

26th April 2022

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 26th April 2022
Pursuant to Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref : Our letter dated 13th April 2022.

This is to inform you that the Board of Directors of the Company at its meeting held today, 26th April, 2022 have approved and taken on record the Audited Financial Results (Standalone & Consolidated) of the Company for the quarter & year ended 31st March 2022. The same are enclosed alongwith the respective Audit Reports thereon.

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), we hereby declare that in the said Audited Financial Results (Consolidated and Standalone), the Statutory Auditors have not expressed any modified opinion(s) in their Audit Reports.

At the said Meeting, the Board of Directors have recommended a Dividend of Rs. 1.8/- per Equity Share of Rs.10/- each (18%) for the Financial Year 2021-22 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 4.45 p.m. and concluded at 8.35 p.m.

Yours faithfully,
NELCO Limited



Girish V. Kirkinde
Company Secretary & Head – Legal

Encl: as stated above.

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, 2022

(Rs. In Lakhs)

Sr.No.	Particulars	3 Months ended 31.03.2022	Preceding 3 Months ended 31.12.2021	Corresponding 3 Months ended 31.03.2021	Current Year ended 31.03.2022	Previous year ended 31.03.2021
		Unaudited (Refer note 7)	Unaudited	Unaudited (Refer note 7)	Audited	Audited
1	Income					
	a) Income from Operations	7,169	7,206	6,483	26,007	22,612
	b) Other Income	154	144	83	474	284
	Total Income (a+b)	7,323	7,350	6,566	26,481	22,896
2	Expenses					
	a) Purchase of stock- in-trade	1,658	1,858	929	4,911	2,889
	b) Changes in Inventories of stock-in-trade	(182)	(153)	171	(443)	(86)
	c) Operating expenses	2,406	2,419	2,173	9,468	8,948
	d) Employee Benefits Expense	864	819	946	3,403	3,411
	e) Other expenses	1,154	835	936	3,610	2,963
	Total Expenses	5,900	5,778	5,155	20,949	18,125
3	Profit before depreciation, amortisation, finance cost and tax (1-2)	1,423	1,572	1,411	5,532	4,771
4	Depreciation, amortisation and finance cost					
	a) Finance Cost	198	207	192	753	953
	b) Depreciation and amortization expense	702	640	589	2,464	2,230
	Profit before tax (3-4)	523	725	630	2,315	1,588
5	Tax expense					
	a) Current Tax	213	135	293	718	597
	b) Deferred Tax (net)	(87)	64	(111)	(105)	(245)
	c) Tax adjustment for earlier years pursuant to scheme (Refer note 3)	94	-	-	94	-
6	Net Profit for the period/year (4-5)	303	526	448	1,608	1,236
7	Other Comprehensive Income/(expenses)					
	Items that will not be reclassified to Profit or Loss:					
	Remeasurement of post employment benefit obligations (net of tax)	29	4	18	(30)	28
8	Total Comprehensive Income for the period/year (6+7)	332	530	466	1,578	1,264
9	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282
10	Other Equity				8,905	7,601
11	Earnings Per Share (Basic and Diluted) (Face value Rs. 10/-each) (not annualised)	1.33	2.30	1.96	7.05	5.42
12	Dividend Per Share (Par Value Rs 10 each)					
	Final Dividend on Equity Shares (in Rs)	-	-	-	1.20	1.20
	Total Equity Dividend percentage (%)	-	-	-	12	12



Notes to the Consolidated Audited Financial Results for the quarter and year ended March 31, 2022

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

(B) The Proposed Scheme has been approved by National Company Law Tribunal ("NCLT") on November 2, 2018. During the quarter ended June 2021 the Company has received approval from Department of Telecommunications (DoT) on June 9, 2021. The scheme is effective from appointment date i.e. April 1, 2017. Since, the above reorganisation is between the Company (holding company) and its two wholly owned subsidiaries, this has no implication on consolidated financial results of the Company along with its wholly owned subsidiaries, other than impact on accounting of tax charge, if any, on computation of revised returns.

(Rs. In Lakhs)

Standalone Financial results	3 Months ended 31.03.2022	Preceding 3 Months ended 31.12.2021	Corresponding 3 Months ended 31.03.2021	Current Year ended 31.03.2022	Previous year ended 31.03.2021
	Unaudited	Unaudited	Unaudited	Audited	Audited
Income from Continuing Operations	3,921	3,652	3,458	14,316	13,112
Profit before Tax- Continuing and Discontinued Operations	512	364	633	1,445	1,579
Profit after Tax- Continuing and Discontinued Operations	448	256	451	1,109	1,227
Total Comprehensive Income- Continuing and Discontinued Operations	466	259	469	1,053	1,255

- 3 As mentioned in Note 1 above, the Group Companies have 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 have been accounted and disclosed separately in the quarter and year ended March 31, 2022.
- 4 The Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.
- 5 As a part of transition to Goods Services Tax (GST) in June 2017, the Company carried forward the Cenvat/Service tax/Sales tax input credit balance of Rs 31 Lakhs as on March 31, 2022 for future set-off against GST payable. However, due to technical glitch on the GSTN portal, the Company could not file the Tran 1 Form within the prescribed period including the extended filing period. A writ petition filed by the Company in the Hon'ble High Court of Bombay for allowing the carry forward of the input credit balances was dismissed vide its order dated March 20, 2020. Thereby the petition and the claim of the Company of Rs. 31 Lakhs was disallowed. The Company has filed Special Leave Petition in Hon'ble Supreme Court and which is admitted by Supreme Court. In addition, Similar writ petition was filed by the subsidiary company (TNSL) which merged with the Company pursuant to the Scheme, for an amount of Rs 85 Lakhs which is pending for hearing at Hon'ble High Court of Bombay. In view of the multiple judgements by various High Courts in India on this matter which supports the Company's claim and based on the advice received from independent legal counsel, the Company expects to recover total input credit balance of Rs 116 Lakhs. In view of this, no provision has been made in the books of account against the recoverability of these balances.



Notes to the Consolidated Audited Financial Results for the quarter and year ended March 31, 2022

- 6 For the financial year ended March 31, 2022, the Board of Directors has recommended a final dividend of Rs. 1.80 (18%) per equity share. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- 7 The figures for the last quarter results are the balancing figures between the audited figures in respect of the full financial year and published year to date figures upto the third quarter of the respective financial year.
- 8 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.
- 9 Previous period / year figures have been re-grouped or reclassified, to conform to such current period's classification.
- 10 The audited Standalone and Consolidated financial results for the quarter and year ended March 31, 2022, 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".
- 11 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 April 26, 2022



For Nelco Limited

R.R.Bhinge

Chairman

DIN :- 00036557

Place :- Mumbai
Date :- April 26, 2022



Nelco Limited
Consolidated Statement of Assets and Liabilities

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	As at March 31, 2022	As at March 31, 2021
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	8,024	8,340
(b) Capital work-in-progress	260	406
(c) Right-of-use assets	2,591	2,264
(d) Intangible assets	394	178
(e) Financial assets		
(i) Investments	16	16
(ii) Loans	-	1
(iii) Other financial assets	383	509
(f) Deferred tax assets (net)	867	737
(g) Income tax assets (net)	729	1,535
(h) Other non-current assets	703	721
Total non current assets	13,967	14,707
Current assets		
(a) Inventories	1,582	1,138
(b) Financial assets		
(i) Trade receivables	7,786	6,326
(ii) Cash and cash equivalents	1,565	916
(iii) Bank balances other than (ii) above	45	35
(iv) Loans	7	4
(v) Other financial assets	754	337
(c) Contract assets	137	-
(d) Other current assets	483	347
Total current assets	12,359	9,103
TOTAL ASSETS	26,326	23,810
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	2,282	2,282
(b) Other equity		
Reserves and surplus	6,611	5,307
Other reserves	12	12
Total equity	8,905	7,601
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,875	1,514
(ia) Lease liabilities	2,225	1,864
(ii) Trade payables	-	167
(b) Provisions	-	307
(c) Other non-current liabilities	4	8
Total non-current liabilities	4,104	3,860
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,575	5,168
(ia) Lease liabilities	473	416
(ii) Trade payables	5,349	3,495
(iii) Other financial liabilities	1,364	1,435
(b) Provisions	313	325
(c) Contract liabilities	1,931	1,216
(d) Other current liabilities	312	294
Total current liabilities	13,317	12,349
Total liabilities	17,421	16,209
TOTAL EQUITY AND LIABILITIES	26,326	23,810



Nelco Limited

Consolidated Statement of Cash Flow for the year ended March 31, 2022

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
Adjustments to reconcile profit before tax to net cash flows	2,315	1,588
Depreciation and amortisation expense		
Finance Costs	2,464	2,230
Unrealised mark to market (gain) / loss on forward contracts	753	953
Unrealised foreign exchange (gain) / loss (net)	(47)	71
Impairment allowance (allowance for bad and doubtful debts)	9	(133)
Bad debts written off	(14)	189
Liabilities/Provisions no longer required, written back	43	-
Gain on disposal of property, plant and equipment (net)	(209)	-
Unwinding of discount on financial asset measured at amortised cost	(8)	(28)
Interest Income classified as investing cash flow	(16)	(14)
Interest income	(11)	(4)
Amortisation of processing fees	(171)	(133)
Operating Profit Before Working Capital Changes	-	6
Movement in working capital	5,108	4,725
- (Increase) / Decrease in trade receivables		
- (Increase) / Decrease in other current assets	(1,489)	1,680
- (Increase) / Decrease in other non current assets	(136)	152
- (Increase) / Decrease in financial assets - non current - loans	34	(110)
- (Increase) / Decrease in inventories	1	-
- (Increase) / Decrease in other financial assets - current	(444)	(86)
- (Increase) / Decrease in other financial assets - non current	(420)	275
- (Increase) / Decrease in contract assets	126	(67)
- (Increase) / Decrease in other bank balances	(137)	-
Movements in Liabilities	(10)	(3)
- (Decrease) / Increase in trade payables		
- (Decrease) / Increase in other financial liabilities - non current	1,934	(56)
- (Decrease) / Increase in other liabilities - non current	-	(4)
- (Decrease) / Increase in provisions - non current	(4)	(3)
- (Decrease) / Increase in other financial liabilities - current	(307)	(29)
- (Decrease) / Increase in current contract liabilities	28	66
- (Decrease) / Increase in other current liabilities	715	(1,774)
- (Decrease) / Increase in provisions - current	18	(244)
Cash generated from operations	(42)	(109)
- Direct taxes paid (net of refunds)	4,975	4,413
Net cash flow generated from / (used in) operating activities (A)	(31)	970
	4,944	5,383
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment / intangible assets/Capital work-in-progress	(1,798)	(930)
Proceeds from sale of property, plant and equipment / intangible assets	8	37
Interest received	182	137
Net cash flow generated from / (used in) investing activities (B)	(1,608)	(756)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
- Receipts		
- Payments	16,850	7,816
Proceeds from sales and lease back	(17,353)	(12,377)
Payment of principal portion of lease liabilities	-	1,294
Payment of interest portion of lease liabilities	(439)	(210)
Finance costs paid	(237)	(133)
Dividend Paid (including dividend distribution tax)	(510)	(808)
Net cash flow generated from / (used in) financing activities (C)	(271)	(272)
	(1,960)	(4,690)
Net (Decrease) / increase in Cash & Cash Equivalents [(A)+(B)+(C)]	1,375	(63)
Cash and cash equivalents at the beginning of the year	190	253
Cash and cash equivalents at the end of the year	1,565	190
Cash and Cash Equivalents Comprise of :		
	As at March 31, 2022	As at March 31, 2021
a) Balance with scheduled banks in current accounts	1,418	506
b) Cash on Hand	-	1
c) Cheques on Hand	147	409
d) Bank Overdraft	-	(726)
Total	1,565	190



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 subsidiary²(the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("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 and based on the financial information referred to in other matter section below, 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, 2022 and for the year ended March 31, 2022.

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 and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Note 5 to the consolidated financial results regarding the Company's claim to carry forward of input tax credit balances availed under the CENVAT/ Service Tax/ Sales Tax act, upon transition to The Goods and Services Tax Act (GST) and the Company's claim to set-off such input tax credit availed against GST payable. The Company, based on external legal advice obtained, has filed a petition with courts in this regard.

Our opinion is not modified in respect of these matters.



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 profit 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 the Group 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 the Group 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 the Group.

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 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 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 and the 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. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 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

**VINEET
KEDIA**

Digitally signed by VINEET KEDIA
DN: cn=VINEET KEDIA, c=IN,
o=Personal,
email=vineet.kedia@srb.in
Date: 2022.04.26 20:07:35 +05'30'



per Vineet Kedia

Partner

Membership No.: 212230

UDIN: 22212230AHUOQZ2891

Place: Mumbai

Date: April 26, 2022

NELCO LIMITED
REGD. OFFICE :- EL-6, TTC INDUSTRIAL AREA, MIDC, ELECTRONIC ZONE, MAHAPE, NAVI MUMBAI - 400 710, CIN: L32200MH1940PLC003164
Statement of Standalone audited Financial Results for the quarter and year ended March 31, 2022

(Rs in Lakhs)

Sr.No.	Particulars	3 Months ended	Preceding 3	Corresponding 3	Current Year	Previous Year
		31.03.2022	Months ended	Months ended	ended 31.03.2022	ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Audited	Audited
		(Refer note 8)	(Refer note 8)	(Refer note 8)		(Refer note 1)
A	Continuing Operations					
1	Income					
	a) Income from Operations	3,921	3,652	3,458	14,316	13,112
	b) Other Income	65	45	76	259	152
	Total Income (a+b)	3,986	3,697	3,534	14,575	13,264
2	Expenses					
	a) Cost of materials consumed	14	29	-	43	9
	b) Operating expenses	2,105	2,067	1,786	8,075	7,314
	c) Employee Benefits Expense	517	511	530	2,115	1,899
	d) Other expenses	582	408	415	1,910	1,546
	Total Expenses	3,218	3,015	2,731	12,143	10,768
3	Profit before depreciation, amortisation, finance cost and tax from continuing operations (1-2)	768	682	803	2,432	2,496
4	Depreciation, amortisation and finance cost					
	a) Depreciation and amortization expense	179	231	201	835	809
	b) Finance Cost	77	87	76	268	438
5	Profit before tax (3-4)	512	364	526	1,329	1,249
6	Tax expense					
	a) Current Tax	79	126	122	351	346
	b) Deferred Tax (Refer note 2)	46	(18)	113	17	(21)
	c) Tax adjustment for earlier years pursuant to scheme (Refer note 3)	(61)	-	-	(61)	-
7	Net Profit from Continuing Operations (5-6)	448	256	291	1,022	924
B	Discontinued Operations (Refer note 1)					
8	Profit before tax from discontinued operations	-	-	107	116	330
9	Tax Expense of discontinued operations					
	a) Current Tax	-	-	171	55	251
	b) Deferred Tax (Refer note 2)	-	-	(224)	(26)	(224)
10	Net Profit from Discontinued Operations (8-9)	-	-	160	87	303
11	Net Profit for the period/year (7+10)	448	256	451	1,109	1,227
12	Other Comprehensive Income/(expenses)					
	Items that will not be reclassified to Profit or Loss- Continuing Operations (net of tax)	18	3	7	(64)	13
	Items that will not be reclassified to Profit or Loss- Discontinued Operations (net of tax)	-	-	11	8	15
	Other Comprehensive Income/(expenses)	18	3	18	(56)	28
13	Total Comprehensive Income for the period/ year (11+12)	466	259	469	1,053	1,255
14	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282
15	Other Equity				8,456	7,677
16	Earnings Per Share (Basic and Diluted) (Face Value Rs. 10/-each) (not annualised)					
	From Continuing Operations	1.96	1.12	1.28	4.48	4.05
	From Discontinued Operations	-	-	0.70	0.38	1.33
	From Continuing and Discontinued Operations	1.96	1.12	1.98	4.86	5.38
17	Dividend Per Share (Par Value Rs 10 each)					
	Final Dividend on Equity Shares (in Rs)	-	-	-	1.20	1.20
	Total Equity Dividend percentage (%)	-	-	-	12	12



Notes to the Standalone audited Financial Results for the quarter and year ended March 31, 2022

- 1 (A) 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).
- (B) The Proposed Scheme has been approved by National Company Law Tribunal ('NCLT') on November 2, 2018. During the quarter ended June 2021 the Company has received approval from Department of Telecommunications (DoT) on June 9, 2021 on Proposed Scheme. The scheme is effective from appointment date i.e. April 1, 2017. Pursuant to approval, the Proposed Scheme has been accounted for as follows:
- Discontinued operations has been transferred to NNPL in accordance with IND AS 105. Considering the materiality and convenience reason, demerger impact is given from June 1, 2021; and
 - TNSL merger has been accounted in accordance with Appendix C of IND AS 103 "Business Combination" and accordingly, results of all the previous periods have been restated by including results of the Transferor Company from the beginning of the previous year i.e. April 1, 2020.

(C) Details of discontinued operations

Particulars	(Rs in Lakhs)				
	3 Months ended 31.03.2022	Preceding 3 Months ended 31.12.2021	Corresponding 3 Months ended 31.03.2021	Current Year ended 31.03.2022	Previous Year ended 31.03.2021
	Unaudited (Refer note above)	Unaudited (Refer note above)	Unaudited	Audited	Audited (Refer note 1)
Income from Operations including other income	-	-	3,042	1,419	9,657
Expenses	-	-	2,935	1,303	9,327
Profit before Tax	-	-	107	116	330
Tax Expense	-	-	-	-	-
a) Current Tax	-	-	171	55	251
b) Deferred Tax	-	-	(224)	(26)	(224)

- 2 Deferred tax credit has been reclassified from continued operations to discontinued operations during the quarter and year ended March 31, 2021. Deferred tax pertaining to discontinued operations has been recognised under tax expense of discontinued operations.
- 3 As mentioned in Note 1 above, the Company have 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 have been accounted and disclosed separately in the quarter and year ended March 31, 2022.
- 4 As a part of transition to Goods Services Tax (GST) in June 2017, the Company carried forward the Cenvat/Service tax/Sales tax input credit balance of Rs 31 Lakhs as on March 31, 2022 for future set-off against GST payable. However, due to technical glitch on the GSTN portal, the Company could not file the Tran 1 Form within the prescribed period including the extended filing period. A writ petition filed by the Company in the Hon'ble High Court of Bombay for allowing the carry forward of the input credit balances was dismissed vide its order dated March 20, 2020. Thereby the petition and the claim of the Company of Rs. 31 Lakhs was disallowed. The Company has filed Special Leave Petition in Hon'ble Supreme Court and which is admitted by Supreme Court. In addition, Similar writ petition was filed by the subsidiary company (TNSL) which merged with the Company pursuant to the Scheme, for an amount of Rs 85 Lakhs which is pending for hearing at Hon'ble High Court of Bombay. In view of the multiple judgements by various High Courts in India on this matter which supports the Company's claim and based on the advice received from independent legal counsel, the Company expects to recover total input credit balance of Rs 116 Lakhs. In view of this, no provision has been made in the books of account against the recoverability of these balances.



Notes to the Standalone audited Financial Results for the quarter and year ended March 31, 2022

- 5 For the financial year ended March 31, 2022, the Board of Directors has recommended a final dividend of Rs. 1.80 (18%) per equity share. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- 6 The Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.
- 7 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 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.
- 8 The figures for the last quarter results are the balancing figures between the audited figures in respect of the full financial year and published year to date figures upto the third quarter of the respective financial year.
- 9 As stated in note 1, previous period / year figures have been re-grouped or reclassified, to conform to such current period's classification.
- 10 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 April 26, 2022.



For Nelco Limited
R.R.Bhinge

Chairman
DIN :- 00036557

Place :- Mumbai
Date :- April 26, 2022



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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	3,999	3,642
(b) Capital work-in-progress	242	362
(c) Right-of-use assets	1,100	421
(d) Intangible assets	390	170
(e) Financial assets		
(i) Investments*	2,989	21
(ii) Loans	-	1
(iii) Other financial assets	190	135
(f) Deferred tax assets (net)	405	350
(g) Income tax assets (net)	994	1,535
(h) Other non-current assets	699	713
Total non-current assets	11,008	7,350
Current assets		
(a) Inventories		
(a) Financial assets		
(i) Trade receivables	3,454	2,137
(ii) Cash and cash equivalents	478	912
(iii) Bank balances other than (ii) above	45	35
(iv) Loans	7	1
(v) Other financial assets	497	29
(b) Other current assets	367	287
Total current assets	4,848	3,401
Assets classified as held for sale	-	13,168
TOTAL ASSETS	15,856	23,919
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	2,282	2,282
(b) Other equity		
Reserve and surplus	6,164	5,385
Other reserves	10	10
Total equity	8,456	7,677
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	974	326
(b) Provisions	-	159
Total non-current liabilities	974	485
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,750	1,867
(ia) Lease liabilities	175	119
(ii) Trade payables	1,297	1,272
(iii) Other financial liabilities	1,253	918
(b) Provisions	207	175
(c) Contract Liabilities	1,506	1,067
(d) Other current liabilities	238	285
Total Current liabilities	6,426	5,703
Liabilities directly associated with assets classified as held for sale	-	10,054
Total liabilities	7,400	16,242
TOTAL EQUITY AND LIABILITIES	15,856	23,919

*Includes deemed investment of Rs 2,873 L pursuant to the scheme accounting as disclosed in the note 29 of standalone financial statement.



Nelco Limited
Standalone Statement of Cash Flows for the year ended March 31, 2022
(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from		
Continuing operations	1,329	1,250
Discontinued operations	116	330
Profit before tax	1,445	1,580
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	835	809
Finance costs	268	438
Interest income	(139)	(72)
Liabilities no longer required written back	(76)	(46)
Impairment allowance (allowance for bad and doubtful debts)	(18)	90
Provision for contingent liability	66	-
Remeasurement of post employment benefit obligations	(64)	13
Operating profit before working capital changes	2,317	2,812
Movement in working capital		
Movements in assets		
- (Increase) / decrease in trade receivables & unbilled receivables	(1,299)	1,711
- (Increase) / decrease in financial assets - current - Loans	(6)	6
- (Increase) / decrease in financial assets - non-current - Loans	1	-
- (Increase) / decrease in other financial assets - current	(468)	143
- (Increase) / decrease in other financial assets - Non Current	(55)	(118)
- (Increase) / decrease in other current assets	(80)	663
- (Increase) / decrease in other non current assets	14	(695)
Movements in liabilities		
- (Decrease) / increase in trade payables	35	273
- (Decrease) / increase in other financial liabilities - non current	-	(4)
- (Decrease) / increase in provisions - non current	(159)	(149)
- (Decrease) / increase in other financial liabilities - current	353	861
- (Decrease) / increase in contract liabilities	439	(1,601)
- (Decrease) / increase in other current liabilities	(47)	(243)
- (Decrease) / increase in provisions - current	40	102
Cash generated from operations	1,085	3,761
- Direct taxes paid (net of refunds)	150	1,007
Net cash flow generated from operating activities (A)	1,235	4,768
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment / intangible assets	(1,156)	(1,564)
Proceeds from sale of property, plant and equipment / intangible assets	10	(13)
Proceeds from slump sale	2,591	-
Investment in subsidiary	(95)	-
Deemed investment - net of recoveries	(2,351)	-
Interest received	139	72
Bank Balance not considered as cash and cash equivalents- deposits placed	(10)	(3)
Net cash flow generated from / (used in) investing activities (B)	(872)	(1,508)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	7,878	3,270
Repayment of borrowings	(7,267)	(6,830)
Payment of principal portion of lease liabilities	(134)	(106)
Payment of interest portion of lease liabilities	(63)	(46)
Finance costs paid	(214)	(401)
Dividend paid (including dividend distribution tax)	(271)	(272)
Net cash flow generated from / (used in) financing activities (C)	(71)	(4,385)
Net (decrease)/increase in cash & cash equivalents [(A)+(B)+(C)]	292	(1,125)
Cash and cash equivalents at the beginning of the year	186	785
Add: On amalgamation (refer note 29)	-	526
Cash and cash equivalents at the end of the year	478	186

Note :

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

Cash and cash equivalents comprise of :	As at March 31, 2022	As at March 31, 2021 Refer note 29
a) Balance with scheduled banks in current accounts	443	502
b) Cash on hand	-	1
c) Cheques on hand	35	409
d) Bank overdraft	-	(726)
Total	478	186



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, 2022 and for the year ended March 31, 2022 ("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 and year ended March 31, 2022.

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.

Emphasis of matters

Note 4 to the standalone financial results regarding the Company's claim to carry forward of input tax credit balances availed under the CENVAT/ Service Tax/ Sales Tax act, upon transition to The Goods and Services Tax Act (GST) and the Company's claim to set-off such input tax credit availed against GST payable. The Company, based on external legal advice obtained, has filed a petition with courts in this regard

Our opinion is not modified in respect of these matters.



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 loss and other comprehensive loss 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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 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

**VINEET
KEDIA**

Digitally signed by VINEET KEDIA
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per Vineet Kedia

Partner

Membership No.: 212230

UDIN: 22212230AHUNRF8194

Place: Mumbai

Date: April 26, 2022