

Ref: GS/4076
The Board of Directors
Nelco Limited,
Plot EL-6, Electronic Zone,
TTC Industrial Area,
MIDC, Mahape,
Navi Mumbai – 400 710

Independent Auditor's 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

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 **Nelco Limited** ("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 the provisions of Sections 230 to 232 of the Companies Act, 2013 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.
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.



Deloitte Haskins & Sells LLP

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, for onward submission by the Company to the National Company Law Tribunal. 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: September 1, 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.

Place: Mumbai

Date: *September 1, 2017*



Price Waterhouse Chartered Accountants LLP

Auditors' Certificate

The Board of Directors
Nelco Network Products Limited
EL-6, TTC Industrial Area
MIDC Electronic Zone, Mahape
Navi Mumbai – 400 710

- 1) This certificate is issued in accordance with the terms of our agreement dated September 1, 2017.
- 2) We, the statutory auditors of Nelco Network Products Limited (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clauses 11 and 16 of the Draft Scheme of Arrangement between Nelco Limited and Nelco Network Products Limited, as approved by the Board of Directors in their meeting held on September 01, 2017, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 (the "2013 Act") ('the Draft Scheme') with reference to its compliance with the applicable Accounting Standards prescribed under Section 133 of the 2013 Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (the 'applicable Accounting Standards') and other generally accepted accounting principles.

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme and its compliance with the 2013 Act, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies.

Auditors' Responsibility

- 4) Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and other generally accepted accounting principles.
- 5) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 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.

Conclusion

- 7) Based on our examination and according to the information and explanations given to us, pursuant to the requirements of proviso to sub-section (7) of Section 230 of the 2013 Act, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with all the applicable Accounting Standards specified under Section 133 of the 2013 Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles.

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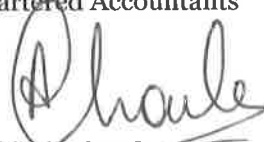
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Price Waterhouse Chartered Accountants LLP

Restriction on Use

- 8) 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.
- 9) This Certificate is issued at the request of Company pursuant to the requirements of the 2013 Act for onward submission to the National Company Law Tribunal. This Certificate should not be used for any other purpose without our prior written consent.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Akhlesh Chowla
Partner

Membership Number: 097384

Place: Mumbai
Date: September 1, 2017