 3 Months ended 30.06.15	Corresponding 3 months ended 30.9.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
Total Income From Operations (net)	Unaudited 2,104	Unaudited 2,259	Unaudited 2,744	Unaudited 9,603	Audited 10,277
Profit / (loss) before tax	100	(166)	5	(496)	129
Profit / (loss) after tax	100	(166)	5	(543)	129

8 In order to be in compliance with The Companies Act, 2013, the Board of Directors at its meeting held on 30th July, 2015 has given its approval to extend the year end of its financial statements from 30th September, 2015 to 31st March, 2016. During the quarter, the company has received approval from the Registrar of Companies (ROC) and consequently, the financial statements for the period 1st October, 2014 to 31st March, 2016 would be for 18 months.

9 Due to the nature of project business, financial results for the periods are not representative of the annual results.

10 Figures for the previous year/periods are re-classified / re-arranged / re-grouped, wherever considered necessary.

11 The unaudited standalone financial results for the quarter ended 30th September, 2015 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".

12 The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 28th October, 2015.

Mumbai
28th October, 2015

FD/Nelco Limited
R.R.Bhinge
Chairman

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
NELCO LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **NELCO LIMITED** ("the Company"), its subsidiary (the Company and its subsidiary constitute "the Group") and its share of the profit / (loss) of its associate for the Quarter and Twelve Months ended 30th September, 2015 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 7 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of 'Tatanet Services Limited', subsidiary and of 'Nelito Systems Limited', an associate.
4. We did not review the interim financial statements of a subsidiary included in the consolidated financial results, whose interim financial statements reflect total asset of Rs. 3,579 lakhs as at 30th September, 2015, total revenues of Rs. 1,659 lakhs and Rs. 5,927 lakhs for the Quarter and Twelve Months ended 30th September, 2015, respectively and total profit after tax of Rs. 20 lakhs for the Quarter ended 30th September, 2015 and total loss after tax of Rs. 310 lakhs for the Twelve months ended 30th September, 2015, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of Rs. 6 lakhs and Rs. 19 lakhs for the Quarter and Twelve Months ended 30th September, 2015, respectively, as considered in the consolidated financial results in respect of an associate whose interim financial statements have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and an associate, is based solely on the report of the other auditors.



5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 3 to the Statement, which describes the continued applicability of the going concern assumption to the Company despite substantial erosion in the Net worth of the Company as at 30th September, 2015 in view of the support letter from the Parent Company. Our report is not modified in respect of this matter.
7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Twelve Months Ended 30th September, 2015 of the Statement, from the details furnished by the Registrars.

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



Rupen K. Bhatt
Partner
(Membership No. 046930)

MUMBAI, 28th October, 2015