

Ref: NSE/LIST/13345

November 16, 2017

The Company Secretary
NELCO Limited
MIDC, Plot No.EL 6, TTC Industrial Area,
Electronics Zone, Mahape,
Navi Mumbai - 400710

Kind Attn.: Mr. Girish V Kirkende

Dear Sir,

Sub: Observation letter for draft Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited and Tatanet Services Limited and Nelco Network Products Limited and their respective Shareholders and Creditors.

This has reference to draft Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited (“Nelco” or “Amalgamated Company” or “Transferor Company”) and Tatanet Services Limited (“TNSL” or “Amalgamating Company”) and Nelco Network Products Limited (“NNPL” or “Transferee Company”) and their respective Shareholders and Creditors submitted to NSE vide application dated September 19, 2017.

Based on our letter reference no Ref: NSE/LIST/23706 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI has vide letter dated November 16, 2017, has given the following comments on the draft Scheme of Amalgamation:

- a. *Company to ensure that applicable information pertaining to unlisted entity Nelco Networks Products Limited is included in the abridged prospectus as per the format specified in the circular.*
- b. *Company shall ensure that additional information, if any, submitted by the company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the website of the company.*
- c. *The company shall duly comply with various provisions of the circular.*
- d. *Company is advised that the observations of SEBI / Stock Exchanges shall be incorporated in the petition filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of the Companies Act, 2013 to SEBI again for its comments/observations/representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (Listing Obligations and Disclosure



Requirements)(LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement / Regulations, Guidelines issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from November 16, 2017, within which the Scheme shall be submitted to the NCLT. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the NCLT, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the NCLT;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For National Stock Exchange of India Ltd.

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm