

NELCO NETWORK PRODUCTS LIMITED

CIN :U32309MH2016PLC285693

1ST ANNUAL REPORT

2016-17

NELCO NETWORK PRODUCTS LIMITED

1ST ANNUAL REPORT 2016-17

CORPORATE INFORMATION (As on 20th July 2017)

Board of Directors : Mr.R.R.Bhinge
Mr. P.J. Nath
Mr. Uday Banerjee

Bankers : Axis Bank Limited, Mumbai

Auditors : M.H.Dalal & Associates, Mumbai

Registered Office: MIDC, EL-6 TTC Industrial Area,
Electronics Zone, Mahape,
Navi Mumbai – 400 710

DIRECTORS' REPORT

To The Members,

The Directors are pleased to present the 1st Annual Report on the business and operations of your Company and the Statements of Account for the period ended 31st March, 2017.

1. FINANCIAL RESULTS

		Amount in Rs.
		FY 2016-17
(a)	Net Sales / Income from Other Operations	-
(b)	Operating Expenditure	98,431
(c)	Operating Loss	(98,431)
(d)	Profit before Depreciation and Tax	-
(e)	Less: Depreciation	-
(f)	Loss before Tax	(98,431)
(g)	Tax Expenses	-
(h)	Net Loss after Tax	(98,431)

2. DIVIDEND

Due to loss incurred, the Board of Directors has not recommended dividend for the period ended 31st March 2017.

3. STATE OF COMPANY'S AFFAIRS

Financial, Business Environment, Operations, and Projects under Execution, Future Growth Areas: The Company has not started its commercial business operations during the period under review.

4. RESERVES

The Board of Directors has not proposed any amount for transfer to its reserves for the period under review.

5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

The Company has no subsidiaries, Joint Venture or Associates.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Uday Banerjee retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

During the period under review, two meetings of the Board of Directors were held on 5th October 2016 and 31st January 2017.

During the period under review, no remuneration was paid to the Directors.

7. REGULATORY AND LEGAL

The Company does not have any pending litigation which would impact its financial position.

8. RISK MANAGEMENT FRAMEWORK

There are no elements of risk, which in the opinion of the Board may threaten the existence of the Company.

INTERNAL CONTROLS & SYSTEMS:

The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively.

9. SUSTAINABILITY**9.1. SAFETY – CARE FOR OUR PEOPLE**

The Company has not started its commercial business operations during the period under review. The operations of the Company will not be of a hazardous nature. However, the Company emphasizes on maintaining a healthy and safe environment in and around its facilities as well as contract sites where projects will be under execution.

9.2. CARE FOR OUR ENVIRONMENT

Though the operations of the Company are not of hazardous nature, the Company takes all necessary precautions to maintain healthy and safe environment in and around its facilities.

10. HUMAN RESOURCES

The Company maintained cordial industrial relations during the period under review.

11. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no exports.

The foreign exchange earned during the period under review was Nil.
Total outgo of foreign currency was Nil.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The details are given in the Annexure-1 attached to this report.

13. RELATED PARTY TRANSACTIONS

There were no related party transactions entered into during the year under review.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review the Company has not advanced any loans, given any guarantees or made any investments, the particulars of which are required to be given under Section 186.

15. AUDITORS

M/s M. H Dalal & Associates, Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting but have expressed their unwillingness to carry out audit of the company for the financial year 2017-18.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory Auditors, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

(a) In the preparation of the annual accounts for the period ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period ended 31st March, 2017 and of the profit of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis; and

(e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. ACKNOWLEDGEMENTS

The Directors are thankful to the Government Authorities and Bankers.

On behalf of the Board of Directors,

Sd/-

R. R. Bhinge
Chairman

Date: 20th July 2017

Place: Mahape

Annexure 1 – Conservation of Energy and Technology Absorption

(Ref.: Board's Report, Section 13)

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

Although energy is not a major element of the cost for the Company, constant endeavors will be made to conserve energy and consequently minimize power and diesel costs.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Power requirement of Company is too low to utilize alternate sources of energy.

B. THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT: NIL

TECHNOLOGY ABSORPTION

Efforts made towards Technology Absorption: The major thrust of technology absorption will be in the areas of increasing and improving the VSAT services.

Technology absorption, adaptation and innovation:

Constant endeavors will be made towards technology absorption, adaptation and innovation. The focus will be on improving the quality of the services as well as creating new services and solutions adapted to suit the customers' requirements for specific industry segments.

(i) Benefits derived: NA.

(ii) Expenditure incurred on Research and Development : Nil

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. Technology imported: The Company has not imported any technology in the last 3 years

b. Year of Import: NA

c. Has technology been fully absorbed: NA

d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action: NA

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON
31ST MARCH 2017

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE
COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U32309MH2016PLC285693
ii.	Registration Date	8 th September 2016
iii.	Name of the Company	Nelco Network Products Limited
iv.	Category / Sub-Category of the Company	Company Limited by share/ Indian Non Government - Company
v.	Address of the Registered office and contact details	MIDC, Plot No. EL-6, TTC Industrial Area, Electronic Zone, Mahape , Navi Mumbai - 400710
vi.	Whether listed Company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
Nil			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section(s)
1.	Nelco Limited MIDC, Plot No. EL-6, TTC Industrial Area, Electronic Zone, Mahape , Navi Mumbai – 400710	L32200MH1940PLC003164	Holding Company	100.00%	2(46) 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	60	60	0.12	-	60	60	0.12	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	49940	49940	99.88	-	49940	49940	99.88	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	50000	50000	100.00	-	50000	50000	100.00	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii)Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-

c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50000	50000	100.00	-	50000	50000	100.00	-

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Nelco Limited	49940	99.88	-	49940	99.88	-	-
2.	Mr. R.R.Bhinge (Jointly With Nelco Ltd.as its nominee)	10	0.02	-	10	0.02	-	-
3.	Mr. Kaushik Mandal (Jointly With Nelco Ltd. as its nominee)	10	0.02	-	10	0.02	-	-
4.	Mr. Uday Banerjee (Jointly With Nelco Ltd. as its nominee)	10	0.02	-	10	0.02	-	-
5.	Mr. Girish V.Kirkinde (Jointly With Nelco Ltd. as its nominee)	10	0.02	-	10	0.02	-	-
6.	Mr. Malav Shah (Jointly With Nelco Ltd. as its nominee)	10	0.02	-	10	0.02	-	-
7.	Mr. Arun Bahuguna (Jointly With Nelco Ltd. as its nominee)	10	0.02	-	10	0.02	-	-
	Total	50000	100	-	5000	100	-	-

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year*	50000	100.00	50000	100.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease	NA	NA	NA	NA
	At the End of the year	50000	100.00	50000	100.00

V.INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	-	-	-	-	-
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount (Rs)
	<u>Independent Directors</u> - Fee for attending board meetings (Sitting Fees) - Commission - Others, please specify	- - -	- - -
	Total (1)		-
	<u>Other Non-Executive Non Independent Directors</u> - Fee for attending board meetings - Commission - Others, please specify	- - -	- - -
	Total (2)		-
	Total (B)=(1+2)		-
	Total Managerial Remuneration		-
	Overall Ceiling as per the Act		N.A.

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	None				
Punishment					
Compounding					
B. Directors					
Penalty	None				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	None				
Punishment					
Compounding					



INDEPENDENT AUDITOR'S REPORT
To The Members of NELCO NETWORK PRODUCTS LIMITED
Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of NELCO NETWORK PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment,



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CHARTERED ACCOUNTANTS

including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive income and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigation which would impact its financial position of the company.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of

M.H Dalal & Associates

Chartered Accountants

Firm's registration number: 112449W



Devang M Dalal

Partner

Membership number: 109049



Place: Mahape

Date:

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- I. Since the company has no fixed assets, hence Provision of clause 3 (ia),(ib), (ic) are not applicable to Company.
- II. The company has no inventory. Accordingly, the provisions of clause 3 (iia) & (iib) of the Order is not applicable to the Company and hence not commented upon.
- III. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iiia) to (iiic) of the Order are not applicable to the Company and hence not commented upon.
- IV. The company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Consequently, requirement of clause 3(iv) of the order are not applicable.
- V. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- VI. The company is not engaged in production, processing, manufacturing or mining activities therefore, the provisions of maintenance of cost records specified by the central Government under sub section (1) of section 148 of the companies Act, 2013 mentioned in clause 3 (vi) of the order are not applicable.
- VII. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

b) According to the records made available to us and the information and explanation given by management, there are no dues of income tax, duty of customs, duty of excise,value added tax or any other statutory dues outstanding on account of any disputes as at 31st March,2017.
- VIII. In our opinion and according to the information and explanations given to us, the Company has not availed any loan during the year, hence not commented upon.
- IX. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.



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- X. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- XI. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not been paid or provided. Hence, we have not commented upon the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- XII. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- XIII. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into transaction with related party. Hence, we have not commented upon the provision of section 177 and 188 of the companies Act, 2013.
- XIV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- XV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- XVI. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

M.H Dalal & Associates

Chartered Accountants

Firm's registration number: 112449W

Devang M. Dalal

Partner

Membership number: 109049

Place: Mahape

Date:



“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of NELCO NETWORK PRODUCTS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of NELCO NETWORK PRODUCTS LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on The Internal Control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on The Internal Control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

M.H Dalal & Associates

Chartered Accountants

Firm's registration number: 112449W



Devang M Dalal

Partner

Membership number: 109049

Place: Mahape

Date:



Balance Sheet as at 31st March, 2017

(Amount in Rs.)

Particulars	Note no.	As at 31st March, 2107	As at 31st March , 2016
ASSETS			
Current assets			
Financial Assets			
i) Cash and cash equivalents	1	4,99,920	-
		4,99,920	-
Total		4,99,920	-
B EQUITY AND LIABILITIES			
Shareholders funds			
(a) Equity Share Capital	2	5,00,000	-
(b) Other Equity	3	(98,431)	-
		4,01,570	-
2 Current Liabilities			
Financial Liabilities			
(a) Trade payables	4	98,350	-
		98,350	-
Total		4,99,920	-

For M.H. Dalal & Associates
Chartered Accountants
Firm Registration No :- 112449W

Devang Dalal
Partner

Membership No :- 109049

Date :- 9th May, 2017

Place :- Mumbai



Pradip Nath
Director

R.R.Bhinge
Director

Date :- 9th May, 2017

Place :- Mumbai

Statement of Profit and Loss for the period ended 31st March, 2017

Particulars	Note No	Amount in Rs.	
		For the period 31st March, 2017	For the twelve months ended 31st March, 2016
1 Revenue from operations		-	-
Total revenue		-	-
2 Expenses			
a) Professional Charges		98,350	-
b) Bank Charges		81	-
Total Expenses		98,431	-
3 (Loss)/Profit before tax		(98,431)	-
4 Less : Tax expense		-	-
5 (Loss)/Profit after tax		(98,431)	-

For M.H. Dalal & Associates
Chartered Accountants
Firm Registration No :- 112449W

Pradip Nath
Director

Devang Dalal
Partner
Membership No :- 109049
Date :- 9th May, 2017
Place :- Mumbai



R.R.Bhinge
Director

Date :- 9th May, 2017
Place :- Mumbai

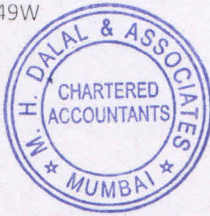
STANDALONE STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 31st March, 2017

(Amount in Rs)

Particulars		For the period ended 31st March, 2017	For the 12 months period ended 31st March, 2016
I CASH FLOWS FROM OPERATING ACTIVITIES			
Net (Loss) for the year		(98,430.50)	-
Operating (Loss) before working capital changes Net change in:		(98,430.50)	-
Other assets and inventories Trade and other payables	98,350.00		
Cash generated from operations		98,350.00	-
Taxes paid			
Net cash (provided) by operating activities		(80.50)	-
II CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash from investing activities		0.00	-
III CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Shares		5,00,000.00	-
Total		5,00,000.00	-
Net cash used in financing activities Net increase in cash and cash equivalents		4,99,919.50	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		4,99,919.50	-

For M.H. Dalal & Associates
Chartered Accountants
Firm Registration No :- 112449W

Devang Dalal
Partner
Membership No :- 109049
Date :- 9th May, 2017
Place :- Mumbai



Pradip Nath
Director

R.R.Bhinge
Director

Date :- 9th May, 2017
Place :- Mumbai