



5th May 2014

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

National Stock Exchange of India Limited
5th floor, Exchange Plaza, Plot No.C-1
Block "G" Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

Fax No.(022)22723121/2041

Fax No.2659 8237/38

BSE Code : 504112

NSE Code : Nelco EQ

Dear Sirs,

Sub: Unaudited Financial Results for the
Quarter ended 31st March 2014

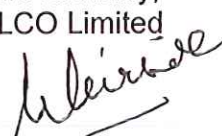
Further to our letter dated 28th April 2014 enclose herewith:-

1. Unaudited Standalone Financial Results for the quarter 2 ended 31st March 2014 approved by the Board of Directors in its meeting held on 5th May 2014 along with the Limited Review Report by the Statutory Auditors.
2. Unaudited Consolidated Financial Results for the Quarter 2 ended 31st March 2014 approved by the Board of Directors in its meeting held on 5th May 2014 along with the Limited Review Report by the Statutory Auditors.

The Company will be publishing Consolidated Unaudited Financial Results. The Unaudited Financial Results (Standalone & Consolidated) will be available on Company's website (www.nelco.in).

Thanking you

Yours faithfully,
NELCO Limited


Girish V. Kirkinde
Company Secretary

Encl: As above.

NELCO LIMITED

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

Standalone unaudited Financial Results for the quarter and half year ended 31st March 2014

Sr.No.	Particulars	3 Months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Income from Operations						
	a) Sales / Income from Operations	2,759	2,765	2,246	5,524	5,115	11,015
	Less : Excise Duty	57	29	2	86	17	60
	Net Sales / Income from Operations	2,702	2,736	2,244	5,438	5,098	10,955
	b) Other Operating Income	-	26	16	26	16	17
	Total Income From Operations (net)	2,702	2,762	2,260	5,464	5,114	10,972
2.	Expenses						
	a) Cost of material consumed	216	36	38	252	210	813
	b) Purchase of stock- in-trade	925	1,009	963	1,934	2,136	4,561
	c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	66	224	(119)	290	142	50
	d) Employees Benefit Expense	626	664	584	1,290	1,291	2,418
	e) Depreciation and amortization expenses	166	144	139	310	280	569
	f) Provision for foreseeable losses	11	-	-	11	-	6
	g) Other expenses	806	844	759	1,650	1,532	3,368
	Total Expenses	2,816	2,921	2,364	5,737	5,591	11,785
3.	Profit / (Loss) From Operations before other income, finance costs and exceptional items (1 - 2)	(114)	(159)	(104)	(273)	(477)	(813)
4.	Other Income	48	84	2	132	5	131
5.	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4)	(66)	(75)	(102)	(141)	(472)	(682)
6.	Finance cost	230	240	238	470	494	955
7.	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	(296)	(315)	(340)	(611)	(966)	(1,637)
8.	Exceptional Items	-	-	-	-	-	-
9.	Profit / (Loss) from ordinary activities before tax (7 - 8)	(296)	(315)	(340)	(611)	(966)	(1,637)
10.	Tax expense						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-	-
	c) Short / (Excess) Tax Provision for earlier years	-	-	-	-	-	-
11.	Net Profit/ (Loss) from ordinary activities after tax (9 - 10)	(296)	(315)	(340)	(611)	(966)	(1,637)
12.	Extraordinary items	-	-	-	-	-	-
13.	Net Profit/ (Loss) for the period (11+12)	(296)	(315)	(340)	(611)	(966)	(1,637)

Sr.No.	Particulars	3 Months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
14.	Paid up equity share capital (face value Rs.10/-)	2,282	2,282	2,282	2,282	2,282	2,282
15.	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year						(1,374)
16.	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised)	(1.30)	(1.38)	(1.49)	(2.68)	(4.23)	(7.17)
Part II							
	Particulars	3 Months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
A	PARTICULARS OF SHAREHOLDINGS						
1	Public shareholding						
	- Number of shares	11385810	11385810	11385810	11385810	11385810	11385810
	- Percentage of shareholding	49.90	49.90	49.90	49.90	49.90	49.90
2	Promoter and promoter group shareholding						
	a) Pledged/Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	b). Non-encumbered						
	- Number of shares	11432590	11432590	11432590	11432590	11432590	11432590
	- Percentage of shares (as % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
	- Percentage of shares (as % of the total share capital of the company)	50.10	50.10	50.10	50.10	50.10	50.10

3 months ended 31.03.2014			
Particulars	Pending at the beginning of the quarter	Received during the quarter	Disposed off during the quarter
	NIL	1	1
B INVESTOR COMPLAINTS	NIL	1	NIL

Segment wise Revenue, Results and Capital Employed for the quarter and half year ended 31st March 2014

Sr. No.	Particulars	Rs. In Lakhs					
		3 Months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue (Net Sales / Income from operations)						
	(i) Automation & Control	967	918	375	1,885	1,676	3,416
	(ii) Network Systems	1,792	1,847	1,871	3,639	3,439	7,599
	Less : Excise Duty	57	29	2	86	17	60
	Total	2,702	2,736	2,244	5,438	5,098	10,955
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Net Sales / Income from Operations	2,702	2,736	2,244	5,438	5,098	10,955
2	Segment Results						
	(i) Automation & Control	(91)	(164)	(247)	(255)	(603)	(1,164)
	(ii) Network Systems	320	361	419	681	715	1,520
	Total	229	197	172	426	112	356
	Less:						
	(i) Interest expense	217	224	222	441	458	887
	(ii) Other un-allocable (income) / expenditure net of unallocable (income) / expenditure	308	288	290	596	620	1,106
	Profit/(Loss) Before Tax	(296)	(315)	(340)	(611)	(966)	(1,637)
3	Capital Employed (Segment Assets-Segment Liabilities)						
	(i) Automation & Control	3,934	3,931	3,563	3,934	3,563	4,099
	(ii) Network Systems	2,028	2,054	5,129	2,028	5,129	2,359
	Total Segment Capital Employed (Segment Assets - Segment Liabilities)	5,962	5,985	8,692	5,962	8,692	6,458

Notes :-

- 1 Due to the nature of project business, financial results for the quarter are not representative of the annual results.
- 2 Business Segments have been identified as reportable primary segments in accordance with Accounting Standard 17, taking into account the organisational structure as well as the difference of risks and return of these segments.
- 3 Figures for the previous year/periods are re-classified / re-arranged / re-grouped, wherever considered necessary.
- 4 The Board of Directors of the Company at its meeting held on April 03, 2014, inter alia, has approved the restructuring of the Company's Automation & Control segment, by restricting operations and reducing expenditure with a view to minimize losses. This will be subject to necessary approvals / consents / permissions. However, the Company will continue to focus on building its position in the Network Systems segment.
- 5 The Company has incurred loss for the quarter and six months ended 31st March 2014 and the accumulated losses as at 31st March 2014 has substantially eroded the Company's net worth. Notwithstanding this, these unaudited financial results have been prepared on going concern basis in view of the financial support of the parent company and the business plan of the Company.
- 6 The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 5th May, 2014.
- 7 In compliance with clause 41 of the listing agreements with stock exchanges, a limited review of the results for the quarter and half year ended 31st March 2014 has been carried out by the Statutory Auditors.

Mumbai
5th May, 2014

For Nelco Limited



R.R. Bhinge
Chairman

Nelco Limited
Standalone Statement of Assets and Liabilities as at 31st March 2014

Particulars		As at 31st March 2014	As at 30 September, 2013
		Rs in Lakhs	Rs in Lakhs
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	2,282	2,282
	(b) Reserves and surplus	-1,985	-1,374
	Sub total - Shareholder's Funds	297	908
2	Non-current liabilities		
	(a) Long-term borrowings	71	71
	(b) Deferred tax liability (Net)	-	-
	(c) Other long-term liabilities	124	143
	(d) Long-term provisions	543	518
	Sub total - Non current liabilities	738	732
3	Current liabilities		
	(a) Short-term borrowings	7,773	7,628
	(b) Trade payables	3,411	4,148
	(c) Other current liabilities	833	753
	(d) Short-term provisions	405	471
	Sub total - current liabilities	12,422	13,000
	TOTAL EQUITY AND LIABILITIES	13,457	14,640
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	2,487	2,307
	(b) Non-current investments	212	199
	(c) Long-term loans and advances	2,567	3,065
	Sub total - Non current assets	5,266	5,571
2	Current assets		
	(a) Inventories	1,777	1,963
	(b) Trade receivables	4,102	4,924
	(c) Cash and Bank balances	496	159
	(d) Short-term loans and advances	689	523
	(e) Other current assets	1,126	1,500
	Sub total - current assets	8,191	9,069
	TOTAL ASSETS	13,457	14,640

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
NELCO LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Nelco Limited** ("the Company") for the Quarter and Six Months ended 31st March, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to note 5 to the Statement, which states that although, the Company has incurred loss for the quarter and six months ended 31st March 2014 and the accumulated losses as at 31st March 2014 has substantially eroded the Company's net worth, the Statement has been prepared on a going concern basis in view of financial support of the parent company. Our report is not qualified in respect of this matter.

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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/ encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Six Months ended 31st March, 2014 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)


R. A. Banga
Partner
(Membership No. 37915)

MUMBAI, 5th May, 2014

Sr.No	Particulars	3 months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Income from Operations						
	a) Sales / Income from Operations	3,554	3,518	2,819	7,072	6,218	13,517
	Less : Excise Duty	57	29	2	86	17	60
	Net Sales / Income from Operations	3,497	3,489	2,817	6,986	6,201	13,457
	b) Other Operating Income	-	26	16	26	16	17
	Total Income From Operations (net)	3,497	3,515	2,833	7,012	6,217	13,474
2.	Expenses						
	a) Cost of material consumed						
	b) Purchase of stock- in-trade	216	36	38	252	210	813
	c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	925	1,009	963	1,934	2,136	4,561
	d) Employees Benefit Expense	66	224	(119)	290	142	50
	e) Depreciation and amortization expenses	626	664	584	1,290	1,291	2,418
	f) Provision for foreseeable losses	241	217	227	458	454	892
	g) Transponder charges	11	-	-	11	-	6
	h) Other expenses	384	381	345	765	691	1,429
	Total Expenses	1,014	1,052	920	2,066	1,863	4,065
	Profit / (Loss) From Operations before other income, finance costs and exceptional items (1 - 2)	3,483	3,583	2,958	7,066	6,787	14,234
3.							
4.	Other Income	14	(68)	(125)	(54)	(570)	(760)
	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4)	4	48	2	52	20	34
5.							
6.	Finance cost	18	(20)	(123)	(2)	(550)	(726)
	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	244	254	247	498	510	998
7.	Exceptional Items	(226)	(274)	(370)	(500)	(1,060)	(1,724)
8.							
9.	Profit / (Loss) from ordinary activities before tax (7 + 8)	-	-	-	-	-	-
10.	Tax expense	(226)	(274)	(370)	(500)	(1,060)	(1,724)
	a) Current Tax						
	b) Deferred Tax	35	17	-	52	(18)	(18)
11.	Net Profit/ (Loss) from ordinary activities after tax (9 - 10)	-	-	-	-	(9)	(8)
12.	Add : Share of Profit/(Loss) of Associate	(261)	(291)	(370)	(552)	(1,033)	(1,698)
13.	Net Profit/ (Loss) after tax, share of profit of associate (11+12)	18	6	11	24	9	35
		(243)	(285)	(359)	(528)	(1,024)	(1,663)

Sr.No	Particulars	3 months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
14.	Paid up equity share capital (face value Rs.10/-)	2,282	2,282	2,282	2,282	2,282	2,282
15.	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year						
16.	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised):	(1.07)	(1.25)	(1.58)	(2.31)	(4.49)	(691)
							(7.29)

Part II

Particulars	3 months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
A. PARTICULARS OF SHAREHOLDINGS						
1. Public shareholding						
- Number of shares	11385810	11385810	11385810	11385810	11385810	11385810
- Percentage of shareholding	49.90	49.90	49.90	49.90	49.90	49.90
2. Promoter and promoter group shareholding						
a) Pledged/Encumbered						
- Number of shares		-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)		-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)		-	-	-	-	-
b). Non-encumbered						
- Number of shares	11432590	11432590	11432590	11432590	11432590	11432590
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
- Percentage of shares (as % of the total share capital of the company)	50.10	50.10	50.10	50.10	50.10	50.10

Particulars	Pending at the beginning of the quarter	Received during the quarter	Disposed off during the quarter	Remaining unresolved at the end of the quarter
B. INVESTOR COMPLAINTS				
	NIL	1	1	NIL

Consolidated Segment wise Revenue, Results and Capital Employed for the quarter and six months ended 31st March 2014

Sr. No.	Particulars	Rs. In Lakhs					
		3 months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue (Net Sales / Income from operations)						
	(i) Automation & Control	967	918	375	1,885	1,676	3,416
	(ii) Network Systems	2,587	2,600	2,444	5,187	4,542	10,101
	Less : Excise Duty	57	29	2	86	17	60
	Total	3,497	3,489	2,817	6,986	6,201	13,457
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Net Sales / Income from Operations	3,497	3,489	2,817	6,986	6,201	13,457
2	Segment Results						
	(i) Automation & Control	(91)	(164)	(247)	(255)	(603)	(1,164)
	(ii) Network Systems	457	452	392	909	628	1,567
	Total	366	288	145	654	25	403
	Less:						
	(i) Interest expense	232	237	225	469	465	909
	(ii) Other un-allocable (income) / expenditure net of unallocable (income) / expenditure	360	325	290	685	620	1,218
	Profit/(Loss) Before Tax	(226)	(274)	(370)	(500)	(1,060)	(1,724)
3	Capital Employed (Segment Assets-Segment Liabilities)						
	(i) Automation & Control	3,934	3,931	3,563	3,934	3,563	4,099
	(ii) Network Systems	3,310	3,068	4,704	3,310	4,704	3,792
	Total Segment Capital Employed (Segment Assets - Segment Liabilities)	7,244	6,999	8,267	7,244	8,267	7,891

Notes :-

- 1 Due to the nature of project business, financial results for the quarter are not representative of the annual results.
- 2 Business Segments have been identified as reportable primary segments in accordance with Accounting Standard 17, taking into account the organisational structure as well as the difference of risks and return of these segments.
- 3 Figures for the previous year/periods are re-classified / re-arranged / re-grouped, wherever considered necessary.
- 4 The Board of Directors of the Company at its meeting held on April 03, 2014, inter alia, has approved the restructuring of the Company's Automation & Control segment, by restricting operations and reducing expenditure with a view to minimize losses. This will be subject to necessary approvals / consents / permissions. However, the Company will continue to focus on building its position in the Network Systems segment.

Standalone Financials details	Rs in lakhs					
	3 months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	6 Months ended 31.03.2014	6 Months ended 31.03.2013	Previous year ended 30.09.2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income From Operations (net)	2,702	2,762	2,260	5,454	5,114	10,972
Profit before tax	-296	(315)	(340)	(611)	(966)	(1,637)
Profit after tax	-296	(315)	(340)	(611)	(966)	(1,637)

- 5 The Company has incurred loss for the quarter and six months ended 31st March 2014 and the accumulated losses as at 31st March 2014 has substantially eroded the Company's net worth. Notwithstanding this, these unaudited financial results have been prepared on going concern basis in view of the financial support of the parent company and the business plan of the Company.
- 7 The unaudited standalone financial results for the quarter and six months ended 31st March 2014 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".
- 8 The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 5th May 2014
- 9 In compliance with clause 41 of the listing agreements with stock exchanges, a limited review of the results for the quarter and six months ended 31st March 2014 has been carried out by the Statutory Auditors.

Mumbai
5th May, 2014

For Nelco Limited


R.R. Bhinge
Chairman

Nelco Limited

Consolidated Statement of Assets & Liabilities as at 31st March , 2014

Particulars		As at 31st March 2014	As at 30th September 2013
		(Unaudited)	(Audited)
		Rs in Lakhs	Rs in Lakhs
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	2,282	2,282
	(b) Reserves and surplus	-1,219	-691
	Sub total - Shareholder's Funds	1,063	1,591
2	Non-current liabilities		
	(a) Long-term borrowings	394	334
	(b) Deferred tax liability (Net)	-	-
	(c) Other long-term liabilities	124	143
	(d) Long-term provisions	543	517
	Sub total - Non current liabilities	1,061	994
3	Current liabilities		
	(a) Short-term borrowings	7,773	7,628
	(b) Trade payables	3,607	4,337
	(c) Other current liabilities	1,293	1,367
	(d) Short-term provisions	405	471
	Sub total - current liabilities	13,078	13,803
	TOTAL EQUITY AND LIABILITIES	15,202	16,388
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	4,001	3,815
	(b) Goodwill on consolidation	*	*
	(c) Non-current investments	837	814
	(d) Long-term loans and advances	1,727	1,801
	Sub total - Non current assets	6,565	6,430
2	Current assets		
	(a) Inventories	1,777	1,963
	(b) Trade receivables	4,156	5,367
	(c) Cash and Bank balances	616	397
	(d) Short-term loans and advances	933	711
	(e) Other current assets	1,155	1,520
	Sub total - current assets	8,637	9,958
	TOTAL ASSETS	15,202	16,388

* denotes amount less than Rs. 50,000.

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF NELCO LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **NELCO LIMITED** ("the Company") and its subsidiary (together "the Group") and its share of the profit of its associates for the Quarter and Six Months ended 31st March, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of 'Tatanet Services Limited', subsidiary and of 'Nelito Systems Limited', an associate.
4. We did not review the interim financial results of a subsidiary included in the consolidated financial results, whose interim financial results reflect total assets of Rs. 2,850 lakhs as at 31st March, 2014, total revenues of Rs. 1,215 lakhs and Rs. 2,388 lakhs for the Quarter and Six Months ended 31st March, 2014, respectively, and total profit after tax of Rs. 50 lakhs and Rs. 73 lakhs for the Quarter and Six Months ended 31st March, 2014, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of Rs. 18 lakhs and Rs. 24 lakhs for the Quarter and Six Months ended 31st March, 2014, respectively, as considered in the consolidated financial results, in respect of an associate, whose interim financial statements have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and an associate, is based solely on the reports of the other auditors.



5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 6 to the Statement, which states that although, the Company has incurred loss for the Quarter and Six months ended 31st March 2014 and the accumulated losses as at 31st March 2014 has substantially eroded the Company's net worth, the Statement has been prepared on a going concern basis in view of financial support of the parent company. Our report is not qualified in respect of this matter.
7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Six Months ended 31st March, 2014 of the Statement, from the details furnished by the Registrars.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R.K. Banga

R. A. Banga
Partner
(Membership No. 37915)

MUMBAI, 5th May, 2014