



24th January 2019

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

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

BSE Code : 504112

NSE Code : Nelco EQ

Dear Sirs,

Sub: Outcome of Board Meeting
Unaudited Financial Results & Limited Review Report for the Quarter & Nine months ended
31st December 2018

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

1. Unaudited Standalone Financial Results for the quarter & nine months ended 31st December 2018 along with the Limited Review Report by the Statutory Auditors.
2. Unaudited Consolidated Financial Results for the Quarter & nine months ended 31st December 2018 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 24th January 2019. The meeting of Board of Directors of the Company commenced at 2.30 p.m. and concluded at 6.30 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							
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 nine month ended December 31, 2018							(Rs. In Lakhs)
Sr.No.	Particulars	3 Months ended 31.12.2018	Preceding 3 Months ended 30.09.2018	Corresponding 3 Months ended 31.12.2017	9 Months ended 31.12.2018	9 Months ended 31.12.2017	Previous Year ended 31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	a) Income from Operations	4,528	4,519	3,724	13,950	11,056	14,961
	b) Other Income (Refer note 4)	141	114	112	327	409	494
	Total Income (a+b)	4,669	4,633	3,836	14,277	11,465	15,455
2	Expenses						
	a) Purchase of stock- in-trade	756	951	314	2,839	1,141	1,830
	b) Changes in inventories of stock-in-trade	(94)	(129)	128	(226)	347	14
	c) Employee Benefits Expense	675	654	575	2,023	1,675	2,256
	d) Finance Cost	196	164	149	511	472	593
	e) Depreciation and amortization expense	325	296	234	910	665	949
	f) Transponder Charges	849	856	768	2,566	2,311	3,140
	g) Other expenses	1,452	1,457	1,220	4,264	3,887	5,208
	Total Expenses	4,159	4,249	3,388	12,887	10,498	13,990
3	Add:- Share of Profit of Associate accounted for using equity method	-	10	10	9	36	57
4	Profit before Tax (1 -2 +3)	510	394	458	1,399	1,003	1,522
5	Tax expense						
	a) Current Tax	117	163	105	394	178	271
	b) Deferred Tax (net) (Refer note 3)	(7)	(778)	10	(797)	(2)	40
6	Net Profit for the period (4-5)	400	1,009	343	1,802	827	1,211
7	Other Comprehensive Income						
	Items that will not be reclassified to Profit or Loss						
	Remeasurement of post employment benefit obligations	(7)	-	(19)	(22)	(36)	(18)
	Share of other comprehensive income of Associate accounted for using equity method	-	-	(1)	(1)	(2)	(3)
8	Total Comprehensive Income for the period (6+7)	393	1,009	323	1,779	789	1,190
9	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282	2,282
10	Other Equity						1,095
11	Earnings Per Share (Basic and Diluted) (Face value Rs. 10/-each) (not annualised)	1.75	4.42	1.50	7.90	3.62	5.31



Consolidated Segment wise Revenue, Results and Capital Employed for the quarter and nine month ended December 31, 2018							
Sr. No.	Particulars	3 Months ended	Preceding 3 Months	Corresponding 3	9 Months ended	9 Months ended	Previous
		31.12.2018	ended 30.09.2018	Months ended	31.12.2018	31.12.2017	Year ended
		Unaudited	Unaudited	31.12.2017	Unaudited	Unaudited	31.03.2018
				Unaudited			Audited
1	Segment Revenue from operations						
	(i) Automation & Control	38	116	37	299	174	243
	(ii) Network Systems	4,490	4,403	3,687	13,651	10,882	14,718
	Total	4,528	4,519	3,724	13,950	11,056	14,961
	Less : Inter Segment Revenue						
	Revenue from Operations	4,528	4,519	3,724	13,950	11,056	14,961
2	Segment Results						
	(i) Automation & Control	(103)	(77)	(77)	(226)	(278)	(340)
	(ii) Network Systems	1,006	908	907	2,928	2,557	3,633
	Total	903	831	830	2,702	2,279	3,293
	Add / (Less) :-						
	(i) Share of Profit of Associate accounted for using equity method	-	10	10	9	36	57
	(ii) Other unallocable income / (expenditure)	(242)	(314)	(239)	(903)	(861)	(1,275)
	(iii) Finance Cost	(151)	(134)	(143)	(409)	(451)	(553)
	Net Profit before Tax for the period	510	394	458	1,399	1,003	1,522
3	Segment Assets						
	(i) Automation & Control	1,282	1,333	1,769	1,282	1,769	1,696
	(ii) Network Systems	15,782	14,077	10,023	15,782	10,023	10,878
		17,064	15,410	11,792	17,064	11,792	12,574
	Unallocable Assets	4,863	4,858	4,094	4,863	4,094	3,637
	Total Assets	21,927	20,268	15,886	21,927	15,886	16,211
	Segment Liabilities						
	(i) Automation & Control	393	465	630	393	630	589
	(ii) Network Systems	10,829	9,347	7,084	10,829	7,084	7,273
		11,222	9,812	7,714	11,222	7,714	7,862
	Unallocable Liabilities	5,548	5,692	5,196	5,548	5,196	4,972
	Total Liabilities	16,770	15,504	12,910	16,770	12,910	12,834



Notes :-

- 1 The Company vide its letter dated September 1, 2017 informed the stock exchange about the approval of the Board of Directors to
- 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 :
 - Integrated Security and Surveillance Solution ('ISSS') business and
 - Very Small Aperture Terminals ("VSAT") hardware business and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers other than Tatanet Services Ltd (TNSL); and
 - the amalgamation of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed Scheme).

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

- 2 The Board of Directors of the Company at its meeting held on September 21, 2018 decided to exit from Nelito Systems Limited (an Associate Company). Considering the intent of the Board, this investment in the Associate has been classified as 'Assets classified as held for sale' in accordance with IND AS 105.
- 3 The management has reassessed the realisability of the Deferred Tax Asset and MAT Credit Entitlement, consequent to taxable profits generated in earlier quarters, and in accordance with the requirements of IND AS 12 'Income Taxes' has recognized Deferred Tax Asset and MAT Credit Entitlement u/s 115 JAA of Income Tax Act, 1961 of Rs. 279 lakhs and Rs. 499 lakhs respectively in the quarter ended September 30, 2018.

4 Other income includes :-

(Rs in Lakhs)

Particulars	3 Months ended	Preceding 3 Months	Corresponding 3	9 Months ended	9 Months ended	Previous
	31.12.2018	ended 30.09.2018	Months ended	31.12.2018	31.12.2017	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest on Income Tax refund	85	33	36	118	110	110
Liabilities / Provisions no longer required written back	-	-	3	32	119	144

(Rs in Lakhs)

5

Standalone Financial details	3 Months ended	Preceding 3 Months	Corresponding 3	9 Months ended	9 Months ended	Previous
	31.12.2018	ended 30.09.2018	Months ended	31.12.2018	31.12.2017	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from Continuing Operations	835	824	797	2,477	2,380	3,190
Profit before Tax- Continuing and Discontinued Operations	425	321	369	1,096	822	1,151
Profit after Tax- Continuing and Discontinued Operations	341	961	278	1,592	688	977
Total Comprehensive Income- Continuing and Discontinued Operations	334	962	259	1,571	652	959

- 6 NCLT approved the Proposed Scheme on November 2, 2018. As per the NCLT Order, this Scheme is effective only on receiving the written approval from the Department of Telecommunications (DoT) for transfer of licenses. The NCLT Order required the Company to file the Order with the Registrar of Companies (RoC) within 30 days. Upon filing, RoC updated the records to reflect the Scheme as effective and TNSL as "amalgamated" even though DoT approval is yet to be received. Based on legal advice, the Company is in the process of approaching NCLT to direct RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the scheme with immediate effect. Pending necessary approvals, the Scheme has not been given effect to in the financial results for the quarter and nine months ended December 31, 2018.



- 7 The Unaudited Standalone and Consolidated financial results for the quarter ended December 31, 2018 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".
- 8 The above results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 and have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on January 24, 2019.

Place :- Mumbai
Date :- January 24, 2019



For Nelco Limited

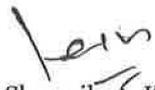
R.R. Bhinge
Chairman
DIN :- 00036557

Price Waterhouse Chartered Accountants LLP

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

1. We have reviewed the unaudited consolidated financial results of Nelco Limited (the “Company”), its subsidiaries and associate company (hereinafter referred to as the “Group”) for the quarter ended December 31, 2018 and the year to date results for the period April 1, 2018 to December 31, 2018, which are included in the accompanying ‘Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2018’ (the “Statement”). The Statement has been prepared by the Company’s Management pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations, 2015”), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company’s Management and has been approved by its Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of group personnel and analytical procedures applied to group’s financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We did not review the financial results of one associate considered in the preparation of the Statement and which constitute total comprehensive income (comprising of profit and other comprehensive income) of Nil and Rs. 9 lakhs for the quarter and nine months ended December 31, 2018 respectively. These financial results have been furnished to us by the Management, and our conclusion on the Statement insofar as it relates to the amounts and disclosures included in respect of this associate, is based solely on such management provided financial results.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to note 6 to the Statement regarding composite scheme of arrangement between the Company, Tatanet Services Limited (TNSL) and Nelco Network Products Limited which was approved by the National Company Law Tribunal (“NCLT”) vide its order dated November 2, 2018 (the “Scheme”). As per the NCLT Order, the Company intimated the Registrar of the Companies (“RoC”) about the approval of the Scheme by NCLT, stating that Department of Telecommunications (“DoT”) approval was not yet received. The RoC records were, however, updated to reflect the Scheme as effective and TNSL as “amalgamated” with the Company. Based on legal advice, the Company is in the process of approaching NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the Scheme with immediate effect. The Scheme will be given effect to in the financial results on receipt of all necessary approvals. Our conclusion is not modified in respect of this matter.

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


Sharmila A. Karve

Partner

Membership Number: 43229

Mumbai
January 24, 2019

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)

Mumbai - 400 028

T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

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

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

NELCO LIMITED							
REGD. OFFICE :- EL-6, TTC INDUSTRIAL AREA, MIDC, ELECTRONIC ZONE, MAHAPE, NAVI MUMBAI - 400 710, CIN: L32200MH1940PLC003164							
Part-I							
Statement of Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2018							
(Rs in Lakhs)							
Sr.No.	Particulars	3 Months ended 31.12.2018	Preceding 3 Months ended 30.09.2018	Corresponding 3 months ended 31.12.2017	9 Months ended 31.12.2018	9 Months ended 31.12.2017	Previous Year ended 31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Continuing Operations						
1	Income						
	a) Income from Operations	835	824	797	2,477	2,380	3,190
	b) Other Income	114	45	108	210	230	290
	Total Income (a+b)	949	869	905	2,687	2,610	3,480
2	Expenses						
	a) Employee Benefits Expense	341	494	428	1,349	1,237	1,679
	b) Finance Cost	114	109	122	323	380	478
	c) Depreciation and amortization expense	16	17	5	51	17	61
	d) Sub Contracting Expenses	24	33	58	90	140	186
	e) Other expenses	246	251	274	728	885	1,199
	Total Expenses	741	904	887	2,541	2,659	3,603
3	Profit / (Loss) before Tax (1-2)	208	(35)	18	146	(49)	(123)
4	Tax expense						
	a) Current Tax	41	-	-	41	-	-
	b) Deferred Tax (Refer note 3)	(12)	(792)	-	(804)	-	-
5	Net Profit / (Loss) from Continuing Operations (3-4)	179	757	18	909	(49)	(123)
B	Discontinued Operations (Refer note 1)						
6	Profit before tax from discontinued operations	217	356	351	950	871	1,274
7	Tax Expense of discontinued operations	55	152	91	267	134	174
8	Profit after tax from Discontinued Operations (6-7)	162	204	260	683	737	1,100
9	Net Profit for the period (5+8)	341	961	278	1,592	688	977
10	Other Comprehensive Income						
	Items that will not be reclassified to Profit or Loss- Continuing Operations	(3)	(2)	(14)	(10)	(26)	(10)
	Items that will not be reclassified to Profit or Loss- Discontinued Operations	(4)	3	(5)	(11)	(10)	(8)
	Other Comprehensive Income	(7)	1	(19)	(21)	(36)	(18)
11	Total Comprehensive Income for the period (9+10)	334	962	259	1,571	652	959
12	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282	2,282
13	Other Equity						169
14	Earnings / (Loss) Per Share (Basic and Diluted) (Face Value Rs. 10/-each) (not annualised)						
	From Continuing Operations	0.78	3.32	0.08	3.98	(0.21)	(0.54)
	From Discontinued Operations	0.71	0.89	1.14	2.99	3.23	4.82
	From Continuing and Discontinued Operations	1.49	4.21	1.22	6.97	3.02	4.28



Segment wise Revenue, Results and Capital Employed for the quarter and nine months ended December 31, 2018							
Sr. No.	Particulars	(Rs. in Lakhs)					
		3 Months ended 31.12.2018	Preceding 3 Months ended 30.09.2018	Corresponding 3 months ended 31.12.2017	9 Months ended 31.12.2018	9 Months ended 31.12.2017	Previous Year ended 31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue from operations						
	Total Income from Operations						
	Continuing Operations						
	(i) Automation & Control	-	-	-	-	-	-
	(ii) Network Systems	835	824	797	2,477	2,380	3,190
		835	824	797	2,477	2,380	3,190
	Discontinued Operations (Refer note 1)						
	(i) Automation & Control	38	116	37	299	174	243
	(ii) Network Systems	2,123	2,120	1,508	6,549	4,479	5,935
		2,161	2,236	1,545	6,848	4,653	6,178
Total	2,996	3,060	2,342	9,325	7,033	9,368	
Less : Inter Segment Revenue	-	-	-	-	-	-	
Total income from Operations	2,996	3,060	2,342	9,325	7,033	9,368	
2	Segment Results						
	Continuing Operations						
	(i) Automation & Control	-	-	-	-	-	-
	(ii) Network Systems	553	389	368	1,338	1,227	1,617
		553	389	368	1,338	1,227	1,617
	Discontinued Operations (Refer note 1)						
	(i) Automation & Control	(103)	(77)	(77)	(226)	(278)	(340)
	(ii) Network Systems	320	433	428	1,176	1,149	1,614
		217	356	351	950	871	1,274
	Total	770	745	719	2,288	2,098	2,891
Continuing Operations Add / (Less)							
(i) Other unallocable income / (expenditure)	(231)	(315)	(228)	(869)	(896)	(1,262)	
(ii) Finance Cost	(114)	(109)	(122)	(323)	(380)	(478)	
Net Profit before Tax for the period	425	321	369	1,096	822	1,151	
3	Segment Assets						
	Continuing Operations						
	(i) Automation & Control	-	-	-	-	-	-
	(ii) Network Systems	924	901	883	924	883	954
		924	901	883	924	883	954
	Discontinued Operations (Refer note 1)						
	(i) Automation & Control	1,282	1,333	1,769	1,282	1,769	1,696
	(ii) Network Systems	11,079	9,334	4,595	11,079	4,595	5,785
		12,361	10,667	6,364	12,361	6,364	7,481
	Unallocable Assets	4,144	4,216	3,517	4,144	3,517	3,272
Total Assets	17,429	15,784	10,764	17,429	10,764	11,707	
Segment Liabilities							
Continuing Operations							
(i) Automation & Control	-	-	-	-	-	-	
(ii) Network Systems	198	87	102	198	102	137	
	198	87	102	198	102	137	
Discontinued Operations (Refer note 1)							
Segment Liabilities							
(i) Automation & Control	393	465	630	393	630	589	
(ii) Network Systems	7,881	6,478	2,973	7,881	2,973	4,113	
	8,274	6,943	3,603	8,274	3,603	4,702	
Unallocable Liabilities	4,936	5,067	4,915	4,936	4,915	4,417	
Total Liabilities	13,408	12,097	8,620	13,408	8,620	9,256	



Notes :-

1 The Company vide its letter dated September 1, 2017 informed the stock exchange about the approval of the Board of Directors to

(i) transfer by way of slump sale on a going concern basis, for a lump sum consideration to its wholly owned subsidiary, Nelco Network Products Ltd (NNPL) of the following :

- (a) Integrated Security and Surveillance Solution (‘ISSS’) business and
- (b) Very Small Aperture Terminals (‘VSAT’) hardware business and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers other than Tatanet Services Ltd (TNSL); and

(ii) the amalgamation of TNSL with the Company, through a composite scheme of Arrangement and Amalgamation (Proposed Scheme).

The Proposed Scheme has been approved by National Company Law Tribunal (‘NCLT’) on November 2, 2018. Approvals from Department of Telecommunications (DoT) is awaited. Considering the management’s intent to transfer the business as noted in (i) above, these businesses/ operations have been classified as discontinued operations in accordance with IND AS 105. During the current quarter, the management has re-assessed the allocation of its costs and related liabilities between continuing and discontinued operations considering the change in business circumstances and accordingly has given effect in this quarter.

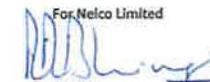
The financial parameters in respect of the activities attributable to the business referred to in (i) above are as follows :

Particulars	(Rs in Lakhs)					
	3 Months ended 31.12.2018	Preceding 3 Months ended 30.09.2018	Corresponding 3 months ended 31.12.2017	9 Months ended 31.12.2018	9 Months ended 31.12.2017	Previous Year ended 31.03.2018
Income from Operations including other Income	2,200	2,298	1,567	6,995	4,826	6,387
Expenses	1,983	1,942	1,216	6,045	3,955	5,113
Profit before Tax	217	356	351	950	871	1,274
Tax Expense	55	152	91	267	134	174

- 2 The Board of Directors of the Company at its meeting held on September 21, 2018 decided to exit from Nelito Systems Limited (an Associate Company). Considering the intention of the Board, this investment in the Associate has been classified as ‘Assets classified as held for sale’ in accordance with IND AS 105.
- 3 The management has reassessed the realisability of the Deferred Tax Asset and MAT Credit Entitlement, consequent to taxable profits generated in earlier quarters, and in accordance with the requirements of IND AS 12 ‘Income Taxes’ has recognized Deferred Tax Asset and MAT Credit Entitlement u/s 115 JAA of Income Tax Act, 1961 of Rs. 293 lakhs and Rs. 499 lakhs respectively in the quarter ended September 30, 2018.
- 4 NCLT approved the Proposed Scheme on November 2, 2018. As per the NCLT Order, this Scheme is effective only on receiving the written approval from the Department of Telecommunications (DoT) for transfer of licenses. The NCLT Order required the Company to file the Order with the Registrar of Companies (RoC) within 30 days. Upon filing, RoC updated the records to reflect the Scheme as effective and TNSL as “amalgamated” even though DoT approval is yet to be received. Based on legal advice, the Company is in the process of approaching NCLT to direct RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the scheme with immediate effect. Pending necessary approvals, the Scheme has not been given effect to in the financial results for the quarter and nine months ended December 31, 2018.
- 5 The above results have been prepared in accordance with Indian Accounting Standards (‘IND AS’) notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 and have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on January 24, 2019.

Place :- Mumbai
Date :- January 24, 2019



For Nelco Limited

R.R. Bhinge
Chairman
DIN 00036557

Price Waterhouse Chartered Accountants LLP

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

1. We have reviewed the unaudited standalone financial results of Nelco Limited (the “Company”) for the quarter ended December 31, 2018 and the year to date results for the period April 1, 2018 to December 31, 2018, which are included in the accompanying ‘Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2018’ (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations, 2015”), which has been initialled by us for identification purposes. The 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 in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to note 4 to the Statement regarding composite scheme of arrangement between the Company, Tatanet Services Limited (TNSL) and Nelco Network Products Limited which was approved by the National Company Law Tribunal (“NCLT”) vide its order dated November 2, 2018 (the “Scheme”). As per the NCLT Order, the Company intimated the Registrar of the Companies (“RoC”) about the approval of the Scheme by NCLT, stating that Department of Telecommunications (“DoT”) approval was not yet received. The RoC records were, however, updated to reflect the Scheme as effective and TNSL as “amalgamated” with the Company. Based on legal advice, the Company is in the process of approaching NCLT to direct the RoC to amend their records to reinstate TNSL to its earlier status and cancel the effect of the Scheme with immediate effect. The Scheme will be given effect to in the financial results on receipt of all necessary approvals. Our conclusion is not modified in respect of this matter.

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



Sharmila A. Karve
Partner
Membership Number: 43229

Mumbai
January 24, 2019

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

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

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