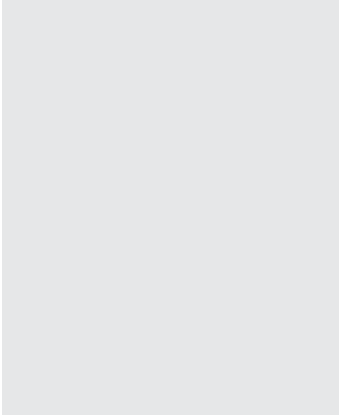


71st

ANNUAL REPORT

2012-2013





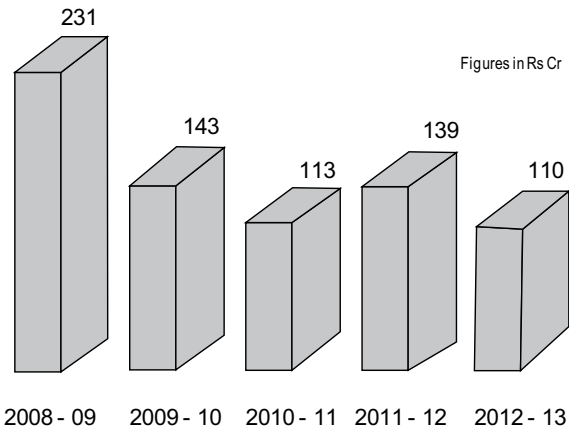
CORPORATE INFORMATION

(As on 21st November, 2013)

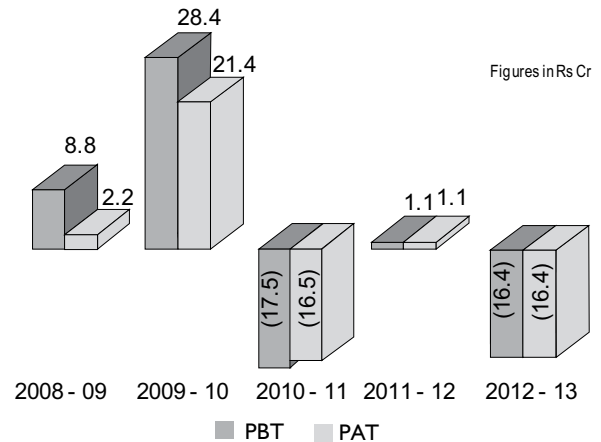
Chairman Emeritus	R. N. Tata
Board of Directors	<p>Mr. R. R. Bhinge, Chairman</p> <p>Mr. S. Ramakrishnan</p> <p>Mr. P. K. Ghose</p> <p>Mr. V. K. Deshpande</p> <p>Mr. Sanjay Dube</p> <p>Mr. R. Savoor</p> <p>Mr. K. Raghuraman</p> <p>Mr. K. Ramachandran</p> <p>Mr. P. J. Nath, Executive Director & CEO</p>
Company Secretary	Mr. Girish V. Kirkinde
Share Registrars	<p>TSR Darashaw Private Limited</p> <p>6-10, Haji Moosa Patrawala Industrial Estate,</p> <p>20, Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011.</p> <p>Tel : 022 66568484, Fax : 022 66568494</p> <p>Email: csg-unit@tsrdarashaw.com</p> <p>Website: www.tsrdarashaw.com</p>
Statutory Auditors	Deloitte Haskins & Sells LLP
Solicitors	Mulla & Mulla & Craigie Blunt & Caroe
Bankers	<p>Bank of India</p> <p>Union Bank of India</p> <p>Axis Bank Ltd.</p> <p>The Zoroastrian Co-Op. Bank Ltd.</p>
Registered Office	<p>EL-6, TTC Industrial Area,</p> <p>MIDC Electronic Zone, Mahape,</p> <p>Navi Mumbai – 400 710</p> <p>Email: services@nelco.in</p> <p>Investor relations : girish.kirkinde@nelco.in</p> <p>Website: www.nelco.in</p>
Corporate Identity No (CIN)	L3220MH1940PLC003164

5 Years Financial Highlights

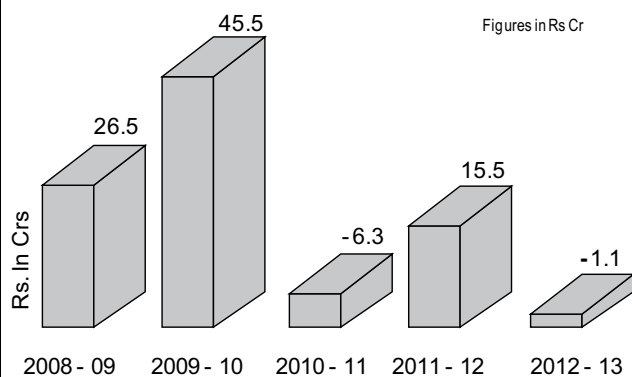
REVENUE



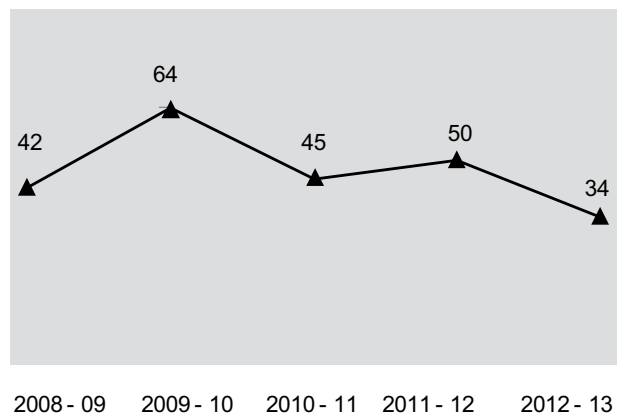
PBT & PAT



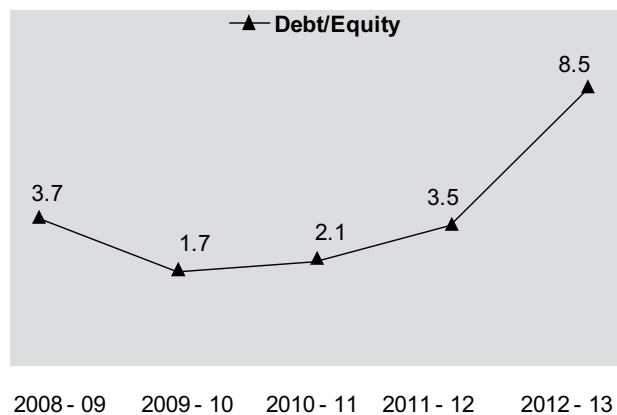
EBIDTA



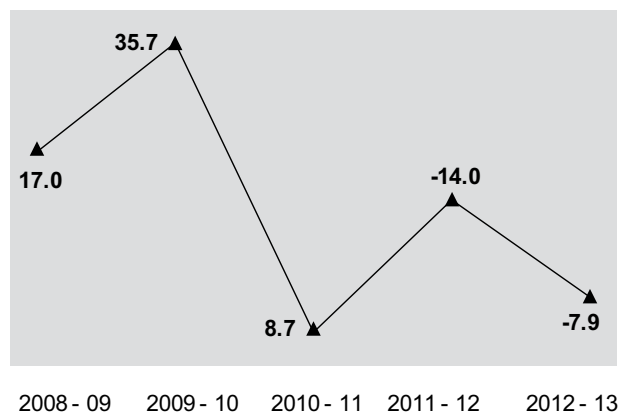
NWC as % of Revenue



Debt to Equity (Number of Times)



ROCE %



Note : For the purpose of comparison, the figures are calculated on annualized basis wherever necessary.



**SAVE TREES,
SAVE THE EARTH**

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'GREEN INITIATIVE'**

**Opt for receiving future Annual Reports
in electronic mode and make the
world a cleaner, greener and
healthier place to live in.**

Please register you consent for this
purpose on
csg-unit@tsrdarashaw.com

This Annual Report can be viewed
under the 'Investor Relations'
section on the Company's
website **www.nelco.in**

As a measure of economy, copies of the Annual
Report will not be distributed at the Annual
General Meeting. Shareholders are requested
to kindly bring their copies to the meeting.

CONTENTS

Notice and Explanatory Statement	4
Directors' Report	10
Annexure 'A' to Directors's Report	13
Management Discussion and Analysis.....	14
Report on Corporate Governance	17
Standalone Financial Statements	
Auditors' Report.....	27
Annexure to the Auditors' Report.....	28
Balance Sheet	30
Statement of Profit and Loss	31
Cash Flow Statement	32
Notes forming part of the Financial Statements.....	34
Statement pursuant to Section 212 of the Companies Act, 1956.....	55
Consolidated Financial Statements	
Auditors' Report.....	57
Consolidated Balance Sheet	58
Consolidated Statement of Profit and Loss	59
Consolidated Cash Flow Statement	60
Notes forming part of the Consolidated Financial Statements	62

Annual General Meeting

Date	: Wednesday, 22 nd January, 2014
Time	: 3.00 p.m.
Venue	: Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703

NOTICE

The SEVENTY FIRST ANNUAL GENERAL MEETING OF NELCO LIMITED will be held on Wednesday, the 22nd January 2014 at 3.00 p.m. at Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 to transact the following business:-

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 30th September, 2013 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. R. R. Bhinge who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. V. K. Deshpande who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. P. K. Ghose who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.
6. **Appointment of Mr. Sanjay Dube as Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Sanjay Dube, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 6th June 2013 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 and Article 125 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

7. **Appointment of Mr. R. Savoor as Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. R. Savoor, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 20th September 2013 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 and Article 125 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

8. **Appointment of Mr. K. Raghuraman as Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. K. Raghuraman, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 20th September 2013 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 and Article 125 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

9. **Appointment of Mr. K. Ramachandran as Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. K. Ramachandran, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st October 2013 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 and Article 125 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

Notes:

- (a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business as set out in Item Nos. 6 to 9 above and the relevant details of the Directors seeking appointment/ re-appointment under item nos. 2 to 4 and 6 to 9 above as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are annexed hereto.

- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (c) Corporate Members intending to nominate their authorized representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (d) In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will only be entitled to vote.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 8th January, 2014 to Friday, 10th January 2014 (both days inclusive).
- (f) Members are requested to notify immediately any change in their addresses and/or bank mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
- (g) Consequent upon the amendment of Section 205A of the Act and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend declared for the financial years upto 2005-06 which remained unclaimed /unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company has been transferred to the Investor Education and Protection Fund ("the Fund") set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 2008-09, 2009-10 and 2011-12 are requested to make their claims to the Company accordingly without any delay.

- (h) Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- (i) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.
- (j) It is recommended that the Members should convert their physical holdings into demat holdings. Holding shares in demat form helps Members to get immediate transfer of shares. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided. The Members should consolidate their shareholding held in multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.
- (k) Members desirous of receiving Notice/Annual Report in electronic form may please register their consent on csg-unit@tsrдарashaw.com

By Order of the Board of Directors

21st November 2013.

Girish V. Kirkinde
Company Secretary

Registered office:
MIDC Plot EL 6, TTC Industrial Area,
Electronics Zone, Mahape,
Navi Mumbai – 400 710.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 6 to 9 of the accompanying Notice dated 21st November 2013.

Item No. 6

Appointment of Mr. Sanjay Dube as Director

The Board of Directors appointed Mr. Sanjay Dube as an Additional Director of the Company with effect from 6th June 2013, in terms of Section 161(1) of the Act, and Article 125 of the Company's Articles of Association. Pursuant to Section 161(1) of the Act, Mr. Sanjay Dube holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose Mr. Dube's appointment as a Director.

Mr. Dube, aged 51 years, is MBA from Georgetown University, Washington, DC, CA. Presently he is in The Tata Power Company Limited, managing treasury and investor relations as Chief – Corporate Finance & Treasury. He has total 24 years of experience in the field of financial services and Investor relations.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Mr. Sanjay Dube and therefore recommend for approval, the resolution contained in item no. 6 of the Notice convening the Annual General Meeting. Except Mr. Sanjay Dube and his relatives, no other Key Managerial Personnel of the Company ("KMP"), as defined in Section 2(51) of the Act, or their relatives are concerned or interested in the Resolution set out at item no. 6 of the accompanying Notice.

Item No. 7

Appointment of Mr. R. Savor as Director

The Board of Directors appointed Mr. R. Savor as an Additional Director of the Company with effect from 20th September 2013, in terms of Section 161(1) of the Act, and Article 125 of the Company's Articles of Association. Pursuant to Section 161(1) of the Act, Mr. R. Savor holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose Mr. Savor's appointment as a Director.

Mr. Savor aged 69 years, holds B.Sc. degree from Ruia College Mumbai with Chemistry as the principal subject. He completed 3 years course in Chemical Technology from the University Department of Chemical Technology (UDCT) at Mumbai. He has also completed a four week Senior Executive Programme at the London Business School. He spent 34 years with Castrol India Ltd., 12 of these, as Chief Executive and Managing Director. Under his leadership Castrol India grew to become the number 2 lubricant company in India and the second largest Castrol Company worldwide. Mr. Savor has gone through the gamut of all corporate functions like, Sales, Marketing, R & D, Production, Projects, Supply Chain & HR, either as in charge of the function or as CEO.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Mr. R. Savor and therefore recommend for approval, the resolution contained in item no. 7 of the Notice convening the Annual General Meeting. Except Mr. R. Savor and his relatives, no other KMP or their relatives are concerned or interested in the Resolution set out at item no. 7 of the accompanying Notice.

Item No.8

Appointment of Mr. K. Raghuraman as Director

The Board of Directors appointed Mr. K. Raghuraman as an Additional Director of the Company with effect from 20th September 2013, in terms of Section 161(1) of the Act, and Article 125 of the Company's Articles of Association. Pursuant to Section 161(1) of the Act, Mr. K. Raghuraman holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose Mr. Raghuraman's appointment as a Director.

Mr. Raghuraman, aged 65 years, is B.Com from Loyola College, Chennai and Chartered Accountant from Institute of Chartered Accountants of India. He has over 40 years of experience in Banking, Finance, Treasury, Projects Appraisals, Policy Initiatives, etc. He retired in September 2008 from the services of Punjab National Bank as its Executive Director. He has participated in various international conferences/ seminars abroad in the area of Banking. He has served for many years in various capacities at different positions inclusive of Information Technology-Risk Management Initiative for BASEL-II, Treasury and Forex Operations and General Administration. He is also an advisor to BSE Ltd.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Mr. K. Raghuraman and therefore recommend for approval, the resolution contained in item no. 8 of the Notice convening the Annual General Meeting. Except Mr. K. Raghuraman and his relatives, no other KMP or their relatives are concerned or interested in the Resolution set out at item no. 8 of the accompanying Notice.

Item No.9

Appointment of Mr. K. Ramachandran as Director

The Board of Directors appointed Mr. K. Ramachandran as an Additional Director of the Company with effect from 1st October 2013, in terms of Section 161(1) of the Act, and Article 125 of the Company's Articles of Association. Pursuant to Section 161(1) of the Act, Mr. K. Ramachandran's holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose Mr. Ramachandran's appointment as a Director.

Mr. K. Ramachandran aged 64 years is an Engineer from BITS Pilani, with a Post-graduate degree in Business Management from the Indian Institute of Management, Calcutta. Mr. Ramachandran started his career with the Tata Administrative Service (TAS). His career has been mainly with two Companies viz. Philips Electronics and Voltas Ltd., a Tata Group Company. His 17 years with Voltas Ltd. were in technology intensive businesses in the power electrical industry. At Philips India, he was Sr. Vice President, Human Resources and Executive Director, before being appointed the first Indian Vice Chairman & Managing Director for Philips Electronics' Indian operations. He was given additional responsibility for the Indian Subcontinent in 2006. As CEO for the Indian Subcontinent, and a member of the Global Philips Apex Leadership Group, he played a major role in renewing the Group's focus on Emerging Markets and in laying the foundation for building sustainable new business models relevant for emerging markets. He has experience in a wide range of assignments in manufacturing, marketing, sales, project management, human resource functions and also in full P&L responsibility for businesses. He is currently engaged with the Aditya Birla Group as Advisor to the Chairman for the Group's Higher Education Projects .

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Mr. K. Ramachandran and therefore recommend for approval, the resolution contained in item no. 9 of the Notice convening the Annual General Meeting. Except Mr. K. Ramachandran and his relatives, no other KMP or their relatives are concerned or interested in the Resolution set out at item no. 9 of the accompanying Notice.

By Order of the Board of Directors

21st November 2013.

Girish V. Kirkinde
Company Secretary

Registered office:

MIDC Plot EL 6, TTC Industrial Area,
Electronics Zone, Mahape,
Navi Mumbai – 400 710.

Details of Directors seeking re-appointment/appointment at the Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. R.R. Bhinge	Mr. V. K. Deshpande	Mr. P. K. Ghose	Mr. Sanjay Dube	Mr. R. Savoor	Mr. K.Raghuraman	Mr.K. Ramachandran
Date of Birth	29th May 1952	21st July 1957	3rd September 1950	26 th April 1962	24 th April 1944	26 th September 1948	22 nd June 1949
Date of Appointment	29th August 2003	30th July 2004	28th July 2005	6 th June 2013	20 th September 2013	20 th September 2013	1 st October 2013
Expertise in Specific Functional Area	He has over 29 years of professional experience. He was with Nelco for 14 years and during that tenure he had multi-functional operating experience in finance, marketing, operations and profit centre management. He was an author of the 1990 Strategic Plan for Tata Industries Ltd. and was responsible for its implementation. He participated in various Joint Venture planning and negotiations. He involved in all consultancy assignments undertaken in various industries by Tata Strategic Management Group (TSMG) since 1991. At present, he is Chief Executive of TSMG.	He has over 33 years experience in various fields including execution of turnkey projects, plant operations, total plant solutions etc. He was associated with Tata Honeywell Ltd. for over 15 years in various leadership roles. At present he is a Managing Director of Tata Projects Ltd.	He has experience in the field of Corporate Finance and Accounts. Presently he is Executive Director and CFO of Tata Chemicals Ltd.	He has total 24 years of experience in the field of Financial services and Investor relations.	With over 30 years of experience in under which he went through the gamut of all functions like sales, marketing, R&D, Production etc. He was also on the Governing Board of IIM, Bangalore.	He has over 40 years of experience in Banking, Finance, Treasury, Projects Appraisals and Policy Initiatives.	Has over 30 years experience in manufacturing, marketing, sales, project management and human resource functions
Qualifications	B.Tech. Hons.(Electrical) from IIT, Mumbai. Post Graduation in Business Administration from IIM, Ahmedabad.	Chemical Engineer, IIT, Kharagpur	Honours Graduate in Commerce and a member of the Institute of Cost and Works Accountants of India. The Institute of Company Secretaries of India and is an alumnus of the Advanced International General Management Programme of CEDEP, (INSEAD) France	MBA from Georgetown University, Washington, DC, CA	B.Sc. with Chemistry as the Principal subject, course in Chemical Technology from UDCT at Mumbai in oils	Bachelor of Commerce (B.Com) from Loyola College, Chennai, Chartered Accountant from Institute of Chartered Accountants of India	An Engineer from BITS Pilani, Post-graduate degree in Business Management from IIM, Calcutta