

NELCO LIMITED

Regd. Office: Francysters Cybernetics Centre, Eucharistic Congress building No. III, 5, Convent Street, Colaba, Mumbai -400 039.

Unaudited Financial Results for the Quarter ended 30th September, 2008

Sr. No.	Particulars	Rs. In Lakhs				
		3 Months period ended 30.09.2008 (Unaudited)	3 Months period ended 30.09.2007 (Audited)	6 Months period ended 30.09.2008 (Unaudited)	6 Months period ended 30.09.2007 (Audited)	12 Months period ended 31.03.2008 (Audited)
1.	Sales / Income from Operations	3023	4518	5018	6141	21050
	Less : Excise Duty	165	363	227	454	1315
	a) Net Sales / Income from Operations	2858	4155	4791	5687	19735
	b) Other Operating Income	1	2	2	2	23
	Total Income From Operations	2859	4157	4793	5689	19758
2.	Expenditure					
	a) (Increase)/decrease in stock in trade and work in progress (Refer Note 2)	(46)	(374)	(775)	(449)	570
	b) Consumption of raw materials	1145	2063	2122	2223	5627
	c) Purchase of traded goods	282	583	939	905	2922
	d) Expenditure on property development	-	-	-	-	2553
	e) Employees cost	623	597	1238	1161	2404
	f) Depreciation	119	109	215	215	436
	g) Other expenditure	889	756	1639	1399	3573
	Total Expenditure	3012	3734	5378	5454	18085
3.	Profit From Operations before Other Income, Interest and Exceptional Items (1 - 2)	(153)	423	(585)	235	1673
4.	Other Income	7	90	33	114	132
5.	Profit before Interest and Exceptional Items (3 + 4)	(146)	513	(552)	349	1805
6.	Interest	273	272	567	540	1082
7.	Profit after Interest but before Exceptional Items (5 - 6)	(419)	241	(1119)	(191)	723
8.	Deferred Revenue Expenditure (Voluntary Retirement Scheme) (Refer Note 1)	82	32	106	65	126
9.	Profit/(Loss) from Ordinary Activities before tax (7 - 8)	(501)	209	(1225)	(256)	597
10.	Tax expense					
	a) Current Tax (MAT)	-	-	-	-	60
	b) Deferred Tax (Refer Note 3)	501	-	253	-	162
	c) MAT Credit recoverable (Refer Note 3)	120	-	120	-	(120)
	d) Fringe Benefit Tax	13	13	26	26	48
	e) Short / (Excess) Tax Provision for earlier years	-	-	-	-	4
11.	Net Profit/(Loss) after tax for the period (9 - 10)	(1135)	196	(1624)	(282)	443
12.	Paid up equity share capital (face value Rs.10/-)	2282	2282	2282	2282	2282
13.	Reserve excluding Revaluation Reserve	-	-	-	-	164
14.	Earnings Per Share (Rs.)- Basic and diluted-not annualised	(4.97)	0.86	(7.12)	(1.24)	1.94
15.	Public shareholding					
	- Number of shares	11385160	11382910	11385160	11382910	11384960
	- Percentage of shareholding	49.89	49.88	49.89	49.88	49.89

Notes :-

1. During the quarter ended 30th September, 2008, the Company has revised its accounting policy in respect of Pension payments which are part of the voluntary retirement compensation with effect from 1st April, 2008. The balance outstanding on this account is now amortised equally upto the financial year ending 31st March, 2010 in line with Accounting Standard 15 "Employee Benefits", which were hitherto being amortised as and when they accrued in terms of the respective Voluntary Retirement Schemes. Consequently deferred revenue expenditure for the quarter ended and for the half year ended 30th September, 2008 is higher by Rs. 59 lakhs and the loss after tax for the quarter and half year ended 30th September, 2008 is higher by Rs 59 lakhs.

2. During the quarter ended 30th September, 2008, the Company has reviewed its accounting policy in respect of valuation of car park/ property under development disclosed under Inventories. These inventories which were hitherto being valued at market value on the basis of the Valuer's Report are now being valued in terms of the Accounting Standard 2 "Valuation of Inventories" at cost or net realisable value whichever is lower. Consequently the carrying value of such inventories has been reduced and, the increase in stock in trade/ work in progress for the quarter ended and half year ended 30th September, 2008 is lower by Rs. 38 lakhs and the loss after tax for the quarter and half year ended 30th September, 2008 is higher by Rs. 38 lakhs.

3. The Company has reviewed its deferred tax assets set up on unabsorbed depreciation and carry forward of losses under tax laws and MAT credit recoverable and, has during this quarter written down such deferred tax assets of Rs. 501 lakhs and the MAT credit recoverable of Rs. 120 lakhs. Consequently the tax expense for the quarter ended and half year ended 30th September, 2008 is higher by Rs. 621 Lakhs.

4. Due to the nature of project business, financial performance is not uniform across the quarters. Hence financial results for the quarter are not representative of the annual results.

5. Status of Investors Complaints for the quarter ended 30.09.2008: - At the beginning - Nil , Received - 4 , Disposed off - 4 and unresolved - Nil

6. Previous period's/year's figures have been regrouped wherever necessary, in order to make them comparable.

7. The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 22nd October , 2008.

8. In compliance with Clause 41 of the Listing agreement with the stock exchange, a Limited Review of the results for the quarter ended 30th September, 2008 has been carried out by the Statutory Auditors.

FOR NELCO LIMITED

**Mumbai
22nd October, 2008**

**PRASAD MENON
CHAIRMAN**