

NELCO LIMITED

Regd. Office : Francysters Cybernetics Centre, Eucharistic Congress Building No. III, 5, Convent Street, Colaba, Mumbai - 400 001.

Audited Financial Results for the Quarter ended 30th September, 2010

Rs. In Lakhs

Sr. No.	Particulars	3 Months period ended 30.09.2010 (Audited)	3 Months period ended 30.09.2009 (Audited)	12 Months period ended 30.09.2010 (Audited)	18 Months period ended 30.09.2009 (Audited)
1.	Sales / Income from Operations	2911	10617	14297	35416
	Less : Excise Duty	67	488	351	1372
	a) Net Sales / Income from Operations	2844	10129	13946	34044
	b) Other Operating Income	7	1	10	6
	Total Income From Operations	2851	10130	13956	34050
2.	Expenditure				
	a) Decrease/(Increase) in stock in trade and work in progress"	112	561	67	(613)
	b) Consumption of raw materials (Refer Note 4)	599	3365	3505	11016
	c) Purchase of traded goods	739	2217	3478	11564
	d) Employees cost	672	614	2705	3771
	e) Depreciation	111	111	437	833
	f) Other expenditure (Refer Note 5)	1895	1438	5172	5950
	Total Expenditure	4128	8304	15364	32521
3.	Profit / (Loss) From Operations before Other Income, Interest and Exceptional Items (1 - 2)	(1277)	1826	(1408)	1529
4.	Other Income	27	135	327	574
5.	Profit / (Loss) before Interest and Exceptional Items (3 + 4)	(1250)	1961	(1081)	2103
6.	Interest expense	244	320	1273	1825
7.	Profit / (Loss) after interest but before Exceptional Items (5 - 6)	(1494)	1641	(2354)	278
8.	Exceptional Items				
	Less: Deferred Revenue Expenditure	-	52	106	317
	Add : Profit on sale of business to CGL	5302	-	5302	-
	Add : Profit on sale of Long term investments	-	1,354	-	1,354
9.	Profit / (Loss) before tax (7 - 8)	3808	2943	2842	1315
10.	Tax expense				
	a) Current Tax	840	625	725	701
	b) Deferred Tax	-	33	(33)	286
	c) Fringe Benefit Tax	-	-	-	-
	d) Short / (Excess) Tax Provision for earlier years	-	-	10	-
11.	Net Profit/ (Loss) after tax (9 - 10)	2968	2285	2139	328
12.	Paid up equity share capital (face value Rs.10/-)	2282	2282	2282	2282
13.	Reserves excluding Revaluation Reserve			1940	332
14.	Earnings Per Share (Rs.)- Basic and diluted	13.01	10.01	9.37	1.44
15.	Public shareholding				
	- Number of shares	11385760	11385260	11385760	11385260
	- Percentage of shareholding	49.90	49.90	49.90	49.90
16.	Promoter and promoter group shareholding				
	a) Pledged/Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shareholding (as % of the total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shareholding (as % of the total share capital of the company)	-	-	-	-
	b). Non-encumbered				
	- Number of shares	11432640	11433140	11432640	11433140
	- Percentage of shareholding (as % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
	- Percentage of shareholding (as % of the total share capital of the company)	50.10	50.10	50.10	50.10
17.	Dividend (Proposed)				
	Rate per share (Face Value Rs. 10/-) (In Rupees)	2.00	0.60	2.00	0.60
	Amount (Rs. In Lakhs)	456	137	456	137

Notes :-

- Due to the nature of project business, financial performance is not uniform across the quarters. Hence, financial results for the quarter are not representative of the annual results.
- The company had taken approval of shareholders by way of Postal Ballot under Section 192A of the Companies Act, 1956 for transfer of the undertakings which comprise of Traction Electronics, Supervisory Control and Data Acquisition (SCADA) and Industrial Drives businesses ("Businesses") on a slump sale basis to Crompton Greaves Limited (Purchaser") with effect from the closing date for a total consideration not exceeding Rs. 92. Crores. On July 28th 2010 (Closing date) the "Businesses" were transferred as a going concern to CGL on a slump sale basis for a consideration of Rs 81 Crores. The Additional Rs 11 crs has not been received as the financial parameters to be met by 30th September, 2010 were not achieved. Consequently, the current quarter and year ended figures are not comparable with that of corresponding previous period figures. Further, the previous years figures are for eighteen months period ended 30th September, 2009 and the current year figures are for twelve months. To enable appropriate comparison, the figures of the corresponding quarter in the previous years are for quarter ending 30th September, 2009.
- The tax year for the company being the year ending 31st March, the provision for taxation for the period is the aggregate of the provision made for the six months ended 31st March, 2010 and the provision based on the figures for the remaining six months up to 30th September, 2010. The tax liability for the period 1st April, 2010 to 31st March 2011 shall be determined accordingly.
- Effective 1st October, 2009, pursuant to implementation of SAP ERP system, the accounting policy in respect of valuation of raw materials has been changed from 'yearly weighted average method' to 'moving weighted average method'. This change does not have a significant impact on the results for the quarter and twelve months ended 30th September, 2010.
- Other expenditure includes gain of Rs 26.70 lakhs for the Quarter ended 30th September, 2010 (Loss of Rs 2.07 lakhs for the corresponding quarter of the previous year) and gain of Rs. 234.03 lakhs for the twelve months period ended 30th September, 2010 (loss of Rs 217.05 lakhs in the previous year of 18 months period ended 30th September, 2009) on account of foreign exchange fluctuations in respect of monetary items (viz foreign currency receivables and payables) in accordance with Accounting Standard 11.
- Status of Investors Complaints for the quarter ended 30.09.2010 :- At the beginning - Nil , Received -Nil and unresolved - Nil
- The previous year's figures are for eighteen months and the current cumulative period figures are for twelve months, and are therefore not comparable.
- Previous period's/year's figures have been regrouped, wherever necessary, in order to make it comparable.
- A dividend of Rs 2/- per share (10% Ordinary and 10% Special dividend on a face value of Rs 10 /- each) has been recommended by the Board of Directors which is subject to approval of shareholders.
- The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 22 November 2010.

Segmentwise Revenue, Results and Capital Employed for the Quarter Ended 30th September, 2010

Rs. In Lakhs

Sr. No.	Particulars	3 Months period ended 30.09.2010 (Audited)	3 Months period ended 30.09.2009 (Audited)	12 Months period ended 30.09.2010 (Audited)	18 Months period ended 30.09.2009 (Audited)
1	Segment Revenue (Net Sales / Income from operations)				
	(i) Automation & Control	1464	7884	6304	19198
	(ii) Network Systems	1447	2734	7993	16237
	(iii) Property Development	-	-	-	-
	(iv) Others	-	-	-	-
	Less : Excise Duty	67	488	351	1372
	Total	2844	10130	13946	34063
	Less : Inter Segment Revenue	-	1	-	19
	Net Sales / Income from Operations	2844	10129	13946	34044
2	Segment Results				
	(i) Automation & Control	(1027)	1760	(1559)	1244
	(ii) Network Systems	248	359	1329	1449
	(iii) Property Development	-	(2)	-	114
	(iv) Others	-	-	-	-
	Total	(779)	2117	(230)	2807
	Less:				
	(i) Interest expense	244	320	1273	1825
	(ii) Other un-allocable (income) /expenditure net of unallocable (income) / expenditure	(4831)	(1146)	(4,345)	(333)
	(Loss)/Profit Before Tax	3808	2943	2842	1315
3	Capital Employed (Segment Assets-Segment Liabilities)				
	(i) Automation & Control	3795	4844	3795	4844
	(ii) Network Systems	7463	5850	7463	5850
	(iii) Property Development	217	213	217	213
	Total Segment Capital Employed (Segment Assets - Segment Liabilities)	11475	10907	11475	10907

Notes :-

- Business Segments have been identified as reportable primary segments in accordance with Accounting Standard 17, taking into account the organisational structure as well as the differing of risks and returns of these segments.
- Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services to the segments which are not directly identifiable to the individual segments as well as expenses incurred at a corporate level which relate to the company as a whole. Un-allocable income mainly includes interest / dividend and liabilities no longer required written back and exceptional items.
- The previous year's figures are for eighteen months and the current cumulative period figures are for twelve months, and are therefore not comparable.
- Previous period's/year's figures have been regrouped, wherever necessary, in order to make them comparable.

Place: Mumbai

Date: 22nd November, 2010

Audited Consolidated Financial Results for the Quarter and Twelve months period ended 30th September, 2010

Rs. In Lakhs

Sr. No.	Particulars	12 Months period ended 30.09.2010 (Audited)	18 Months period ended 30.09.2009 (Audited)
1.	Sales / Income from Operations	16153	37641
	Less : Excise Duty	351	1372
	a) Net Sales / Income from Operations	15802	36269
	b) Other Operating Income	11	6
	Total Income From Operations	15812	36275
2.	Expenditure		
	a) (Increase)/Decrease in stock in trade and work in progress(Refer Note 2)	551	(613)
	b) Consumption of raw materials	3366	11016
	c) Purchase of traded goods	3134	11565
	d) Expenditure on property development	-	-
	e) Employees cost	2705	3771
	f) Depreciation	715	1142
	g) Other expenditure	6935	7807
	Total Expenditure	17405	34688
3.	(Loss)/Profit From Operations before Other Income, Interest and Exceptional Items (1 - 2)	(1593)	1587
4.	Other Income (Refer Note 3)	552	502
5.	(Loss)/Profit before Interest and Exceptional Items (3 + 4)	(1041)	2089
6.	Interest	1277	1830
7.	(Loss)/Profit after Interest but before Exceptional Items (5 - 6)	(2318)	259
8.	Exceptional Items		
	Less: Deferred Revenue Expenditure	106	317
	Add : Profit on sale of business to CGL	5,302	-
	Add : Profit on sale of Long Term Investments	-	760
9.	(Loss)/Profit from Ordinary Activities before tax (7 - 8)	2879	702
10.	Tax expense		
	a) Current Tax (MAT)	761	709
	b) Deferred Tax	(47)	298
	c) Short / (Excess) Tax Provision for earlier years	10	-
11.	Net (Loss)/Profit after tax Before Share of Associate	2155	(305)
12.	Add : Share of Profit of Associate	84	635
13.	Net Profit after tax for the period (11-12)	2,239	330
12.	Paid up equity share capital (face value Rs.10/-)	2282	2282
13.	Reserve excluding Revaluation Reserve	3,087	-
14.	Earnings Per Share (Rs.)- Basic and diluted-not annualised	9.81	1.45
15.	Public shareholding		
	- Number of shares	11385760	11385260
	- Percentage of shareholding	49.90	49.90
16.	Promoter and promoter group shareholding		
	a) Pledged/Encumbered		
	- Number of shares	-	-
	- Percentage of shareholding (as % of the total shareholding of promoter and promoter group)	-	-
	- Percentage of shareholding (as % of the total share capital of the company)	-	-
	b). Non-encumbered		
	- Number of shares	11432640	11433140
	- Percentage of shareholding (as % of the total shareholding of promoter and promoter group)	100.00	100.00
	- Percentage of shareholding (as % of the total share capital of the company)	50.10	50.10

Notes :-

- Due to the nature of project business, financial performance is not uniform across the quarters. Hence, financial results for the quarter are not representative of the annual results.
- The company had taken approval of shareholders by way of Postal Ballot under Section 192A of the Companies Act, 1956 for transfer of the undertakings which comprise of Traction Electronics, Supervisory Control and Data Acquisition (SCADA) and Industrial Drives businesses ("Businesses") on a slump sale basis to Crompton Greaves Limited (Purchaser") with effect from the closing date for a total consideration not exceeding Rs. 92. Crores. On July 28th 2010 (Closing date) the "Businesses" were transferred as a going concern to CGL on a slump sale basis for a consideration of Rs 81 Crores. The Additional Rs 11 crs has not been received as the financial parameters to be met by 30th September, 2010 were not achieved. Consequently, the current quarter and year ended figures are not comparable with that of corresponding previous period figures. Further, the previous years figures are for eighteen months period ended 30th September, 2009 and the current year figures are for twelve months. To enable appropriate comparison, the figures of the corresponding quarter in the previous years are for quarter ending 30th September, 2009.
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- Effective 1st October, 2009, pursuant to implementation of SAP ERP system, the accounting policy in respect of valuation of raw materials has been changed from 'yearly weighted average method' to 'moving weighted average method'. This change does not have a significant impact on the results for the quarter and twelve months ended 30th September, 2010.
- Other expenditure includes gain of Rs. 234.03 lakhs for the twelve months ended 30th September, 2010 (18 months period ended 30th September, 2009 loss of Rs. 203.98 lacs) on account of foreign exchange fluctuations in respect of monetary items (viz foreign currency receivables and payables) in accordance with Accounting Standard 11.
- Status of Investors Complaints for the quarter ended 30.09.2010 :- At the beginning - Nil , Received -Nil and unresolved - Nil
- Previous period's/year's figures have been regrouped, wherever necessary, in order to make it comparable.
- A dividend of Rs 2/- per share (10% Ordinary and 10% Special dividend on a face value of Rs 10 /- each) has been recommended by the Board of Directors which is subject to approval of shareholders.
- The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 22 November 2010.

Segmentwise Revenue, Results and Capital Employed for the Twelve Months Period Ended 30th September, 2010

Rs. In Lakhs

Sr. No.	Particulars	12 Months period ended 30.09.2010 (Audited)	18 Months period ended 30.09.2009 (Audited)
1	Segment Revenue (Net Sales / Income from operations)		
	(i) Automation & Control	6304	19198
	(ii) Network Systems	9849	18463
	(iii) Property Development	-	-
	(iv) Others	-	-
	Less : Excise Duty	351	1372
	Total	15802	36289
	Less : Inter Segment Revenue	-	19
	Net Sales / Income from Operations	15802	36270
2	Segment Results		
	(i) Automation & Control	(1559)	1244
	(ii) Network Systems	1380	1507
	(iii) Property Development	-	114
	(iv) Others	-	-
	Total	(179)	2865
	Less:		
	(i) Interest expense	1277	1830
	(ii) Other un-allocable (income) /expenditure net of unallocable (income) / expenditure	(4,335)	333
	(Loss)/Profit Before Tax	2879	702
3	Capital Employed (Segment Assets-Segment Liabilities)		
	(i) Automation & Control	3795	4844
	(ii) Network Systems	7606	5981
	(iii) Property Development	217	213
	Total Segment Capital Employed (Segment Assets - Segment Liabilities)	11618	11038

Notes :-

- Business Segments have been identified as reportable primary segments in accordance with Accounting Standard 17, taking into account the organisational structure as well as the differing of risks and returns of these segments.
- Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services to the segments which are not directly identifiable to the individual segments as well as expenses incurred at a corporate level which relate to the company as a whole. Un-allocable income mainly includes interest / dividend and liabilities no longer required written back and exceptional items.
- The previous year's figures are for eighteen months and the current cumulative period figures are for twelve months, and are therefore not comparable.
- Previous period's/year's figures have been regrouped, wherever necessary, in order to make them comparable.

FOR NELCO LIMITED

PRASAD MENON
CHAIRMAN