

23<sup>rd</sup> April 2024

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

National Stock Exchange of India Ltd.  
5<sup>th</sup> 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 23<sup>rd</sup> April 2024  
Pursuant to Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
Ref: Our letter dated 12<sup>th</sup> April 2024.

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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 3.00 p.m. and concluded at 5.00 p.m. The major outcome of the meeting, amongst other things, is as follows: -

1. Audited Financial Results:

We enclose herewith the Audited Financial Results (Consolidated and Standalone) along with the Audit Reports thereon of the Company for the financial year ended 31<sup>st</sup> March 2024, which have been approved and taken on record at the meeting of the Board of Directors of the Company held today (Annexure B). We would like to state that S.R. Batliboi & Associates LLP, Statutory Auditors of the Company, have issued Audit Reports with an unmodified opinion on the above-mentioned audited financial results for the financial year ended 31<sup>st</sup> March 2024.

2. Recommendation of dividend:

We would like to inform that the Board of Directors has recommended a final dividend of Rs. 2.20/- per share (22%) (face value of Rs. 10 each) for the financial year ended 31<sup>st</sup> March 2024 subject to the approval of the shareholders at the ensuing Annual General Meeting.

The aforesaid documents are also placed on the website of the Company at [www.nelco.in](http://www.nelco.in).

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


  
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Statement of Consolidated Audited Financial Results for the quarter and year ended March 31, 2024

(Rs. In Lakhs)

Sr.No.	Particulars	3 Months ended 31-Mar-2024	Preceding 3 Months ended 31-Dec-2023	Corresponding 3 Months ended 31-Mar-2023	Year ended 31-Mar-2024	Previous Year ended 31-Mar-2023
		Audited (Refer note 6)	Unaudited	Audited (Refer note 6)	Audited	Audited
<b>1</b>	<b>Income</b>					
	a) Income from operations	8,161	8,324	8,198	32,030	31,333
	b) Other income	73	84	85	236	257
	<b>Total income</b>	<b>8,234</b>	<b>8,408</b>	<b>8,283</b>	<b>32,266</b>	<b>31,590</b>
<b>2</b>	<b>Expenses</b>					
	a) Purchase of stock-in-trade	1,342	565	1,352	3,989	5,614
	b) Changes in Inventories of stock-in-trade	(440)	380	(168)	(460)	(544)
	c) Operating expenses	3,672	3,789	3,408	14,522	12,484
	d) Employee benefits expense	1,103	1,046	962	4,304	3,694
	e) Other expenses	1,012	912	962	3,736	4,009
	<b>Total expenses</b>	<b>6,689</b>	<b>6,692</b>	<b>6,516</b>	<b>26,091</b>	<b>25,257</b>
<b>3</b>	<b>Profit before finance cost, depreciation, amortisation, share of profit from associate and tax (1-2)</b>	<b>1,545</b>	<b>1,716</b>	<b>1,767</b>	<b>6,175</b>	<b>6,333</b>
<b>4</b>	<b>Finance cost, depreciation and amortisation</b>					
	a) Finance cost (refer note 2b)	144	191	207	657	773
	b) Depreciation and amortisation expense	595	585	795	2,214	2,778
	<b>Total finance cost, depreciation and amortisation</b>	<b>739</b>	<b>776</b>	<b>1,002</b>	<b>2,871</b>	<b>3,551</b>
<b>5</b>	<b>Profit before share of profit from associate and tax (3-4)</b>	<b>806</b>	<b>940</b>	<b>765</b>	<b>3,304</b>	<b>2,782</b>
<b>6</b>	Add: Share of profit from associate (refer note 3)	15	29	-	47	-
<b>7</b>	<b>Profit before tax (5+6)</b>	<b>821</b>	<b>969</b>	<b>765</b>	<b>3,351</b>	<b>2,782</b>
<b>8</b>	<b>Tax expense (refer note 2)</b>					
	a) Current tax	320	715	304	1,427	1,136
	b) Deferred tax (net)	(109)	(463)	(105)	(551)	(339)
	c) Tax adjustment for earlier years (including deferred tax)	-	102	-	108	-
	<b>Total tax expenses</b>	<b>211</b>	<b>354</b>	<b>199</b>	<b>984</b>	<b>797</b>
<b>9</b>	<b>Net profit for the period/year (7-8)</b>	<b>610</b>	<b>615</b>	<b>566</b>	<b>2,367</b>	<b>1,985</b>
<b>10</b>	<b>Other comprehensive income/(expenses)</b>					
	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	12	20	1	(8)	(30)
	<b>Other comprehensive income/(expenses)</b>	<b>12</b>	<b>20</b>	<b>7</b>	<b>(8)</b>	<b>(24)</b>
<b>11</b>	<b>Total comprehensive income for the period/year (9+10)</b>	<b>622</b>	<b>635</b>	<b>573</b>	<b>2,359</b>	<b>1,961</b>
<b>12</b>	Paid up equity share capital (face value Rs.10/- each)	2,282	2,282	2,282	2,282	2,282
<b>13</b>	Other equity				10,076	8,173
<b>14</b>	Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)	<b>2.67</b>	<b>2.69</b>	<b>2.48</b>	<b>10.37</b>	<b>8.70</b>
<b>15</b>	Dividend per share (Par Value Rs. 10/- each)					
	Final dividend on equity shares (in Rs.)	-	-	-	2.00	1.80
	Total equity dividend percentage (%)	-	-	-	20	18

**SIGNED FOR IDENTIFICATION**  
**BY**  
  
**S.R. BATLIBOI & ASSOCIATES LLP**  
**MUMBAI**




**Notes to the Consolidated Audited Financial Results for the quarter and year ended March 31, 2024**

- 1 The Consolidated financial results of Nelco Limited ("the Holding Company"), its subsidiary Nelco Network Products Limited (together referred to as "Group") and 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 April 23, 2024.
- 2(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 quarter 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.
- 2(b) During the quarter ended December 31, 2023, the Honourable Supreme Court of India has 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 Holding Company is not a party to the above judgement, as a matter of prudence the Holding Company has assessed and recorded a provision of Rs. 102 lakhs towards tax (net of deferred tax) and Rs. 46 lakhs towards interest which has been disclosed as finance cost for the year ended March 31, 2024.
- 3 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 March 31, 2024 the Holding Company holds 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.
- 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, 2024, the Board of Directors have recommended a final dividend of Rs. 2.20 (22%) per equity share. The payment is subject to approval of the shareholders at ensuing Annual General Meeting of the Company.
- 6 The figures of the quarters ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2023 and December 31, 2022 respectively, which were subjected to limited review by the statutory auditors.
- 7 The Audited Standalone and Consolidated financial results for the quarter and year ended March 31, 2024, 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 23, 2024

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**S.R. BATLIBOI & ASSOCIATES LLP**  
**MUMBAI**

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



Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	6,201	6,775
(b) Capital work-in-progress	962	148
(c) Right-of-use assets	2,080	2,286
(d) Intangible assets	439	479
(e) Intangible assets under development	23	-
(f) Financial assets		
(i) Investments (refer note 3)	373	22
ii) Other financial assets	164	167
(g) Deferred tax assets (net)	1,989	1,062
(h) Income tax assets (net)	176	300
(i) Other non-current assets	633	664
<b>Total non current assets</b>	<b>13,040</b>	<b>11,903</b>
<b>Current assets</b>		
(a) Inventories	2,587	2,127
(b) Financial assets		
(i) Trade receivables	8,507	8,274
(ii) Cash and cash equivalents	2,179	1,616
(iii) Bank balances other than (ii) above	53	48
(iv) Loans	4	-
(v) Other financial assets	215	345
(c) Contract assets	809	662
(d) Other current assets	802	1,248
<b>Total current assets</b>	<b>15,156</b>	<b>14,320</b>
<b>TOTAL ASSETS</b>	<b>28,196</b>	<b>26,223</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	2,282	2,282
(b) Other equity	10,076	8,173
<b>Total equity</b>	<b>12,358</b>	<b>10,455</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	17	1,862
(a) Lease liabilities	1,885	2,000
(b) Other non-current liabilities	-	1
<b>Total non-current liabilities</b>	<b>1,902</b>	<b>3,863</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,305	1,932
(a) Lease liabilities	480	516
(ii) Trade payables	3,520	4,506
(iii) Other financial liabilities	1,992	1,115
(b) Provisions	631	566
(c) Contract liabilities	3,637	2,982
(d) Other current liabilities	371	288
<b>Total current liabilities</b>	<b>13,936</b>	<b>11,905</b>
<b>Total liabilities</b>	<b>15,838</b>	<b>15,768</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,196</b>	<b>26,223</b>

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**S.R. BATLIBOI & ASSOCIATES LLP**  
**MUMBAI**




**Nelco Limited**

**Consolidated Statement of Cash Flow for the year ended March 31, 2024**

(Amount Rs in Lakhs, unless otherwise mentioned)



Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	Audited	Audited
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax and share of profit from associate	3,304	2,782
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	2,214	2,778
Finance costs	657	773
Unrealised mark to market loss on forward contracts	3	11
Unrealised foreign exchange (gain)/loss (net)	(23)	45
Impairment allowance ((gain)/allowance for bad and doubtful debts)	(9)	17
Bad debts written off	-	26
Liabilities/provisions no longer required, written back	(31)	(80)
(Gain)/loss on disposal of property, plant and equipment (net)	(8)	1
Provision for warranty (net)	71	179
Unwinding of discount on financial asset measured at amortised cost	(63)	(35)
Interest income	(5)	(19)
Provision for disputes	-	99
<b>Operating profit before working capital changes</b>	<b>6,110</b>	<b>6,577</b>
<b>Movement in working capital</b>		
<b>Movements in assets</b>		
- (Increase) in trade receivables	(223)	(531)
- Decrease/(increase) in other current assets	446	(765)
- Decrease in other non current assets	31	39
- (Increase)/decrease in inventories	(120)	734
- Decrease in other current financial assets	126	416
- Decrease in other non-current financial assets	3	216
- (Increase) in contract assets	(147)	(525)
<b>Movements in liabilities</b>		
- (Decrease) in trade payables	(935)	(819)
- (Decrease) in other non-current liabilities	(1)	(3)
- Increase in other current financial liabilities	199	47
- Increase in contract liabilities	718	1,086
- Increase/(decrease) in other current liabilities	83	(24)
- Increase in current provisions	(14)	(77)
<b>Cash generated from operations</b>	<b>6,276</b>	<b>6,371</b>
- Direct taxes paid (net of refunds)	(1,787)	(563)
<b>Net cash flow generated from operating activities (A)</b>	<b>4,489</b>	<b>5,808</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/assets under development)	(1,631)	(2,311)
Proceeds from sale of property, plant and equipment	13	(198)
Interest income received	5	19
Investment in associate	(304)	-
Bank balance not considered as cash and cash equivalents	(5)	(3)
<b>Net cash (used in) investing activities (B)</b>	<b>(1,922)</b>	<b>(2,493)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	7,786	11,384
Repayment of borrowings	(8,260)	(13,040)
Payment of principal portion of lease liabilities	(550)	(478)
Payment of interest portion of lease liabilities	(230)	(205)
Interest paid	(297)	(518)
Dividend paid	(453)	(407)
<b>Net cash (used in) financing activities (C)</b>	<b>(2,004)</b>	<b>(3,264)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents [(A)+(B)+(C)]</b>	<b>563</b>	<b>51</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,616</b>	<b>1,565</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,179</b>	<b>1,616</b>

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**MUMBAI**



**Nelco Limited**

**Consolidated Statement of Cash Flow for the year ended March 31, 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	As at
	March 31, 2024	March 31, 2023
Balance with banks in current accounts	1,860	1,332
Cheques on hand	319	284
Cash on hand	*	*
<b>Total</b>	<b>2,179</b>	<b>1,616</b>

\* Below rounding off norms adopted by the Group.

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**BY**  
*LM*  
**S.R. BATLIBOI & ASSOCIATES LLP**  
**MUMBAI**



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**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") and its associate for the quarter ended March 31, 2024 and for the year ended March 31, 2024 ("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 consideration of the reports of the other auditor on separate audited financial statements and other financial information of the associate, the Statement:

- i. includes the results of the following entities;
  - a. Holding Company
    - i. Nelco Limited
  - b. Subsidiary Company
    - i. Nelco Network Products Limited
  - c. Associate Company
    - i. Piscis Networks Private 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, 2024 and for the year ended March 31, 2024.

**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 and its associate 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 auditor in terms of its reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



Nelco Limited

Independent Auditor's Report on the consolidated financial results- March 31, 2024

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### **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 including its associate 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 and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management 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 and of its associate are also responsible for overseeing the financial reporting process of their respective Companies.

### **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.





Nelco Limited

Independent Auditor's Report on the consolidated financial results- March 31, 2024

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- 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 and its associate 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 and its associate 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 and its associate 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 entity included in the Statement, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit 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 Master Circular issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### **Other Matter**

The accompanying Statement includes the audited financial statements and other financial information, in respect of one associate whose financial results include Group's share of net profit of Rs. 15 lakhs and Rs. 47 lakhs and Group's share of total comprehensive income of Rs. Nil and Rs. Nil for the quarter and for the year ended March 31, 2024 respectively, as considered in the Statement whose financial results, other financial information have been audited by their respective independent auditor.

The independent auditor's report on the financial results of this entity have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on the report of such auditor and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.



Nelco Limited

Independent Auditor's Report on the consolidated financial results- March 31, 2024

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The Statement includes the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 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: 24117142BKDHZI7138

Mumbai

April 23, 2024



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, 2024

(Rs in Lakhs)

Sr. No.	Particulars	3 Months ended 31-Mar-2024	Preceding 3 Months ended 31-Dec-2023	Corresponding 3 Months ended 31-Mar-2023	Year ended 31-Mar-2024	Previous Year ended 31-Mar-2023
		Audited (Refer note 6)	Unaudited	Audited (Refer note 6)	Audited	Audited
<b>1</b>	<b>Income</b>					
	a) Income from operations	5,521	5,797	5,628	22,268	19,704
	b) Other income	64	85	60	236	268
	<b>Total income</b>	<b>5,585</b>	<b>5,882</b>	<b>5,688</b>	<b>22,504</b>	<b>19,972</b>
<b>2</b>	<b>Expenses</b>					
	a) Cost of materials consumed	16	-	-	19	27
	b) Operating expenses	3,204	3,288	3,016	12,645	10,790
	c) Employee benefits expense	733	682	598	2,785	2,339
	d) Other expenses	681	597	617	2,498	2,479
	<b>Total expenses</b>	<b>4,634</b>	<b>4,567</b>	<b>4,231</b>	<b>17,947</b>	<b>15,635</b>
<b>3</b>	<b>Profit before finance cost, depreciation, amortisation and tax (1-2)</b>	<b>951</b>	<b>1,315</b>	<b>1,457</b>	<b>4,557</b>	<b>4,337</b>
<b>4</b>	<b>Finance cost, depreciation and amortisation</b>					
	a) Finance cost (refer note 2b)	53	91	90	249	337
	b) Depreciation and amortisation expense	340	338	293	1,284	1,065
	<b>Total finance cost, depreciation and amortisation</b>	<b>393</b>	<b>429</b>	<b>383</b>	<b>1,533</b>	<b>1,402</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>558</b>	<b>886</b>	<b>1,074</b>	<b>3,024</b>	<b>2,935</b>
<b>6</b>	<b>Tax expense (refer note 2)</b>					
	a) Current tax	249	703	294	1,344	853
	b) Deferred tax (net)	(109)	(468)	9	(549)	(6)
	c) Tax adjustment for earlier years (including deferred tax)	-	102	-	102	-
	<b>Total tax expense</b>	<b>140</b>	<b>337</b>	<b>303</b>	<b>897</b>	<b>847</b>
<b>7</b>	<b>Net profit for the period/year (5-6)</b>	<b>418</b>	<b>549</b>	<b>771</b>	<b>2,127</b>	<b>2,088</b>
<b>8</b>	<b>Other comprehensive income/(expenses)</b>					
	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	7	10	-	(10)	(25)
	<b>Other comprehensive income/(expenses)</b>	<b>7</b>	<b>10</b>	<b>6</b>	<b>(10)</b>	<b>(19)</b>
<b>9</b>	<b>Total comprehensive income for the period/ year (7+8)</b>	<b>425</b>	<b>559</b>	<b>777</b>	<b>2,117</b>	<b>2,069</b>
<b>10</b>	<b>Paid up equity share capital (face value Rs.10/- each)</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>	<b>2,282</b>
<b>11</b>	<b>Other equity</b>				<b>9,493</b>	<b>7,832</b>
<b>12</b>	<b>Earnings per share (Basic and diluted) (Face value Rs. 10/-each) (not annualised)</b>	<b>1.83</b>	<b>2.40</b>	<b>3.38</b>	<b>9.32</b>	<b>9.15</b>
<b>13</b>	<b>Dividend per share (Par value Rs. 10/- each)</b>					
	Final dividend on equity shares (in Rs.)	-	-	-	2.00	1.80
	Total equity dividend percentage (%)	-	-	-	20	18

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**Notes to the Standalone Audited Financial Results for the quarter and year ended March 31, 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 April 23, 2024.
- 2(a) Effective April 1, 2023, the 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 quarter 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.
- 2(b) During the quarter ended December 31, 2023, the Honourable Supreme Court of India has 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 is not a party to the above judgement, as a matter of prudence the Company has assessed and recorded a provision of Rs. 102 lakhs towards tax (net of deferred tax) and Rs. 46 lakhs towards interest which has been disclosed as finance cost for the year ended March 31, 2024.
- 3 During the quarter ended June 30, 2023, the 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 March 31, 2024 the Company holds 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.
- 4 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.
- 5 For the financial year ended March 31, 2024, the Board of Directors have recommended a final dividend of Rs. 2.20 (22%) per equity share. The payment is subject to approval of the shareholders at ensuing Annual General Meeting of the Company.
- 6 The figures of the quarters ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2023 and December 31, 2022 respectively, which were subjected to limited review by the statutory auditors.

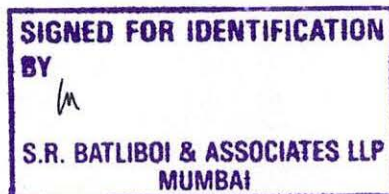
Place :- Mumbai  
Date :- April 23, 2024



For Nelco Limited

P. J. Nath

Managing Director & CEO  
DIN :- 05118177



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

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	5,168	5,087
(b) Capital work-in-progress	928	125
(c) Right-of-use assets	1,048	995
(d) Intangible assets	434	477
(e) Intangible assets under development	23	-
(f) Financial assets		
(i) Investments (refer note 3)	3,299	2,995
(ii) Other financial assets	17	17
(g) Deferred tax assets (net)	1,262	267
(h) Income tax assets (net)	-	492
(i) Other non-current assets	633	663
<b>Total non-current assets</b>	<b>12,812</b>	<b>11,118</b>
<b>Current assets</b>		
(a) Financial assets		
(i) Trade receivables	3,779	4,099
(ii) Cash and cash equivalents	1,956	1,269
(iii) Bank balances other than (ii) above	53	48
(iv) Loans	4	-
(v) Other financial assets	202	274
(b) Other current assets	666	916
<b>Total current assets</b>	<b>6,660</b>	<b>6,606</b>
<b>TOTAL ASSETS</b>	<b>19,472</b>	<b>17,724</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	2,282	2,282
(b) Other equity	9,493	7,832
<b>Total equity</b>	<b>11,775</b>	<b>10,114</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	-	1,161
(ia) Lease liabilities	997	858
(b) Non-current tax liability (net)	52	-
<b>Total non-current liabilities</b>	<b>1,049</b>	<b>2,019</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	-	464
(ia) Lease liabilities	168	223
(ii) Trade payables	1,411	1,227
(iii) Other financial liabilities	1,483	776
(b) Provisions	299	285
(c) Contract Liabilities	3,013	2,374
(d) Other current liabilities	274	242
<b>Total current liabilities</b>	<b>6,648</b>	<b>5,591</b>
<b>Total liabilities</b>	<b>7,697</b>	<b>7,610</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,472</b>	<b>17,724</b>

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Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
	Audited	Audited
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,024	2,935
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	1,284	1,065
Finance costs	249	337
Interest income	(5)	(44)
Liabilities/provisions no longer required, written back	(19)	(54)
Profit on sale of property, plant & equipment	(6)	4
Unwinding of discount on financial asset measured at amortised cost	(50)	(21)
Impairment allowance (allowance for bad and doubtful debts)	-	9
Provision for disputes	-	99
Unrealised foreign exchange loss (net)	5	8
<b>Operating profit before working capital changes</b>	<b>4,482</b>	<b>4,338</b>
<b>Adjustments for changes in working capital:</b>		
<b>Movement in working capital</b>		
<b>Movements in assets</b>		
- Decrease/(increase) in trade receivables	320	(654)
- (Increase)/ decrease in current financial assets - loans	(4)	7
- Decrease in other current financial assets	72	223
- Decrease in other non-current financial assets	-	173
- Decrease/ (increase) in other current assets	250	(549)
- Decrease in other non-current assets	30	36
<b>Movements in liabilities</b>		
- Increase/(decrease) in trade payables	198	(123)
- Increase/(decrease) in other current financial liabilities	134	(179)
- Increase in contract liabilities	689	889
- Increase in other current liabilities	32	4
- Increase in current provisions	4	35
<b>Cash generated from operations</b>	<b>6,207</b>	<b>4,200</b>
- Direct taxes paid (net of refunds)	(1,348)	(207)
<b>Net cash flow generated from operating activities (A)</b>	<b>4,859</b>	<b>3,993</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/ intangible assets under development)	(1,331)	(2,215)
Proceeds from sale of property, plant and equipment	11	3
Investment in associates	(304)	-
Interest income received	5	44
Bank balance not considered as cash and cash equivalents	(5)	(3)
<b>Net cash (used in) investing activities (B)</b>	<b>(1,624)</b>	<b>(2,171)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	8,600
Repayment of borrowings	(1,625)	(8,725)
Payment of principal portion of lease liabilities	(252)	(189)
Payment of interest portion of lease liabilities	(94)	(90)
Interest paid	(124)	(220)
Dividend paid	(453)	(407)
<b>Net cash (used in) financing activities (C)</b>	<b>(2,548)</b>	<b>(1,031)</b>
<b>Net increase in cash &amp; cash equivalents [(A)+(B)+(C)]</b>	<b>687</b>	<b>791</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,269</b>	<b>478</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,956</b>	<b>1,269</b>

## Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of :	As at	As at
	March 31, 2024	March 31, 2023
Balance with banks in current accounts	1,856	1,223
Cash on hand	*	*
Cheques on hand	100	46
<b>Total</b>	<b>1,956</b>	<b>1,269</b>

\* Below rounding off norms adopted by the Company.

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**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, 2024 and for the year ended March 31, 2024 ("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, 2024 and for the year ended March 31, 2024.

**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



Nelco Limited

Independent Auditor's Report on the standalone financial results- March 31, 2024

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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.





Nelco Limited

Independent Auditor's Report on the standalone financial results- March 31, 2024

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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, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 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: 24117142BKDHZH2529

Mumbai

April 23, 2024

