

Ref: GS/4426  
The Board of Directors  
Nelco Limited,  
Plot EL-6, Electronic Zone,  
TTC Industrial Area,  
MIDC, Mahape,  
Navi Mumbai – 400 710

**Independent Auditor's Revised Certificate certifying the accounting treatment contained in the Composite Scheme of Arrangement and Amalgamation (under sections 230-232 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013 and rules thereunder) amongst Nelco Limited ("the Company"), Tatanet Services Limited ("TNSL"), Nelco Network Products Limited ("NNPL") and Their Respective Shareholders and Creditors**

We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, issued a certificate Ref: GS/4076 dated September 1, 2017 for its submission by the Company to the National Company Law Tribunal, BSE Limited and National Stock Exchange of India Limited.

Subsequently, we have been informed by the Company that the National Stock Exchange of India Limited has requested the Company to furnish a revised certificate as per format specified by SEBI circular dated March 10, 2017. Accordingly, the Company has requested us to issue a fresh certificate in order to submit it to the National Company Law Tribunal, BSE Limited and National Stock Exchange of India Limited. This certificate supersedes the earlier certificate Ref No. GS/4076 dated September 1, 2017.

1. This certificate is issued in accordance with the terms of our engagement letter reference no.: GS/1460A dated September 27, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, have examined the proposed accounting treatment specified in:
  - a. Clause 11 with regard to transfer of "Transferred Undertaking 1" [Business of providing solutions in the areas of Automation Control of Integrated Security & Surveillance solutions (ISSS) through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers] of the Company to NNPL;
  - b. Clause 16 with regard to transfer of "Transferred Undertaking 2" [Business of providing VSAT hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to all customers other than to TNSL] of the Company to NNPL; and
  - c. Clause 32 with regard to amalgamation of TNSL with the Company;

as specified in the Composite scheme of Arrangement and Amalgamation (under sections 230-232 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013 and rules thereunder) (hereinafter referred to as "the Scheme") amongst the Company, TNSL, NNPL and their respective shareholders and creditors with reference to its compliance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles.

## **Management's responsibility**

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

## **Auditor's responsibility**

4. Our responsibility is only to examine and report whether the accounting treatment referred to in Clauses 11, 16 and 32 of the Scheme referred to above comply with the applicable Accounting Standards, and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

## **Opinion**

7. Based on our examination and according to the information and explanations given to us by the Management of the Company, we are of the opinion that the accounting treatment contained in Clauses 11, 16 and 32 of the Scheme, is in compliance with



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SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, the provisions of Sections 230 to 232 of the Companies Act, 2013 and the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles.

8. For ease of references, Clauses 11, 16 and 32 of the Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purpose of identification.

## Restriction on use

9. This certificate is issued at the request of the Company pursuant to the requirements under proviso to Section 232 (3) (j) of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, for onward submission by the Company to the National Company Law Tribunal, BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration no. 117366W / W-100018)



**Gurvinder Singh**

Partner

(Membership no. 110128)

Place: Mumbai

Date: 28<sup>th</sup> September, 2017

## Annexure 1

**Relevant extract of the Composite Scheme of Arrangement and Amalgamation (under sections 230-232 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013 and rules thereunder) amongst Nelco Limited ("the Company"), Tatanet Services Limited ("TNSL"), Nelco Network Products Limited ("NNPL") and Their Respective Shareholders and Creditors**

### **11. Accounting Treatment in the books of the Transferor Company and Transferee Company**

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall give effect to the accounting treatment in their respective books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.

### **16. Accounting Treatment in the books of the Transferor Company and Transferee Company**

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall give effect to the accounting treatment in their respective books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.

### **32. Accounting Treatment in the books of the Amalgamated Company**

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in its books of account in accordance with "Indian Accounting Standard (Ind-AS) - 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.



For **Nelco Limited**

**P. J. Nath**  
Managing Director & CEO

Place: Mumbai

Date: 28<sup>th</sup> September, 2017

**Girish V. Kirkinde**  
Company Secretary & Head - Legal

