

24th April 2023

BSE Limited
Corporate Relationship Dept
1st Floor, New Trading Ring
Rotunda Building, P.J. Towers, Fort,
Mumbai – 400 001
BSE : 504112

National Stock Exchange of India Ltd.
5th floor, Exchange Plaza, Plot No.C-1
Block “G” Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
NSE: Nelco EQ

Dear Sirs,

Sub: Outcome of the Board Meeting held on 24th April 2023
Pursuant to Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: Our letter dated 11th April 2023.

1. In terms of Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations'), we forward herewith the Audited Financial Results (Consolidated and Standalone) along with the Audit Reports thereon, for the financial year ended 31st March 2023, which were approved and taken on record by the Board of Directors of the Company at their meeting held today. The said results are also available on the Company's website at www.nelco.in.

Pursuant to Regulation 33(3)(d) of the Listing Regulations, we hereby declare that in the said Audited Financial Results (Consolidated and Standalone) for the financial year ended 31st March 2023, the Statutory Auditors have not expressed any modified opinion(s) in their Audit Reports.

2. At the said Meeting, the Board of Directors have recommended a Dividend of Rs. 2.00/- per Equity Share of Rs.10/- each (20%) to the shareholders for the Financial Year 2022-23 subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Meeting of the Board of Directors of the Company commenced at 4.30 p.m. and concluded at 8.45 p.m.

Yours faithfully,
NELCO Limited

Girish V. Kirkinde
Company Secretary & Head – Legal

Encl: as stated above.

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

To
The Board of Directors of
Nelco Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Nelco Limited ("Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. includes the results of the subsidiary – Nelco Network Products Limited;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective company.



Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company which is incorporated in India has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Nelco Limited – LRR -March 31, 2023

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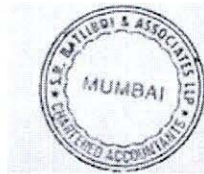
Other Matter

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year which were subjected to a limited review by us as required under the Listing Regulations.

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



per Aniket Sohani
Partner
Membership No.: 117142
UDIN: 23117142BGYJAN9790
Mumbai
April 24, 2023



NELCO LIMITED

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

Statement of Consolidated Audited Financial Results for the quarter and year ended March 31, 2023

(Rs. In Lakhs)

Sr.No.	Particulars	3 Months ended 31-Mar-23	Preceding 3 Months ended 31-Dec-22	Corresponding 3 Months ended 31-Mar-22	Year ended 31-Mar-23	Previous Year ended 31-Mar-22
		Audited (Refer note 7)	Unaudited	Audited	Audited	Audited
1	Income					
	a) Income from operations	8,198	7,423	7,169	31,333	26,007
	b) Other income	85	72	154	257	474
	Total income	8,283	7,495	7,323	31,590	26,481
2	Expenses					
	a) Purchase of stock-in-trade	1,352	822	1,658	5,614	4,911
	b) Changes in Inventories of stock-in-trade	(168)	(48)	(182)	(544)	(443)
	c) Operating expenses	3,408	3,311	2,460	12,484	9,584
	d) Employee benefits expense	962	897	864	3,694	3,403
	e) Other expenses	962	928	1,115	4,009	3,563
	Total expenses	6,516	5,910	5,915	25,257	21,018
3	Profit before finance cost, depreciation, amortisation and tax (1-2)	1,767	1,585	1,408	6,333	5,463
4	Finance cost, depreciation and amortisation					
	a) Finance cost	207	180	183	773	684
	b) Depreciation and amortisation expense	795	684	702	2,778	2,464
	Total finance cost, depreciation and amortisation	1,002	864	885	3,551	3,148
5	Profit before tax (3-4)	765	721	523	2,782	2,315
6	Tax expense					
	a) Current tax	304	263	213	1,136	718
	b) Deferred tax (net)	(105)	(42)	(87)	(339)	(105)
	c) Tax adjustment for earlier years pursuant to scheme (Refer note 3)	-	-	94	-	94
	Total tax expenses	199	221	220	797	707
7	Net profit for the period/year (5-6)	566	500	303	1,985	1,608
8	Other comprehensive income/(expenses)					
	Items that will not be reclassified to profit or loss (net of tax)					
	Net fair value gain on investments in equity shares at FVTOCI	6	-	-	6	-
	Remeasurement of post employment benefit obligations (net of tax)	1	15	29	(30)	(30)
	Items that will not be reclassified to profit or loss (net of tax)	7	15	29	(24)	(30)
9	Total comprehensive income for the period/year (7+8)	573	515	332	1,961	1,578
10	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282
11	Other equity				8,173	6,623
12	Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)	2.48	2.19	1.33	8.70	7.05
13	Dividend per share (Par Value Rs 10/- each)					
	Final dividend on equity shares (in Rs)	-	-	-	1.80	1.20
	Total equity dividend percentage (%)	-	-	-	18	12

Re



Notes to the Consolidated Audited Financial Results for the quarter and year ended March 31, 2023

- 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 April 24, 2023.
- 2 (A) The Holding 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 Holding 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 Holding 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 2 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 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.
- 5 For the financial year ended March 31, 2023, the Board of Directors have recommended a final dividend of Rs. 2.00 (20%) per equity share. The payment is subject to approval of the shareholders at ensuing Annual General Meeting of the Company.
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The 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.
- 7 The figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and unaudited published year to date figures upto the December 31, 2022.
- 8 Previous period / year figures have been re-grouped or reclassified wherever applicable, to conform to current period's classification.
- 9 The Audited Standalone and Consolidated financial results for the quarter and year ended March 31, 2023, 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 :- 05118177

Place :- Mumbai

Date :- April 24, 2023



Nelco Limited
Consolidated Statement of Assets and Liabilities

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	6,775	8,024
(b) Capital work-in-progress	148	260
(c) Right-of-use assets	2,286	2,591
(d) Intangible assets	479	394
(e) Financial assets		
(i) Investments	22	16
(ii) Other financial assets	167	383
(f) Deferred tax assets (net)	1,062	867
(g) Income tax assets (net)	300	729
(h) Other non-current assets	664	703
Total non current assets	11,903	13,967
Current assets		
(a) Inventories	2,127	1,582
(b) Financial assets		
(i) Trade receivables	8,274	7,786
(ii) Cash and cash equivalents	1,616	1,565
(iii) Bank balances other than (ii) above	48	45
(iv) Loans	-	7
(v) Other financial assets	345	754
(c) Contract assets	662	137
(d) Other current assets	1,248	483
Total current assets	14,320	12,359
TOTAL ASSETS	26,223	26,326
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	2,282	2,282
(b) Other equity	8,173	6,623
Total equity	10,455	8,905
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,862	1,875
(ia) Lease liabilities	2,000	2,225
(b) Other non-current liabilities	1	4
Total non-current liabilities	3,863	4,104
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,932	3,575
(ia) Lease liabilities	516	473
(ii) Trade payables	4,506	5,349
(iii) Other financial liabilities	1,145	1,364
(b) Provisions	536	313
(c) Contract liabilities	2,982	1,931
(d) Other current liabilities	288	312
Total current liabilities	11,905	13,317
Total liabilities	15,768	17,421
TOTAL EQUITY AND LIABILITIES	26,223	26,326



Nelco Limited

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(Amount Rs in Lakhs, unless otherwise mentioned)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
	Audited	Audited
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,782	2,315
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,778	2,464
Finance costs	773	684
Unrealised mark to market loss / (gain) on forward contracts	11	(47)
Unrealised foreign exchange loss (net)	45	9
Impairment allowance (allowance for bad and doubtful debts)	17	(14)
Bad debts written off	26	43
Liabilities/provisions no longer required, written back	(80)	(209)
Loss/ (gain) on disposal of property, plant and equipment (net)	1	(8)
Unwinding of discount on financial asset measured at amortised cost	(35)	(16)
Interest income	(19)	(11)
Provision for contentious liabilities	99	66
	6,398	5,276
Movement in working capital		
Movements in assets		
- (Increase) in trade receivables	(531)	(1,489)
- (Increase) in other current assets	(765)	(136)
- Decrease in other non current assets	74	34
- Decrease in non-current financial assets - loans	-	1
- Decrease/ (increase) in inventories	734	(444)
- Decrease / (increase) in other current financial assets	416	(420)
- Decrease in other non-current financial assets	216	126
- (Increase) in contract assets	(525)	(137)
Movements in liabilities		
- (Decrease)/ Increase in trade payables	(819)	1,934
- (Decrease) in other non-current liabilities	(3)	(4)
- (Decrease) in non-current provisions	-	(307)
- Increase in other current financial liabilities	49	28
- Increase in contract liabilities	1,051	715
- (Decrease)/ increase in other current liabilities	(24)	18
- Increase/ (decrease) in current provisions	100	(108)
Cash generated from operations	6,371	5,087
- Direct taxes paid (net of refunds)	(563)	(31)
Net cash flow generated from operating activities (A)	5,808	5,056
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment / intangible assets/capital work-in-progress	(2,311)	(1,798)
Proceeds from sale of property, plant and equipment / intangible assets	(198)	8
Interest income received	19	11
Bank balance not considered as cash and cash equivalents	(3)	(10)
Net cash (used in) investing activities (B)	(2,493)	(1,789)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	11,384	16,850
Repayment of borrowings	(13,040)	(17,354)
Payment of principal portion of lease liabilities	(478)	(439)
Payment of interest portion of lease liabilities	(205)	(237)
Interest paid	(518)	(441)
Dividend paid	(407)	(271)
Net cash (used in) financing activities (C)	(3,264)	(1,892)
Net increase in cash & cash equivalents [(A)+(B)+(C)]	51	1,375
Cash and cash equivalents at the beginning of the year	1,565	190
Cash and cash equivalents at the end of the year	1,616	1,565

Cash and cash equivalents comprise of :	As at March 31, 2023	As at March 31, 2022
	Balance with banks in current accounts	1,332
Cheques on hand	284	147
Cash on hand	*	*
Total	1,616	1,565

* Below rounding off norms adopted by the Company.

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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

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

To
The Board of Directors of
Nelco Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Nelco Limited (the "Company") for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement") attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

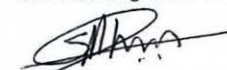
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the third quarter of the current financial year which were subjected to a limited review by us, as required under the Listing Regulations.

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


per Aniket Sohani

Partner
Membership No.: 117142
UDIN: 23117142BGJAM4402
Mumbai
April 24, 2023



Sr.No.	Particulars	3 Months ended 31-Mar-2023	Preceding 3 Months ended 31-Dec-2022	Corresponding 3 Months ended 31-Mar-2022	Current Year ended 31-Mar-2023	Previous Year ended 31-Mar-2022
		Audited (Refer note 7)	Unaudited	Audited	Audited	Audited (Refer note 2)
A	Continuing operations					
1	Income					
	a) Income from operations	5,628	5,191	3,921	19,704	14,316
	b) Other income	60	88	65	268	259
	Total income	5,688	5,279	3,986	19,972	14,575
2	Expenses					
	a) Cost of materials consumed	-	26	14	27	43
	b) Operating expenses	3,016	2,891	2,105	10,790	8,005
	c) Employee benefits expense	598	564	517	2,339	2,115
	d) Other expenses	617	635	592	2,479	2,029
	Total expenses	4,231	4,116	3,228	15,635	12,192
3	Profit before finance cost, depreciation, amortisation and tax from continuing operations (1-2)	1,457	1,163	758	4,337	2,383
4	Finance cost, depreciation and amortisation					
	a) Finance cost	90	73	67	337	219
	b) Depreciation and amortisation expense	293	268	179	1,065	835
	Total finance cost, depreciation and amortisation	383	341	246	1,402	1,054
5	Profit before tax from continuing operations (3-4)	1,074	822	512	2,935	1,329
6	Tax expense					
	a) Current tax	294	251	79	853	351
	b) Deferred tax	9	(14)	46	(6)	17
	c) Tax adjustment for earlier years pursuant to scheme (Refer note 3)	-	-	(61)	-	(61)
	Total tax expense	303	237	64	847	307
7	Net profit from continuing operations (5-6)	771	585	448	2,088	1,022
B	Discontinued operations (Refer note 2)					
8	Profit before tax from discontinued operations	-	-	-	-	116
9	Tax expense of discontinued operations					
	a) Current tax	-	-	-	-	55
	b) Deferred tax	-	-	-	-	(26)
10	Net profit from discontinued operations (8-9)	-	-	-	-	87
11	Net profit for the period/year (7+10)	771	585	448	2,088	1,109
12	Other comprehensive income/(expenses)					
	Items that will not be reclassified to profit or loss- continuing operations (net of tax)					
	- Net fair value gain on investments in equity shares at FVTOCI	6	-	-	6	-
	- Remeasurement of post employment benefit obligations	-	8	18	(25)	(64)
	Items that will not be reclassified to profit or Loss- discontinued operations (net of tax)					
	- Remeasurement of post employment benefit obligations	-	-	-	-	8
	Other comprehensive income/(expenses)	6	8	18	(19)	(56)
13	Total comprehensive income for the period/ year (11+12)	777	593	466	2,069	1,053
14	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282
15	Other equity				7,832	6,174
16	Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)					
	From continuing operations	3.38	2.57	1.96	9.15	4.48
	From discontinued operations	-	-	-	-	0.38
	From continuing and discontinued operations	3.38	2.57	1.96	9.15	4.86
17	Dividend per share (Par value Rs. 10/- each)					
	Final dividend on equity shares (in Rs)	-	-	-	1.80	1.20
	Total equity dividend percentage (%)	-	-	-	18	12



Notes to the Standalone Audited Financial Results for the quarter and year ended March 31, 2023



- 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 April 24, 2023.
- 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	3 Months ended 31-Mar-2023	Preceding 3 Months ended 31-Dec-2022	Corresponding 3 Months ended 31-Mar-2022	Current Year ended 31-Mar-2023	Previous Year ended 31-Mar-2022
	Unaudited (Refer note 7)	Unaudited	Unaudited	Audited	Audited
Income from operations including other income	-	-	-	-	1,419
Expenses	-	-	-	-	1,303
Profit before tax	-	-	-	-	116
Tax expense					
a) Current tax	-	-	-	-	55
b) Deferred tax	-	-	-	-	(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 For the financial year ended March 31, 2023, the Board of Directors have recommended a final dividend of Rs. 2.00 (20%) per equity share. The payment is subject to approval of the shareholders at ensuing Annual General Meeting of the Company.
- 5 Based on evaluation of key financial parameters, the Company believes that it operates in only one reportable segment i.e. Network Systems and accordingly the financial results are reported as single reportable segment.
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 7 The figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and unaudited published year to date figures upto the December 31, 2022.
- 8 Previous period / year figures have been re-grouped or reclassified wherever applicable, to conform to current period's classification.

For Nelco Limited

P. J. Nath

Managing Director & CEO
DIN :- 05118177



Place :- Mumbai
Date :- April 24, 2023

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Standalone Statement of Assets and Liabilities

(Amount Rs in Lakhs, unless otherwise mentioned)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	5,087	3,999
(b) Capital work-in-progress	125	242
(c) Right-of-use assets	995	1,100
(d) Intangible assets	477	390
(e) Financial assets		
(i) Investments	2,995	2,989
(ii) Other financial assets	17	190
(f) Deferred tax assets (net)	267	405
(g) Income tax assets (net)	492	994
(h) Other non-current assets	663	699
Total non-current assets	11,118	11,008
Current assets		
(a) Financial assets		
(i) Trade receivables	4,099	3,454
(ii) Cash and cash equivalents	1,269	478
(iii) Bank balances other than (ii) above	48	45
(iv) Loans	-	7
(v) Other financial assets	274	497
(b) Other current assets	916	367
Total current assets	6,606	4,848
TOTAL ASSETS	17,724	15,856
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	2,282	2,282
(b) Other equity	7,832	6,174
Total equity	10,114	8,456
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,161	-
(ii) Lease liabilities	858	974
Total non-current liabilities	2,019	974
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	464	1,750
(ii) Lease liabilities	223	175
(iii) Trade payables	1,227	1,297
(iv) Other financial liabilities	795	1,253
(b) Provisions	266	207
(c) Contract Liabilities	2,374	1,506
(d) Other current liabilities	242	238
Total current liabilities	5,591	6,426
Total liabilities	7,610	7,400
TOTAL EQUITY AND LIABILITIES	17,724	15,856





Nelco Limited

Standalone Statement of Cash Flows for the year ended March 31, 2023

(Amount Rs in Lakhs, unless otherwise mentioned)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
	Audited	Audited
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from		
Continuing operations	2,935	1,329
Discontinued operations	-	116
Profit before tax	2,935	1,445
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1,065	835
Finance costs	337	219
Interest income	(44)	(139)
Liabilities/provisions no longer required, written back	(54)	(76)
Impairment allowance (allowance for bad and doubtful debts)	9	(18)
Provision for contentious liabilities	99	66
Unrealised foreign exchange loss (net)	8	-
Operating profit before working capital changes	4,355	2,332
Movement in working capital		
Movements in assets		
- (Increase) in trade receivables	(654)	(1,299)
- Decrease/ (increase) in current financial assets - loans	7	(6)
- Decrease in non-current financial assets -loans	-	1
- Decrease/ (increase) in other current financial assets	223	(468)
- Decrease/ (increase) in other non-current financial assets	173	(55)
- (Increase) in other current assets	(549)	(80)
- Decrease in other non-current assets	36	14
Movements in liabilities		
- (Decrease) / increase in trade payables	(123)	35
- (Decrease) in non-current provisions	-	(159)
- (Decrease) / increase in other current financial liabilities	(178)	353
- Increase in contract liabilities	868	439
- Increase/ (decrease) in other current liabilities	4	(47)
- Increase/ (decrease) in current provisions	34	(23)
Cash generated from operations	4,196	1,037
- Direct taxes paid (net of refunds)	(207)	150
Net cash flow generated from operating activities (A)	3,989	1,187
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment / intangible assets/capital work-in-progress	(2,208)	(1,156)
Proceeds from sale of property, plant and equipment / intangible assets	-	10
Proceeds from slump sale	-	2,591
Deemed investment - net of recoveries	-	(2,351)
Investment in subsidiary	-	(95)
Interest income received	44	139
Bank balance not considered as cash and cash equivalents	(3)	(10)
Net cash (used in) investing activities (B)	(2,167)	(872)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	8,600	7,151
Repayment of borrowings	(8,725)	(7,267)
Payment of principal portion of lease liabilities	(189)	(134)
Payment of interest portion of lease liabilities	(90)	(63)
Interest paid	(220)	(165)
Dividend paid	(407)	(271)
Net cash (used in) financing activities (C)	(1,031)	(749)
Net increase/ (decrease) in cash & cash equivalents [(A)+(B)+(C)]	791	(434)
Cash and cash equivalents at the beginning of the year	478	912
Cash and cash equivalents at the end of the year	1,269	478

Cash and cash equivalents comprise of :	As at	As at
	March 31, 2023	March 31, 2022
Balance with banks in current accounts	1,223	443
Cash on hand	*	*
Cheques on hand	46	35
Total	1,269	478

* Below rounding off norms adopted by the Company.

