



21st October 2024

BSE Limited
Rotunda Building
P.J. Towers, Fort,
Dalal Street,
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

Pursuant to Part A & B of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref : Our letter dated 15th October 2024.

Pursuant to Regulation 33 read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the meeting of the Board of Directors scheduled today commenced at 12.30 p.m. and concluded at 3.20 p.m. The major outcome of the meeting, amongst other things, is as follows: -

1. Unaudited Financial Results:

We enclose herewith the Unaudited Financial Results (Consolidated and Standalone) along with the Limited Review Reports thereon for the quarter and six months period ended 30th September 2024 which have been approved and taken on record at the meeting of the Board of Directors of the Company held today. The Company will publish the Unaudited Consolidated Financial Results in the prescribed format.

2. Providing of Corporate Guarantee on behalf of a Wholly Owned Subsidiary Company.

We enclose herewith details of Corporate Guarantee to be given by the Company in favour of lender of its wholly owned subsidiary, as per Annexure- A of this letter.

The details as required under Regulation 30 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 ('SEBI Circular'), are given in Annexure A to this letter.

The aforesaid documents are also placed on the website of the Company at www.nelco.in.

Please take the aforesaid on record.

Thanking you,

Yours faithfully,
NELCO Limited

Ritesh Kamdar
Company Secretary & Head Legal
ACS: A20154

Encl: As above.

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

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Nelco Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate for the quarter ended September 30, 2024 and year to date from April 1, 2024 to September 30, 2024 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Master Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Holding Company

- Nelco Limited

Subsidiary Company

- Nelco Network Products Limited

Associate Company

- Piscis Networks Private Limited



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Nelco Limited

Limited Review Report on Consolidated Financial Results – September 30, 2024

Page 2 of 2

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed or that it contains any material misstatement.
6. The accompanying Statement includes the unaudited interim financial results and other unaudited financial information in respect of an associate whose interim financial results include Group's share of net profit of Rs. Nil and Rs. 5 lakhs and Group's share of total comprehensive income of Rs. Nil and Rs. 5 lakhs for the quarter ended September 30, 2024 and for the period April 1, 2024 to September 30, 2024 respectively.

The unaudited interim financial results and other unaudited financial information of the associate for the period April 1, 2024 to June 30, 2024 had not been reviewed by the previous auditor and had been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this associate for the period April 1, 2024 to June 30, 2024 is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial statements results were not material to the Group.

Our Conclusion on the Statement in respect of matters stated in para 6 is not modified with respect to our reliance on the financial results certified by the management.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Aniket Sohani
Partner

Membership No.: 117142

UDIN: 24117142BKDICP5456

Mumbai

October 21, 2024



NELCO LIMITED

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

Statement of Consolidated Unaudited Financial Results for the quarter and six months ended September 30, 2024

(Rs. in Lakhs)

Sr.No.	Particulars	3 Months ended	Preceding	Corresponding	6 months ended	6 months ended	Previous Year ended
		30-Sep-2024	3 Months ended	3 Months ended	30-Sep-2024	30-Sep-2023	31-Mar-2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	a) Income from operations	8,255	7,408	7,665	15,663	15,545	32,030
	b) Other income	91	11	41	102	79	236
	Total income	8,346	7,419	7,706	15,765	15,624	32,266
2	Expenses						
	a) Purchase of stock- in-trade	779	555	1,107	1,334	2,082	3,989
	b) Changes in Inventories of stock-in-trade	435	(36)	(233)	399	(400)	(460)
	c) Operating expenses	3,855	3,542	3,545	7,397	7,061	14,522
	d) Employee benefits expenses	1,144	1,205	1,036	2,349	2,155	4,304
	e) Other expenses	958	910	819	1,868	1,812	3,736
	Total expenses	7,171	6,176	6,274	13,347	12,710	26,091
3	Profit before finance cost, depreciation, amortisation, share of profit from associate and tax (1-2)	1,175	1,243	1,432	2,418	2,914	6,175
4	Finance cost, depreciation and amortisation						
	a) Finance cost [refer note 3(b)]	141	108	168	249	322	657
	b) Depreciation and amortisation expense	518	529	512	1,047	1,034	2,214
	Total finance cost, depreciation and amortisation	659	637	680	1,296	1,356	2,871
5	Profit before share of profit from associate and tax (3-4)	516	606	752	1,122	1,558	3,304
6	Add: Share of profit from associate (refer note 2)	28	5	3	33	3	47
7	Profit before tax (5+6)	544	611	755	1,155	1,561	3,351
8	Tax expense [refer note 3(a)]						
	a) Current tax	291	252	187	543	392	1,427
	b) Deferred tax (net)	(157)	(97)	(7)	(254)	21	(551)
	c) Tax adjustment for earlier years (including deferred tax)	-	-	6	-	6	108
	Total tax expenses	134	155	186	289	419	984
9	Net profit for the period/year (7-8)	410	456	569	866	1,142	2,367
10	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	-	-	-	-	-	-
	-Remeasurement of post employment benefit obligations (net of tax)	11	(30)	8	(19)	(40)	(8)
	Other comprehensive income/(expenses)	11	(30)	8	(19)	(40)	(8)
11	Total comprehensive income for the period/year (9+10)	421	426	577	847	1,102	2,359
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						10,076
14	Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)	1.80	2.00	2.49	3.79	5.00	10.37
15	Dividend per share (Par Value Rs. 10/- each)						
	Final dividend on equity shares (in Rs.)	-	2.20	-	2.20	2.00	2.00
	Total equity dividend percentage (%)	-	22	-	22	20	20

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Notes to the Consolidated Unaudited Financial Results for the quarter and six months ended September 30, 2024

- 1 The Consolidated financial results of Nelco Limited ("the Holding Company"), its subsidiary Nelco Network Products Limited (together referred to as "Group") and its associate Piscis Networks Private Limited have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 (Amended). These have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on October 21, 2024.
- 2 During the quarter ended June 30, 2023, the Holding Company made an investment of Rs. 100 Lakhs in 9.09% equity shares of Piscis Networks Private Limited. During the quarter ended September 30, 2023, the Holding Company made further investment of Rs. 204 Lakhs to acquire additional 22.63% of equity shares. As at September 30, 2024 and March 31, 2024 the Holding Company held 31.72% stake in Piscis Networks Private Limited. As per provisions of Ind AS 28 -Investment in Associates and Joint ventures, Piscis Networks Private Limited has been treated as an associate.
- 3(a) Effective April 1, 2023, the Holding Company exercised the option provided under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the lower tax rate. Accordingly, tax expense for the current period, previous period and year ended March 31, 2024 is based on revised tax rate. The deferred tax assets as at April 01, 2023 have also been revalued based on the revised rate.
- (b) On October 16, 2023, the Honourable Supreme Court of India pronounced a judgement regarding treatment of Variable License Fee paid to Department of Telecommunication under New Telecom Policy 1999, since July 1999, to be treated as capital in nature and not revenue expenditure for the purpose of computation of taxable income. Even though the Company was not a party to the above judgement, as a matter of prudence, the Company assessed and recorded a provision of Rs. 102 lakhs towards tax (net of deferred tax) and Rs. 46 lakhs towards interest which was treated as finance cost for the year ended March 31, 2024.


On May 17, 2024, the Honourable Supreme Court of India, while disposing Miscellaneous Application, waived the interest liability that would have arisen as a result of the order dated October 16, 2023. Considering the Order dated May 17, 2024 and based on the assessment of the position, during the previous quarter ended June 20, 2024, management reversed the liability amounting to Rs 22 Lakhs relating to Interest pertaining to the period before October 16, 2023.
- 4 For the financial year ended March 31, 2024, the Holding Company had paid final dividend of Rs. 2.20 (22%) per equity share which was recommended by the Board and approved by Shareholder at the Annual General Meeting of the Company held on June 25, 2024.
- 5 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.
- 6 The Unaudited Standalone and Consolidated financial results for the quarter and six months ended September 30, 2024, of the Holding 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 :- October 21, 2024

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Nelco Limited
Consolidated Statement of Assets and Liabilities

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	As at	As at
	September 30, 2024	March 31, 2024
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	6,017	6,201
(b) Capital work-in-progress	949	962
(c) Right-of-use assets	1,866	2,080
(d) Intangible assets	449	439
(e) Intangible assets under development	7	23
(f) Financial assets		
(i) Investments (refer note 2)	406	373
(ii) Other financial assets	189	164
(g) Deferred tax assets (net)	2,250	1,989
(h) Income tax assets (net)	381	176
(i) Other non-current assets	731	633
Total non-current assets	13,245	13,040
Current assets		
(a) Inventories	2,188	2,587
(b) Financial assets		
(i) Trade receivables	9,461	8,507
(ii) Cash and cash equivalents	1,064	2,179
(iii) Bank balances other than (ii) above	55	53
(iv) Loans	10	4
(v) Other financial assets	489	215
(c) Contract assets	809	809
(d) Other current assets	938	802
Total current assets	15,014	15,156
TOTAL ASSETS	28,259	28,196
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	2,282	2,282
(b) Other equity	10,421	10,076
Total equity	12,703	12,358
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	17
(ia) Lease liabilities	1,718	1,885
(ii) Other financial liabilities	7	-
Total non-current liabilities	1,725	1,902
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,925	3,305
(ia) Lease liabilities	450	480
(ii) Trade payables	4,189	3,520
(iii) Other financial liabilities	969	1,992
(b) Provisions	605	631
(c) Contract liabilities	3,657	3,637
(d) Other current liabilities	1,036	371
Total current liabilities	13,831	13,936
Total liabilities	15,556	15,838
TOTAL EQUITY AND LIABILITIES	28,259	28,196

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Nelco Limited

Consolidated Statement of Cash Flow for the period ended September 30, 2024

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023
	Unaudited	Unaudited
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and share of profit from associate	1,122	1,558
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1,047	1,034
Finance costs	249	322
Unrealised mark to market loss on forward contracts	-	2
Unrealised foreign exchange (gain)/loss (net)	1	(32)
Liabilities/provisions no longer required, written back	(27)	-
(Gain)/loss on disposal of property, plant and equipment (net)	-	(7)
Unwinding of discount on financial asset measured at amortised cost	(65)	(6)
Interest income	(2)	(2)
Operating profit before working capital changes	2,325	2,869
Movement in working capital		
Movements in assets		
- (Increase) in trade receivables	(954)	(4)
- (Increase)/ decrease in other current assets	(136)	288
- (Increase) in other non current assets	(98)	(31)
- Decrease/ (increase) in inventories	399	(90)
- (Increase)/ decrease in other current financial assets	(280)	92
- (Increase)/ decrease in other non-current financial assets	(25)	10
- (Increase) in contract assets	-	(63)
Movements in liabilities		
- Increase/ (decrease) in trade payables	695	(837)
- Increase in other financial liabilities - non current	7	-
- (Decrease) in other current financial liabilities	(478)	(328)
- Increase in contract liabilities	85	157
- Increase in other current liabilities	665	450
- (Decrease) in current provisions	(51)	(23)
Cash generated from operations	2,154	2,490
- Direct taxes paid (net of refunds)	(748)	(775)
Net cash flow generated from operating activities (A)	1,406	1,715
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/assets under development)	(1,073)	(557)
Proceeds from sale of property, plant and equipment	-	10
Interest income received	2	2
Investment in associate	-	(304)
Increase in bank balance not considered as cash and cash equivalents	(2)	(1)
Net cash (used in) investing activities (B)	(1,073)	(850)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	4,400	4,150
Repayment of short term borrowings	(4,456)	(2,650)
Repayment of long term borrowings	(342)	(574)
Payment of principal portion of lease liabilities	(256)	(268)
Payment of interest portion of lease liabilities	(102)	(119)
Interest paid	(190)	(194)
Dividend paid	(502)	(456)
Net cash (used in) financing activities (C)	(1,448)	(111)
Net (decrease)/ increase in cash & cash equivalents [(A)+(B)+(C)]	(1,115)	754
Cash and cash equivalents at the beginning of the period	2,179	1,616
Cash and cash equivalents at the end of the period	1,064	2,370

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Nelco Limited

Consolidated Statement of Cash Flow for the period ended September 30, 2024

(Amount Rs in Lakhs, unless otherwise mentioned)



Note :

1) Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of :	As at September 30, 2024	As at September 30, 2023
Balance with banks in current accounts	708	1,529
Cheques on hand	354	841
Cash on hand	2	*
Total	1,064	2,370

* Below rounding off norms adopted by the Group.

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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Nelco Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Nelco Limited (the "Company") for the quarter ended September 30, 2024 and year to date from April 01, 2024 to September 30, 2024 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed or that it contains any material misstatement.

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



per Aniket Sohani
Partner
Membership No.: 117142
UDIN: 24117142BKDICO8461
Mumbai
October 21, 2024




NELCO LIMITED

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

Statement of Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2024

(Rs in Lakhs)

Sr. No.	Particulars	3 Months ended 30-Sep-2024	Preceding 3 Months ended 30-Jun-2024	Corresponding 3 Months ended 30-Sep-2023	6 months ended 30-Sep-2024	6 months ended 30-Sep-2023	Previous Year ended 31-Mar-2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	a) Income from operations	5,038	5,328	5,388	10,366	10,950	22,268
	b) Other income	97	11	52	108	87	236
	Total income	5,135	5,339	5,440	10,474	11,037	22,504
2	Expenses						
	a) Cost of materials consumed	1	-	-	1	3	19
	b) Operating expenses	3,231	3,065	3,079	6,296	6,153	12,645
	c) Employee benefits expenses	751	763	660	1,514	1,370	2,785
	d) Other expenses	608	599	532	1,207	1,220	2,498
	Total expenses	4,591	4,427	4,271	9,018	8,746	17,947
3	Profit before finance cost, depreciation, amortisation and tax (1-2)	544	912	1,169	1,456	2,291	4,557
4	Finance cost, depreciation and amortisation						
	a) Finance cost [refer note 3(b)]	38	9	50	47	105	249
	b) Depreciation and amortisation expense	327	350	315	677	606	1,284
	Total finance cost, depreciation and amortisation	365	359	365	724	711	1,533
5	Profit before tax (3-4)	179	553	804	732	1,580	3,024
6	Tax expense [refer note 3(a)]						
	a) Current tax	212	247	187	459	392	1,344
	b) Deferred tax (net)	(165)	(107)	14	(272)	28	(549)
	c) Tax adjustment for earlier years (including deferred tax)	-	-	-	-	-	102
	Total tax expense	47	140	201	187	420	897
7	Net profit for the period/year (5-6)	132	413	603	545	1,160	2,127
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	-	-	-	-	-	-
	- Remeasurement of post employment benefit obligations (net of tax)	2	(22)	4	(20)	(27)	(10)
	Other comprehensive income/(expenses)	2	(22)	4	(20)	(27)	(10)
9	Total comprehensive income for the period/ year (7+8)	134	391	607	525	1,133	2,117
10	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282	2,282
11	Other equity						9,493
12	Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)	0.58	1.81	2.64	2.39	5.08	9.32
13	Dividend per share (Par value Rs. 10/- each)						
	Final dividend on equity shares (in Rs.)	-	2.20	-	2.20	2.00	2.00
	Total equity dividend percentage (%)	-	22	-	22	20	20

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MUMBAI



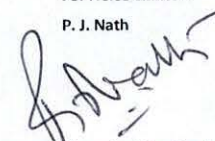
Notes to the Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2024

- 1 The results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 (Amended). These have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on October 21, 2024.
- 2 During the quarter ended June 30, 2023, Nelco Limited ('Company') made an investment of Rs. 100 Lakhs in 9.09% equity shares of Piscis Networks Private Limited. During the quarter ended September 30, 2023, the Company made further investment of Rs. 204 Lakhs to acquire additional 22.63% of equity shares. As at September 30, 2024 and March 31, 2024 the Company held 31.72% stake in Piscis Networks Private Limited. As per provisions of Ind AS 28 -Investment in Associates and Joint ventures, Piscis Networks Private Limited has been treated as an associate.
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- (b) On October 16, 2023, the Honourable Supreme Court of India pronounced a judgement regarding treatment of Variable License Fee paid to Department of Telecommunication under New Telecom Policy 1999, since July 1999, to be treated as capital in nature and not revenue expenditure for the purpose of computation of taxable income. Even though the Company was not a party to the above judgement, as a matter of prudence, the Company assessed and recorded a provision of Rs. 102 Lakhs towards tax (net of deferred tax) and Rs. 46 lakhs towards interest which was treated as finance cost for the year ended March 31, 2024.

On May 17, 2024, the Honourable Supreme Court of India, while disposing Miscellaneous Application, waived the interest liability that would have arisen as a result of the order dated October 16, 2023. Considering the Order dated May 17, 2024 and based on the assessment of the position, during the previous quarter ended June 30, 2024, management reversed the liability amounting to Rs 22 Lakhs relating to Interest pertaining to the period before October 16, 2023.
- 4 For the financial year ended March 31, 2024, the Company had paid final dividend of Rs. 2.20 (22%) per equity Share which was recommended by the Board and approved by Shareholders at the Annual General meeting of the Company held on June 25, 2024.
- 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.

For Nelco Limited

P. J. Nath



Managing Director & CEO

DIN :- 05118177

Place :- Mumbai
Date :- October 21, 2024



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

Particulars	As at	As at
	September 30, 2024	March 31, 2024
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	4,921	5,168
(b) Capital work-in-progress	830	928
(c) Right-of-use assets	957	1,048
(d) Intangible assets	441	434
(e) Intangible assets under development	7	23
(f) Financial assets		
(i) Investments	3,299	3,299
(ii) Other financial assets	17	17
(g) Deferred tax assets (net)	1,542	1,262
(h) Income tax assets (net)	36	-
(i) Other non-current assets	731	633
Total non-current assets	12,781	12,812
Current assets		
(a) Financial assets		
(i) Trade receivables	3,816	3,779
(ii) Cash and cash equivalents	951	1,956
(iii) Bank balances other than (ii) above	55	53
(iv) Loans	10	4
(v) Other financial assets	463	202
(b) Other current assets	840	666
Total current assets	6,135	6,660
TOTAL ASSETS	18,916	19,472
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	2,282	2,282
(b) Other equity	9,516	9,493
Total equity	11,798	11,775
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	967	997
(ii) Other financial liabilities	14	-
(b) Non-current tax liability (net)	-	52
Total non-current liabilities	981	1,049
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	125	168
(ii) Trade payables	1,408	1,411
(iii) Other financial liabilities	615	1,483
(b) Provisions	323	299
(c) Contract Liabilities	2,836	3,013
(d) Other current liabilities	830	274
Total current liabilities	6,137	6,648
Total liabilities	7,118	7,697
TOTAL EQUITY AND LIABILITIES	18,916	19,472

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MUMBAI


Particulars	Six months ended	Six months ended
	September 30, 2024	September 30, 2023
	Unaudited	Unaudited
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	732	1,580
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	677	606
Finance costs	47	105
Interest income	(2)	(2)
Liabilities/provisions no longer required, written back	(27)	-
Profit on sale of property, plant & equipment (net)	-	(6)
Unwinding of discount on financial asset measured at amortised cost	(58)	-
Unrealised foreign exchange loss (net)	3	-
Operating profit before working capital changes	1,372	2,283
Adjustments for changes in working capital:		
Movement in working capital		
Movements in assets		
- (Increase) in trade receivables	(37)	(254)
- (Increase) in current financial assets - loans	(6)	(7)
- (Increase)/ decrease in other current financial assets	(261)	61
- (Increase)/ decrease in other current assets	(174)	164
- (Increase) in other non-current assets	(98)	(32)
Movements in liabilities		
- Increase in trade payables	21	88
- Increase in other non-current financial liabilities	14	-
- (Decrease) in other current financial liabilities	(321)	(207)
- (Decrease)/ increase in contract liabilities	(119)	120
- Increase in other current liabilities	556	449
- (Decrease) in current provisions	(3)	(2)
Cash generated from operations	944	2,663
- Direct taxes paid (net of refunds)	(547)	(432)
Net cash flow generated from operating activities (A)	397	2,231
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/ intangible assets under development)	(694)	(461)
Proceeds from sale of property, plant and equipment	-	9
Investment in associates	-	(304)
Interest income received	2	2
Increase in bank balance not considered as cash and cash equivalents	(2)	(1)
Net cash (used in) investing activities (B)	(694)	(755)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	800	-
Repayment of short term borrowings	(800)	(232)
Payment of principal portion of lease liabilities	(107)	(117)
Payment of interest portion of lease liabilities	(45)	(45)
Interest paid	(54)	(58)
Dividend paid	(502)	(456)
Net cash (used in) financing activities (C)	(708)	(908)
Net (decrease)/ increase in cash & cash equivalents [(A)+(B)+(C)]	(1,005)	568
Cash and cash equivalents at the beginning of the period	1,956	1,269
Cash and cash equivalents at the end of the period	951	1,837

Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of :	As at	As at
	September 30, 2024	September 30, 2023
Balance with banks in current accounts	704	1,508
Cash on hand	2	*
Cheques on hand	245	329
Total	951	1,837

* Below rounding off norms adopted by the Company.

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MUMBAI



Annexure A

Sr. No.	Particulars	Details
1.	Name of party for which such guarantees or indemnity or surety was given;	Nelco Network Products Limited (NNPL), a Wholly Owned Subsidiary (WOS) of Nelco Limited.
2.	Whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	Promoter / Promoter Group / Group Companies do not have any interest in this transaction. N.A.
3.	Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;	The Corporate Guarantee shall be provided to facilitate the borrowings by the WOS. The corporate guarantee shall be provided in favour of ICICI Bank Ltd. for working capital facilities to be availed by NNPL aggregating to INR 45,00,00,000/- (Indian Rupees Forty-Five Crore only).
4.	Impact of such guarantees or indemnity or surety on listed entity.	The corporate guarantee provided is a contingent liability for the Company. This guarantee has been provided on behalf of a 100% subsidiary of the Company. At this point, there is no impact of this guarantee on the Company.