nelco

12th April 2018

BSE Limited
Corporate Relationship Dept
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Fort,
Mumbai – 400 001

BSE Code : 504112

National Stock Exchange of India Limited
5th floor, Exchange Plaza, Plot No.C-1
Block "G" Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

NSE Code : Nelco EQ

Dear Sir,

Sub: Notice of Meeting of the Equity Shareholders of Nelco Limited convened pursuant to the direction of Hon'ble National Company Law Tribunal, Mumbai Bench

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, enclosed herewith is the Notice dated 28th March 2018 for convening the Meeting of the Equity Shareholders of Nelco Limited on 18th May 2018 as directed by the Hon'ble National Company Law Tribunal, Mumbai Bench for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited (Transferor Company/Amalgamated Company), Tatanet Services Limited (Amalgamating Company) and Nelco Network Products Limited (Transferee Company) and their respective Shareholders and Creditors.

This is for the information of the exchange and the members.

Yours faithfully
For NELCO Limited

NELCO LIMITED NAVI MUMBAI

Girish V.Kirkinde
Company Secretary & Head - Legal

Nelco Limited, EL-6, Electronics Zone, MIDC, Mahape,
Navi Mumbai - 400 710, India. Tel: +91 22 6791 8728, 6739 9100
Fax: +91 22 6791 8787 Web: www.nelco.in
CIN No. L32200MH1940PLC003164

recycled paper

NELCO LIMITED

CIN No. L32200MH1940PLC003164
Regd. Office: EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710
Tel: 91 22 67399100 **Fax:** 91 22 67918787,
Email: services@nelco.in **Website:** www.nelco.in

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS CONVENED AS PER DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL

Day	:	Friday
Date	:	18th May, 2018
Time	:	11.00 am
Venue	:	Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703

POSTAL BALLOT AND REMOTE E-VOTING

Commencing on	Wednesday, 18th April 2018 at 9.00 am IST
Ending on	Thursday, 17th May 2018 at 5.00 pm IST

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IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. 1109 OF 2017

In the matter of Companies Act, 2013;

And

In the matter of the sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited (Nelco / Transferor Company / Amalgamated Company); Tatanet Services Limited (TNSL / Amalgamating Company) and Nelco Network Products Limited (NNPL / Transferee Company) and their respective shareholders and creditors.

Nelco Limited, a company incorporated under the Companies Act, 1913, and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710.) ... Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY AND POSTAL BALLOT AND REMOTE E-VOTING

To,
The Equity Shareholders of Nelco Limited ("the Applicant Company" or "Nelco")

Notice is hereby given that by orders dated 2nd February, 2018 and 28th March 2018, in the above mentioned Company Scheme Application ("Order"), the National Company Law Tribunal, Mumbai Bench has directed that meeting of the equity shareholders of the Applicant Company shall be convened for the purpose of considering and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited, Tatanet Services Limited and Nelco Network Products Limited and their respective shareholders and creditors ("Scheme") under sections 230 to 232 read with sections 13, 14 and 61 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

In pursuance of the Order and as directed therein, a meeting of the equity shareholders of the Applicant Company will be held on Friday, 18th May, 2018 at Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703 at 11.00 am, at which place, day, date and time you are requested to attend to consider and, if thought fit, approve with or without modification(s), the following resolution under sections 230 to 232 read with sections 13, 14 and 61 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 with requisite majority:

*"RESOLVED THAT pursuant to the provisions of sections 230 to 232 read with sections 13, 14 and 61 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the Rules, Circulars and notifications made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, and the observation letters issued by BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") both dated 16th November, 2017 , and subject to the approval of the National Company Law Tribunal, Mumbai Bench ("**NCLT**"), and such other approvals, sanctions, consents and confirmations from other regulatory authority(ies) as may be applicable ("**Appropriate Authorities**") and subject to such conditions and modifications as may be prescribed or imposed by NCLT or Appropriate Authorities while granting such approvals, sanctions, consents, and confirmations, and which may be approved by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include any of its committee(s) or any person(s) which the Board may nominate or constitute to exercise its power, including the powers conferred under this resolution), the*

*shareholders hereby approve: (i) the transfer by way of Slump Sale of (a) the business of providing solutions in the areas of Automation Control of Integrated Security and Surveillance Solutions ("**ISSS**") through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers ("**Transferred Undertaking 1**") and (b) the business of providing Very Small Aperture Terminals ("**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 Tatanet Services Ltd ("**TNSL**" or "**Amalgamating Company**") ("**Transferred Undertaking 2**") of the Company ("**Nelco**" or "**Transferor Company**" or "**Amalgamated Company**") to Nelco Network Products Ltd. ("**NNPL**" or "**Transferee Company**") on a going concern basis; and (ii) the Amalgamation of TNSL with the Company; and the consequential alteration of the main objects clause of the Memorandum of Association of the Company and authorised share capital clause in the Memorandum and Articles of Association of the Company; with effect from the Appointed Date viz., 1st April, 2017, in accordance with the draft Composite Scheme of Arrangement and Amalgamation amongst Nelco, TNSL and NNPL and their respective shareholders and creditors ("**Scheme**") and (iii) the Scheme; as placed before the meeting and initialled by the Chairman of the meeting for the purposes of identification.*

***RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and for removal of any difficulties and doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper; and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and/ or making such adjustments in the books of accounts as considered necessary to give effect to this resolution, including settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith and if necessary, to waive any of those, and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/ directions as may be required and / or imposed and/ or permitted by NCLT while sanctioning the Scheme, or by any Appropriate Authorities."*

Persons entitled to attend and vote at the said meeting, may vote in person or by proxy or through authorized representative, provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is filed with the Applicant Company at its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710 not less than 48 (forty eight) hours before the scheduled time for commencement of the aforesaid meeting.

In compliance with the provisions of (i) section 230(4) read with sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**"); (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("SEBI Circular") issued by Securities and Exchange Board of India ("SEBI"), the Applicant Company has provided the facility of voting by postal ballot and remote e-voting so as to enable the shareholders to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of voting by electronic voting system (through tablet/computer based) at the venue of the meeting of the shareholders. Accordingly, you may cast your vote either through postal ballot or through remote e-voting or through electronic voting system (tablet/computer based) at the venue of the meeting.

The Scheme, if approved by the meeting, will be subject to the subsequent approval of NCLT. NCLT, vide the Order, has appointed Mr. R.R.Bhinge, failing him Mr. S.Ramakrishnan and failing him Mr. P.J.Nath, Directors of the Applicant Company to be the Chairman of the said meeting or of any adjournment (s) thereof.

A copy of the Scheme, the Explanatory Statement under section 230 and section 102 of the Act, read with rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules 2016, and other enclosures as indicated in the index are enclosed. Form of proxy and Attendance slip may be obtained free of charge during business hours i.e. 10.00 am to 5.00 pm from the registered office of the Applicant Company on all days (except Saturdays, Sundays and public holidays) and the same can also be downloaded from the website of the Applicant Company i.e. www.nelco.in

R.R. Bhinge
(DIN: 00036557)
Chairman appointed for the meeting

Dated this the 28th day of March 2018
Place : Navi Mumbai
Registered Office: EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710, Maharashtra.

Notes:

1. A registered shareholder of the Applicant Company is entitled to attend and vote at the meeting. A registered shareholder is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a shareholder of the Applicant Company. All alterations made in the form of proxy should be initialled. The proxy form duly filled in must be filed with the Applicant Company at its Registered office not less than 48 (Forty Eight) hours before the scheduled time for commencement of the meetings of the shareholders.

2. As per section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as proxy on behalf of shareholders not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Applicant Company carrying voting rights. Further a shareholder holding more than 10 (ten) percent of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. A registered shareholder of the Applicant Company being a body corporate may attend and vote (by authorised representative of a body corporate as per section 113 of the Companies Act, 2013) at the meeting of the shareholders. The authorised representative of a body corporate which is a registered shareholder of the Applicant Company may attend and vote at the shareholders meeting provided a certified copy of the resolution of the board of directors or other governing body of the body corporate/Letter of Authority/Power of Attorney authorizing such representative to attend and vote at the shareholders meeting as required under section 113 of the Companies Act, 2013, is filed at the registered office of the Applicant Company not less than 48 (forty eight) hours before the scheduled time for commencement of the meeting.

4. Shareholders/ proxies/ authorised representatives attending the meeting are requested to bring a copy of the notice of the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.

5. Registered shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their Client ID and DP ID details for easy identification for their attendance at the meeting.

6. Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Shareholders of the Applicant Company /list of beneficial owners as received from "National Securities Depository Limited ("NSDL") or Central Depository Services Limited ("CDSL") in respect of such joint holding will be entitled to vote and in his/ her absence by the next named shareholder of the Applicant Company.

7. The notice, together with the documents accompanying the same, is being sent to all the shareholders either by RPAD or by Speed Post or by courier service or hand delivery whose names appeared in the Register of Shareholders/ list of beneficial owners as received from NSDL/CDSL as on Saturday, 31st March, 2018. The notice together with the documents accompanying the same will be sent electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Applicant Company/registrar and share transfer agents/NSDL/CDSL. This notice to the shareholders of the Applicant Company is also displayed/posted on the website of the Applicant Company, www.nelco.in and on website of NSDL.

8. A person, whose name is not recorded in the Register of Shareholders or in the register of beneficial owners maintained by NSDL/CDSL as on the cut-off date i.e. Saturday, 31st March, 2018, shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the venue of the meeting to be held on Friday, 18th May 2018. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the equity shareholders (which include Public Shareholders) as on Saturday, 31st March, 2018. Persons who are not equity shareholders of the Applicant Company as on the cut-off date i.e. Saturday, 31st March, 2018 should treat this notice for information purposes only.

9. The Notice convening the aforesaid meeting will be published through advertisement in The Free Press Journal (Mumbai edition) in English language and a Marathi translation thereof in Navshakti (Mumbai edition).

10. Equity shareholders (which includes public shareholders) can opt for only one mode of voting i.e. either through Remote e-voting or postal ballot form or voting at the meeting. If a shareholder has opted for Remote e-voting, then he/she should not vote by postal ballot form and vice versa. However, in case the equity shareholders (which includes Public Shareholders) cast their vote both via postal ballot form and Remote e-voting then voting through Remote e-voting shall prevail and voting done by postal ballot form shall be treated as invalid notwithstanding whichever is cast first.

11. The Circular No. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017 issued by SEBI, inter alia, provides that approval of public shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes public shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its public shareholders in terms of SEBI Circular. The aforesaid notice sent to the equity shareholders (which includes public shareholders) of the Applicant Company would be deemed to be the notice sent to the public shareholders of the Applicant Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "public shareholders" shall be construed accordingly.

12. The voting period for Postal Ballot and e-voting shall commence on and from Wednesday, 18th April 2018, at 9:00 am IST and ends on Thursday, 17th May 2018 at 5:00 pm IST. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with assent (FOR) or dissent (AGAINST), in the attached Business Reply Envelope, so as to reach the Scrutinizer on or before Thursday, 17th May 2018 at 5.00 pm IST. A Postal Ballot Form along with self-addressed postage pre-paid envelope are also enclosed.

13. (a) Members who have received the postal ballot notice by e-mail and who wish to vote through Postal Ballot Form, can download the Postal Ballot Form from the Applicant Company's website www.nelco.in.

    (b) In case a Member is desirous of obtaining a printed duplicate Postal Ballot Form, he or she may send an e-mail to nelcoballot2018@tsrdarashaw.com. The Registrar and Share Transfer Agent shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member. No other Form or photocopy of the Form is permitted.

14. The documents referred in the accompanying Explanatory Statement shall be open for inspection by the shareholders at the Registered Office of the Applicant Company on all working days (except Saturdays, Sundays and public holidays) between 11.00 am to 3.00 pm upto one day prior to the date of the meeting of the shareholders.

15. Notes, instructions and process for Remote e-voting are as under:

    (a) In compliance with provisions of sections 108 and 230 read with section 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules 2016 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, the Applicant Company is pleased to offer Remote e-voting facility as an alternative through e-voting services provided by NSDL, for its shareholders to enable them to cast their votes electronically on the resolution proposed.

    (b) Shareholders are provided with the facility for voting either through "e-voting" or "tablet based voting" at the Meeting and shareholders attending the meeting who have not already cast their vote by remote e-voting or postal ballot are eligible to exercise their right to vote at the meeting.

    (c) Shareholders who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. It is hereby clarified that it is not mandatory for a shareholder to vote using the remote e-voting facility and the shareholder can exercise his/ her vote at the meeting. A shareholder may avail of the facility at his / her discretion, as per instructions provided herein.

    (d) The remote e-voting period commences on Wednesday, 18th April 2018 (9.00 am IST) and ends on Thursday, 17th May 2018 (5.00 pm IST). During this period, equity shareholders (which includes public shareholders) of the Applicant Company, holding equity shares either in physical form or in dematerialized form, as on the cut-off date Saturday, 31st March 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

16. After shareholder receives an email from NSDL the instructions for remote e-voting are as under:

    The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2 : Cast your vote electronically on NSDL e-Voting system.

How to Log-in to NSDL e-Voting website?

i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

ii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. Your User ID details are given below

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Your password details are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(I) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(II) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

vi. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii. Now, you will have to click on "Login" button.

ix. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

iii. Select "EVEN" of company for which you wish to cast your vote.

iv. Now you are ready for e-Voting as the Voting page opens.

v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

vi. Upon confirmation, the message "Vote cast successfully" will be displayed.

vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nelco.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

iv. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

17. Other Instructions:

A. Mr. P.N. Parikh, Practicing Company Secretary (FCS No. 327) or failing him Mr. Mitesh Dhabliwala, Practicing Company Secretary (FCS No. 8331) of M/s. Parikh and Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the remote e-voting process, Postal Ballot and voting at the meeting in a fair and transparent manner.

B. The Chairman shall, at the meeting at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "e.voting" or "tablet based voting" for all those shareholders who are present at the meeting but have not cast their votes by availing the remote e-voting facility or postal ballot.

C. The Scrutinizer shall, after the conclusion of voting at the meeting, will first count the votes cast at the meeting, through Postal Ballot and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Applicant Company and shall make, not later than two days from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

D. The result declared along with the Scrutinizer's Report, shall be placed on the Applicant Company's website viz. www.nelco.in and on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to the Stock Exchanges where the Applicant Company's Equity Shares are listed viz. BSE Limited and The National Stock Exchange of India Limited.

E. In case of grievances connected with facility for voting by electronic means, shareholders are requested to contact Mr. Amit Vishal, Senior Manager at amitv@nsdl.co.in or evoting@nsdl.co.in or on 022 2499 4360. Shareholders may also write to him at NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

F. Procedure and instructions for attendance registration:

Shareholders are requested to tender their attendance slips at the registration counters at the venue of the meeting and seek registration before entering the meeting hall. The shareholders are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

Encl: As above

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. 1109 OF 2017

In the matter of the Companies Act, 2013;

And

In the matter of sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited ("Nelco" or "Transferor Company" or "Amalgamated Company"); Tatanet Services Limited ("TNSL" or "Amalgamating Company") and Nelco Network Products Limited ("NNPL" or "Transferee Company") and their respective shareholders and creditors.

Nelco Limited, a company incorporated under the Companies Act, 1913, and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710.) ... Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 230 TO SECTION 232 AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY AND POSTAL BALLOT AND REMOTE E-VOTING.

1. Pursuant to Orders dated 2nd February 2018 and 28th March 2018, passed by the National Company Law Tribunal, Mumbai Bench, ("**NCLT**") in the Company Scheme Application No. 1109 of 2017 ("**Order**") a meeting of the equity shareholders of Nelco Limited is being convened on Friday, 18th May 2018, at Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 at 11.00 am for the purpose of considering and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited, Tatanet Services Limited and Nelco Network Products Limited and their respective shareholders and creditors ("**Scheme**") pursuant to sections 230 to 232 read with sections 13, 14 and 61 and other applicable provisions of the Companies Act, 2013 ("**Act**").

2. This statement is being furnished as required under sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

3. In compliance with provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th day of March, 2017 ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"), the Applicant Company has provided the facility of voting by postal ballot and remote e-voting so as to enable the shareholders to consider and approve the Scheme by way of the said resolution. The Applicant Company has provided the facility of voting by electronic voting system (through tablet/Computer based) at the venue of the meeting of the shareholders. Accordingly, you may cast your vote either through postal ballot or through remote e-voting or through electronic voting system (tablet/Computer based) at the venue of the meeting.

4. The Scheme provides for (i) the transfer by way of Slump Sale of (a) the business of providing solutions in the areas of Automation Control of Integrated Security and Surveillance Solutions ("**ISSS**") through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers ("**Transferred Undertaking 1**") and (b) the business of providing Very Small Aperture Terminals ("**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 Tatanet Services Ltd ("**TNSL**" or "**Amalgamating Company**") ("**Transferred Undertaking 2**") of Nelco Limited ("**Nelco**" or "**Transferor Company**" or "A**malgamated Company**") to Nelco Network Products Ltd. ("**NNPL**" or "**Transferee Company**") on a going concern basis; and (ii) the Amalgamation of TNSL with Nelco; and the consequential alteration of the main objects clause of the Memorandum of Association of the Applicant Company and authorised share capital clause in the Memorandum and Articles of Association of the Applicant Company; with effect from the Appointed Date viz., 1st April, 2017. A copy of the Scheme, which has been, inter alia approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 1st September, 2017 is enclosed as **Annexure 1**.

5. BACKGROUND OF THE COMPANIES

5.1. Nelco Ltd. – (Applicant Company / Transferor Company / Amalgamated Company)

5.1.1 Corporate Details of Nelco

Particulars	Details
Corporate Identification Number (CIN)	L32200MH1940PLC003164
Permanent Account Number	AAACT1983C
Date of Incorporation	31st August, 1940 under the provisions of the Companies Act, 1913
Type of Company	Listed Public Limited company. The equity shares are listed on the BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE")
Registered office address	EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710, Maharashtra
Details of change of name, Registered office and objects of the company during the last five years	There has not been any change in name or Registered office or objects in the last 5 years
Email address	services@nelco.in, girish.kirkinde@nelco.in
Relationship with the parties to the Scheme	Nelco is the holding company of both TNSL and NNPL

5.1.2 Share Capital of Nelco

The Share capital of Nelco as on 31st March, 2017 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000
25,00,000 Redeemable Preference Shares of Rs. 100/- each	25,00,00,000
Total	**50,00,00,000**
Issued Share Capital	
2,28,18,400 Equity share of Rs. 10/- each	22,81,84,000
Subscribed and Fully Paid Up Share Capital	
2,28,17,461 Equity share of Rs. 10/- each	22,81,74,610

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of Nelco.

5.1.3 Business and objects of Nelco

(i) Nelco is presently engaged in the business of providing ISSS and 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 customers.

(ii) The main objects of Nelco as per its memorandum of association are inter alia as under:

"III (1) To carry on in India or elsewhere business as manufactures, importers and exporters of and dealers in Radios, Radio Receiving and Transmitting Sets and their component parts, Wireless Apparatus and appliances and radio, electrical, and engineering materials, goods, machinery and requisites

and as Radio, Electrical, Mechanical and General Engineers and Contractors and as manufactures and workers in materials of any nature and kind, and as exporters and importers of and dealers in articles and goods of all descriptions.

(1-A) To carry on in India or elsewhere the business of manufactures, assemblers, buyers, sellers, importers, exporters, dealers in, hirers and distributors of

(a) Radios, radio products, radio apparatus and equipment, radio receivers of all kinds such as table sets, portable sets, transistors, car radios, record players, radiograms, television receivers, tape recorders, dictating machines and electronic apparatus and equipment of all kinds and cabinets, component parts and accessories thereof of every kind and description including coils, resistors, condensers, transformers, loud-speakers, valves, transistors, diodes, photocells, storage batteries wet and dry and all other mechanical, electrical and electronic parts, and parts made from metal, wood, plastic, glass and other materials.

(b) All equipment and instruments for recording, amplifying, reproducing or transmitting voices, sound, light, vision, impulses and signals and components and parts thereof.

(c) All kinds of radio and electronic equipment and products of every description and kind including broadcasting and television transmitters, wireless receiving and transmitting apparatus, direction finding equipment, sonar and radio sounder, electrical testing and measuring instruments, electronic equipment components and accessories, panels, meters, telecommunication cable and cable accessories, intercom sets, radio links, carrier frequency equipment, analogue and digital computers, letter sorting and ticket issuing machines and components and parts thereof.

(d) Household and commercial appliances, electrical, mechanical or otherwise of every nature and kind whatsoever including lamps, irons, washing machines, vacuum cleaners, floor polishers, water heaters, air conditioners, ovens, stoves, grillers, professional kitchen and canteen equipment and scientific and laboratory apparatus and equipment.

(e) Optical and nautical apparatus, binoculars, microscopes, stereoscopes, glasses, lenses and appliances and instruments of every description and components and parts thereof.

(f) Medical and surgical instruments, hearing aids, scientific and laboratory apparatus and instruments and analytical balances.

(g) All capital equipment, machinery and apparatus required for the manufacture, testing and repairs of any or all of the above articles and products.

(1-B) To repair, maintain, service and alter all or any of the above articles and products.

(1-C) To carry on the business of manufacturers, assemblers, factors, builders, importers, hirers, and dealers in theatrical, film producing and studio equipments of every description, cameras, taking picture equipments of both recording and reproducing and laboratory equipments of every description, photographic apparatus, instruments, materials and products of every description and printed and other advertising matters and in connection therewith to undertake and carry out all or any of the functions, operations, services or works ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.

(1-D) To produce, finance, exploit, turn to account and deal in motion picture plays and to conduct and carry on, in all their respective branches, the businesses of producers, manufacturers, licensors, licensees, printers, proprietors, hirers, renters, and exhibitors of and dealers in and agents for films of all and every kind and description, photographic negatives and positives, photoplays, scenarios, photographic instruments, material and products, and printed and other advertising matter and in connection therewith to undertake and carry out all or any of the functions, operations, services or work ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.

(1-E) To carry on the business of touring cinemas for public entertainment, education and instruction and to maintain libraries of entertainment, instructional and educational films and to produce or cause to be produced films for public entertainment, education and instruction and also deal in such other equipments, as may be essential for the purpose of education in Government, Municipal and private schools, colleges and universities.

(1-F) To establish, provide, maintain and conduct or otherwise subsidise research and development, technical laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds. And generally to encourage, promote and reward studios, researches, investigations, experiments, tests, discoveries, and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

2. To carry on the business as manufacturers and makers of and dealers in metal and other products, articles and thing of every description and kind and to carry on and conduct workshops and foundries of iron, brass and other metals and to buy sell manipulate and deal, both wholesale and retail, in products, commodities, goods, articles and things of all kinds whatsoever.

3. To construct, maintain carry out, work, sell, let on hire, and deal in Telegraphic and Wireless Apparatus and all kinds of works, machinery conveniences and things capable of being used in connection with any of the objects of the company, and in particular any cables, wires, lines, stations, exchanges, accumulators, lamps, meters and engines.

4. To carry on the business of engineers and manufacturers of Telegraphic and Wireless Works or Telegraphic and Wireless Apparatus of any nature and kind."

5.2. Tatanet Services Limited - (TNSL /Amalgamating Company)

5.2.1 Corporate Details of TNSL

Particulars	Details
Corporate Identification Number (CIN)	U67120MH1987PLC044351
Permanent Account Number	AAACT0357N
Date of Incorporation	12th August, 1987
Type of Company	Unlisted Public Limited Company
Registered office address	EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710, Maharashtra
Details of change of name, Registered office and objects of the company during the last five years	There has not been any change in name or Registered office or objects in the last 5 years
Email address	services@nelco.in, uday.banerjee@nelco.in
Relationship with the parties to the Scheme	TNSL is the wholly owned subsidiary of Nelco

5.2.2 Share capital of TNSL

The share capital of TNSL as on 31st March, 2017 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
Issued Share Capital	
49,00,000 Equity shares of Rs. 10/- each	4,90,00,000
Subscribed and Fully Paid Up Share Capital	
49,00,000 Equity Shares of Rs 10 each	4,90,00,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of TNSL.

Nelco holds the entire equity share capital of TNSL in its own name or through its nominees.

5.2.3 Business and objects of TNSL

(i) TNSL is presently engaged in the business of providing wide area networking solutions using VSAT communication services on a pan India basis pursuant to the commercial VSAT service provider license from Department of Telecom ("**DOT**"). The VSAT communication services use satellite bandwidth as a medium for connectivity. TNSL offers these services to enterprise customers across the various industry verticals as well as to Government customers.

(ii) The main objects of TNSL as per its memorandum of association are as under:

"III (A) 1. To carry on in India or elsewhere any business in the field of Telecommunications, Internet Services Broadband Communications Services to provide services related to E-Commerce, Electronic Data Interchange Networking, High End Voice, Date and Image Transfer Solutions, Web T.V. Online Shopping, Creation of Web sites and Web based solutions, CGI Interface FTP Access, Usenet and Telnet Internet Relay Chat, Domain Name registration and Routing Computer storage space solutions. To develop, design, conceptualize, improve, produce, reproduced, market patent, distribute, buy sell, license, provide, import, export, implement operate, support and maintain information technology and communication based products and services including those through the Internet world wise computer network, voice date and image transfer in any form including digital data packets, storage media such as floppies, disk drives, magnetic tapes, publishing multimedia. To provide services of consultancy and training designing, coding and integrating systems for intranet and internet solutions, and to develop, configure or deal in computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products, and the development and marketing of software and all types or products and services relating to the computer industry.

2. To engage in E-Commerce and related services for all kinds of products and services including merchandise, financial products and services, distribution and collection services using the worldwide computer networks and web services available and to obtain / offer agencies, tie-ups, distributorships of organizations that develop and market internet related products and services and buy, sell market distribute or deal in such products and services and acquire or rent computer/ storage space on the worldwide web or similar networks for this purpose.

3. To establish, promote, purchase, setup or connect with and/ or base any database, network, data and information processing centers and bureaus either of its own or franchise centers for dissemination or knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronics media and digital media, internet, intranet, modem, fax modems, video conferencing, email, voice mail, Voice Response Systems, Multiplexes, line drivers, routers, bridges, hubs, VSATs, Radio trucking, networking, Telecom software, cable wireless networks ERP solutions and satellite communications."

5.3. Nelco Network Products Limited - (NNPL /Transferee Company)

5.3.1 Corporate Details of NNPL

Particulars	Details
Corporate Identification Number (CIN)	U32309MH2016PLC285693
Permanent Account Number	AAFCN0438D
Date of Incorporation	8th September, 2016
Type of Company	Unlisted Public Limited Company
Registered office address	EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710, Maharashtra
Details of change of name, Registered office and objects of the company during the last five years	There has not been any change in name or Registered office or objects in the last 5 years
Email address	services@nelco.in, uday.banerjee@nelco.in
Relationship with the parties to the Scheme	NNPL is the wholly owned subsidiary of Nelco

5.3.2 Share capital of NNPL

The Share capital of NNPL as on 31st March, 2017 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
50,000 Equity Shares of Rs. 10/- each	5,00,000
Issued Share Capital	
50,000 Equity shares of Rs. 10/- each	5,00,000
Subscribed and Fully Paid Up Share Capital	
50,000 Equity Shares of Rs. 10 each	5,00,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of NNPL.

Nelco holds the entire equity share capital of NNPL in its own name or through its nominees.

5.3.3 Business and objects of NNPL

(i) NNPL is yet to carry on any business activity.

(ii) The main objects of NNPL, in its memorandum of association, are inter alia as under.

"III (A) 1. To carry on the business of designers, manufacturers, assemblers, sellers, buyers, importers, exporters, stockiest, hirers, repairers, installers, developers and distributors of or otherwise dealers in all sorts of products and services in VSAT Communication, Value Added Network (VAN), Electronic Data Interchange, Datacom Network, File Transfer and Protocol Conversation, Voice Network Services, Electronic Transaction Services, High Speed VSAT based Satellite Communication Services, Video Conferencing Services, System Integration Services involving various computers, communications and electronics products/technologies and to market and sell and support various types of Satellite/data communications and electronics and electrical equipments and networks built using various products including but not limited to Routers, Switches and Computers.

2. To carry on business in and relating to research, development, manufacture, assembly, fitting up, fabricating, assembling, converting, overhauling, altering, hiring, letting on hire, improving, repairing and dealing in any or all descriptions of electrical and electronics appliances, apparatus, equipments, instruments, components as required in industrial/ defence control applications, electronic circuits, computers, entertainment equipments, space research and allied industries, telecommunications and security services.

3. To carry on the business of advising, rendering consultancy, training, developing, designing, improving, upgrading, integrating, importing, exporting, distributing, buying, selling, operating, maintaining or otherwise dealing in all types of Industrial safety, security and surveillance devices, equipments, products, systems, services, applications and projects and Electronic Commerce and related applications products, services including hardware and all types of software to all types of establishments and dealing in and setting up, operating and maintaining the infrastructure, network computer system and related equipment and to take on lease or rent or otherwise network/gateways.

4. To carry on the business of manufacturers, operators and service providers in India or abroad of fibre optic transmission equipment, fibre optic cables, video conference equipments, digital cross connect equipment, SDH or PDH equipment, cellular telephony, radio paging, E-mail, Videotext, voice mail and allied telecommunication equipment whether directly or by franchise, lease or in association or in collaboration with other party or parties, company or companies whether Indian or foreign.

6. RATIONALE OF THE SCHEME AND BENEFITS TO COMPANY, MEMBERS, CREDITORS AND OTHERS.

6.1. The Scheme involves the restructuring of the various businesses of Nelco and its subsidiaries by way of arrangement and amalgamation. TNSL provides VSAT communication service under the commercial VSAT service provider license issued by DOT. Nelco inter alia sells and maintains VSAT hardware and provide allied services and also operates the TNSL network based on a contract with TNSL.

6.2. The rationale for the Scheme is mentioned below:

6.2.1 TNSL's revenue comes from sale of VSAT communication services, majority of which is recurring in nature. On the other hand, the revenue earned by Nelco is partially from recurring services of hardware maintenance but mainly from one time sale of hardware including VSAT equipment.

6.2.2 The organizational and operational structure would be simplified on completion of the arrangement and amalgamation with the VSAT communication service business vesting in Nelco, the flagship listed parent entity and the related hardware business vesting in NNPL. This would result in the recurring revenue from VSAT communication service being in Nelco and the revenue from sale of hardware including VSAT equipment being in NNPL.

6.2.3 The enhanced net worth of Nelco after the arrangement and amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.

7. SALIENT FEATURES OF THE SCHEME

The Salient features of the Scheme are as follows:

7.1 The Scheme is presented under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the Rules of Companies (Compromises, Arrangements, Amalgamation) Rules, 2016 to restructure the various businesses of Nelco and its subsidiaries.

7.2 Slump Sale:

7.2.1 In the first Phase (Part II and III of the Scheme) Nelco will transfer its two businesses to NNPL with effect from the Appointed Date, as a going concern by way of Slump Sale. These businesses are:

(i) business of providing solutions in the areas of Automation Control of ISSS through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers (Transferred Undertaking 1); and

(ii) the 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 (Transferred Undertaking 2); to NNPL.

7.2.2 Consideration

In consideration of the sale of the Transferred Undertaking 1 and Transferred Undertaking 2, NNPL shall pay Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) and Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) as a lump sum consideration respectively in cash to Nelco within 6 months from the Effective Date.

7.2.3 Appointed Date and Effective Date

(i) "Appointed Date" for the aforesaid slump sale and amalgamation is 1st April, 2017 or such other date as may be directed by NCLT.

(ii) "Effective Date" means the date on which the last of all the conditions and matters referred to in clause 36 of the Scheme have been fulfilled, obtained or waived.

7.2.4 Accounting Treatment in the books of Nelco and NNPL

Upon the Scheme becoming effective Nelco and NNPL 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.

7.2.5 Conduct of Business

With effect from the Appointed Date and up to and including the Effective Date:

(i) Nelco shall carry on and shall be deemed to have carried on all its business activities pertaining to the Transferred Undertaking 1 and Transferred Undertaking 2 and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for NNPL;

(ii) all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferred Undertaking 1 and Transferred Undertaking 2 of Nelco shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for NNPL; and

(iii) all profits or income arising or accruing in favour of Nelco in relation to the Transferred Undertaking 1 and Transferred Undertaking 2 and all Taxes paid thereon or losses arising or incurred by Nelco in relation to the Transferred Undertaking 1 and Transferred Undertaking 2 shall, for all intent and purposes, be treated as and be deemed to be the profits or income, Taxes or losses, as the case may be, of NNPL.

7.2.6 Residual Business of Nelco to continue with Nelco

(i) All the assets, liabilities and obligations together with the business and operations, pertaining to the Residual Business of Transferor Company / Nelco, shall continue to belong to and remain vested in and be managed by Nelco.

(ii) All legal and other proceedings by or against Nelco under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Residual Business of Nelco (including those relating to any property, right, power, liability, obligation or duty, of Nelco in respect of the Residual Business of Nelco) shall be continued and enforced solely by or against Nelco.

(iii) All profits accruing to Nelco or losses arising or incurred by it (including the effect of Taxes, if any, thereon) relating to the Residual Business of Nelco shall, for all purposes, be treated as the profits or losses, as the case may be, of Nelco.

(iv) All assets and properties acquired by Nelco in relation to the Residual Business of Nelco, on and after the Appointed Date shall belong to and continue to remain vested in Nelco.

7.3 Amalgamation of TNSL with Nelco

7.3.1 In the second Phase (Part IV of the Scheme), TNSL will amalgamate with Nelco. Accordingly, all assets and liabilities of TNSL shall be transferred to and vest in Nelco with effect from the Appointed Date as a going concern.

7.3.2 Consideration for Amalgamation

The entire share capital of TNSL is held by Nelco. Therefore Nelco shall not be required to issue shares or pay any consideration to TNSL or its shareholders.

7.3.3 Accounting Treatment in the books of Nelco

Upon the Scheme becoming effective, Nelco 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.

7.3.4 Conduct of business

With effect from the Appointed Date and up to and including the Effective Date:

(i) TNSL shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, Nelco;

(ii) All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by TNSL for and on account of and in trust for Nelco;

(iii) All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to TNSL, for the period commencing from the Appointed Date, shall for all purposes be treated as and be deemed to be the profits, income, losses or expenses, as the case may be, of Nelco;

(iv) Any of the rights, powers, authorities or privileges exercised by TNSL, shall be deemed to have been exercised by TNSL for and on behalf of, and in trust for and as an agent of Nelco. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by TNSL, shall be deemed to have been undertaken for and on behalf of and as an agent of Nelco;

(v) All Taxes, where applicable, payable by or refundable to TNSL including all or any Tax refunds or Tax liabilities or Tax claims arising from pending Tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/ Tax claims (whether or not recorded in the books of TNSL as the case may be, of Nelco, and any unabsorbed Tax losses and depreciation as would have been available to TNSL on or before the Effective Date shall be available to Nelco upon the Scheme becoming effective.

(vi) TNSL may raise or utilize loans from Nelco or discharge loans or interest amounts (if any) due or payable or which may at any time prior to the Effective Date become due or payable to Nelco.

7.3.5 Winding Up

Upon the Scheme becoming effective, TNSL shall without any further act, instrument or deed stand dissolved without being wound-up.

7.3.6 Combination of Authorised Share Capital

(i) As an integral part of the Scheme, and upon the coming into effect of the Scheme, the authorized share capital of TNSL shall stand transferred to and be added with the authorized share capital of Nelco without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61 and Section 232(3) of the Act and no resolutions or consent and approvals would be required to be passed by Nelco.

(ii) Consequently upon the merger of the authorized share capital pursuant to clause 35.1, Clause V of the Memorandum of Association and clause 5 of the Articles of Association of Nelco upon the coming into effect of the Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and Section 232 and other applicable provisions of the Act to reflect the increase in authorised share capital.

7.3.7 Change in object clause of Nelco

With effect from the Appointed Date and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of Nelco shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of TNSL, pursuant to the provisions of Section 13 of the Act and other applicable provisions of the Act and applicable rules.

7.3.8 Conditions to effectiveness of the Scheme

The Scheme is and shall be conditional upon and subject to:

(i) Shareholder and Creditor approval: The Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of Nelco, TNSL

and NNPL as required under the Act, and as directed by NCLT or dispensation having been received from NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;

(ii) Stock Exchanges Approval. The Transferor Company shall have received observation letter or no-objection letter from BSE and NSE in respect of the Scheme under the SEBI Circular which shall be in form and substance acceptable to Nelco, TNSL and NNPL, each acting reasonably and in good faith;

(iii) DOT Approval: The written approvals of DOT with respect to the transfer of the Internet Service Provider license and VSAT license from the Amalgamating Company to the Amalgamated Company under the Scheme shall have been received, which shall be in form and substance acceptable to Nelco and TNSL, each acting reasonably and in good faith;

(iv) Shareholder Approval under SEBI Circular: The Transferor Company shall seek approval of the public shareholders through postal ballot and e-voting pursuant to the provisions of paragraph 9(a) of Annexure I of the SEBI Circular and the majority of the public shareholders of the Transferor Company shall have approved the Scheme pursuant to, and in accordance with Regulation 37 of the SEBI LODR read with the SEBI Circular;

(v) NCLT Sanction: NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to Nelco, TNSL and NNPL;

(vi) Certified copies of the Order of NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai; and

(vii) Such other approvals and sanctions of any Appropriate Authority as may be required by law in respect of the Scheme.

7.3.9 Operational sequence of the Scheme

Upon the sanction of the Scheme and it becoming effective, the different transactions envisaged under the Scheme shall be operative in the following sequence:

(i) Slump Sale of the Transferred Undertaking 1 and Transferred Undertaking 2 of Nelco to NNPL, in terms of Part II and Part III of the Scheme;

(ii) Amalgamation of TNSL with Nelco, in terms of Part IV of the Scheme.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

8. Approvals and supporting documents

8.1 The Scheme, was placed before the Audit Committee of Nelco at its meeting held on 1st September, 2017. The Audit Committee of Nelco took into account the Valuation Report dated 1st September, 2017, issued by Thacker & Associates, Chartered Accountants (the "**Valuation Report**") and the fairness opinion, dated 1st September, 2017, provided by J.M. Financial Institutional Securities Limited, Independent (Category-I) SEBI registered Merchant Banker ("**Fairness Opinion**") appointed for this purpose by Nelco and the Auditors' Certificate dated 1st September, 2017 submitted by Deloitte Haskins & Sells LLP, Statutory Auditors certifying that the accounting treatment contained in the Scheme is in compliance with applicable Accounting Standards ("**Auditors Certificate**"). A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee of Nelco based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of Nelco for its favourable consideration.

8.2 The Board of Directors of Nelco at their meeting dated 1st September, 2017 took into account the Valuation Report dated 1st September, 2017 issued by Thacker & Associates, Chartered Accountants, Fairness Opinion, dated 1st September, 2017, issued by J.M. Financial Institutional Securities Limited, Independent (Category-I) SEBI registered Merchant Banker, Auditors Certificate dated 1st September, 2017 submitted by Deloitte Haskins & Sells LLP, Statutory Auditors certifying that the accounting treatment contained in the Scheme is in compliance

with applicable Accounting Standards and the recommendation of the audit committee of Nelco. Based on these documents and after considering the Scheme, the Board of Directors of Nelco had, at its meeting held on 1st September, 2017, unanimously approved the Scheme.

8.3 Pursuant to the observations of the NSE and BSE, the said Statutory Auditors Deloitte Haskins & Sells LLP of the Applicant Company issued a revised certificate dated 28th September, 2017 on the accounting treatment contained in the Scheme and the valuer Thacker & Associates, Chartered Accountants, issued a Clarification letter dated 27th September, 2017 to the Valuation Report dated 1st September, 2017. The said certificate and clarification letter were adopted by the audit committee and the Board of directors of the Applicant Company at their respective meetings held on 26th October, 2017. The revision to the certificate and the clarification letter are explanatory in nature and have no bearing on the opinion expressed on the accounting treatment in the earlier Certificate dated 1st September, 2017 of the auditor and valuation in the valuation report dated 1st September, 2017. The Clarification letter dated 27th September, 2017 issued by the valuer Thacker & Associates, Chartered Accountants is enclosed as **Annexure 4**.

8.4 The details of the Directors of Nelco who voted in favour/ against/ did not participate on resolution passed at the meeting of the board of directors of Nelco are given below:

Sr. No	Name of Director	Voted in favour/ against/ did not participate
1	Mr. R. R. Bhinge, Chairman	Voted in favour
2	Mr. S. Ramakrishnan	Voted in favour
3	Mr. K. Raghuraman	Voted in favour
4	Mr. K. Ramachandran	Voted in favour
5	Ms. Hema Hattangady	Voted in favour
6	Mr. P. J. Nath, Managing Director & CEO	Voted in favour

8.5 The details of the Directors of TNSL who voted in favour/ against/ did not participate on resolution passed at the meeting of the board of directors of TNSL are given below:

Sr. No	Name of Director	Voted in favour/ against/ did not participate
1	Mr. R. R. Bhinge, Chairman	Voted in favour
2	Mr. Sanjay Dube	Voted in favour
3	Ms. Hema Hattangady	Voted in favour
4	Mr. P. J. Nath	Voted in favour

8.6 The details of the Directors of NNPL who voted in favour/ against/ did not participate on resolution passed at the meeting of the board of directors of NNPL are given below:

Sr. No	Name of Director	Voted in favour/ against/ did not participate
1	Mr. R.R.Bhinge, Chairman	Voted in favour
2	Mr. P.J.Nath	Voted in favour
3	Mr. Uday Banerjee	Voted in favour

8.7 In compliance with provisions of section 232(2)(c) of the Act, the Board of Directors of Nelco have adopted a report inter alia explaining the effect of the Scheme on each class of shareholders, promoters and non promoter shareholders and Key Managerial Personnel (as defined under Companies Act 2013 and Rules framed thereunder) amongst others. Copy of the report by the Board of Directors of Nelco is annexed at **Annexure 5**.

8.8 Summary of valuation report including basis of valuation is enclosed as **Annexure 6** hereto.

8.9 NSE and BSE have by their observation letters both dated 16th November, 2017 conveyed their no objection to the Scheme in terms of Regulation 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Copies of the observation letters, both dated 16th November, 2017, received from BSE and NSE, respectively are enclosed as **Annexure 7** and **Annexure 8**.

8.10 As required by the SEBI Circular, Nelco has filed the complaints report with BSE and NSE on 27th October 2017 and 31st October 2017 respectively. This report indicate that Nelco received nil complaints. Copies of the complaints report submitted by Nelco to BSE and NSE, dated 27th October 2017 and 31st October 2017, respectively are enclosed as **Annexure 9**. Further, as on date of filing Company Scheme Application, the Applicant Company had not received any complaints.

8.11 Nelco, TNSL and NNPL or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

9. Capital Structure Pre And Post Arrangement

9.1 The pre and post Scheme shareholding pattern of Nelco shall remain unchanged. The pre and post Scheme shareholding pattern of Nelco as on 31st December, 2017 is enclosed as **Annexure 10** to this Notice.

9.2 The pre Scheme shareholding pattern of TNSL shall remain unchanged. The pre Scheme shareholding pattern of TNSL as on 31st December, 2017 is enclosed as **Annexure 11** to this Notice.

9.3 The pre and post Scheme shareholding pattern of NNPL shall remain unchanged. The pre and post Scheme shareholding pattern of NNPL as on 31st December, 2017 is enclosed as **Annexure 12** to this Notice.

10. Details of the Directors, key Managerial personnel and promoters and their shareholding

The details of the Directors, key managerial personnel and promoters as on 31st December, 2017 are as follows:

10.1 Nelco

Name of Director / KMP	Designation/ Date of Appointment/ Age	Address
Mr. R.R.Bhinge,	*Chairman/ 6th June 2013/65	Flat No.3501, Tower 2, Planet Godrej, Kheshavrao Khadye Road, Mahalaxmi, Mumbai – 400 011
Mr. S.Ramakrishnan	Director/ 31st October 2005/69	18 Gulmarg, L. Jagmohandas Marg, Near Priya Darshan Park, Malabar Hill, Mumbai 400006.
Mr. K.Raghuraman	Director/20th September 2013/69	Amaravathi Nagar Main Road Amaravathi Nagar, Arumbakkam Chennai – 600 106
Mr. K.Ramachandran	Director/1st October 2013/68	2401-2402 A Wing, Raheja Atlantis, Ganpat Rao Kadam Marg, Lower Parel, Mumbai – 400 013
Ms. Hema Hattangady	Director/1st October 2014/54	3E, Kenilworth Apts, 6, Gangadhar Chetty Road, Ulsoor, Bangalore 560 042
Mr. P.J.Nath,	**Managing Director & CEO/1st June 2017/55	B-24, Park Plaza, New Yari Road, Versova Andheri (West), Mumbai- 400 061
Mr. Uday Banerjee	***Chief Financial Officer/1st July 2014/56	Flat No.203, 25 Link Way Co.Operativ Housing Society, Opp.Meera CHS Building, Mhada Oshiwara Link Road, Andheri (West), Mumbai – 400053
Mr. Girish Kirkinde	Company Secretary & Head – Legal/ 23rd September 2009/53	7 Heramb Darshan society, 1st floor, near santoshi mata tample, Kalyan (West) 421 301

*Mr. R.R. Bhinge appointed as director on 29th August 2003 and designated as chairman on 6th June 2013.

**Mr. P.J. Nath appointed as Chief Executive Officer (CEO) on 23rd February 2011. He was appointed as Executive Director & CEO on 13th June 2012 and designated as Managing Director & CEO on 1st June 2017.

***Mr. Uday Banerjee appointed as Manager Accounts on 16th January 1995 and designated as Chief Financial Officer on 1st July 2014.

Name of the promoters	Address
The Tata Power Company Limited	3rd floor, Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001
Af-Taab Investment Company Limited	C/o The Tata Power Company Limited, Corporate Centre, "B" Block, 34, Sant Tukaram Road, Carnac Bunder Mumbai – 400 009
Titan Company Limited	INTEGRITY', #193, Veerasandra, Electronic City P.O., Off Hosur Main Road, Bangalore 560100

10.2 TNSL

Name of Director / KMP	Designation/ Date of Appointment/ Age	Address
Mr. R.R.Bhinge,	Director/ 14th September 2011/65	Flat No.3501, Tower 2, Planet Godrej, Kheshavrao Khadye Road, Mahalaxmi, Mumbai – 400 011
Mr. Sanjay Dube	Director/1st January 2014/55	F-302, Ashok Garden, T J Road, Sewri, Mumbai – 400 0015
Ms. Hema Hattangady	Director/22nd April 2015/54	3E, Kenilworth Apts, 6, Gangadhar Chetty Road, Ulsoor, Bangalore 560 042
Mr. P. J. Nath,	Director /1st June 2017/55	B-24, Park Plaza, New Yari Road, Versova Andheri (West), Mumbai- 400 061

Name of the promoters	Address
Nelco Limited	El-6, Electronics Zone, MIDC, Mahape, Navi Mumbai – 400710

10.3 NNPL

Name of Director / KMP	Designation/ Date of Appointment/ Age	Address
Mr. R.R.Bhinge,	Director/ 8th September 2016/65	Flat No.3501, Tower 2, Planet Godrej, Kheshavrao Khadye Road, Mahalaxmi, Mumbai – 400 011
Mr. P.J.Nath,	Director /8th September 2016/55	B-24, Park Plaza, New Yari Road, Versova Andheri (West), Mumbai- 400 061
Mr. Uday Banerjee	Director/8th September 2016/56	Flat No.203, 25 Link Way Co.Operative Housing Society, Opp.Meera CHS Building, Mhada Oshiwara Link Road, Andheri (West), Mumbai – 400053

Name of the promoters	Address
Nelco Limited	El-6, Electronics Zone, MIDC, Mahape, Navi Mumbai – 400710

10.4 Details of the Shareholding of Directors and Key Managerial Personnel of the Nelco, TNSL and NNPL either individually or jointly as a first holder or as nominee, in the Nelco, TNSL and NNPL are as under.

Nelco:-

Name of Director / KMP of the Nelco	No. of equity shares held in		
	Nelco	TNSL	NNPL
Mr. R. R. Bhinge,	Nil	Nil	10
Mr. S. Ramakrishnan	Nil	Nil	Nil
Mr. K. Raghuraman	Nil	Nil	Nil
Mr. K. Ramachandran	Nil	Nil	Nil
Ms. Hema Hattangady	Nil	Nil	Nil
Mr. P. J. Nath,	Nil	10	Nil
Mr. Uday Banerjee	Nil	10	10
Mr. Girish Kirkinde	Nil	10	10

TNSL:-

Name of Director / KMP of the TNSL	No. of equity shares held in		
	Nelco	TNSL	NNPL
Mr. R.R.Bhinge,	Nil	Nil	10
Mr. Sanjay Dube	Nil	Nil	Nil
Ms. Hema Hattangady	Nil	Nil	Nil
Mr. P.J.Nath,	Nil	10	Nil

NNPL:-

Name of Director / KMP of the NNPL	No. of equity shares held in		
	Nelco	TNSL	NNPL
Mr. R.R.Bhinge,	Nil	Nil	10
Mr. P.J.Nath,	Nil	10	Nil
Mr. Uday Banerjee	Nil	10	10

11. General

11.1 Under the Scheme there is no arrangement with the creditors of Nelco. The liability of the creditors of Nelco, under the Scheme, is neither being reduced nor being extinguished. The creditors of Nelco would not be prejudicially affected by the Scheme.

11.2 As on date Nelco has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees does not arise.

11.3 There is no effect of the Scheme on the Key Managerial Personnel, Directors, promoters, non-promoters members, creditors and employees of Nelco.

11.4 Further, none of the Directors, Key Managerial Personnel of Nelco have any interest in the Scheme except to the extent that the said Director(s) and Key Managerial Personnel are the directors or Key Managerial Personnel's of Nelco.

11.5 No investigation proceedings have been instituted or are pending in relation to Nelco under Sections 210 to 229 of Chapter XIV of the Act.

11.6 To the knowledge of Nelco, no winding up proceedings have been filed or are pending against the Nelco, TNSL and NNPL under the Act or the corresponding provisions of the Companies Act, 1956.

11.7 The Scheme does not involve any capital or debt restructuring and therefore, the requirement to disclose of capital or debt restructuring is not applicable.

11.8 The copy of the Scheme has been filed by the Applicant Company with the Registrar of Companies, Maharashtra.

11.9 The applicable information of NNPL in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is enclosed as **Annexure 13**.

11.10 As per the books of accounts (as on 31st October, 2017) of Nelco and TNSL respectively, the amount due to the unsecured creditors are Rs. 55,02,18,153.53 and Rs. 19,10,84,974.77 respectively. As per the books of accounts (as on 31st October, 2017), NNPL does not have any unsecured creditors.

11.11 The certificates issued by the respective Auditors of Nelco and NNPL to the effect that the accounting treatment, proposed in the Scheme is in conformity with the Accounting standard prescribed under section 133 of the Companies Act, 2013. The Auditor's Certificates stated above is available for inspection at the registered office of the respective companies.

11.12 The Certified True copies of unaudited financial statements of Nelco and TNSL and special purpose financial statements of NNPL certified by the management of NNPL all as on 30th September 2017 are enclosed as **Annexure 14**.

11.13 Notice under section 230(5) of the Companies Act, 2013 is being given to Central Government through the office of Regional Director, Ministry of Company Affairs, Western Region, Mumbai, the concerned Registrar of Companies, Department of Telecom, Ministry of Communications and concerned Income Tax Department within whose jurisdiction the Applicant Company's assessments are made which the Applicant Company undertakes to issue.

11.14 BSE , NSE and SEBI vide their letters all dated 16th November, 2017 has stated that Nelco is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to BSE / NSE / SEBI again for its comments/ observations/ representations.

11.15 On the Scheme being approved by the requisite majority of the shareholders of the respective companies involved in the Scheme, as per the requirement of section 230 of the Act and SEBI Circular all the companies will file a petition with NCLT, Mumbai Bench for sanction of the Scheme.

11.16 In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

12. Inspection of Documents:

The following documents will be open for inspection by the members of the Applicant Company at its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710 i.e. between 11.00 am to 3.00 pm on all working days (except Saturdays, Sundays and public holidays) up to one day prior to the date of the meeting:

i. Certified copy of the order dated 2nd February 2018 passed by the National Company Law Tribunal, Mumbai Bench in Company Scheme Application 1109 of 2017 dated 21st December 2017 to convene the meeting of equity shareholders.

ii. Copy of Composite Scheme of Arrangement and Amalgamation.

iii. Memorandum of Association and Articles of Association of Nelco, TNSL and NNPL.

iv. Annual report of Nelco for the last three financial years ended 31st March 2017, 31st March 2016 and 31st March 2015, and unaudited financial statements of Nelco as on 30th September, 2017; Additionally, the documents are also available on the website of Nelco.

v. Annual report of TNSL for the last three financial years ended 31st March 2017, 31st March 2016 and 31st March 2015 and unaudited financial statements of TNSL as on 30th September, 2017.

vi. Annual report of NNPL for the financial year ended 31st March, 2017 and special purpose financial statements of NNPL as on 30th September, 2017 as certified by the management.

vii. Valuation report dated 1st September, 2017 issued by Thacker & Associates, Independent Chartered Accountants.

viii. The Clarification letter dated 27th September, 2017 issued by the valuer Thacker & Associates, Chartered Accountants.

ix. Fairness opinion dated 1st September, 2017 issued by J.M. Financial Institutional Securities Limited, Independent (Category-I) SEBI registered Merchant Banker.

x. Copy of the complaints report, dated 27th October, 2017 and 31st October 2017 submitted by Nelco to BSE Limited and National Stock Exchange of India Limited respectively.

xi. Certified copy of the Audit committee report dated 1st September, 2017 of Nelco.

xii. Auditor's Certificate dated 1st September, 2017 issued by the statutory auditors of Nelco, Deloitte Haskins & Sells LLP, Independent Chartered Accountants, with respect to the accounting treatment disclosed in the Scheme is in compliance with the applicable accounting standards.

xiii. Revised Auditor's Certificate dated 28th September, 2017 issued by the statutory auditors of Nelco, Deloitte Haskins & Sells LLP.

xiv. Observations/ no-objection letters issued by BSE Limited dated 16th November, 2017 and by National Stock Exchange of India Limited dated 16th November, 2017 to Nelco.

xv. Pre and Post arrangement and amalgamation shareholding pattern of Nelco, TNSL and NNPL.

xvi. Detailed Compliance Report dated 18th September, 2017 filed with BSE and NSE.

xvii. Copy of the applicable information of NNPL in the format specified for abridged prospectus as provided in Part D of Schedule VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

xviii. Summary of Valuation Report including basis of valuation.

xix. Copy of the certificate, dated 21st November 2017, issued by Subramanian Srinivasan & Associate, Independent Chartered Accountants, certifying the amount due to the unsecured creditors of Nelco as on 31st October, 2017.

xx. Copy of the certificate, dated 21st November 2017, issued by Subramanian Srinivasan & Associate, Independent Chartered Accountants, certifying the amount due to the unsecured creditor of TNSL as on 31st October, 2017.

xxi. Copy of the certificate, dated 21st November 2017, issued by Subramanian Srinivasan & Associate, Independent Chartered Accountants certifying that there are no unsecured creditors of NNPL as on 31st October 2017.

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in items numbers i, ii, iv, xii, and xiii above.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 read with Section 102 and 110 of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. A copy of the Scheme, Explanatory statement, Form of proxy and attendance slip may be obtained free of charge during business hours i.e. 10.00 am to 5.00 pm from the registered office of the Applicant Company on all days (except Saturdays, Sundays and public holidays) and the same can also be downloaded from the website of the Applicant Company i.e. www.nelco.in

After the Scheme is approved, by the equity shareholders, secured creditors and unsecured creditors of the Transferor Company, it will be subject to the approval/sanction by NCLT.

R.R. Bhinge
(DIN: 00036557)
Chairman appointed for the meeting

Dated this 28th day of March, 2018
Place: Navi Mumbai

Registered office: EL-6, TTC Industrial Area,
MIDC, Electronics Zone, Mahape,
Navi Mumbai – 400710

Annexure 1

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

AND

TATANET SERVICES LIMITED

AND

NELCO NETWORK PRODUCTS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. AN OVERVIEW OF THE SCHEME

This Scheme is presented under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the Rules of Companies (Compromises, Arrangements, Amalgamation) Rules, 2016 to restructure the various businesses of the Transferor Company and its subsidiaries in two phases as under:

In the first Phase (Part II and III of the Scheme) the Transferred Undertaking 1 (as defined hereinafter) and Transferred Undertaking 2 (as defined hereinafter) of the Transferor Company (as defined hereinafter) shall be transferred to and vested in the Transferee Company (as defined hereinafter) with effect from the Appointed Date (as defined hereinafter), as a going concern by way of Slump Sale (as defined hereinafter) for a lump sum consideration. In consideration of the sale of the Transferred Undertaking 1 and Transferred Undertaking 2, the Transferee Company shall pay Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) and Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) as a lump sum consideration respectively in cash to the Transferor Company within 6 months from the Effective Date (as defined hereinafter).

In the second Phase (Part IV of the Scheme), the Amalgamating Company (as defined hereinafter) will amalgamate with the Amalgamated Company (as defined hereinafter). Accordingly, all assets and liabilities of the Amalgamating Company shall be transferred to and vest in the Amalgamated Company with effect from the Appointed Date as a going concern. The entire share capital of the Amalgamating Company is held by the Amalgamated Company. Therefore the Amalgamated Company shall not be required to issue shares or pay any consideration to the Amalgamating Company or its shareholders.

2. DESCRIPTION OF COMPANIES

2.1 Nelco Limited

2.1.1 Nelco Limited (CIN: L32200MH1940PLC003164) ("**Nelco**" or "**Amalgamated Company**" or "**Transferor Company**") is a listed public company limited by shares, incorporated under the provisions of the Companies Act, 1913, on 31st August, 1940 under the name "The National Radio & Engineering Company Limited" vide certificate of incorporation no. 3164 dated 31st August, 1940 issued by the Registrar of Companies.

2.1.2 The name of The National Radio & Engineering Company Limited was changed to The National Ekco Radio & Engineering Company Limited and a fresh certificate no. 3164 dated 28th May, 1949 was issued by the Registrar of Companies, Bombay. Subsequently, the name of The National Ekco Radio & Engineering Company Limited was changed to The National Radio & Electronics Company Limited and certificate of change of name no. 3164/TA dated 6th August, 1969 was issued by the Asstt. Registrar of Companies, Maharashtra, Bombay. The name of The National Radio & Electronics Company Limited was further changed to Nelco Limited and a fresh certificate of incorporation bearing no. 11-3164 dated 28th September, 1999 was issued by the Asstt. Registrar of Companies, Maharashtra, Bombay.

2.1.3 The registered office of Nelco is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710.

2.1.4 The main objects of Nelco as per its memorandum of association are inter alia as under:

"III (1) To carry on in India or elsewhere business as manufactures, importers and exporters of and dealers in Radios, Radio Receiving and Transmitting Sets and their component parts, Wireless Apparatus and appliances and radio, electrical, and engineering materials, goods, machinery and requisites and as Radio, Electrical, Mechanical and General Engineers and Contractors and as manufactures and workers in materials of any nature and kind, and as exporters and importers of and dealers in articles and goods of all descriptions.

(1-A) To carry on in India or elsewhere the business of manufactures, assemblers, buyers, sellers, importers, exporters, dealers in, hirers and distributors of

(a) Radios, radio products, radio apparatus and equipment, radio receivers of all kinds such as table sets, portable sets, transistors, car radios, record players, radiograms, television receivers, tape recorders, dictating machines and electronic apparatus and equipment of all kinds and cabinets, component parts and accessories thereof of every kind and description including coils, resistors, condensers, transformers, loud-speakers, valves, transistors, diodes, photocells, storage batteries wet and dry and all other mechanical, electrical and electronic parts, and parts made from metal, wood, plastic, glass and other materials.

(b) All equipment and instruments for recording, amplifying, reproducing or transmitting voices, sound, light, vision, impulses and signals and components and parts thereof.

(c) All kinds of radio and electronic equipment and products of every description and kind including broadcasting and television transmitters, wireless receiving and transmitting apparatus, direction finding equipment, sonar and radio sounder, electrical testing and measuring instruments, electronic equipment components and accessories, panels, meters, telecommunication cable and cable accessories, intercom sets, radio links, carrier frequency equipment, analogue and digital computers, letter sorting and ticket issuing machines and components and parts thereof.

(d) Household and commercial appliances, electrical, mechanical or otherwise of every nature and kind whatsoever including lamps, irons, washing machines, vacuum cleaners, floor polishers, water heaters, air conditioners, ovens, stoves, grillers, professional kitchen and canteen equipment and scientific and laboratory apparatus and equipment.

(e) Optical and nautical apparatus, binoculars, microscopes, stereoscopes, glasses, lenses and appliances and instruments of every description and components and parts thereof.

(f) Medical and surgical instruments, hearing aids, scientific and laboratory apparatus and instruments and analytical balances.

(g) All capital equipment, machinery and apparatus required for the manufacture, testing and repairs of any or all of the above articles and products.

(1-B) To repair, maintain, service and alter all or any of the above articles and products.

(1-C) To carry on the business of manufacturers, assemblers, factors, builders, importers, hirers, and dealers in theatrical, film producing and studio equipments of every description,

cameras, taking picture equipments of both recording and reproducing and laboratory equipments of every description, photographic apparatus, instruments, materials and products of every description and printed and other advertising matters and in connection therewith to undertake and carry out all or any of the functions, operations, services or works ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.

(1-D) To produce, finance, exploit, turn to account and deal in motion picture plays and to conduct and carry on, in all their respective branches, the businesses of producers, manufacturers, licensors, licensees, printers, proprietors, hirers, renters, and exhibitors of and dealers in and agents for films of all and every kind and description, photographic negatives and positives, photoplays, scenarios, photographic instruments, material and products, and printed and other advertising matter and in connection therewith to undertake and carry out all or any of the functions, operations, services or work ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.

(1-E) To carry on the business of touring cinemas for public entertainment, education and instruction and to maintain libraries of entertainment, instructional and educational films and to produce or cause to be produced films for public entertainment, education and instruction and also deal in such other equipments, as may be essential for the purpose of education in Government, Municipal and private schools, colleges and universities.

(1-F) To establish, provide, maintain and conduct or otherwise subsidise research and development, technical laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds. And generally to encourage, promote and reward studios, researches, investigations, experiments, tests, discoveries, and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

2. To carry on the business as manufacturers and makers of and dealers in metal and other products, articles and thing of every description and kind and to carry on and conduct workshops and foundries of iron, brass and other metals and to buy sell manipulate and deal, both wholesale and retail, in products, commodities, goods, articles and things of all kinds whatsoever.

3. To construct , maintain carry out, work, sell, let on hire, and deal in Telegraphic and Wireless Apparatus and all kinds of works, machinery conveniences and things capable of being used in connection with any of the objects of the company, and in particular any cables, wires, lines, stations, exchanges, accumulators, lamps, meters and engines.

4. To carry on the business of engineers and manufacturers of Telegraphic and Wireless Works or Telegraphic and Wireless Apparatus of any nature and kind."

2.1.5 Nelco is presently engaged in the business of providing Integrated Security and Surveillance Solutions ("**ISSS**") and providing Very Small Aperture Terminals ("**VSAT**") hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

2.1.6 Equity shares of Nelco are listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**").

2.2 Tatanet Services Limited

2.2.1 Tatanet Services Limited (CIN : U67120MH1987PLC044351) ("**TNSL**" or "**Amalgamating Company**") is an unlisted public company limited by shares, incorporated under the provisions of the Companies Act, 1956, on 12th August, 1987 under the name "Nelco Finance Private Limited" vide certificate of incorporation no. 44351 dated 12th August, 1987 issued by the Registrar of Companies.

2.2.2 The name of Nelco Finance Private Limited was changed to Tatanet Broadband Wireless Private Limited and a fresh certificate no. 11-44351 dated 2nd July, 2003 was issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. Subsequently, the name of Tatanet Broadband Wireless Private Limited was changed to Tatanet Broadband Wireless Limited and certificate of change of name no. 11-44351 dated 23rd April, 2004 was issued by the Registrar of Companies, Maharashtra, Mumbai. The name of Tatanet Broadband Wireless Limited was further changed to Tatanet Services Limited and a fresh certificate of incorporation bearing no. 11-44351 dated 28th March, 2005 was issued by the Dy. Registrar of Companies, Maharashtra, Mumbai.

2.2.3 The registered office TNSL is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710.

2.2.4 The main objects of TNSL as per its memorandum of association are as under:

"III (A) 1. To carry on in India or elsewhere any business in the field of Telecommunications, Internet Services Broadband Communications Services to provide services related to E-Commerce, Electronic Data Interchange Networking, High End Voice, Date and Image Transfer Solutions, Web T.V. Online Shopping, Creation of Web sites and Web based solutions, CGI Interface FTP Access, Usenet and Telnet Internet Relay Chat, Domain Name registration and Routing Computer storage space solutions. To develop, design, conceptualize, improve, produce, reproduced, market patent, distribute, buy sell, license, provide, import, export, implement operate, support and maintain information technology and communication based products and services including those through the Internet world wise computer network, voice date and image transfer in any form including digital data packets, storage media such as floppies, disk drives, magnetic tapes, publishing multimedia. To provide services of consultancy and training designing, coding and integrating systems for intranet and internet solutions, and to develop, configure or deal in computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products, and the development and marketing of software and all types or products and services relating to the computer industry.

2. To engage in E-Commerce and related services for all kinds of products and services including merchandise, financial products and services, distribution and collection services using the worldwide computer networks and web services available and to obtain / offer agencies, tie-ups, distributorships of organizations that develop and market internet related products and services and buy, sell market distribute or deal in such products and services and acquire or rent computer/ storage space on the worldwide web or similar networks for this purpose.

3. To establish, promote, purchase, setup or connect with and/ or base any database, network, data and information processing centers and bureaus either of its own or franchise centers for dissemination or knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronics media and digital media, internet, intranet, modem, fax modems, video conferencing, email, voice mail, Voice Response Systems, Multiplexes, line drivers, routers, bridges, hubs, VSATs, Radio trucking, networking, Telecom software, cable wireless networks ERP solutions and satellite communications."

2.2.5 TNSL is presently engaged in the business of providing wide area networking solutions using VSAT communication services on a pan India basis pursuant to the commercial VSAT Service provider license from Department of Telecom ("**DOT**"). The VSAT communication services use satellite bandwidth as a medium for connectivity. TNSL offers these services to enterprise customers across the various industry verticals as well as to Government customers.

2.2.6 TNSL is a wholly owned subsidiary of Nelco.

2.3 Nelco Network Products Limited

2.3.1 Nelco Network Products Limited (CIN : U32309MH2016PLC285693) ("**NNPL**" or "**Transferee Company**") is an unlisted public company limited by shares, incorporated on 8th September, 2016 under the provisions of the Companies Act, 2013 vide certificate of incorporation dated 8th September, 2016 issued by the Deputy Registrar of Companies.

2.3.2 The registered office of NNPL is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710.

2.3.3 The main objects of NNPL as per its memorandum of association are as under:

"III (A) 1. To carry on the business of designers, manufacturers, assemblers, sellers, buyers, importers, exporters, stockiest, hirers, repairers, installers, developers and distributors of or otherwise dealers in all sorts of products and services in VSAT Communication, Value Added Network (VAN), Electronic Data Interchange, Datacom Network, File Transfer and Protocol Conversation, Voice Network Services, Electronic Transaction Services, High Speed VSAT based Satellite Communication Services, Video Conferencing Services, System Integration Services involving various computers, communications and electronics products/technologies and to market and sell and support various types of Satellite/data communications and electronics and electrical equipments and networks built using various products including but not limited to Routers, Switches and Computers.

2. To carry on business in and relating to research, development, manufacture, assembly, fitting up, fabricating, assembling, converting, overhauling, altering, hiring, letting on hire, improving, repairing and dealing in any or all descriptions of electrical and electronics appliances, apparatus, equipments, instruments, components as required in industrial/ defence control applications, electronic circuits, computers, entertainment equipments, space research and allied industries, telecommunications and security services.

3. To carry on the business of advising, rendering consultancy, training, developing, designing, improving, upgrading, integrating, importing, exporting, distributing, buying, selling, operating, maintaining or otherwise dealing in all types of Industrial safety, security and surveillance devices, equipments, products, systems, services, applications and projects and Electronic Commerce and related applications products, services including hardware and all types of software to all types of establishments and dealing in and setting up, operating and maintaining the infrastructure, network computer system and related equipment and to take on lease or rent or otherwise network/gateways.

4. To carry on the business of manufacturers, operators and service providers in India or abroad of fibre optic transmission equipment, fibre optic cables, video conference equipments, digital cross connect equipment, SDH or PDH equipment, cellular telephony, radio paging, E-mail, Videotext, voice mail and allied telecommunication equipment whether directly or by franchise, lease or in association or in collaboration with other party or parties, company or companies whether Indian or foreign."

2.3.4 NNPL is yet to commence any business activity.

2.3.5 NNPL is a wholly owned subsidiary of Nelco.

3. RATIONALE

3.1 This Scheme involves the restructuring of the various businesses of Nelco and its subsidiaries by way of Arrangement and Amalgamation (as defined hereinafter). TNSL provides VSAT communication service under the commercial VSAT service provider license issued by DOT. Nelco inter alia sells and maintains VSAT hardware and provide allied services and also operates the TNSL network based on a contract with TNSL.

3.2 The rationale for the Scheme is mentioned below:

3.2.1. TNSL's revenue comes from sale of VSAT communication services, majority of which is recurring in nature. On the other hand, the revenue earned by Nelco is partially from recurring services of hardware maintenance but mainly from one time sale of hardware including VSAT equipment.

3.2.2. The organizational and operational structure would be simplified on completion of the Arrangement and Amalgamation with the VSAT communication service business vesting in Nelco, the flagship listed parent entity and the related hardware business vesting in NNPL. This would result in the recurring revenue from VSAT communication service being in Nelco and the revenue from sale of hardware including VSAT equipment being in NNPL.

3.2.3. The enhanced net worth of Nelco after the Arrangement and Amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.

4. GENERAL

4.1 This Scheme is divided into the following parts:

4.1.1 **Part I**, provides for definitions, interpretation and share capital;

4.1.2 **Part II**, provides for the transfer and vesting of Transferred Undertaking 1 of Nelco to NNPL by way of Slump Sale, discharge of consideration, accounting treatment and matters incidental thereto;

4.1.3 **Part III**, provides for the transfer and vesting of Transferred Undertaking 2 of Nelco to NNPL by way of Slump Sale, discharge of consideration, accounting treatment, and matters incidental thereto;

4.1.4 **Part IV**, provides for the amalgamation of TNSL with Nelco, discharge of consideration, accounting treatment, merger of authorised share capital and matters incidental thereto;

4.1.5 **Part V**, deals with the general terms and conditions applicable to all parts of this Scheme.

PART I- DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

5. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given to them:

"**Act**" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"**Amalgamation**" means the amalgamation of Amalgamating Company with Amalgamated Company in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Part IV of the Scheme;

"**Applicable Law**" means any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;

"**Appointed Date**" means 1st April, 2017 or such other date as may be directed by NCLT;

"**Appropriate Authority**" means any government body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including NCLT, the stock exchanges, the Securities and Exchange Board of India ("**SEBI**"), DOT, income tax authorities, Reserve Bank of India and other applicable authorities pursuant to the provisions of Section 230(5) of the Act, as may be relevant in the context;

"**Arrangement and Amalgamation**" means the restructuring contemplated by the Scheme including (i) the Slump Sales in terms of Part II and Part III of the Scheme and (ii) Amalgamation (post the Slump Sale) in terms of Part IV of the Scheme;

"**Board of Directors**" or "**Board**" in relation to Nelco, TNSL and NNPL as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

"**Contracts**" means deeds, bonds, contracts, agreements (including in connection with contracts for services) and other instruments;

"**Effective Date**" means the date on which the last of all the conditions and matters referred to in clause 36 have been fulfilled, obtained or waived. References in this Scheme to 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

"**Encumbrance**" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly;

"**Governmental Approval**" means any consent, approval, licence, permit, order, exemption, certificate, clearance or authorisation obtained or to be obtained from, or any registration, notification, declaration or filing made to or with, or to be made to or with, any Appropriate Authority;

"**Income Tax Act**" means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force;

"**Intellectual Property Rights**" means all domestic and foreign intellectual property rights, including with respect to all patents, patent applications, and trademarks, service marks, trade names, trade dress, logos, corporate names, brand names, domain names, all copyrights, designs and mask works, and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information;

"**NCLT**" means the National Company Law Tribunal, Mumbai Bench having jurisdiction over Nelco, TNSL and NNPL;

"**Nelco**" or "**Amalgamated Company**" or "**Transferor Company**" means Nelco Limited, a listed public company limited by shares, incorporated on 31st August, 1940 under the provisions of the Companies Act, 1913 and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710;

"**NNPL**" or "**Transferee Company**" means Nelco Network Products Limited, an unlisted public company limited by shares, incorporated on 8th September, 2016 under the provisions of the Companies Act, 2013, and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710;

"**Registrar of Companies**" or "**ROC**" means the Registrar of Companies, at Mumbai;

"**Residual Business of the Transferor Company**" means all the assets, liabilities, business and operations of the Transferor Company other than the Transferred Undertaking 1 and Transferred Undertaking 2 and shall include without limitation (i) the business of Transferor Company of marketing and selling services to TNSL, maintaining and running various hubs and networks for TNSL for its customers and providing data centre services to all equipments of TNSL; (ii) leasehold land and building thereon situated at plot EL-6 situated at TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710; (iii) investment in shares and securities of any company and body corporate including subsidiary companies; and (iv) internet service provider license no. 820-789/04-LR dated 14th July, 2004 issued by DOT;

"**Scheme**" or "**this Scheme**" means this Composite Scheme of Arrangement and Amalgamation in its present form submitted to NCLT with any modification(s) thereto as NCLT or any other Appropriate Authority may require, direct or approve;

"**SEBI Circular**" means the circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 as modified by Circular no. CFD/DIL3/CIR/2017/26 dated 23rd March, 2017 issued by SEBI and all other applicable circulars and regulations issued by SEBI in this respect;

"**SEBI LODR**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"**Slump Sale**" means the transfer and vesting of the Transferred Undertaking 1 and Transferred Undertaking 2 of the Transferor Company into the Transferee Company as a going concern on an as is where is basis for a lump sum consideration, without values being assigned to the individual assets and liabilities in terms of Section 2(42C) of the Income Tax Act and to be implemented in terms of Part II and Part III of the Scheme;

"**Tax**" or "**Taxes**" means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), in each case in the nature of a tax, imposed by any Appropriate Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales tax, severance, branch profits, customs duties, excise duty, CENVAT credit, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, input tax credit, entry tax, advance income tax, tax deducted at source, wealth tax, fringe benefit tax, tax collected at source, cess, tax refunds, taxes withheld or paid in a foreign country, customs duty and registration fees;

"**TNSL**" or "**Amalgamating Company**" means Tatanet Services Limited, an unlisted public company limited by shares, incorporated on 12th August, 1987 under the provisions of the Companies Act, 1956 and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710;

"**Transferred Business 1**" means the business of providing solutions in the areas of Automation Control of ISSS through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers;

"**Transferred Business 2**" means the 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;

"**Transferred Undertaking 1**" means the Transferred Business 1 of the Transferor Company and all assets, properties, investments and liabilities, on a going concern basis including (without limitation) the following;

(i) all movable assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, exclusively used or held, by the Transferor Company pertaining to the Transferred Business 1, all immovable properties of the Transferor Company used for the Transferred Business 1, structures and buildings constructed thereon, tenancies, parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Appropriate Authority or others, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Transferred Business 1 excluding the CENVAT credit and value added Tax set off available;

(ii) all debts (secured and unsecured), liabilities, provisions, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without

limitation, whether arising out of any contract or tort based on negligence or strict liability), exclusively pertaining to the Transferred Business 1 excluding the liabilities pertaining to service Tax, value added Tax and customs duty;

(iii) all Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferred Business 1 or otherwise identified to be for the benefit of the same;

(iv) all Intellectual Property Rights including registered Intellectual Property Rights, registered trademarks, trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by the Transferor Company pertaining to the Transferred Business 1, whether or not registered, owned or licensed, including any form of intellectual property which is work in progress;

(v) all permits, licenses (excluding licenses issued by the Wireless Planning and Coordination Wing, Ministry of Communications), consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any Appropriate Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension exclusively relates to or used or held for use by the Transferor Company pertaining to the Transferred Business 1;

(vi) all benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority, to the extent statutorily available to the Transferor Company pertaining to the Transferred Business 1, along with associated obligations;

(vii) all staff, employees and workmen of the Transferor Company, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, as are primarily engaged in or in relation to the Transferred Business 1, at its respective offices, branches and other locations, and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits of such staff, employees, workmen and contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, workmen and contract labourers of the Transferor Company pertaining to the Transferred Business 1;

(viii) all legal (whether civil or criminal) proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, that pertain to the Transferred Business 1, whether pending/ongoing or which be instituted any time in the future excluding legal proceedings or investigations relating to service Tax, value added Tax and customs duty;

(ix) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Business 1; and

(x) any other assets and liabilities.

"**Transferred Undertaking 2**" means the Transferred Business 2 of the Transferor Company and all assets, properties, investments and liabilities, on a going concern basis including (without limitation) the following;

(i) all movable assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, exclusively used or held, by the Transferor Company pertaining to the Transferred Business 2, all immovable properties of the Transferor Company used for the Transferred Business 2, structures and buildings constructed thereon, tenancies, parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Appropriate Authority or others, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Transferred Business 2 excluding the CENVAT credit and value added Tax set off available;

(ii) all debts (secured and unsecured), liabilities, provisions, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), exclusively pertaining to the Transferred Business 2 excluding the liabilities pertaining to service Tax, value added Tax and customs duty;

(iii) all Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferred Business 2 or otherwise identified to be for the benefit of the same;

(iv) all Intellectual Property Rights including registered Intellectual Property Rights, registered trademarks, trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by the Transferor Company pertaining to the Transferred Business 2, whether or not registered, owned or licensed, including any form of intellectual property which is work in progress;

(v) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any Appropriate Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension exclusively relates to or used or held for use by the Transferor Company pertaining to the Transferred Business 2;

(vi) all benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority, to the extent statutorily available to the Transferor Company pertaining to the Transferred Business 2, along with associated obligations;

(vii) all staff, employees and workmen of the Transferor Company, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, as are primarily engaged in or in relation to the Transferred Business 2, at its respective offices, branches and other locations, and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits

of such staff, employees, workmen and contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, workmen and contract labourers of the Transferor Company pertaining to the Transferred Business 2;

(viii) all legal (whether civil or criminal) proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, that pertain to the Transferred Business 2, whether pending/ongoing or which be instituted any time in the future excluding legal proceedings or investigations relating to service Tax, value added Tax and customs duty;

(ix) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Business 2; and

(x) any other assets and liabilities.

All terms and words used in this Scheme and not specifically defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act.

6. INTERPRETATION

In this Scheme, unless the context otherwise requires:

6.1 words denoting singular shall include plural and vice versa;

6.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

6.3 references to the word "include" or "including" shall be construed without limitation;

6.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

6.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;

6.6 references to dates and times shall be construed to be references to Indian dates and times;

6.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

6.8 references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works councillor, employee representatives body (whether or not having separate legal personality) ;

6.9 references to any person includes that person's successors;

6.10 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;

6.11 any reference to any statute or statutory provision shall include:

(i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time); and

(ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced. Provided that nothing in this Clause 6 shall operate to increase the liability of any party to this Scheme beyond that which would have existed had this Clause 6 been omitted.

6.12 The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and the directions of NCLT, shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.

7. SHARE CAPITAL

7.1 Nelco (Transferor Company / Amalgamated Company)

The share capital of Nelco as on 31st March, 2017 is as under:

Authorised Share Capital	Amount (Rs.)
2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000
25,00,000 Redeemable Preference Shares of Rs. 100 each	25,00,00,000
Total	**50,00,00,000**
Issued Share Capital	
2,28,18,400 Equity Shares of Rs. 10 each	22,81,84,000
Subscribed and Fully Paid Up Share Capital	
2,28,17,461 Equity Shares of Rs. 10 each	22,81,74,610

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of Nelco.

7.2 TNSL (Amalgamating Company)

The share capital of TNSL as on 31st March, 2017 is as under

Authorised Share Capital	Amount (Rs.)
50,00,000 Equity Shares of Rs. 10 each	5,00,00,000
Issued Share Capital	
49,00,000 Equity Shares of Rs 10 each	4,90,00,000
Subscribed and Fully Paid Up Share Capital	
49,00,000 Equity Shares of Rs 10 each	4,90,00,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of TNSL.

7.3 NNPL (Transferee Company)

The share capital of NNPL as on 31st March, 2017 is as under:

Authorised Share Capital	Amount (Rs.)
50,000 Equity Shares of Rs. 10 each	5,00,000
Issued Share Capital	
50,000 Equity Shares of Rs. 10 each	5,00,000
Subscribed and Fully Paid Up Share Capital	
50,000 Equity Shares of Rs. 10 each	5,00,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of NNPL. NNPL will be appropriately and adequately funded to meet its business requirements including discharge of consideration for the acquisition of Transferred Undertaking 1 and Transferred Undertaking 2.

PART II – TRANSFER OF TRANSFERRED UNDERTAKING 1 OF THE TRANSFEROR COMPANY TO THE TRANSFEREE COMPANY BY WAY OF SLUMP SALE

8. Transfer and vesting of Transferred Undertaking 1 of the Transferor Company to the Transferee Company by way of Slump Sale

8.1 Upon this Scheme becoming effective, subject to clause 18 and other provisions of this Scheme, pursuant to the orders of NCLT sanctioning the Scheme and pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, with effect from the Appointed Date the Transferred Undertaking 1 of the Transferor Company shall stand transferred to and be vested in and/or be deemed to

have been transferred to and vested in the Transferee Company, as a going concern, by way of Slump Sale, so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, without any further act, instrument or deed, as per the provisions and in the manner provided herein, together with all its properties, assets, liabilities, rights, benefits and interest therein.

8.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective, with effect from the Appointed Date, the entire Transferred Undertaking 1 together with all its business and operations including all its assets and liabilities, shall be transferred by the Transferor Company to the Transferee Company on a going concern and "as-is-where-is" basis, for a lump sum consideration as mentioned in Clause 10 herein below, without assigning values to individual assets and liabilities, and in the following manner:

8.2.1 All assets (whether or not recorded in the books of accounts) pertaining to the Transferred Undertaking 1 that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, on the Scheme becoming effective, shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

8.2.2 All assets pertaining to the Transferred Undertaking 1 that are movable in nature, other than those in sub-clause 8.2.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, stand transferred to and vested in the Transferee Company on and from the Appointed Date and become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

8.2.3 All lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferred Undertaking 1 of the Transferor Company, together with security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

8.2.4 All immovable properties pertaining to the Transferred Undertaking 1 including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent

and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

8.2.5 All Contracts to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such Contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if, it were the Transferor Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such Contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.

8.2.6 All guarantees provided by any bank in relation to the Transferred Undertaking 1 in favour of the Transferor Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Transferee Company and shall enure to the benefit of the Transferee Company and, all guarantees issued by the bankers of the Transferor Company in relation to the Transferred Undertaking 1 at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.

8.2.7 All Intellectual Property Rights exclusively pertaining to the Transferred Undertaking 1, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the Scheme becoming effective.

8.2.8 All Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever in relation to the Transferred Undertaking 1, or to the benefit of which the Transferred Undertaking 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.

8.2.9 All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Undertaking 1 of the Transferor Company, to the extent possible and permitted under Applicable Law, be handed over by the Transferor Company to the Transferee Company.

8.3 Without prejudice to the generality of Clause 8.1 above, upon the Scheme coming into effect, with effect from the Appointed Date:

8.3.1 All the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, provisions, duties and obligations (whether or not provided in the books of the Transferor Company) pertaining to the Transferred Undertaking 1, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Transferred Undertaking 1, as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

8.3.2 All the liabilities pertaining to the Transferred Undertaking 1, and which are incurred or which arise or accrue to the Transferred Undertaking 1 of the Transferor Company, on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as part of the transfer of the Transferred Undertaking 1 as going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

8.3.3 Any liabilities of the Transferred Undertaking 1 as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.

8.3.4 All loans raised and utilized, liabilities, duties and Taxes and obligations incurred or undertaking on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 230 to 232 of Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the Transferred Undertaking 1 as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.

8.3.5 All the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferred Undertaking 1 relating to the liabilities of the Transferred Undertaking 1, shall without any further act or deed continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date. Further, the Encumbrances, if any, on the assets of the Residual Business of the Transferor Company in relation to the liabilities of the Transferred Undertaking 1, shall without any further act, instrument or deed be released and discharged on such assets of the Residual Business of the Transferor Company. Further so far as assets of the Transferred Undertaking 1 is concerned, the Encumbrances over such assets relating to any loans, borrowings, liabilities or debts which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such loans, borrowings, liabilities or debts.

8.3.6 Any reference, in any security documents or arrangements, to the Transferor Company and assets and properties pertaining to the Transferred Undertaking 1, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferred Undertaking 1 transferred to the Transferee Company pursuant to this Scheme.

8.3.7 Without prejudice to the foregoing provisions, the Transferee Company/the Transferor Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

8.3.8 The provisions of this clause 8.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

8.4 Employees

8.4.1 All the employees, staff and workmen, pertaining to the Transferred Undertaking 1, shall become employees, staff and workmen of and be engaged by the Transferee Company, upon the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer and vesting of the Transferred Undertaking 1 and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.

8.4.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of the employees, staff , workmen and contract labour account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff, workmen and contract labour of the Transferred Undertaking 1 of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

8.4.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen pertaining to the Transferred Undertaking 1, upon the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any Appropriate Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.

8.4.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, pertaining to the Transferred Undertaking 1 prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.

8.4.5 The contributions made by the Transferor Company under Applicable Law in connection with the employees, staff and workmen of the Transferred Undertaking 1 of the Transferor Company, to the funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.

8.4.6 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferred Undertaking 1, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause to the extent permitted by Applicable Law.

8.4.7 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees of the Transferred Undertaking 1 to the extent applicable in relation to the Transferred Undertaking 1, which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.

8.4.8 Any disciplinary action initiated by the Transferor Company against any employee, staff and workmen of the Transferred Undertaking 1 shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.

8.5 Legal Proceedings

8.5.1 All proceedings of whatsoever nature (legal, quasi judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether by or against the Transferor Company and pertaining to the Transferred Undertaking 1, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertaking 1 or anything contained in this Scheme.

8.5.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) whether by or against the Transferor Company pertaining to the Transferred Undertaking 1, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

8.5.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Transferred Undertaking 1, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

8.5.4 Notwithstanding the above, in case the proceedings referred to in Clause 8.5.1 to 8.5.3 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

8.6 The experience, track record and credentials of the Transferred Undertaking 1 in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its transfer to Transferee Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Transferred Undertaking 1 even after its transfer

to the Transferee Company, including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

8.7 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Transferor Company.

8.8 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Transferred Undertaking 1 including its business and operations, into the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

9. Conduct of business

With effect from the Appointed Date and up to and including the Effective Date:

9.1 the Transferor Company shall carry on and shall be deemed to have carried on all its business activities pertaining to the Transferred Undertaking 1 and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;

9.2 all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferred Undertaking 1 of the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and

9.3 all profits or income arising or accruing in favour of the Transferor Company in relation to the Transferred Undertaking 1 and all Taxes paid thereon or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 1 shall, for all intent and purposes, be treated as and be deemed to be the profits or income, Taxes or losses, as the case may be, of the Transferee Company. It is hereby clarified that any Tax payable by or refundable relating to the Transferred Undertaking 1, including all or any Tax refunds or tax liabilities or Tax claims arising from pending Tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/Tax claims (whether or not recorded in the books relating to the Transferred Undertaking 1) of the Transferee Company.

10. Consideration for Slump Sale

10.1 Upon the Scheme coming into effect and upon transfer and vesting of the Transferred Undertaking 1 of the Transferor Company into the Transferee Company pursuant to the Slump Sale as stated herein, the lump sum consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) shall be payable in cash by the Transferee Company to the Transferor Company. The consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors.

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.

12. Validity of existing resolutions, etc.

12.1 Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or the shareholders of the Transferor Company pertaining to the Transferred Undertaking 1, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

12.2 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferred Undertaking 1 or whether it arises or does not arise out of the activities, business or operations of the Transferred Undertaking 1 shall be decided by mutual agreement between the respective Boards of Directors of the Transferor Company and the Transferee Company.

PART III – TRANSFER OF TRANSFERRED UNDERTAKING 2 OF THE TRANSFEROR COMPANY TO THE TRANSFEREE COMPANY BY WAY OF SLUMP SALE

13. Transfer and vesting of Transferred Undertaking 2 of the Transferor Company to the Transferee Company by way of Slump Sale

13.1 Upon this Scheme becoming effective, subject to clause 18 and other provisions of this Scheme, pursuant to the orders of NCLT sanctioning the Scheme and pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, with effect from the Appointed Date the Transferred Undertaking 2 of the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, by way of Slump Sale, so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, without any further act, instrument or deed, as per the provisions and in the manner provided herein, together with all its properties, assets, liabilities, rights, benefits and interest therein.

13.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective, with effect from the Appointed Date, the entire Transferred Undertaking 2 together with all its business and operations including all its assets and liabilities, shall be transferred by the Transferor Company to the Transferee Company on a going concern and "as-is-where-is" basis, for a lump sum consideration as mentioned in Clause 15 herein below, without assigning values to individual assets and liabilities, and in the following manner:

13.2.1 All assets (whether or not recorded in the books of accounts) pertaining to the Transferred Undertaking 2 that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, on the Scheme becoming effective,

shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

13.2.2 All assets pertaining to the Transferred Undertaking 2 that are movable in nature, other than those in sub-clause 13.2.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, stand transferred to and vested in the Transferee Company on and from the Appointed Date and become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

13.2.3 All lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferred Undertaking 2 of the Transferor Company, together with security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

13.2.4 All immovable properties pertaining to the Transferred Undertaking 2 including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

13.2.5 All Contracts to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such Contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can

be enforced and acted upon as fully and effectually as if, it were the Transferor Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such Contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.

13.2.6 All guarantees provided by any bank in relation to the Transferred Undertaking 2 in favour of the Transferor Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Transferee Company and shall enure to the benefit of the Transferee Company and, all guarantees issued by the bankers of the Transferor Company in relation to the Transferred Undertaking 2 at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.

13.2.7 All Intellectual Property Rights exclusively pertaining to the Transferred Undertaking 2, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the Scheme becoming effective.

13.2.8 All Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever in relation to the Transferred Undertaking 2, or to the benefit of which the Transferred Undertaking 2 may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.

13.2.9 All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Undertaking 2 of the Transferor Company, to the extent possible and permitted under Applicable Law, be handed over by the Transferor Company to the Transferee Company.

13.3 Without prejudice to the generality of Clause 13.1 above, upon the Scheme coming into effect, with effect from the Appointed Date:

13.3.1 All the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, provisions, duties and obligations (whether or not provided in the books of the Transferor Company) pertaining to the Transferred Undertaking 2, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Transferred Undertaking 2, as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date, the liabilities of the Transferee Company on

the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

13.3.2 All the liabilities pertaining to the Transferred Undertaking 2, and which are incurred or which arise or accrue to the Transferred Undertaking 2 of the Transferor Company, on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as part of the transfer of the Transferred Undertaking 2 as going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

13.3.3 Any liabilities of the Transferred Undertaking 2 as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.

13.3.4 All loans raised and utilized, liabilities, duties and Taxes and obligations incurred or undertaking on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 230 to 232 of Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the Transferred Undertaking 2 as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.

13.3.5 All the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferred Undertaking 2 relating to the liabilities of the Transferred Undertaking 2, shall without any further act or deed continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date. Further, the Encumbrances, if any, on the assets of the Residual Business of the Transferor Company in relation to the liabilities of the Transferred Undertaking 2, shall without any further act, instrument or deed be released and discharged on such assets of the Residual Business of the Transferor Company. Further so far as assets of the Transferred Undertaking 2 is concerned, the Encumbrances over such assets relating to any loans, borrowings, liabilities or debts which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such loans, borrowings, liabilities or debts.

13.3.6 Any reference, in any security documents or arrangements, to the Transferor Company and assets and properties pertaining to the Transferred Undertaking 2, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferred Undertaking 2 transferred to the Transferee Company pursuant to this Scheme.

13.3.7 Without prejudice to the foregoing provisions, the Transferee Company/the Transferor Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

13.3.8 The provisions of this clause 13.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

13.4 Employees

13.4.1 All the employees, staff and workmen, pertaining to the Transferred Undertaking 2, shall become employees, staff and workmen of and be engaged by the Transferee Company, upon the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer and vesting of the Transferred Undertaking 2 and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.

13.4.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of the employees, staff, workmen and contract labour account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff, workmen and contract labour of the Transferred Undertaking 2 of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

13.4.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen pertaining to the Transferred Undertaking 2, upon the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any Appropriate Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.

13.4.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, pertaining to the Transferred Undertaking 2 prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.

13.4.5 The contributions made by the Transferor Company under Applicable Law in connection with the employees, staff and workmen of the Transferred Undertaking 2 of the Transferor Company, to the funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.

13.4.6 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferred Undertaking 2, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause to the extent permitted by Applicable Law.

13.4.7 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees of the Transferred Undertaking 2 to the extent applicable in relation to the Transferred Undertaking 2, which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.

13.4.8 Any disciplinary action initiated by the Transferor Company against any employee, staff and workmen of the Transferred Undertaking 2 shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.

13.5 Legal Proceedings

13.5.1 All proceedings of whatsoever nature (legal, quasi judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether by or against the Transferor Company and pertaining to the Transferred Undertaking 2, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertaking 2 or anything contained in this Scheme.

13.5.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) whether by or against the Transferor Company pertaining to the Transferred Undertaking 2, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

13.5.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Transferred Undertaking 2, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

13.5.4 Notwithstanding the above, in case the proceedings referred to in Clause 13.5.1 to 13.5.3 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

13.6 The experience, track record and credentials of the Transferred Undertaking 2 in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its transfer to Transferee Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Transferred Undertaking 2 even after its transfer to the Transferee Company, including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

13.7 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Transferor Company.

13.8 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Transferred Undertaking 2 including its business and operations, into the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

14. Conduct of business

With effect from the Appointed Date and up to and including the Effective Date:

14.1 the Transferor Company shall carry on and shall be deemed to have carried on all its business activities pertaining to the Transferred Undertaking 2 and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;

14.2 all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferred Undertaking 2 of the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and

14.3 all profits or income arising or accruing in favour of the Transferor Company in relation to the Transferred Undertaking 2 and all Taxes paid thereon or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 2 shall, for all intent and purposes, be treated as and be deemed to be the profits or income, Taxes or losses, as the case may be, of the Transferee Company. It is hereby clarified that any Tax payable by or refundable relating to the Transferred Undertaking 2, including all or any Tax refunds or tax liabilities or Tax claims arising from pending Tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/Tax claims (whether or not recorded in the books relating to the Transferred Undertaking 2) of the Transferee Company.

15. Consideration for Slump Sale

15.1 Upon the Scheme coming into effect and upon transfer and vesting of the Transferred Undertaking 2 of the Transferor Company into the Transferee Company pursuant to the Slump Sale as stated herein, the lump sum consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) shall be payable in cash by the Transferee Company to the Transferor Company. The consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors.

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.

17. Validity of existing resolutions, etc.

17.1 Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or the shareholders of the Transferor Company pertaining to the Transferred Undertaking 2, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

17.2 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferred Undertaking 2 or whether it arises or does not arise out of the activities, business or operations of the Transferred Undertaking 2 shall be decided by mutual agreement between the respective Boards of Directors of the Transferor Company and the Transferee Company.

18. Residual Business of the Transferor Company to continue with the Transferor Company

18.1 All the assets, liabilities and obligations together with the business and operations, pertaining to the Residual Business of the Transferor Company, shall continue to belong to and remain vested in and be managed by the Transferor Company.

18.2 All legal and other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Residual Business of the Transferor Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferor Company in respect of the Residual Business of the Transferor Company) shall be continued and enforced solely by or against the Transferor Company.

18.3 All profits accruing to the Transferor Company or losses arising or incurred by it (including the effect of Taxes, if any, thereon) relating to the Residual Business of the Transferor Company shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company.

18.4 All assets and properties acquired by the Transferor Company in relation to the Residual Business of the Transferor Company, on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.

PART IV AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY

19. Upon the occurrence of the Slump Sale pursuant to Part II and Part III of this Scheme, the Transferor Company shall be referred to as the "Amalgamated Company" for the purposes of Part IV of the Scheme. With effect from the Appointed Date and upon the coming into effect of this Scheme, pursuant to the provisions of Section 230 to 232 of the Act and other applicable provisions of the Act, the Amalgamating Company shall stand merged with and be vested in the Amalgamated Company, as a going concern in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing but subject to existing Encumbrances affecting the same, so as to become, as and from the Appointed Date, the undertaking, businesses, properties and other belongings, of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

20. Without prejudice to the generality of clause 19 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:

20.1 all assets (whether or not recorded in the books of accounts) of the Amalgamating Company that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/ or by endorsement and delivery and on the Scheme becoming effective, shall stand vested in the Amalgamated Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Amalgamated Company to the end and intent that the property and benefit therein passes to the Amalgamated Company.

20.2 all assets of Amalgamating Company that are movable in nature, other than those in sub-clause 20.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, stand transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date, become the property of the Amalgamated Company, without any notice or other intimation to the debtors or obligors or any other person. The Amalgamated Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company as the person entitled thereto, to the end and intent that the right of the Amalgamating Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Amalgamating Company) stands transferred and assigned to the Amalgamated Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

20.3 all lease and licence agreements entered into by the Amalgamating Company with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company, together with security deposits, shall stand automatically transferred and vested in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company.

20.4 all immovable properties of the Amalgamating Company including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Amalgamated Company, without any further act or deed done/executed or being required to be done/executed by the Amalgamating Company or the Amalgamated Company or both. The Amalgamated Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

20.5 all Contracts (including contracts for services and contracts with Antrix Corporation Ltd.) and other instruments to which the Amalgamating Company is a party, or to the benefit of which the Amalgamating Company may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Amalgamated Company, and may be enforced effectively by or against the Amalgamated Company as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Amalgamated Company and shall be the legal and enforceable rights and interests of the Amalgamated Company, which can be enforced and acted upon as fully and effectually as if, it were the Amalgamating Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts, shall be deemed to have been entered in and novated to the Amalgamated Company and the Amalgamated Company shall be deemed to be the Amalgamating Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company (and not by any of its successors), shall be fulfilled by the Amalgamated Company as if it were the duly constituted

attorney of the Amalgamating Company. All inter-se contracts between the Amalgamated Company and the Amalgamating Company shall stand cancelled and cease to operate upon this Part IV of the Scheme becoming effective.

20.6 all guarantees provided by any bank in favour of the Amalgamating Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Amalgamated Company and shall enure to the benefit of the Amalgamated Company and, all guarantees issued by the bankers of the Amalgamating Company at the request of the Amalgamating Company favouring any third party shall be deemed to have been issued at the request of the Amalgamated Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.

20.7 all Intellectual Property Rights of the Amalgamating Company, if any, shall stand vested in the Amalgamated Company without any further act, instrument or deed, upon the Scheme becoming effective.

20.8 all Taxes payable by or refundable to the Amalgamating Company, including all or any refunds or claims shall be treated as the Tax liability or refunds/claims, as the case may be, of the Amalgamated Company, and any Tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, remissions, reductions, or Tax holidays, as would have been available to the Amalgamating Company, shall pursuant to the Scheme becoming effective, be available to the Amalgamated Company and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Amalgamating Company.

20.9 all Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever of or to the benefit of the Amalgamating Company may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Amalgamated Company, and shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto.

20.10 the Amalgamated Company shall be entitled to claim refunds or credits, including input tax credits, with respect to Taxes paid by for, or on behalf of, the Amalgamating Company under Applicable Law, including but not limited to sales tax, goods and service tax, as applicable, value added tax, service tax, excise duty cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Amalgamating Company and the Amalgamated Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.

20.11 all benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company, whether being in the nature of compliances or otherwise, shall under the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/ complied with by the Amalgamated Company.

20.12 all the resolutions, if any, of the Amalgamating Company, which are valid and subsisting, shall under the provisions of Sections 230 to 232 of the Act, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the aggregate of the said limits in the Amalgamated Company.

20.13 upon the Scheme becoming effective, the Amalgamated Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Amalgamating Company or carry out any other transaction as it deems fit.

20.14 all books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, of the Amalgamating Company to the extent possible and permitted under Applicable Law, be handed over to the Amalgamated Company.

21. Without prejudice to the generality of the Clauses mentioned above, the assets of the Amalgamating Company shall also include all permits, licences including the Internet Service Provider Licence and VSAT Service Licence issued by the DOT (described in Schedule I hereto), authorisation, spectrum, bandwidth rights and any other licences, approvals, clearances, authorities, quotas, allocations granted to the Amalgamating Company, all municipal approvals, permissions for establishing towers (including cell site licences) or receiving stations or any broadband and/ or approvals for bandwidth, authorisations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), power of attorneys (given by, issued to or executed in favour of the Amalgamating Company) and benefits of all Contracts, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid Clauses, if any, all other rights and benefits, licences, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all contracts, government contracts, memoranda of understanding, project service agreements, pre-qualification, applications (including applications for and new licenses / permissions issued by DOT or other regulatory authority for mobile VSAT services on aircrafts, maritime vessels, etc or any other VSAT services), bids, tenders, letters of intent, concessions, non- possessory contractual rights or any other contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Amalgamating Company on the Effective Date shall stand transferred to the Amalgamated Company in accordance with the Applicable Laws.

22. Without prejudice to the generality of clause 19 above, upon the Scheme coming into effect and with effect from the Appointed Date:

22.1 all the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, reserves, provisions and funds, duties and obligations (whether or not provided in the books of the Amalgamating Company) of the Amalgamating Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company, and the same shall be assumed by the Amalgamated Company, to the extent they are outstanding on the Effective Date, and shall become on and from the Appointed Date the liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company, and the Amalgamated Company alone shall meet, discharge and satisfy the same.

22.2 all inter-se liabilities, between Amalgamating Company and Amalgamated Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Amalgamated Company.

22.3 all the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Amalgamating Company which secure or relate to the liabilities of the Amalgamating Company shall without any further

act, instrument, deed, cost or charge and without any notice or other intimation to any third party for transfer of the same, continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date and are transferred to the Amalgamated Company. It is clarified that the aforesaid Encumbrances shall not extend to any assets of the Amalgamating Company which were earlier not encumbered or to the existing assets of the Amalgamated Company.

22.4 any reference, in any security documents or arrangements (to which the Amalgamating Company is a party), to the Amalgamating Company and assets and properties of Amalgamating Company, shall be construed as a reference to the Amalgamated Company and the assets and properties of the Amalgamating Company transferred to the Amalgamated Company pursuant to this Scheme.

22.5 without prejudice to the foregoing provisions, the Amalgamated Company/the Amalgamating Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

22.6 the provisions of this clause 22 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

23. Employees

23.1 All the employees, staff and workmen if any, employed with the Amalgamating Company, shall become employees, staff and workmen of and be engaged by the Amalgamated Company, with effect from the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of the amalgamation and transfer and without any further act, deed or instrument on the part of the Amalgamating Company or the Amalgamated Company.

23.2 All contributions made by the Amalgamating Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of such employee's, staff's and workman's account with such funds, shall, upon this Scheme becoming effective, be transferred to the Amalgamated Company along with such of the investments made by such funds which are referable and allocable to the employees, staff and workmen of the Amalgamating Company and the Amalgamated Company shall stand substituted for the Amalgamating Company with regard to the obligation to make the said contributions.

23.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen of the Amalgamating Company, upon Part IV of the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Amalgamated Company and, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such fund or funds shall become those of the Amalgamated Company without need of any fresh approval from any statutory authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Amalgamating Company for such purpose shall be treated as having been continuous.

23.4 The Amalgamated Company agrees that the services of all employees, staff and workmen of the Amalgamating Company, prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits

shall be reckoned from the date of their respective appointment in the Amalgamating Company. The Amalgamated Company undertakes to pay the same, as and when payable under Applicable Law.

23.5 The Amalgamating Company will transfer/handover to the Amalgamated Company, copies of employment information of all such transferred employees, staff and workmen of the Amalgamating Company, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, , staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

23.6 The Amalgamated Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Amalgamating Company with employees, staff and workmen of the Amalgamating Company which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.

23.7 Any disciplinary action initiated by the Amalgamating Company against any employee, staff and workman of the Amalgamating Company shall have full force, effect and continuity as if it was initiated by the Amalgamated Company instead of the Amalgamating Company.

24. Legal Proceedings

24.1 All proceedings of whatsoever nature (legal, quasi-judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company, shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or anything contained in this Scheme, but the said proceedings shall until Effective Date, be continued, prosecuted and enforced, by or against the Amalgamating Company, as if this Scheme had not been made.

24.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) by or against, the Amalgamating Company, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Amalgamated Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company.

24.3 The Amalgamated Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company, transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.

25. The experience, track record and credentials of the Amalgamating Company in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its amalgamation with the Amalgamated Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Amalgamated Company including for the purpose of eligibility, standing, evaluation and participation of the Amalgamated Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

26. The Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company is a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Amalgamated Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Amalgamating Company.

27. The Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Amalgamating Company including its business and operations, into the Amalgamated Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

28. Upon the Scheme becoming effective, the Amalgamated Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Amalgamating Company or carry out any other transaction as it deems fit.

29. Conduct of Business

With effect from the Appointed Date and up to and including the Effective Date:

29.1 The Amalgamating Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Amalgamated Company;

29.2 All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by the Amalgamating Company for and on account of and in trust for the Amalgamated Company;

29.3 All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Amalgamating Company, for the period commencing from the Appointed Date, shall for all purposes be treated as and be deemed to be the profits, income, losses or expenses, as the case may be, of the Amalgamated Company;

29.4 Any of the rights, powers, authorities or privileges exercised by the Amalgamating Company, shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company, shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company;

29.5 All Taxes, where applicable, payable by or refundable to the Amalgamating Company including all or any Tax refunds or Tax liabilities or Tax claims arising from pending Tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/ Tax claims (whether or not recorded in the books of the Amalgamating Company) as the case may be, of the Amalgamated Company, and any unabsorbed Tax losses and depreciation as would have been available to the Amalgamating Company on or before the Effective Date shall be available to the Amalgamated Company upon the Scheme becoming effective.

29.6 The Amalgamating Company may raise or utilize loans from the Amalgamated Company or discharge loans or interest amounts (if any) due or payable or which may at any time prior to the Effective Date become due or payable to the Amalgamated Company.

30. Saving of Concluded Transactions

Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company or its predecessors as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company.

31. Consideration

Upon this Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the undertaking, businesses, properties and other belongings of the Amalgamating Company in the Amalgamated Company in terms of the Scheme, the entire paid up share capital of the Amalgamating Company fully held by the Amalgamated Company (either held in its own name or through its nominee (s)) on the Effective Date, shall stand cancelled in its entirety, without any further act, instrument or deed. The Amalgamated Company shall not be required to issue and allot any shares as the Amalgamated Company and its nominee are themselves the only shareholders of the Amalgamating Company.

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.

33. Winding Up

Upon the Scheme becoming effective, the Amalgamating Company shall without any further act, instrument or deed stand dissolved without being wound-up.

34. Compliance with Section 2(1B) of the Income Tax and provisions of Section 232 of the Act

The provisions of this Scheme as they relate to the amalgamation of the Amalgamating Company into and with the Amalgamated Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, shall prevail and the provisions of this Part IV of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will, however, not affect the other parts of the Scheme.

35. Combination of Authorised Share Capital

35.1 As an integral part of the Scheme, and upon the coming into effect of the Scheme, the authorized share capital of the Amalgamating Company shall stand transferred to and be added with the authorized share capital of the Amalgamated Company without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61 and Section 232(3) of the Act and no resolutions or consent and approvals would be required to be passed by the Amalgamated Company.

35.2 Consequently upon the merger of the authorized share capital pursuant to clause 35.1, Clause V of the Memorandum of Association of the Amalgamated Company upon the coming into effect of this Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and Section 232 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"V. The Capital of the company is Rs 55,00,00,000 divided into 3,00,00,000 Equity Shares of Rs 10/- each and 25,00,000 Redeemable Preference Shares of Rs 100/- each (with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being), with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

35.3 Consequent upon the merger of the authorized share capital pursuant to clause 35.1, Article 5 of the Articles of Association of the Amalgamated Company upon the coming into effect of this Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 14 and Section 232 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"V. The capital of the Company is Rs 55,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs 10/- each and 25,00,000 Redeemable Preference Shares of Rs 100/- each (with the rights privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for time being), with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

35.4 It is clarified that the approval of the members of the Amalgamated Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association and Articles of Association under the provision of Section 13, 14 and 232 of the Act and other applicable provisions of the Act.

36. Change in object clause of the Amalgamated Company

36.1 With effect from the Appointed Date and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of the Amalgamated Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of the Amalgamating Company, pursuant to the provisions of Section 13 of the Act and other applicable provisions of the Act and applicable rules. Accordingly the main object clause of the Memorandum of Association of the Amalgamated Company shall be altered and amended and the following clause shall be inserted after Clause III (1-F) of the Memorandum of Association of the Amalgamated Company.

"(1-G) To carry on in India and elsewhere, either on its own or in alliance with any other Person/Body/ Bodies Corporate incorporated in India or abroad either under strategic alliance or Joint Venture or any other arrangement the business of establishing, setting, arranging, undertaking, consulting, advising, managing, planning, designing, operating, promoting, organizing, conducting, observing, controlling, customizing, providing, selling, letting on hire, taking and giving on lease, installing, maintaining, producing, modifying, to provide communication services including VSAT based satellite and broadband communication services including Maritime and Aeronautical Communication Services and such other domestic/ international telecommunications services as are in use elsewhere or to be developed in future, to plan, establish, develop, provide, operate and maintain telecommunications systems and networks within India or outside India as are found necessary for domestic and international telecommunications, digital satellite news gathering services, internet protocol television, digital signage, domestic and international data gateway networks, data transmission, telematics, video conferencing, streaming video, digital video broadcast, distance learning, digital transmission, telemedicine, high speed internet, virtual private network services, beaming to single / multi screen cinema, up linking of TV signals, teleport services, Internet services, systems and connectivity with telephone network using telephone, satellites and transponders, Voice-over-Internet Protocol (VOIP), Broadband internet wireless, data and

hosting services, Cyber shops, cyber classrooms, internet kiosks, E-mail services and Data-storage, server & storage co-location, data analytics and data processing related activities, leased lines, Multi Protocol Label Switching (MPLS) services, cloud based services and other allied service"

36.2 For the purpose of amendment in the Memorandum of Association of the Amalgamated Company as provided in this Clause, the consent / approval given by the members of the Amalgamated Company to this Scheme pursuant to Section 230 of the Act and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of the Amalgamated Company as required under the provisions of Sections 13 of the Act and any other applicable provisions of the Act and applicable rules shall be required to be passed for making such change / amendment in the Memorandum of Association of the Amalgamated Company and filing of the certified copy of this Scheme as sanctioned by NCLT, in terms of Section 230/232 of the Act and any other applicable provisions of the Act, together with the order of NCLT and a printed copy of the Memorandum of Association for the purpose of the said Section 13 and all other applicable provisions of the Act and applicable rules and the Registrar of Companies, shall register the same and make the necessary alteration in the Memorandum of Association of the Amalgamated Company accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and any other provisions of the Act.

36.3 The Amalgamated Company shall file with the Registrar of Companies, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

PART V GENERAL TERMS AND CONDITIONS

37. Conditions to effectiveness of the Scheme

37.1 This Scheme is and shall be conditional upon and subject to:

37.1.1 Shareholder and Creditor approval: This Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of Nelco, TNSL and NNPL as required under the Act, and as directed by NCLT or dispensation having been received from NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;

37.1.2 Stock Exchanges Approval. The Transferor Company shall have received observation letter or no-objection letter from BSE and NSE in respect of the Scheme under the SEBI Circular which shall be in form and substance acceptable to Nelco, TNSL and NNPL, each acting reasonably and in good faith;

37.1.3 DOT Approval: The written approvals of DOT with respect to the transfer of the Internet Service Provider license and VSAT license (described in Schedule I hereto) from the Amalgamating Company to the Amalgamated Company under the Scheme shall have been received, which shall be in form and substance acceptable to Nelco and TNSL, each acting reasonably and in good faith;

37.1.4 Shareholder Approval under SEBI Circular: The transfer Company shall seek approval of the public shareholders through postal ballot and e-voting pursuant to the provisions of paragraph 9(a) of Annexure I of SEBI circular and the majority of the public shareholders of the Transferor Company shall have approved the Scheme pursuant to, and in accordance with Regulation 37 of the SEBI LODR read with the SEBI Circular;

37.1.5 NCLT Sanction: NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to Nelco, TNSL and NNPL;

37.1.6 Certified copies of the Order of NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai; and

37.1.7 Such other approvals and sanctions of any Appropriate Authority as may be required by law in respect of the Scheme.

38. Applications/Petitions to NCLT

Nelco, TNSL and NNPL shall make and file all applications and petitions under Sections 230 to 232 of the Act before NCLT, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

39. Dividend

39.1 During the pendency of the Scheme, the Transferee Company, Amalgamating Company and Amalgamated Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

39.2 The shareholders of the Transferee Company, Amalgamating Company and Amalgamated Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

39.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferee Company, Amalgamating Company and Amalgamated Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Board of Directors, subject to such approval of the members, as may be required.

40. Operational sequence of the Scheme

40.1 Upon the sanction of the Scheme and it becoming effective, the different transactions envisaged under the Scheme shall be operative in the following sequence:

40.1.1 Slump Sale of the Transferred Undertaking 1 and Transferred Undertaking 2 of the Transferor Company to the Transferee Company, in terms of Part II and Part III of this Scheme;

40.1.2 Amalgamation of the Amalgamating Company with the Amalgamated Company, in terms of Part IV of this Scheme.

41. Each of the Transferor Company, the Transferee Company and the Amalgamating Company by their respective Boards of Directors or any committee thereof or any Director authorised in that behalf ("Delegate") may together assent to, or make from time to time, any modifications or amendments or additions to this Scheme which NCLT or any Appropriate Authority may deem fit to approve of or impose and which the companies may in their discretion accept, or such modifications or amendments or additions as the companies or as the case may be, their respective Delegates deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out the purpose of this Scheme and as approved by NCLT, and the companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deed, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. The aforesaid powers of the companies may be exercised by the Delegate of the respective companies. It is clarified that any modification or amendment to the Scheme by the companies, after the sanction by NCLT, shall only be made with the prior consent of NCLT.

42. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the companies may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question on doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

43. Withdrawal of the Scheme

43.1 The Transferor Company and /or the Transferee Company and /or the Amalgamating Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any NCLT/Appropriate Authority/person or otherwise is unacceptable to any of them or for any reason whatsoever.

43.2 In the case of withdrawal from the Scheme under clause 43.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company, Transferee Company and Amalgamating Company and their respective shareholders, creditors, employees or any other person save and except in respect of any act or deed done prior thereto as contemplated in this Scheme or as to any right liability or obligation that has accrued or arisen pursuant thereto and which shall be governed, worked out and preserved as specifically provided in the Scheme or in accordance with Applicable Law.

44. Severability

Each provision or part of this Scheme is independent and is severable. Any failure of any one provision or part of this Scheme for lack of necessary approval from the shareholders/ creditors/ Appropriate Authorities or for any other reason that the Board of Directors may deem fit shall not result in the whole Scheme failing. It shall be open to the Board of Directors concerned to consent to sever such provision(s) or part(s) of the Scheme and implement the rest of the Scheme with such modification

45. Costs

45.1 In the event of the Scheme not being sanctioned by NCLT, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

45.2 Subject to Clause 45.1 above, all costs, charges and expenses (including, but not limited to, any Taxes and duties, stamp duty, registration charges) payable in relation to or in connection with the Scheme and or carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by Nelco.

Schedule I

Telecom Licenses held by the Amalgamating Company

Sr. No.	License Type	Effective Date	Service Area
1.	VSAT License no. 815-80/ 2001/LR dated 27th February, 2003	27th February, 2003	India
2.	ISP License no. 820-952/07-LR dated 16th April, 2008	16th April, 2008	India

Annexure 2

Thacker & Associates

Chartered Accountants Office No 1 & 2, Ground Floor, 147 Mahavir Krupa,
Near Jain Temple, Jain Society, Sion (West), Mumbai - 400022, India
T/F: +91 22 2404 4981 • www.dtassociates.net

September 01, 2017

To,
The Board of Directors
NELCO Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

To,
The Board of Directors
TATANET Services Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

To,
The Board of Directors
NELCO Network Products Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

Dear Sirs,

Sub: Valuation in respect of Composite Scheme of Arrangement and Amalgamation between NELCO Limited, TATANET Services Limited and NELCO Network Products Limited

We understand that the Management of the above companies are contemplating a Composite Scheme of Arrangement and Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between NELCO Limited, TATANET Services Limited and NELCO Network Products Limited and their respective shareholders and creditors pursuant to which it is proposed that:

- NELCO Limited **("NELCO" or "Transferor Company" or "Amalgamated Company")** shall transfer its two independent business being Transferred Undertaking 1[1] (ISSS Business) and Transferred Undertaking 2[2] (VSAT Business) under slump sale arrangement, on a going concern basis, to NELCO Network Products Limited **("NNPL" or "Transferee Company")** with Appointed Date as on April 1, 2017; and
- Consequent to the above, TATANET Services Limited **("TNSL" or "Amalgamating Company")** shall be amalgamated with NELCO Limited with Appointed Date as on April 1, 2017.

THACKER & ASSOCIATES MUMBAI

[1] Defined under Clause 5 of the proposed Scheme
[2] Defined under Clause 5 of the proposed Scheme

We have been requested to conduct valuation of the aforesaid businesses (ISSS Business and VSAT Business) and determine swap ratio for amalgamation of TNSL with NELCO as envisaged in the draft Composite Scheme of Arrangement and Amalgamation **("the Scheme")**:

- **PART II (Transfer of ISSS Business into NNPL under slump sale arrangement)**
- **PART III (Transfer of VSAT Business into NNPL under slump sale arrangement)**
- **PART IV (Amalgamation of TNSL with NELCO)**

In the following paragraphs, we have summarized our understanding of the key facts; key information relied upon, valuation approach and limitation to our scope of work. Our report is structured as under:

1. Background
2. Valuation of ISSS Business and VSAT Business (PART II and III of the Scheme)
3. Amalgamation of TNSL with NELCO (PART IV of the Scheme)
4. Key Information relied upon
5. Scope Limitation

1. Background

1.1 NELCO Limited, a listed public company, is presently engaged in the business of providing Integrated Security and Surveillance solutions and providing Very Small Aperture Terminals hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

- As on date, total paid-up equity share capital of NELCO Limited is 22,817,461 shares of Rs. 10 each amounting to Rs. 228,174,610 as shown under:

Shareholders of NELCO Limited	Paid-up equity share capital (Rs.)	%
Tata Power Company Limited (along with its subsidiaries and associate companies)	114,280,400	50.1%
Public shareholders	113,894,210	49.9%
Total	**228,174,610**	**100%**

[Source: www.bsedindia.com and Management representation]

- The equity shares of NELCO Limited are currently listed on the National Stock Exchange of India Limited and BSE Limited. As can be noted from the above, Tata Power Company Limited (along with its subsidiaries and associate companies) holds 50.1% equity in NELCO Limited and balance 49.9% equity are held by the public shareholders.

- Amongst other investments, NELCO Limited has wholly owned subsidiaries – TATATNET Services Limited (TNSL) and NELCO Network Products Limited (NNPL). Both TNSL and NNPL are unlisted public limited companies.

- Thus, Tata Power Company Limited (along with its subsidiaries and associate companies) directly and / or indirectly hold 50.1% equity ownership in NELCO, TNSL and NNPL. The proposed Scheme envisages restructuring of businesses amongst NELCO, TNSL and NNPL and there would be no change in the present shareholding of NELCO Limited.

- NELCO Limited proposes to transfer its Transferred Undertaking 1 (ISSS Business) and Transferred Undertaking 2 (VSAT Business) to NNPL under slump sale arrangement, on a going concern basis, with Appointed Date as on April 1, 2017.

- Post slump sale of aforesaid businesses, NELCO Limited will continue to operate its residual business, as defined at Clause 5 of the Scheme under definition of *"Residual Business of the Transferor Company"* as enclosed at **Annexure A** hereto.

1.2 TATANET Services Limited (TNSL or Amalgamating Company), an unlisted public company, is presently engaged in the business of providing wide area networking solutions using VSAT communication services on a pan India basis pursuant to the commercial VSAT Service provider license from Department of Telecom. The VSAT communication services use satellite bandwidth as a medium for connectivity. TNSL offers these services to enterprise customers across the various industry verticals as well as to Government customers.

- TNSL is a wholly owned subsidiary of NELCO Limited. As on date, total paid-up equity share capital held of TNSL is Rs. 49,000,000 comprising of 4,900,000 shares of Rs. 10 each, which is entirely held by NELCO Limited.

- In accordance with Part IV of the Scheme, it is proposed that TNSL shall be amalgamated with NELCO Limited with Appointed Date as on April 1, 2017.

1.3 NELCO Network Products Limited (NNPL or Transferee Company), an unlisted public company, has been recently incorporated on September 8, 2016 under the Companies Act, 2013.

- NNPL is a wholly owned subsidiary of NELCO Limited. As on date, total paid-up equity share capital of NNPL is Rs. 500,000 comprising of 50,000 shares of Rs. 10 each, which is entirely held by NELCO Limited.

- NNPL is yet to commence any business activity.

- The main objects of NNPL as per its memorandum of association includes to carry on the business of designers, manufacturers, assemblers, sellers, buyers, importers, exporters, stockiest, hirers, repairers, installers, developers and distributors of or otherwise dealers in all sorts of products and services in VSAT Communication, Value Added Network (VAN), Electronic Data Interchange, Datacom Network, File Transfer and Protocol Conversation, Voice Network Services, Electronic Transaction Services, High Speed VSAT based Satellite Communication Services, Video Conferencing Services, System Integration

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Services involving various computers, communications and electronics products/ technologies and to market and sell and support various types of Satellite/ data communications and electronics and electrical equipments and networks built using various products including but not limited to Routers, Switches and Computers.

2. Valuation of ISSS Business and VSAT Business

2.1 In accordance with Part II and III of the Scheme, it is proposed that NELCO Limited would transfer its Transferred Undertaking 1 (ISSS Business) and Transferred Undertaking 2 (VSAT Business) to NELCO Network Products Limited (NNPL) under slump sale arrangement, on a going concern basis, for a lumpsum consideration with Appointed Date as April 1, 2017.

[A] VALUATION APPROACH AND METHODOLOGY:

2.2 Generally, there are several commonly used and accepted methods for determining the value of a business and each of them is briefly stated as under:

2.2.1 Income Approach – Discounted Cash Flow (DCF) method

Under DCF method, value of a business can be assessed using the projected free cash flows to the firm which are then discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

2.2.2 Market Approach – Comparable Companies Multiple method

Under this method, value of a business is arrived at by using multiples derived from valuation of comparable companies or comparable transactions, as manifested through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to the valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

2.2.3 Asset Approach – Net Asset Value method

The asset based valuation technique is based on the value of the underlying net assets of the business on a book value basis. A scheme of restructuring would normally be proceeded with the assumption that the restructured business would continue to operate as going concern and an actual realization of the operating assets is not contemplated.

2.3 It should be noted that application of any particular method of valuation depends on the purpose for which the valuation is done.

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2.4 This Scheme proposes restructuring of various businesses of NELCO and its subsidiary (NNPL) to enable better realization of potential of the businesses and other business considerations as stated at Clause 3 (Rationale) of the Proposed Scheme. Under the present facts, the proposed slump sale of ISSS business and VSAT business is from the holding company (NELCO Limited) to its wholly owned subsidiary (NNPL) and as a result of which, post slump sale, the economic and beneficial ownership in such ISSS business and VSAT business continues to rest with NELCO Limited (holding company).

2.5 Post such transfer, the interest of the shareholders of NELCO Limited would not be prejudicially affected based on the consideration attributed to each of such business and accordingly, the Management of both the companies (NELCO and NNPL) has represented that valuation of Transferred Undertaking 1 (ISSS Business) and Transferred Undertaking 2 (VSAT Business) be conducted based on the Net Asset Value Method, considering book values as on March 31, 2017, being the date immediately preceding the Appointed Date.

2.6 Accordingly, for purpose of this engagement, we have applied only the Net Asset Value Method.

[B] VALUATION OF TRANSFERRED UNDERTAKING 1 (ISSS BUSINESS) AND TRANSFERRED UNDERTAKING 2 (VSAT BUSINESS)

2.7 ISSS Business include the business of providing solutions in the areas of automation control of Integrated Security and Surveillance Solutions through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers and in particular as defined as "Transferred Undertaking 1" and "Transferred Business 1" as defined at Clause 5 of the proposed Scheme, as enclosed at **Annexure B** hereto and now referred to as **"Transferred Undertaking 1"** for purpose of this document.

2.8 VSAT Business include the 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 and in particular as defined as "Transferred Undertaking 2" and "Transferred Business 2" as defined at Clause 5 of the proposed Scheme, as enclosed at **Annexure C** hereto and now referred to as **"Transferred Undertaking 2"** for purpose of this document.

2.9 It is noted that the aforesaid slump sale of businesses is in accordance of Section 2(42C) of the Income-tax Act, 1961.

2.10 Based on review of documents, information, explanations, representations made available and our discussion had with the Management and authorised representatives of the respective companies, the valuation summary of subject businesses to be transferred is presented below:

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PART II of the Proposed Scheme: Transfer of Transferred Undertaking 1 as defined in Clause 5 (ISSS Business) under slump sale arrangement, on a going concern basis	NAV valuation of said Transferred Undertaking 1 is **Rs. 10.08 crores** *(Rupees Ten Crores And Eight Lacs Only)* determined under Net Asset Value Method considering the book values as on March 31, 2017 in the books of accounts of NELCO Limited, being the date immediately preceding the Appointed Date.
PART III of the Proposed Scheme: Transfer of Transferred Undertaking 2 as defined in Clause 5 (VSAT Business) under slump sale arrangement, on a going concern basis	NAV valuation of said Transferred Undertaking 2 is **Rs. 15.83 crores** *(Rupees Fifteen Crores And Eighty-Three Lacs Only)* determined under Net Asset Value Method considering the book values as on March 31, 2017 in the books of accounts of NELCO Limited, being the date immediately preceding the Appointed Date.

2.11 In this report, we have not considered matters of legal nature, including issues of legal title and compliance with local laws.

2.12 No enquiry has been made in respect of claim to title of assets or property of the Transferred Undertaking 1 and Transferred Undertaking 2 and we have relied solely on the representations made by the Management of the respective companies for purpose of this valuation report. We have not verified such representations against any title documents or any agreement evidencing right or interest in or over such assets or property, and have assumed the Transferred Undertaking 1 and Transferred Undertaking 2 claim to such rights, title or interest as valid for purpose of this report. We have not conducted due diligence in respect of any right, title or interest in property or assets and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

3. Amalgamation of TATANET Services Limited with NELCO Limited

3.1 Subsequent to slump sale of Transferred Undertaking 1 and Transferred Undertaking 2, the Part IV of the proposed Scheme envisages amalgamation of TATANET Services Limited *(a wholly owned subsidiary of NELCO Limited)* with NELCO Limited.

3.2 Upon the proposed Scheme being effective, all shares held by NELCO Limited (Amalgamated Company) in the share capital of TATANET Services Limited (Amalgamating Company) shall stand cancelled in their entirety, without any further act, instrument or deed. The Amalgamated Company shall not be required to issue and allot any shares as the Amalgamated Company and its nominee are themselves the only shareholders of the Amalgamating Company.

4. Key Information relied upon

4.1 We have placed reliance on the information and explanations provided by the Management of the respective companies and their respective advisors and authorised representatives. Some of the key information relied upon is as under:

4.1.1 Financial statements:

(i) Audited financial statements of NELCO Limited as on March 31, 2017.

(ii) Audited financial statements of TATANET Services Limited as on March 31, 2017.

(iii) Audited financial statements of NELCO Network Products Limited as on March 31, 2017.

(iv) Carved-out unaudited statement of assets and liabilities of Transferred Undertaking 1 (ISSS Business) as on March 31, 2017, as duly certified by the Management.

(v) Carved-out unaudited statement of assets and liabilities Transferred Undertaking 2 (VSAT Business) as on March 31, 2017, as duly certified by the Management.

4.1.2 Shareholding Patten:

(vi) Shareholding details of NELCO Limited, TATANET Services Limited and NELCO Network Products Limited as on April 1, 2017 and as on date, as duly certified by the Management.

(vii) Tata Power Company Limited (along with its subsidiaries and associate companies) directly and / or indirectly hold 50.1% equity ownership in NELCO, TNSL and NNPL. The proposed restructuring of businesses amongst NELCO, TNSL and NNPL would not result into change in the present shareholding of NELCO Limited.

4.1.3 Draft Composite Scheme of Arrangement and Amalgamation:

(viii) Draft Composite Scheme of Arrangement and Amalgamation between NELCO, TNSL and NNPL and their respective shareholders and creditors in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as duly certified by the Management.

(ix) Appointed Date is April 1, 2017.

(x) Proposed Scheme has been drawn up to comply with "slump sale" and "amalgamation" in accordance with Sections 2(42C) and 2(1B) of the Income-tax Act, 1961 respectively.

4.2 Our discussions had, from time to time, with the Management of the respective companies and their advisors and authorised representatives.

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5. Scope Limitation

5.1 We have placed reliance on various documents, information explanations, representations provided by the Management of NELCO Limited, TATANET Services Limited and NELCO Network Products Limited and their respective advisors and authorised representatives. Our reliance is based on the completeness and accuracy of the facts provided; which if not entirely complete or accurate, should be communicated to us immediately, as any inaccuracy or incompleteness could have a material impact on our findings.

5.2 It may be mentioned that NELCO Limited, TATANET Services Limited and NELCO Network Products Limited has been provided an opportunity to review the draft report for the current engagement to ensure that factual inaccuracies, omissions, etc are avoided in the report.

5.3 Our work was not designed to verify the accuracy or reliability of the information provided to us and nothing stated herein should be taken to imply that we have for purpose of this assignment conducted procedures, audits or investigations in an attempt to verify or confirm any of the information supplied to us.

5.4 The valuation exercise is based solely on the carved-out unaudited statement of assets and liabilities as on March 31, 2017 of the Transferred Undertaking 1 and Transferred Undertaking 2. Our work did not constitute an audit of the carved-out statement of assets and liabilities and accordingly, we do not express any opinion on fairness of the financial position as indicated in this report. Similarly, our work did not constitute validation of the carved-out statement of assets and liabilities of the Transferred Undertaking 1 and Transferred Undertaking 2 and accordingly, we do not express any opinion on the same.

5.5 We understand that the Management of the respective companies have brought to our attention all material transactions, events or any other factor having an impact on the valuation of the subject businesses under consideration.

5.6 This document has been prepared solely for purpose of assisting the Management of the respective companies, under consideration, in determining the NAV valuation of the subject businesses to be transferred from NELCO Limited to NELCO Network Products Limited and in respect of amalgamation of TATANET Services Limited, in accordance to our engagement letter dated July 27, 2017. This certificate has been prepared solely for the purposes stated herein and should not be relied upon for any other purpose. This certificate has been issued for the Board of Directors of the respective companies (to whom it is addressed) to enable NELCO Limited to seek fairness opinion from a merchant banker, make its application to the stock exchanges and National Company Law Tribunal and to submit to any regulatory / statutory authority as may be

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required under any law and should not be used by any other person or any other purpose and must not be released to any third party without our express written consent which is at our sole discretion.

5.7 By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. Although our conclusions are in our opinion reasonable, it is quite possible that others may not agree.

If you require any clarification on the above, we would be happy to clarify the same.

We are thankful to your team for kind co-operation and support during this assignment

Yours faithfully,

For Thacker & Associates
Chartered Accountants
Firm Registration No: 133591W

Prashant J. Thacker
Partner
Membership No: 058363

Annexure A

Definition of "Residual Business of the Transferor Company" as per Clause 5 of the Composite Scheme of Arrangement and Amalgamation

"Residual Business of the Transferor Company" *means all the assets, liabilities, business and operations of the Transferor Company other than the Transferred Undertaking 1 and Transferred Undertaking 2 and shall include without limitation (i) the business of Transferor Company of marketing and selling services to TNSL, maintaining and running various hubs and networks for TNSL for its customers and providing data centre services to all equipments of TNSL; (ii) leasehold land and building thereon situated at plot EL-6 situated at TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710; (iii) investment in shares and securities of any company and body corporate including subsidiary companies; and (iv) internet service provider license no. 820-789/04-LR dated 14th July, 2004 issued by DOT.*

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Annexure B

Definition of "Transferred Business 1" and "Transferred Undertaking 1" as per Clause 5 of the Composite Scheme of Arrangement and Amalgamation

"Transferred Business 1" *means the business of providing solutions in the areas of Automation Control of ISSS through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers;*

"Transferred Undertaking 1" *means the Transferred Business 1 of the Transferor Company and all assets, properties, investments and liabilities, on a going concern basis including (without limitation) the following;*

(i) *all movable assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, used or held, by the Transferor Company pertaining to the Transferred Business 1, all immovable properties of the Transferor Company used for the Transferred Business 1, structures and buildings constructed thereon, tenancies, parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Appropriate Authority or others, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Transferred Business 1 excluding the CENVAT credit and value added Tax set off available;*

(ii) *all debts (secured and unsecured), liabilities, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Transferred Business 1 excluding the liabilities pertaining to service Tax, value added Tax and customs duty;*

(iii) *all Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company is a party, relating to the Transferred Business 1 or otherwise identified to be for the benefit of the same;*

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(iv) *all intellectual property rights including registered Intellectual Property Rights, registered trademarks, trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by the Transferor Company exclusively pertaining to the Transferred Business 1, whether or not registered, owned or licensed, including any form of intellectual property which is work in progress;*

(v) *all permits, licenses (excluding licenses issued by the Wireless Planning and Coordination Wing, Ministry of Communications), consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any Appropriate Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension relates to or used or held for use by the Transferor Company pertaining to the Transferred Business 1;*

(vi) *all benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority, to the extent statutorily available to the Transferor Company pertaining to the Transferred Business 1, along with associated obligations;*

(vii) *all staff, employees and workmen of the Transferor Company, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, as are engaged in or in relation to the Transferred Business 1, at its respective offices, branches and other locations, and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits of such staff, employees, personnel, contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, personnel, contract labourers of the Transferor Company pertaining to the Transferred Business 1;*

(viii) *all legal (whether civil or criminal) proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, that pertain to the Transferred Business 1, whether pending/ongoing or which be instituted any time in the future excluding legal proceedings relating to service Tax, value added Tax and customs duty;*

(ix) all reserves, provisions and funds, books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former credit, whether in physical or electronic form, pertaining to the Transferred Business 1; and

(x) any other assets and liabilities.

Annexure C

Definition of "Transferred Business 2" and "Transferred Undertaking 2" as per Clause 5 of the Composite Scheme of Arrangement and Amalgamation

"Transferred Business 2" *means the 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;*

"Transferred Undertaking 2" *means the Transferred Business 2 of the Transferor Company and all assets, properties, investments and liabilities, on a going concern basis including (without limitation) the following;*

(i) *all movable assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, used or held, by the Transferor Company pertaining to the Transferred Business 2, all immovable properties of the Transferor Company used for the Transferred Business 2, structures and buildings constructed thereon, tenancies, parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Appropriate Authority or others, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Transferred Business 2 excluding the CENVAT credit and value added Tax set off available*

(ii) *all debts (secured and unsecured), liabilities, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Transferred Business 2 excluding the liabilities pertaining to service Tax, value added Tax and customs duty;*

(iii) *all Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company is a party, relating to the Transferred Business 2 or otherwise identified to be for the benefit of the same;*

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(iv) *all intellectual property rights including registered Intellectual Property Rights, registered trademarks, trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by the Transferor Company exclusively pertaining to the Transferred Business 2, whether or not registered, owned or licensed, including any form of intellectual property which is work in progress;*

(v) *all permits, licenses consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any Appropriate Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension relates to or used or held for use by the Transferor Company pertaining to the Transferred Business 2;*

(vi) *all benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority, to the extent statutorily available to the Transferor Company pertaining to the Transferred Business 2, along with associated obligations;*

(vii) *all staff, employees and workmen of the Transferor Company, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, as are engaged in or in relation to the Transferred Business 2, at its respective offices, branches and other locations, and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits of such staff, employees, personnel, contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, personnel, contract labourers of the Transferor Company pertaining to the Transferred Business 2;*

(viii) *all legal (whether civil or criminal) proceedings or investigations of whatsoever nature including those before any Appropriate Authority) initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, that pertain to the Transferred Business 2, whether pending/ongoing or which be instituted any time in the future excluding legal proceedings relating to service Tax, value added Tax and customs duty;*

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(ix) *all reserves, provisions and funds, books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former credit, whether in physical or electronic form, pertaining to the Transferred Business 2; and*

(x) *any other assets and liabilities.*

JM FINANCIAL

STRICTLY CONFIDENTIAL

September 1, 2017

The Board of Directors,
Nelco Limited,
EL-6, TTC Industrial Area,
MIDC, Electronics Zone,
Mahape, Navi Mumbai – 400710

Ladies / Gentlemen:

We refer to the engagement letter dated August 23, 2017 ("**Engagement Letter**") whereby Nelco Limited ("**Nelco**" or "**Amalgamated Company**" or "**Transferor Company**" or "**Company**") has engaged JM Financial Institutional Securities Limited ("**JM Financial**"), *inter alia,* to provide a fairness opinion to the Company on the valuation report dated September 1, 2017 ("**Valuation Report**") issued by Thacker & Associates, Chartered Accountants (the "**Valuer**") for the proposed transfer and vesting of Transferred Undertaking 1 (as defined hereinafter) and Transferred Undertaking 2 (as defined hereinafter) into Nelco Network Products Limited ("**NNPL**" or "**Transferee Company**") as a going concern on an a slump sale basis for a lump sum consideration and thereafter, amalgamation of Tatanet Services Limited ("**TNSL**" or "**Amalgamating Company**") with Nelco with Appointed Date as on April 1, 2017 (or such other date as may be directed by NCLT) vide a composite scheme of arrangement and amalgamation under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder ("**Proposed Scheme**"). We understand that the Proposed Scheme will be considered by the Board of Directors of Nelco.

Company Background and Purpose

Nelco is a public limited company incorporated under the Companies Act, 1913. The Company is presently engaged in the business of providing Integrated Security and Surveillance solutions (ISSS) and providing Very Small Aperture Terminals (VSAT) hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers. The equity shares of the Company ("**Equity Shares**") are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and together with the BSE, the "**Stock Exchanges**").

TNSL is an unlisted public company limited by shares, incorporated under the provisions of the Companies Act, 1956. TNSL is presently engaged in the business of providing wide area networking solutions using VSAT communication services on a pan India basis pursuant to the commercial VSAT Service provider license from Department of Telecom (DOT). TNSL offers these services to enterprise customers across the various industry verticals as well as to Government customers. TNSL is a wholly owned subsidiary of Nelco.

NNPL is an unlisted public company limited by shares, incorporated under the provisions of the Companies Act, 2013. NNPL is yet to engage in any business activity. NNPL is a wholly owned subsidiary of Nelco.

The Company has appointed the Valuer to determine the valuation of Transferred Undertaking 1 and Transferred Undertaking 2. Transferred Undertaking 1 pertains to the Transferred Business 1 of the Transferor Company which is in the business of providing solutions in the areas of Automation Control of Integrated Security and Surveillance solutions (ISSS). Transferred Undertaking 2 pertains to the Transferred Business 2 of the Transferor Company which is in the 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. The Company in terms of the Engagement Letter requested us to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of Valuation ("**Fairness Opinion**") as per the requirements of the SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**").

All terms not specifically defined in this Fairness Opinion shall carry the same meaning as in the Proposed Scheme.

Brief Background of the Proposed Scheme

Nelco under the Proposed Scheme is desirous of transferring Transferred Undertaking 1 and Transferred Undertaking 2 to NNPL as a "going concern" on a slump sale basis for a lump sum consideration of Rs. 10.08 crores for Transferred Undertaking 1 and Rs. 15.83 crores for of Transferred Undertaking 2. Subsequently, post the Slump Sale, TNSL will amalgamate with Nelco. Since the entire share capital of the Amalgamating Company is held by the Amalgamated Company, the Amalgamated Company is not required to issue shares or pay any consideration to the Amalgamating Company or its shareholders.

As per the Proposed Scheme, the proposed restructuring is expected to result in following benefits:

- Result in simplification of the corporate structure with the VSAT communication service business vesting in the flagship listed parent entity and the related hardware business in its wholly owned subsidiary. This would result in revenue from recurring services from VSAT communication service to be in Nelco and the revenue from sale of hardware including VSAT equipment business to be in NNPL whose revenue will be mainly one-time in nature.
- The enhanced net worth of Nelco (which would own the VSAT license post the restructuring) after the Arrangement and Amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.

We understand that Transferred Undertaking 1 and Transferred Undertaking 2 are proposed to be transferred under the Scheme by the Transferor Company to the Transferee Company for a consideration of Rs. 10.08 crores and Rs. 15.83 crores respectively. The consideration shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuer;
2. Draft of the Proposed Scheme; and
3. Necessary explanations and information from the representatives of Nelco.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We

have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Company, NNPL and TNSL and neither expresses any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Company, NNPL or TNSL, nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company, NNPL and TNSL for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims. In addition, we have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company, NNPL and TNSL, other than those disclosed in the information provided or considered in the Proposed Scheme.

We understand that the management of the Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as, providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the announcement of the Proposed Scheme or as to the financial performance of the Company, NNPL or TNSL following the consummation of the Proposed Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in the Company or any of its related parties (holding company / subsidiary /associates etc).

Conclusion

The transaction involves slump sale of two business undertakings from parent company into its wholly owned subsidiary and amalgamation of a wholly owned subsidiary into parent company.

Based on our examination of the Valuation Report, such other information / undertakings / representations provided to us by the Company and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the value of Transferred Undertaking 1 of Rs. 10.08 crores and Transferred Undertaking 2 of Rs. 15.83 crores is fair.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of the Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law tribunal along with the petition for the Proposed Scheme and such other applicable regulatory authorities under SEBI Circular and/ or the Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law in which case you would provide us a prior written intimation. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof. In no circumstances however, will JM Financial or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For **JM Financial Institutional Securities Limited**

Kamal Sultania

Authorized Signatory

KAMAL SULTANIA

Annexure 4

Thacker & Associates

Chartered Accountants Office No 1 & 2, Ground Floor, 147 Mahavir Krupa,
Near Jain Temple, Jain Society, Sion (West), Mumbai - 400022, India
T/F: +91 22 2404 4981 • www.dtassociates.net

September 27, 2017

To,
NELCO Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

Dear Sirs,

Re: Valuation Report issued on September 1, 2017 in respect of Composite Scheme of Arrangement and Amalgamation between NELCO Limited, TATANET Services Limited and NELCO Network Products Limited

Sub: Response to the letter issued by NSE Limited dated September 22, 2017 in respect of requirement of Valuation Report as per SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015

This is in reference to the subject letter dated September 22, 2017 issued by NSE Limited.

In this context, we provide herewith the following information / clarification in respect of the valuation report dated September 1, 2017:

1. The Board of Directors of Nelco Limited in its meeting on September 1, 2017 had approved a Composite Scheme of Arrangement and Amalgamation **("the Scheme")** under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between Nelco Limited, Tatanet Services Limited and Nelco Network Products Limited and their respective shareholders and creditors.

2. Pursuant to the said Scheme:

   2.1 The businesses of Nelco Limited (ISSS Business and VSAT Business) is being proposed to be transferred to its wholly owned subsidiary by way of slump sale, Nelco Network Products Limited **("the Transferee Company" and "NNPL")** on a going concern basis.

   2.2 As envisaged in the Scheme, the consideration for transfer of the aforesaid businesses is to be settled by way of cash[1]. It may be noted that no shares of the Transferee Company would be issued as a consideration.

[1] As mentioned in Clause 10 and 15 of the proposed Scheme

2.3 Post slump sale of the aforesaid businesses, Tatanet Services Limited **("TNSL")** (a wholly owned subsidiary of Nelco Limited) would be amalgamated into Nelco Limited. On amalgamation, no shares would be issued by Nelco Limited, being the amalgamation of wholly owned subsidiary with its holding company.

2.4 Further, no shares would be issued either by Nelco Limited or by Nelco Network Products Limited. In light of the above facts, it can be noted that the proposed internal restructuring of businesses amongst Nelco Limited, TNSL and NNPL would not result into change in the present shareholding of Nelco Limited and NNPL.

3. In view of the above, it is noted there is no requirement to either to issue "relative value per share" of the respective companies or to issue "fair share exchange ratio" / "swap ratio". Accordingly, the Circular NSE/CML/2017/12 dated June 1, 2017 **("NSE Circular")** is not applicable under the present facts and circumstances.

4. However, while determining the consideration for transfer of businesses, the valuation methods as prescribed in the said NSE Circular have been duly factored ie., Asset Approach, Income Approach and Market Approach.

5. Since the subject Scheme proposes internal restructuring of various businesses of Nelco Limited and its subsidiary (NNPL) to enable better realization of potential of the businesses and other business considerations as stated at Clause 3 (Rationale) of the Scheme. Under the present facts, the proposed slump sale of businesses is from Nelco Limited (the holding company) to its wholly owned subsidiary (NNPL) and as a result of which, post slump sale, the economic and beneficial ownership in such businesses continues to rest with Nelco Limited (holding company).

6. Post such transfer, the interest of the shareholders of Nelco Limited would not be prejudicially affected based on the consideration attributed to each of such business and accordingly, for the purpose of this engagement, we have applied only the Net Asset Value Method. Therefore, the other two methods – Income Approach and Market Approach have not been considered. Kindly refer to observations at Para 2.2 to 2.7 to the valuation report dated September 1, 2017.

Hope the above clarifies on matter under consideration.

Yours faithfully,

For Thacker & Associates
Chartered Accountants

Prashant Thacker

Prashant J. Thacker
Partner

THACKER & ASSOCIATES MUMBAI

Annexure 5

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NELCO LIMITED AT ITS MEETING HELD ON 1st SEPTEMBER, 2017 ON THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION AMONGST NELCO LIMITED, TATANET SERVICES LIMITED AND NELCO NETWORK PRODUCTS LIMITED PURSUANT TO THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013.

1. Background

i) A meeting of the Board of Directors ("**Board**") of Nelco Ltd. was held on 1st September, 2017 to consider and recommend the draft Composite Scheme of Arrangement and Amalgamation amongst Nelco Ltd. ("**Nelco**" or "**Company**"), Tatanet Services Limited ("TNSL") and Nelco Network Products Limited ("NNPL") and their respective shareholders and creditors under Sections 230 to 232 read with sections 13, 14 and 61 of the Companies Act, 2013 ("**Act**") and other applicable provisions of the Act ("**Scheme**"). The Scheme entails the following:

   a) Slump Sale of the business of providing solutions in the areas of Automation Control of Integrated Security and Surveillance Solutions ("ISSS") through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers ("**Transferred Undertaking 1**") by Nelco to NNPL, on a going concern basis.

   b) Slump Sale of the business of providing Very Small Aperture Terminals ("**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 ("**Transferred Undertaking 2**") by Nelco to NNPL, on a going concern basis.

   c) Amalgamation of TNSL (post slump sale) with Nelco and the consequential alteration of the main objects clause of the Memorandum of Association of Nelco and authorised share capital clause in the Memorandum and Articles of Association of Nelco.

ii) The Appointed Date for Arrangement and Amalgamation under the Scheme is 1st April, 2017. Nelco along with its nominees held 100% of the equity share capital of TNSL and NNPL as on 31st March, 2017. There is no subsequent change in the share capital of TNSL or NNPL.

iii) The consideration proposed to be discharged under the Scheme is as under:

   a) **Slump Sale of Transferred Undertaking 1** – A consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) shall be discharged by NNPL to the Company within 6 months from the effective date of the Scheme or such other date and terms as determined by the Board of Directors.

   b) **Slump Sale of Transferred Undertaking 2** – A consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) shall be discharged by NNPL to the Company within 6 months from the effective date of the Scheme or such other date and terms as determined by the Board of Directors.

   c) **Amalgamation** – Nelco shall not be required to issue and allot any shares as Nelco and its nominees are themselves the only shareholders of TNSL. The shares held by Nelco in TNSL will stand cancelled in their entirety.

iv) In terms of Section 232 (2)(c) of the Act, a report from the Board of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232 (2)(c) of the Act.

v) While deliberating on the Scheme, the Board had, inter-alia, considered and took on record the following documents:

   a) Draft Scheme duly initialled by Mr. P. J. Nath, Managing Director & CEO for the purpose of identification;

   b) Valuation report dated 1st September, 2017 issued by Thacker & Associates, Chartered Accountants, recommending the valuation of Transferred Undertaking 1 and Transferred Undertaking 2 ("Valuation Report");

   c) Certificate dated 1st September, 2017 issued by Deloitte Haskins & Sells LLP, Statutory Auditor certifying that the accounting treatment contained in the Scheme is in compliance with applicable Accounting Standards ("Auditor's Certificate");

d) Fairness Opinion dated 1st September, 2017 issued by J.M. Financial Institutional Securities Limited, Independent (Category – I) SEBI registered Merchant Banker, providing the fairness opinion on the Valuation Report ("Fairness Opinion"); and

e) Report of Audit Committee dated 1st September, 2017 recommending the Scheme after taking into consideration, inter alia, the Valuation Report, Auditor's Certificate and Fairness Opinion.

2. Rational of the Scheme

This Scheme involves the restructuring of the various businesses of Nelco and its subsidiaries by way of Arrangement and Amalgamation. TNSL provides VSAT communication service under the commercial VSAT service provider license issued by Department of Telecom ("**DOT**"). Nelco inter alia sells and maintains VSAT hardware and provide allied services and also operates the TNSL network based on a contract with TNSL. The rationale for the Scheme is mentioned below:

a) TNSL's revenue comes from sale of VSAT communication services, majority of which is recurring in nature. On the other hand, the revenue earned by Nelco is partially from recurring services of hardware maintenance but mainly from one time sale of hardware including VSAT equipment.

b) The organizational and operational structure would be simplified on completion of the Arrangement and Amalgamation with the VSAT communication service business vesting in Nelco, the flagship listed parent entity and the related hardware business vesting in NNPL. This would result in the recurring revenue from VSAT communication service being in Nelco and the revenue from sale of hardware including VSAT equipment being in NNPL.

c) The enhanced net worth of Nelco after the Arrangement and Amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.

3. Valuation

The report on valuation has been obtained from Thacker & Associates, Chartered Accountants, Independent Valuer. The valuation have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness by J.M. Financial Institutional Securities Limited, Independent (Category – I) SEBI registered Merchant Banker.

The consideration for Slump Sale of Transferred Undertaking 1 and Transferred Undertaking 2 has been approved by the management after taking into consideration the Valuation Report dated 1st September, 2017 issued by Thacker & Associates, Chartered Accountants, certifying the value of the Transferred Undertaking 1 and Transferred Undertaking 2 as on the Appointed Date based on Net Asset Value method considering the book values as on 31st March, 2017 in the books of accounts of Nelco, being the date immediately preceding the Appointed Date.

4. Effect of Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders:

The Composite Scheme of Arrangement and Amalgamation is between holding company and its wholly owned subsidiaries. No shares of any of the companies shall be issued and allotted pursuant to the Scheme. Hence, the Scheme does not provide for any share exchange ratio and there exist no special valuation difficulties. Thus, there will be no adverse effect of the said Scheme on the equity shareholders (the only class of shareholders), Key Managerial Personnel, Promoters, and Non-Promoter Shareholders of the Company.

By Order of the Board
For Nelco Ltd.

P.J.Nath
Managing Director & CEO

Annexure 6

SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION

NELCO Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

TATANET Services Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

NELCO Network Products Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

1. BACKGROUND

1.1 NELCO Limited, a listed public company, is presently engaged in the business of providing Integrated Security and Surveillance solutions (ISSS) and providing Very Small Aperture Terminals (VSAT) hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

1.2 NELCO Limited has wholly owned subsidiaries – TATATNET Services Limited (TNSL) and NELCO Network Products Limited (NNPL). Both TNSL and NNPL are unlisted public limited companies.

1.3 Tata Power Company Limited (along with its subsidiaries and associate companies) holds 50.1% equity in NELCO Limited and balance 49.9% equity are held by the public shareholders.

1.4 In effect, Tata Power Company Limited (along with its subsidiaries and associate companies) directly and / or indirectly hold 50.1% equity ownership in NELCO Limited, TNSL and NNPL.

NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI

TATANET SERVICES LIMITED NAVI MUMBAI

NELCO LIMITED NAVI MUMBAI

2. PROPOSED TRANSACTION

2.1 A Composite Scheme of Arrangement and Amalgamation **("the Scheme")** under Sections 230 to 232 and other provisions of the Companies Act, 2013 is proposed between NELCO Limited, TATANET Services Limited (TNSL) and NELCO Network Products Limited (NNPL) and their respective shareholders and creditors pursuant to which it is proposed that:

- NELCO Limited **("Transferor Company" or "Amalgamated Company")** shall transfer its businesses being Transferred Undertaking 1[1] (ISSS Business) and Transferred Undertaking 2[2] (VSAT Business) under slump sale arrangement, on a going concern basis, to NELCO Network Products Limited **("Transferee Company")** with Appointed Date as on April 1, 2017 and the consideration for slump sale to be settled in cash; and

- Consequent to the above, TATANET Services Limited **("Amalgamating Company")** shall be amalgamated with NELCO Limited with Appointed Date as on April 1, 2017.

2.2 The proposed Scheme envisages restructuring of businesses amongst NELCO, TNSL and NNPL and there would be no change in the present shareholding of NELCO Limited.

3. BASIS OF VALUATION

3.1 Thacker & Associates, independent chartered accountants, had carried out valuation exercise on the proposed restructuring.

3.2 **In respect of PART II and PART III of the Scheme - Transfer of ISSS Business and VSAT Business into NNPL under slump sale arrangement:**

- The Scheme proposes slump sale of ISSS business and VSAT business from the holding company (NELCO Limited) to its wholly owned subsidiary (NNPL) and as a result of which, post slump sale, the economic and beneficial ownership in such ISSS business and VSAT business continues to rest with NELCO Limited (holding company).

- Post such transfer, the interest of the shareholders of NELCO Limited would not be prejudicially affected based on the consideration attributed to each of such business and accordingly, it is proposed that valuation of Transferred Undertaking 1 (ISSS Business) and Transferred Undertaking 2 (VSAT Business) be conducted based on the Net Asset Value Method, considering book values as on March 31, 2017, being the date immediately preceding the Appointed Date and accordingly, the Net Asset Value Method has been applied.

- Based on the valuation report, the Board of Directors approved the valuation of Transferred Undertaking 1 (ISSS Business) at Rs. 10.08 crores *(Rupees ten crores and*

[1] Defined under Clause 5 of the proposed Scheme
[2] Defined under Clause 5 of the proposed Scheme

NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI
TATANET SERVICES LIMITED NAVI MUMBAI
NELCO LIMITED NAVI MUMBAI

eight lacs only) determined under Net Asset Value Method considering the book values as on March 31, 2017 in the books of accounts of NELCO Limited, being the date immediately preceding the Appointed Date.

- And in respect of VSAT Business, based on the valuation repot, the Board of Directors approved the valuation of Transferred Undertaking 2 (VSAT Business) at Rs. 15.83 crores *(Rupees fifteen crores and eighty-three lacs only)* determined under Net Asset Value Method considering the book values as on March 31, 2017 in the books of accounts of NELCO Limited, being the date immediately preceding the Appointed Date.

3.3 **In respect of PART IV of the Scheme - Amalgamation of TNSL with NELCO:**

- Subsequent to slump sale of above undertakings, Part IV of the proposed Scheme envisages amalgamation of TATANET Services Limited *(a wholly owned subsidiary of NELCO Limited)* with NELCO Limited.

- Since the entire share capital of TATANET Services Limited (Amalgamating Company) is held by NELCO Limited (Amalgamated Company), such share capital shall stand cancelled in their entirety, without any further act, instrument or deed and accordingly, NELCO Limited shall not be required to issue and allot any shares, on amalgamation.

4. FAIRNESS OPINION

JM Financial Institutional Securities Limited, a Category I Merchant Banker, has concluded that the aggregate consideration of Rs. 25.91 crores *(Rupees twenty five crores and ninety one lacs only),* for transfer of Transferred Undertaking 1 (ISSS Business) and Transferred Undertaking 2 (VSAT Business) is fair.

For NELCO Limited	For TATANET Services Limited	For NELCO Network Products Limited
Girish Kirkinde Secretary & Head-Legal	Pradip J. Nath Director	Uday Banerjee Director

NELCO LIMITED NAVI MUMBAI

TATANET SERVICES LIMITED NAVI MUMBAI

NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI

Annexure 7

DCS/AMAL/SV/R37/982/2017-18

November 16, 2017

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

Sir,

Sub: Observation letter regarding the Draft Composite Scheme of Arrangement & Amalgamation between Nelco Limited and Tatanet Services Limited and Nelco Networks Products Limited

We are in receipt of Draft Composite Scheme of Arrangement & Amalgamation between Nelco Limited and Tatanet Services Limited and Nelco Networks Products Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 16, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall 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."**
- **"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 websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"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 Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' 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, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Sr. Manager

Sabah Vaze
Assoc. Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

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

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, India
CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com

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

This Document is Digitally Signed

Signer: Divya Babu Poojari
Date: Fri, Nov 17, 2017 15:42:08 IST
Location: NSE

Annexure 9

nelco

27th October, 2017

To,
The General Manager,
Department of Corporate Services,
BSE Limited, P.J. Towers, Dalal Street,
Mumbai – 400 001

Script Code: 504112 ISIN: INE045B01015

Ref: Case no. 63109, Issue Type: Scheme, Sub Process: Regulation 37

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited, Nelco Network Products Limited and Tatanet Services Limited and their respective shareholders and creditors ("Scheme").

Dear Sir/Madam,

Sub: Report on Complaints as per Para 6 (b) of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

We refer to our letter dated 18th September 2017 on the captioned subject. Please note that 21 days have expired from hosting the Draft Scheme on the website of BSE Limited on October 26th, 2017. Accordingly please find below the Report on Complaints as per the format specified in Annexure III prescribed under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours Faithfully,

For Nelco Limited,

NELCO LIMITED NAVI MUMBAI

Girish V. Kirkinde
Company Secretary & Head – Legal

Encl: As above

Nelco Limited, EL-6, Electronics Zone, MIDC, Mahape,
Navi Mumbai - 400 710, India. Tel: +91 22 6791 8728, 6739 9100
Fax: +91 22 6791 8787 Web: www.nelco.in
CIN No. L32200MH1940PLC003164

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Report on Complaints
Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	Not Applicable
5	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
1	Not Applicable	Not Applicable	Not Applicable

For Nelco Limited,

NELCO LIMITED NAVI MUMBAI

Girish V. Kirkinde
Company Secretary & Head – Legal

Nelco Limited, EL-6, Electronics Zone, MIDC, Mahape,
Navi Mumbai - 400 710, India. Tel: +91 22 6791 8728, 6739 9100
Fax: +91 22 6791 8787 Web: www.nelco.in
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31st October 2017

To,
Manager - Listing Compliance Department
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Symbol: [NELCO] ISIN: INE045B01015

Ref: Application No: 13345

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited, Nelco Network Products Limited and Tatanet Services Limited and their respective shareholders and creditors ("Scheme").

Dear Sir/Madam,

Sub: Report on Complaints as per Para 6 (b) of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

We refer to our letter dated 18th September 2017 on the captioned subject. Please note that 21 days have expired from 9th October 2017 i.e the date of hosting the Draft Scheme on the website of NSE Limited on 30th October, 2017. Accordingly please find below the Report on Complaints as per the format specified in Annexure III prescribed under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours Faithfully

For Nelco Limited,

NELCO LIMITED NAVI MUMBAI

Girish V. Kirkinde
Company Secretary & Head – Legal

Encl: As above

Nelco Limited, EL-6, Electronics Zone, MIDC, Mahape,
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Report on Complaints for the period from 9th October 2017 to 30th October 2017

Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	Not Applicable
5	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
1	Not Applicable	Not Applicable	Not Applicable

For Nelco Limited,

NELCO LIMITED NAVI MUMBAI

Girish V. Kirkinde
Company Secretary & Head – Legal

Nelco Limited, EL-6, Electronics Zone, MIDC, Mahape,
Navi Mumbai - 400 710, India. Tel: +91 22 6791 8728, 6739 9100
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Annexure 10

Pre and post Scheme of Arrangement and Amalgamation shareholding pattern of Nelco Limited as on 31st December 2017:

The Scheme contemplates the transfer by the Company by way of Slump Sale basis the business of Transferred Undertaking 1 and Transferred Undertaking 2 (as defined in the Scheme) to Nelco Network Products Ltd. ("Transferee Company") and the Amalgamation of Tatanet Services Ltd. ("Amalgamating Company") with the Company. As there is no issue of shares of the Company, the Transferee Company and Amalgamating Company as contemplated in the Scheme, there would be no change in Capital Structure of each of these Companies solely pursuant to the Scheme coming in to effect.

Shareholding Pattern of Nelco Limited:

Category Code	Category of Shareholder	Pre & Post-Scheme Shareholding Pattern	
		Total No. of Shares	As a percentage of total capital
(A)	**Promoters**		
(1)	**Indian**		
(a)	Individuals/Hindu Undivided Family	0	0
(b)	Central Government/State Government(s)	0	0
(c)	Bodies Corporate	11430440	50.09
(d)	Financial Institutions/Banks	0	0
(e)	Any Other (specify)	0	0
	Sub-Total (A)(1)	**11430440**	**50.09**
(2)	**Foreign**		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Qualified Foreign Investor	0	0
(e)	Any Other (specify)	0	0
	Sub-Total (A)(2)	**0**	**0**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**11430440**	**50.09**
(B)	**Public Shareholding**		
(1)	**Institutions**		
(a)	Mutual Funds/UTI	3800	0.02
(b)	Financial Institutions/Banks	155415	0.68
(c)	Central Government/State Government(s)	71422	0.31
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Foreign Venture Capital Investors	0	0
(h)	Qualified Foreign Investor	0	0
(i)	Foreign Portfolio Investors	650	0.00
(i)	Any Other (specify)		
	OCBs/Foreign Cos	869360	3.81
	Sub-Total (B)(1)	**1100647**	**4.82**
(2)	**Non-Institutions**		
(a)	Bodies Corporate	848760	3.72
(b)	Individuals	0	0
	i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs	7691178	33.71
	ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	807953	3.54

Category Code	Category of Shareholder	Pre & Post-Scheme Shareholding Pattern	
		Total No. of Shares	As a percentage of total capital
(c)	Qualified Foreign Investor	0	0
(d)	NBFCs registered with RBI	10787	0.05
(d)	Any Other (specify)		
	i) IEPF Account	154612	0.68
	ii) Clearing Member	753673	3.30
	iii) Limited Liability Partnership - LLP	20050	0.09
	iv) Trust and Charitable Institutions	300	0.00
	Sub-Total (B)(2)	**10287313**	**45.08**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**11387960**	**49.91**
	TOTAL (A) + (B)	**22818400**	**100.00**
(C)	**Shares held by Custodians against which DRs are issued (GDR)**	**0**	**0**
	TOTAL (A) + (B) + (C)	**22818400**	**100.00**

Annexure 11

Pre Scheme of Arrangement and Amalgamation shareholding pattern of Tatanet Services Limited as on 31st December 2017:

Name of Shareholder	No. of Shares held
Nelco Limited	48,99,930
Mr. Pradip J. Nath (jointly with Nelco Ltd as its Nominee)	10
Mr. Kaushik Mandal (jointly with Nelco Ltd as its Nominee)	10
Mr. Uday Banerjee (jointly with Nelco Ltd as its Nominee)	10
Mr. Girish V. Kirkinde jointly with Nelco Ltd as its Nominee)	10
Mr. R.B.Upadhyay (jointly with Nelco Ltd as its Nominee)	10
Mr. Kingshuk Basak (jointly with Nelco Ltd as its Nominee)	10
Mr. Malav Shah (jointly with Nelco Ltd as its Nominee)	10
Grand Total	**49,00,000**

Annexure 12

Pre and post Scheme of Arrangement and Amalgamation shareholding pattern of Nelco Network Products Limited as on 31st December 2017:

Name of Shareholder	No. of Shares held
Nelco Limited	49,940
Mr. R.R.Bhinge (jointly with Nelco Ltd as its Nominee)	10
Mr. Kaushik Mandal (jointly with Nelco Ltd as its Nominee)	10
Mr. Uday Banerjee (jointly with Nelco Ltd as its Nominee)	10
Mr. Girish V.Kirkinde (jointly with Nelco Ltd as its Nominee)	10
Mr. Malav Shah (jointly with Nelco Ltd as its Nominee)	10
Mr. Arun Bahuguna (jointly with Nelco Ltd as its Nominee)	10
Grand Total	**50,000**

JM FINANCIAL

Date: March 28, 2018

The Board of Directors,

Nelco Limited,

EL-6, TTC Industrial Area,

MIDC, Electronics Zone,

Mahape, Navi Mumbai – 400710

Dear Sir / Madam,

Subject: Composite Scheme of Arrangement and Amalgamation under Sections 230-232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder involving Nelco Limited ("Nelco" or the "Company" or "Amalgamated Company" or "Transferor Company"), Tatanet Services Limited ("TNSL" or "Amalgamating Company"), Nelco Network Products Limited ("NNPL" or "Transferee Company") and their respective shareholders and creditors (the "Scheme")

This is with reference to our engagement letter dated August 23, 2017 entered with the Company for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to NNPL made in the abridged prospectus, prepared by the Company and NNPL, to be sent to the shareholders of the Company, pursuant to the Scheme.

The Scheme involves the transfer of two business undertakings (as defined in the Scheme) by way of slump sale on a going concern basis to NNPL followed by the amalgamation of TNSL with Nelco. Accordingly, we have been provided the abridged prospectus dated March 28, 2018 ("**Abridged Prospectus**", enclosed as **Annexure 1**), as prepared by the Company and NNPL. The Abridged Prospectus will be circulated to the members of the Company at the time of seeking their approval to the Scheme as part of the explanatory statement to the shareholders' notice.

Based on the information, undertakings, certificates, confirmations and documents provided to us by the Company and NNPL, we hereby confirm that the information contained in the Abridged Prospectus is accurate and adequate, in terms of the paragraph 3(a) of Annexure I of the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**") read with the format provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the SEBI Circular CIR/CFD/DIL/7/2015 dated October 30, 2015, as applicable ("**Abridged Prospectus Format**").

The above confirmation is based on the information furnished and explanations provided to us by the management of the Company and NNPL assuming the same is complete and accurate in all material aspects on an as is basis. We have relied upon the financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not

JM Financial Limited
Corporate Identity Number : L67120MH1986PLC038784
Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3330 www.jmfl.com

JM FINANCIAL

constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at March 28, 2018.This certificate is a specific purpose certificate issued in terms with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of applicable law including company, taxation and securities markets related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of equity shares of the Company should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Scheme for or as to the financial performance of the Company or NNPL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/associates etc.).

For **JM Financial Limited***

Name: Venugopal Nyalapelli
Designation: Director
SEBI registration number: INM000010361

Encl: as above

** JM Financial Limited has become a SEBI registered Category I Merchant Banker consequent upon amalgamation of JM Financial Institutional Securities Limited with it effective from January 18, 2018.*

APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS (AS PROVIDED IN PART D OF SCHEDULE VIII OF THE SEBI ICDR REGULATIONS)

This document contains applicable information pertaining to the unlisted entity, Nelco Network Products Limited ("**NNPL**" or the "**Transferee Company**") and the Composite Scheme of Arrangement and Amalgamation under Sections 230-232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder involving Nelco Limited ("**Nelco**" or "**Amalgamated Company**" or "**Transferor Company**"), Tatanet Services Limited ("**TNSL**" or "**Amalgamating Company**"), NNPL and their respective shareholders and creditors (the "**Scheme**") which is being issued pursuant to Circular No. CFD/DIL 3/ CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"). The Scheme is also available on the websites of BSE Limited (http://www.bseindia.com/corporates/NOCUnder.aspx?expandable=3) and the National Stock Exchange of India Limited (https://www.nseindia.com/corporates/corporateHome.html?id=recentissues). Nothing in this document constitutes an offer or an invitation by or on behalf of Nelco, NNPL or TNSL to subscribe for or purchase any of the securities of NNPL.

THIS ABRIDGED PROSPECTUS CONTAINS '6' PAGES.
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

This document dated March 28, 2018 should be read together with the Scheme and the notice to the shareholders of Nelco Limited in connection with the Scheme

Capitalised words not defined herein shall mean the words as defined in the Scheme

NELCO NETWORK PRODUCTS LIMITED

Registered Office and Corporate Office: EL-6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai – 400710

Telephone: +91 22 67399100 **Fax:** +91 22 67918787 **Email:** uday.banerjee@nelco.in

Corporate Identification Number: U32309MH2016PLC285693

Contact person: Mr. Uday Banerjee

PROMOTER OF NNPL

Nelco Limited

DETAILS OF THE SCHEME

The Scheme provides for the following which shall be deemed to have occurred on the Effective Date (as defined in the Scheme):

1. The transfer of the following two businesses undertakings of Nelco by way of slump sale on a going concern basis to NNPL, (its wholly owned subsidiary):

   (a) business of providing solutions in the areas of Automation Control of Integrated Security and Surveillance solutions ("**ISSS**") through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers at a cash consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) payable within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors; and

   (b) business of providing Very Small Aperture Terminals ("**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 its wholly owned subsidiary TNSL at a cash consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) payable within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors; and

2. The amalgamation of TNSL with Nelco and the consequential alteration of the main objects clause and authorised share capital clause in the Memorandum and Articles of Association of Nelco.

Upon this Scheme becoming effective, the entire paid up share capital of TNSL fully held by Nelco (either held in its own name or through its nominee(s)) on the Effective Date, shall stand cancelled in its entirety, without any further act, instrument or deed. Nelco shall not be required to issue and allot any shares as Nelco and its nominee are themselves the only shareholders of TNSL.

NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI

The Scheme is subject to approval from shareholders, creditors, BSE Limited ("**BSE**"), the National Stock Exchange of India Limited ("**NSE**", together with BSE, "**Stock Exchanges**"), Department of Telecommunications ("**DoT**"), SEBI and the National Company Law Tribunal ("**NCLT**").

GENERAL RISKS

Specific attention of the readers is invited to "**Details of the Scheme**" above and "**Internal Risk Factors**" on pages 1 and 5 respectively, of this document.

NAME OF THE CURRENT STATUTORY AUDITOR

Price Waterhouse Chartered Accountants LLP

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PROMOTER OF NNPL

Nelco is the holding company of NNPL. Nelco was incorporated on the August 31, 1940, under the provisions of the Indian Companies Act, VII of 1913 under the name of The National Radio & Engineering Company Limited vide certificate of incorporation no. 3164. The name of the Company was changed to The National Ekco Radio & Engineering Company Limited and a fresh certificate no. 3164 was issued by the Registrar of Companies, Bombay with effect from May 28, 1949. Subsequently, the name of the Company was changed to The National Radio & Electronics Company Limited and certificate of change of name no. 3164/TA dated August 6, 1969 was issued by the Asstt. Registrar of Companies, Maharashtra, Bombay. The name of the Company was further changed to Nelco Limited and a fresh certificate of incorporation bearing no. 11-3164 dated September 28, 1999 was issued by the Asstt. Registrar of Companies, Maharashtra, Mumbai.

Nelco is a publicly listed company having its registered office at EL-6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai - 400710. The equity shares of Nelco are listed on the NSE – Security Symbol: NELCO and BSE – Security Symbol: 504112. The issued, subscribed and paid up capital of Nelco is Rs. 22,81,84,000 divided into 2,28,18,400 equity shares of Rs. 10 each.

Nelco is engaged in the business of the providing Integrated Security and Surveillance solutions (ISSS) and Very Small Aperture Terminals (VSAT) hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

Promoters of Nelco:

Sr. No.	Name of Promoters	No. of shares held	%
1.	The Tata Power Company Limited	1,10,99,630	48.64
2.	Af-Taab Investment Company Limited	3,28,410	1.44
3.	Titan Co. Limited	1,000	0.00
Total shareholding*		**1,14,29,040**	**50.08**

*The above promoter shareholding does not include 13,500 shares that were erstwhile held by certain promoter group shareholders and were sold in physical form and have not been lodged for transfer with the Company by the respective transferees

NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI

Board of Directors of Nelco:

Sr. No.	Names of Directors	Designation	DIN
1.	Mr. R.R. Bhinge	Non-Executive Chairman (Non-Independent)	00036557
2.	Mr. S.Ramakrishnan	Non-Executive Director (Non-Independent)	00005090
3.	Mr. K.Ramachandran	Non-Executive Director (Independent)	00193357
4.	Mr. K.Raghuraman	Non-Executive Director (Independent)	00320507
5.	Ms. Hema Hattangady	Non-Executive Director (Independent)	00175563
6.	Mr. P.J. Nath	Managing Director & CEO	05118177

Names of the five largest Group Companies (as per Schedule VIII (Part A)(2)(IX)(C)(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**").

1. Nelco Limited

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

NNPL was incorporated on September 8, 2016 under the provisions of the Companies Act, 2013 vide certificate of incorporation dated September 8, 2016 issued by the Deputy Registrar of Companies. NNPL is an unlisted public limited company, having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710.

NNPL is authorised by its Memorandum of Association to carry on the business of selling distributing products and providing services in or relating to VSAT Communication, Value Added Network (VAN) and other telecommunication services. At present, NNPL does not carry on any business activity.

On coming into effect of the proposed Scheme, NNPL will engage in and carry on the following activities: (i) the business of providing solutions in the areas of Automation Control of Integrated Security and Surveillance solutions (ISSS) through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers; and (ii) the 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 customers.

BOARD OF DIRECTORS			
Sr. No.	**Name**	**Designation (Independent/ Whole time/ Executive/ Nominee)**	**Experience including current/ past position held in other firms**
1.	Mr. R.R.Bhinge	Non-Executive Director	Mr. R.R. Bhinge holds a B.Tech. (Electrical Engineering) from Indian Institute of Technology, Bombay and a post graduate diploma in Business Administration from the Indian Institute of Management, Ahmedabad.. He was appointed as a Director on the board of Nelco Limited on August 29, 2003 and was appointed as Chairman on June 6, 2013. He was associated with Tata Industries Limited for 26 years as Chief Executive Officer of Tata Strategic Management Group (a division of Tata Industries Limited) and as Executive Director.

NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI

2.	Mr. P.J. Nath	Non-Executive Director	Mr. P.J. Nath holds a Master of Management Studies from BITS Pilani. He has been associated with Nelco for over 6 years. He was appointed as CEO on February 23, 2011 and was appointed on the Board of Nelco on June 13, 2012. Prior to joining Nelco, he was previously associated with Sify Technologies Limited as Executive President.
3.	Mr. Uday Banerjee	Non-Executive Director	Mr. Uday Banerjee is a Commerce Graduate and Chartered Accountant. He has been associated with Nelco for over 22 years. He was appointed as Manager Accounts on January 16, 1995 and was designated as Chief Financial Officer (CFO) on July 1, 2014. His current role as CFO includes overseeing and directing the financial operations, establishing financial controls, accounts finalization, audit treasury and taxation.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ rights issues, if any, of NNPL in the preceding 10 years: Not applicable

SHAREHOLDING PATTERN PRIOR TO THE SCHEME AS ON DECEMBER 31, 2017			
Sr. No.	**Particular**	**No of shares**	**% Holding of share capital**
1.	Promoter and Promoter Group	50,000	100.00
2.	Public	-	-
	Total	**50,000**	**100.00**

AUDITED FINANCIAL INFORMATION

Standalone financial information in relation to NNPL:

(All amounts in Rs. thousands unless otherwise stated)

Sr. No.	Particulars	For the period September 8, 2016 to March 31, 2017 prepared under Ind AS	For the period April 01, 2017 to September 30, 2017 prepared under Ind AS
1.	Total income from operations (net)	-	-
2.	Net profit/ (Loss) before tax and extraordinary items	(98)	(256)
3.	Net profit/ (Loss) after tax and extraordinary items	(98)	(256)
		As at March 31, 2017	**As at September 30, 2017**
4.	Equity share capital	500	500
5.	Reserve and Surplus/ Other Equity	(98)	(354)
6.	Net worth	402	146
7.	Basic earnings per share (Rs.)	(1.97)	(5.12)
8.	Diluted earnings per share (Rs.)	(1.97)	(5.12)
9.	Return on net worth (%)	(24.38%)	(175.35%)
10.	Net asset value per share (Rs.)	8.04	2.92

NELCO NETWORK PRODUCTS LIMITED MUMBAI

Notes:

1. The Company was incorporated on September 8, 2016. Hence, the Financial Information is for the period from September 8, 2016 to March 31, 2017. This being the Company's first financial statements, there are no corresponding figures for the previous period. The Company does not have any subsidiaries for consolidation purposes
2. Net worth (item 6) has been calculated by adding the balance of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5).
3. Return on net worth (%) (item 9) has been calculated by applying the following formula: Net profit/ (Loss) after tax and extraordinary items (item 3) divided by Net Worth (item 6) and multiplied by 100.
4. Net asset value per share (item 10) has been calculated by adding the balances of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5) and dividing the same by the number of shares outstanding

INTERNAL RISK FACTORS

The Company has been recently incorporated with the objective to carry on *inter alia* the business of selling distributing products and providing services in or relating to VSAT Communication, Value Added Network (VAN) and other telecommunication services. At present, NNPL does not carry on any business activity.

Once operational, the Company i.e. NNPL may be exposed to the following risks:

Network Systems:

1. **Technology Risk**
   Due to the proprietary nature of the technology, the Company is dependent on limited suppliers for VSAT equipment.

2. **Foreign Exchange and Operating Risk**
   Foreign rate fluctuations may adversely impact the profitability of operations since a major part of the VSAT hardware is imported from overseas. The Company has a high dependence on few market segments, such as banking & finance and offshore oil & gas exploration, for its revenue and profitability. Any major vagaries in these segments could impact the Company's equipment sales in the short term.

3. **Regulatory Environment**
   The VSAT services are regulated by DoT and the licenses are given for shared hub services based on the Satcom policy of the country. Any major change in the government regulations pertaining to Satcom policy and/or VSAT services could also pose a threat for equipment sales. Newer services like Aero and Maritime Communication which can significantly increase the VSAT equipment market, are dependent on receipt of necessary government approvals.

Automation and Control:

4. **Non availability of spares**
   The Company continues to support the executed projects by way of warranty & annual maintenance contracts. As these projects have been executed using hardware and software supplied by multiple original equipment manufacturers (OEMs) prior to execution of these projects, the support provided by the Company is contingent upon availability of the equipment and support from OEMs. Technological obsolescence and closure of OEMs business may affect this business adversely.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

1. Total number of outstanding litigation against and by NNPL and amount involved – **Nil**
2. Brief details of top 5 material outstanding litigations against NNPL and amount involved- **Nil**
3. Regulatory Action if any - disciplinary actions taken by SEBI or Stock Exchanges against the Promoters/ Group companies in last 5 financial years including outstanding action, if any: **Nil**
4. Brief details of outstanding criminal proceedings against promoters of NNPL: **Nil**

NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI

RATIONALE OF THE SCHEME

The Scheme involves transfer of two business undertakings of Nelco by way of slump sale on a going concern basis to NNPL and amalgamation of TNSL with Nelco. The management of each Nelco, NNPL and TNSL believes that the Scheme will result in, inter alia, the following benefits:

The organizational and operational structure would be simplified on completion of the Scheme with the VSAT communication service business vesting in Nelco, the flagship listed parent entity and the related hardware business vesting in NNPL. This would result in the recurring revenue from VSAT communication service being in Nelco and the revenue from sale of hardware including VSAT equipment being in NNPL. The enhanced net worth of Nelco after the Arrangement and Amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.

ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER / NNPL

Nil

DECLARATION BY NNPL

We hereby declare that all applicable provisions of the format of an abridged prospectus as set out in the SEBI Circular and Part D of Schedule VIII of the SEBI ICDR Regulations have been complied with. We further certify that all statements with respect to us in this document are true and correct.

For **Nelco Network Products Limited**

Mr. Uday Banerjee (Director)

NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI

Place: Navi Mumbai
Date: March 28, 2018

Annexure 14

Nelco Limited
Standalone Unaudited Balance Sheet as at September 30, 2017

(Rs in Lakhs)

PARTICULARS	As at September 30, 2017	As at March 31, 2017
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	345	352
(b) Financial Assets		
(i) Investments	619	618
(ii) Loans	420	910
(iii) Other Financial Assets	22	-
(c) Income Tax Assets (net)	1,370	1,154
(d) Other non-current assets	-	22
Total Non-Current Assets	**2,776**	**3,056**
Current assets		
(a) Inventories		-
(b) Financial Assets		
(i) Trade Receivables	763	685
(ii) Cash and cash equivalents	371	279
(iii) Bank balances other than (ii) above	33	33
(iv) Other Financial Assets	36	256
(c) Other current assets	241	269
Assets classified as held for sale	6,476	5,853
Total Current Assets	**7,920**	**7,375**
TOTAL ASSETS	**10,696**	**10,431**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	2,282	2,282
(b) Other Equity	(397)	(790)
TOTAL EQUITY	1,885	1,492
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	12
(ii) Other Financial Liabilities	13	20
(b) Provisions	206	179
(c) Other liabilities		
Total non-current liabilities	**219**	**211**
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,200	4,636
(ii) Trade Payables	302	398
(iii) Other Financial Liabilities	175	314
(b) Provisions	27	36
(c) Other current liabilities	250	63
Liabilities directly associated with assets classified as held for sale	3,638	3,280
Total Current Liabilities	**8,592**	**8,728**
TOTAL LIABILITIES	**8,810**	**8,939**
TOTAL LIABILITIES AND EQUITY	**10,696**	**10,431**

See accompanying notes forming part of the standalone financial statements

P.J.Nath
Managing Director and CEO

NELCO LIMITED NAVI MUMBAI

Uday Banerjee
Chief Financial Officer

Place:- Mumbai
Date :- October 26, 2017

Nelco Limited

Standalone Unaudited Statement of Profit and Loss for the half year ended 30th Setember, 2017

	Particulars	For Six Months ended 30th September, 2017	For the year ended 31st March, 2017
A	**Continuing Opeartions**		
1	Revenue from Operations	1,583	2,569
2	Other income	122	702
3	**Total Income (1+2)**	1,705	3,271
4	**Expenses**		
	(a) Employee Benefits Expense	809	1,371
	(b) Voluntary Retirement Expenses	-	159
	(c) Finance costs	258	687
	(d) Depreciation and Amortisation Expense	12	30
	(e) Other Expenses	693	1,153
	Total expenses (4)	1,772	3,400
5	**(Loss) before tax (3-4)**	(67)	(129)
6	Tax expense:-		
	(i) Current tax		
	(ii) Deferred tax		
	Total Tax Expense (i+ii)	-	-
7	**Net (Loss) from Continuing Opeartions (5-6)**	(67)	(129)
B	**Discontinuing Opeartions**		
8	Profit before tax from discontinued operations	520	796
9	Tax Expense of discontinued operations	43	-
10	**Profit after tax from Discontinued Operations (8-9)**	477	796
11	**Net Profit for the Period (7+10)**	410	667
	Other Comprehensive Income		
	Items that will not be reclassified to Profit or Loss- Continuing Operations	(12)	(18)
	Items that will not be reclassified to Profit or Loss- Discontinued Operations	(5)	(7)
12	**Total Other Comprehensive Income**	(17)	(25)
13	**Total Comprehensive Income for the period (11+12)**	393	642
14	**Earnings per share (Face value of Rs 10/- per share) : (Basic and Diluted)**		
	From Continuing Operations	(0.29)	(0.56)
	From Discontinued Operations	2.09	3.49
	From Continuing and Discontinued Operations	1.80	2.92

See accompanying notes forming part of the standalone financial statements

P.J.Nath
Managing Director and CEO

Uday Banerjee
Chief Financial Officer

Place :- Mumbai
Date :- October 26, 2017

NELCO LIMITED NAVI MUMBAI

Nelco Limited

Standalone Statement of Cash Flows for the Six Months ended September 30, 2017 **(Rs in Lakhs)**

Particulars	For Six Months Ended September 31, 2017	For the year ended 31st March, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**393**	**667**
Adjustments for:		
Income tax expense recognised in the standalone statement of profit and loss (continuing and discontinued operations)	43	-
Interest income recognised in the standalone statement of profit and loss	(43)	(248)
Dividend income recognised in the standalone statement of profit and loss	(6)	(7)
Profit on sale of Investment in Associate	-	(288)
Other non-operating income (net of expenses directly attributable to such income)	(187)	(246)
Profit on sale of property, plant and equipment (net)	(13)	-
Foreign exchange gain (net)	-	(52)
Net gain/ (loss) arising on financial assets designated at FVTPL	-	(38)
Finance costs recognised in the standalone statement of profit and loss	274	732
Depreciation of property, plant and equipment	255	454
Amortisation of intangible assets	-	10
Provision for doubtful debts	80	82
Provision for foreseeable losses	(23)	-
Provision for warranty (net)	2	9
Net (Gain) / Loss on foreign exchange forward contracts	19	31
Operating profit before working capital changes	**794**	**1,106**
Movements in working capital		
(Increase)/decrease in Other Financial Assets	357	1,701
(Increase)/decrease in Other non-current assets	(7)	68
(Increase)/decrease in Inventories	220	(102)
(Increase)/decrease in Trade Receivables	(886)	515
(Increase)/decrease in Other current assets	29	(80)
Increase/(decrease) in Other Financial Liabilities	(189)	(27)
Increase/(decrease) in Provisions	(10)	(247)
Increase/(decrease) in Trade Payables	(107)	30
Increase/(decrease) in Other current liabilities	501	97
Cash generated from operations	(92)	1,955
Income taxes paid	(259)	472
Net cash generated by/(used in) operating activities	**443**	**3,533**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	43	248
Other income received	187	246
Dividends received from associate	6	7
Repayment of loan given to subsidiary	490	200
Payments for property, plant and equipment (Including Capital Work-in-Progress)	(482)	(958)
Payments for intangible assets	-	(98)
Investment in subsidiary (NNPL)	(1)	(5)
Net cash generated by/(used in) investing activities	**243**	**(360)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	(17)
Repayment of borrowings	(317)	(2,926)
Proceeds on partial sale of investment in associate that does not involve loss of significant influence (Refer note 5)	-	379
Movement in Bank balances not considered as Cash and cash equivalents	-	1
Interest paid	(277)	(772)
Net cash generated by/(used in) financing activities	**(594)**	**(3,335)**
Net increase in cash and cash equivalents (A+B+C)	**92**	**(162)**
Cash and cash equivalents at the beginning of the year	279	441
Cash and cash equivalents at the end of the year (as defined in Ind AS 7 "Statement of Cash Flows") included in Note 12 (refer note 1 below)	**371**	**279**

See accompanying notes forming part of the standalone financial statements

Nelco Limited
Standalone Statement of Cash Flows for the Six Months ended September 30, 2017 (contd...)

Notes:

1) Cash and cash equivalents includes:

(Rs. In Lakhs)

Particulars	As at September 30, 2017	As at March 31, 2017
(a) Balances with Banks :-		
On Current accounts	291	22
(b) Cheques on hand	79	256
(c) Cash on hand	1	1
Total - Cash and cash equivalents as per standalone statement of cash flows	**371**	**279**

2) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Statement of Cash Flows".

3) These earmarked account balances with banks can be utilised only for the specific identified purposes.

4) Previous year's figures have been regrouped wherever necessary.

P. J. Nath - Managing Director & CEO

Uday Banerjee - Chief Financial Officer

Place: Mumbai
Date : October 26, 2017

Tatanet Services Limited

Standalone Unaudited Balance Sheet as on 30th September, 2017

Rs. in '000

PARTICULARS	Note No	As at 30-Sept-17 (Unaudited)	As at 31-Mar-2017 (Audited)
ASSETS		**Rs in '000**	**Rs in '000**
Non-current assets			
(a) Property, plant and equipment	1	1,55,410	1,61,852
(b) Capital Work-in-Progress		10,119	-
(c) Other Intangible assets	2	20,889	10,842
(d) Financial Assets -			-
(i) Investments	3	520	479
(e) Deferred tax assets (net)	15	8,980	7,769
(f) Income Tax Assets	4	57,940	98,694
Total Non-Current Assets		**2,53,859**	**2,79,635**
Current assets			
(a) Financial Assets -			
(i) Trade Receivables	5	2,32,982	97,649
(ii) Cash & Cash equivalents	6	20,178	2,000
(iii) Bank balances other than (ii) above	6	-	2,068
(iv) Other Financial Assets	7	15,544	15,557
(b) Other current assets	8	31,884	36,018
Total Current Assets		**3,00,588**	**1,53,291**
TOTAL ASSETS		**5,54,447**	**4,32,926**
LIABILITIES AND EQUITY			
EQUITY			
(a) Equity Share Capital	9	49,000	49,000
(b) Other Equity	10	37,591	31,887
TOTAL EQUITY		**86,591**	**80,887**
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	3,885	15,725
(ii) Other financial liabilities	12	-	-
Total non-current liabilities		**3,885**	**15,725**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	57,433	1,17,152
(ii) Trade Payables	13	1,43,672	1,05,902
(iii) Other financial liabilities	12	54,258	32,970
(b) Other current liabilities	14	2,08,609	80,290
Total current liabilities		**4,63,971**	**3,36,314**
TOTAL LIABILITIES		**4,67,857**	3,52,039
TOTAL LIABILITIES AND EQUITY		**5,54,447**	**4,32,926**

For and on behalf of the Board

TATANET SERVICES LIMITED NAVI MUMBAI

R.R. Bhinge
Director
DIN: 00036557

P. J. Nath
Director
DIN: 05118177

Place: Mahape
Date: 23rd October, 2017

Tatanet Services Limited

Standalone Unaudited Statement of Profit & Loss for the Half year ended 30th September, 17

Rs. in '000

	Particulars	Note No	6 Months ended 30-Sep-17 (Unaudited)	12 mths ended 31-Mar-17 (Audited)
			Rs in '000	Rs in '000
1	Revenue from operations (Net)	16	4,22,370	7,99,698
2	Other income	17	7,547	3,308
3	**Total revenue (1+2)**		**4,29,917**	**8,03,005**
4	**Expenses**			
	Operating Expenses	18	3,69,337	6,62,331
	Finance costs	19	9,662	23,734
	Depreciation and amortisation expense	1 & 2	17,482	33,823
	Other expenses	20	26,043	54,229
	Total expenses		**4,22,524**	**7,74,117**
5	**Profit before exceptional items and tax (3 - 4)**		**7,393**	**28,888**
6	**Exceptional items**		-	-
7	**Profit / (Loss) before tax (5+6)**		**7,393**	**28,888**
8	Less: Tax expense			
	Current tax		2,942	9,069
	Deferred tax		(1,211)	(2,569)
			1,731	**6,500**
9	**Profit / (loss) after tax (7-8+9)**		**5,662**	**22,388**
9	Other Comprehensive Income		**41**	**42**
11	**Profit / (Loss) attributable to the shareholders of the company (10+11)**		**5,704**	**22,430**
12	Earnings per equity share			
	Basic - Rupees		1.16	4.58
	Diluted - Rupees		1.16	4.58

For and on behalf of the Board

TATANET SERVICES LIMITED NAVI MUMBAI

R.R. Bhinge
Director
DIN: 00036557

P. J. Nath
Director
DIN: 05118177

Place: Mahape
Date: 23rd October, 2017

Tatanet Services Limited
Condensed Cash Flow Statement for the half year ended 30th Sept, 2017

(Rupees in 000

		For the six months ended 30.09.2017 (Unaudited)		For the six months ended 30.09.2016 (Audited)
A. Cash flow from operating activities				
NET PROFIT / (LOSS) BEFORE TAX		7,393		3,462
ADJUSTED FOR				
Finance Cost	9,662		11,987	
Interest Income	(96)		-	
Dividend Income	(8)		-	
Depreciation and Amortisation	17,482		16,455	
		27,040		28,443
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES		34,433		31,905
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade Receivables	(1,35,333)		33,037	
Other financial assets	13		(936)	
Long Term Loans & Advances	-		(25,977)	
Other non-current assets	-		61	
Other current assets	4,134		(26,653)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payables	37,770		(80)	
Other current liabilities	1,28,319		68,100	
		34,902		47,551
CASH GENERATED / (USED IN) FROM OPERATIONS		69,336		79,456
Net Income taxes (paid) / refund		37,812		-
NET CASH FROM OPERATING ACTIVITIES (A)		1,07,148		79,456
B. Cash flow from investing activities				
Purchase of fixed assets		(9,808)		(48,548)
Interest received		96		-
Dividend received		8		-
Bank Balance not considered as cash & cash equivalents		2,068		-
NET CASH FLOW (USED) IN INVESTING ACTIVITIES (B)		(7,636)		(48,548)
C. Cash flow from financing activities				
Repayment of Term Loan to Zoroastrian Bank Ltd		(10,905)		(30,363)
Proceeds from Term Loan - Axis Bank Ltd		-		26,495
Repayment of Term Loan to Axis Bank Ltd		(11,840)		-
Increase / (Decrease) in cash credit balances including Bank Overdraft		73		26,915
Security Deposit refunded to Nelco Ltd		(49,000)		(20,000)
Finance Cost		(9,662)		(11,987)
NET CASH FROM FINANCING ACTIVITIES (C)		(81,333)		(8,940)
NET INCREASE /(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		18,178		21,968
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR		2,000		5,235
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR **(Refer Note No 6)**		20,178		27,202
		18,178		21,968

For and on behalf of the Board

TATANET SERVICES LIMITED NAVI MUMBAI

R.R. Bhinge
Director
DIN: 00036557

P. J. Nath
Director
DIN: 05118177

Place: Mahape
Date: 23rd October, 2017

Nelco Network Products Limited
(All amounts in Rs. in thousands unless otherwise stated)
Special Purpose Financial Statements

Special Purpose Balance Sheet

Particulars	Notes	As at September 30, 2017	As at March 31, 2017
ASSETS			
Current assets			
Financial Assets			
Cash and cash equivalents	3	378	500
Total Current assets		**378**	**500**
Total Assets		**378**	**500**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	4	500	500
(b) Other Equity	5	(354)	(98)
Total Equity		**146**	**402**
LIABILITIES			
Current liabilities			
Financial Liabilities			
Trade Payables	6	232	98
Total Current Liabilities		**232**	**98**
Total Liabilities		**232**	**98**
Total Equity and Liabilities		**378**	**500**

The above Special Purpose Balance Sheet should be read in conjunction with the accompanying notes.

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

Akhlesh Chowla
Partner
Membership Number : 097384

Place : Mumbai
Date : October 23, 2017

For and on behalf of the Board of Directors

Pradip Nath
Director (DIN 05118177)

R.R. Bhinge
Director (DIN 00036557)

Place : Mumbai
Date : October 23, 2017

Nelco Network Products Limited
(All amounts in Rs. in thousands unless otherwise stated)
Special Purpose Financial Statements

Special Purpose Statement of Profit and Loss

Particulars	Notes	For the period April 01, 2017 to September 30, 2017	For the period September 08, 2016 to March 31, 2017
Revenue from Operations		-	-
Other income		-	-
Total Income		-	-
Expenses			
Other Expenses	7	256	98
Total expenses		256	98
(Loss) before tax		(256)	(98)
Income tax expense			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Total Tax Expense		-	-
(Loss) for the period		(256)	(98)
Other Comprehensive Income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income for the period, net of tax		-	-
Total Comprehensive Income for the period		(256)	(98)
Earnings per share (Face value of Rs 10/- per share) : (Basic and Diluted) (in Rupees)	10	(5.12)	(1.97)

The above Special Purpose Statement of Profit and Loss should be read in conjunction with the accompanying notes.

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

Akhlesh Chowla
Partner
Membership Number : 097384

Place : Mumbai
Date : October 23, 2017

For and on behalf of the Board of Directors

Pradip Nath
Director (DIN 05118177)

R.R. Bhinge
Director (DIN 00036557)

Place : Mumbai
Date : October 23, 2017

Nelco Network Products Limited
(All amounts in Rs. in thousands unless otherwise stated)
Special Purpose Financial Statements

Special Purpose Statement of Cash Flows

Particulars	For the period April 01, 2017 to September 30, 2017	For the period September 08, 2016 to March 31, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before income tax	(256)	(98)
Changes in operating assets and liabilities		
Increase/(decrease) in Trade Payables	134	98
Cash generated from operations	**(122)**	-
Income tax paid	-	-
Net cash outflow from operating activities	**(122)**	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flow from investing activities	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeeds from Issue of Equity Shares	-	500
Net cash inflow from financing activities	-	**500**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(122)**	**500**
Cash and cash equivalents at the beginning of the period	500	-
Cash and cash equivalents at the end of the period	**378**	**500**

Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
	September 30, 2017	**March 31, 2017**
Cash and cash equivalents (note 3)	378	500
Balances per statement of cash flows	**378**	**500**

The above Special Purpose Statement of Cash Flow should be read in conjunction with the accompanying notes.

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

Akhlesh Chowla
Partner
Membership Number : 097384

Place : Mumbai
Date : October 23, 2017

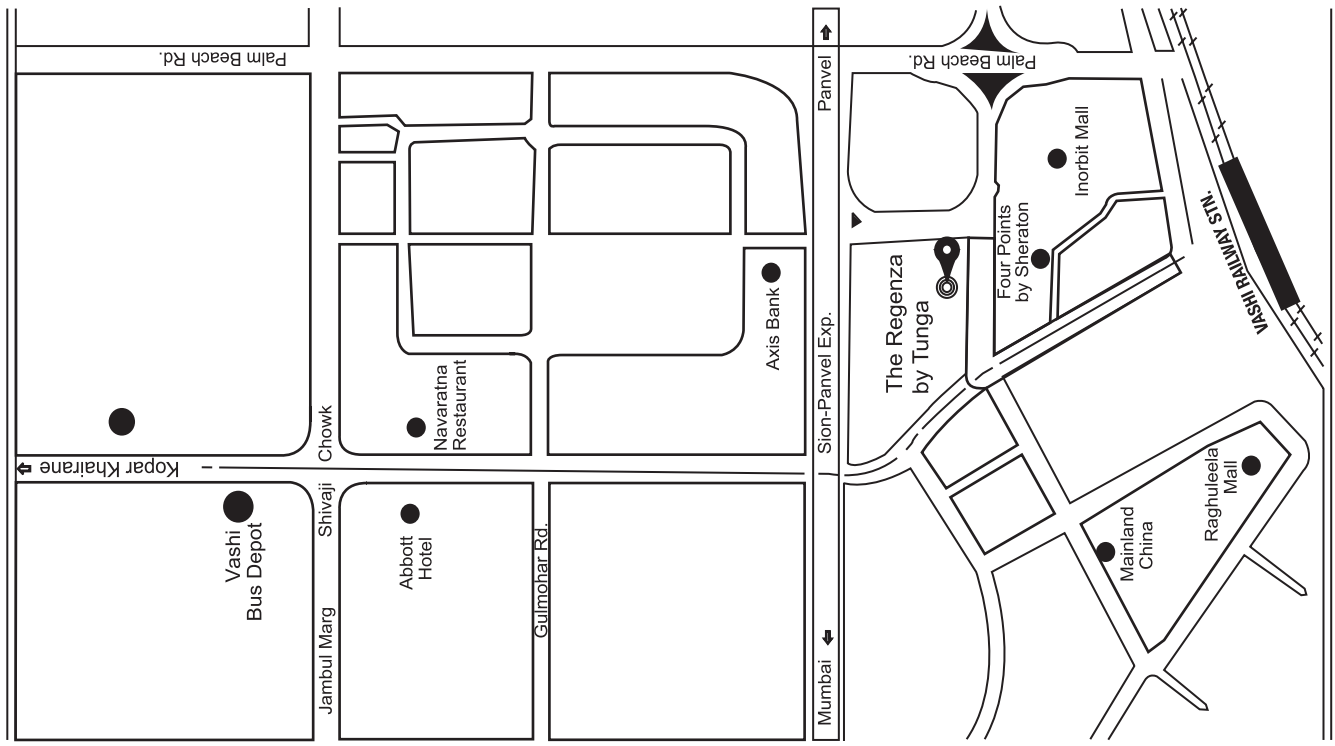
NELCO NETWORK PRODUCTS LIMITED NAVI MUMBAI

For and on behalf of the Board of Directors

Pradip Nath
Director (DIN 05118177)

R.R. Bhinge
Director (DIN 00036557)

Place : Mumbai
Date : October 23, 2017



Venue:
Ebony, Hotel Regenza By Tunga,
Ground Floor, Plot No.37,
Sector 30-A, Vashi, Navi Mumbai – 400 703

Landmark:
Near Inorbit Mall, Vashi,

Distance:
from Vashi Railway Station: 650 meters

NELCO LIMITED

CIN No. L32200MH1940PLC003164
Regd. Office: MIDC Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710;
Tel: 91 22 67399100 **Fax:** 91 22 67398787, **Email:** services@nelco.in **Website:** www.nelco.in

ATTENDANCE SLIP

MEETING OF THE EQUITY SHAREHOLDERS CONVENED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH, ON FRIDAY, 18TH MAY, 2018 AT 11:00 A.M. (IST) AT EBONY, HOTEL REGENZA BY TUNGA, GROUND FLOOR, PLOT NO.37, SECTOR 30-A, VASHI, NAVI MUMBAI – 400 703

(To be presented at the entrance)

I/We hereby record my/our presence at the Meeting of the Equity Shareholders of the Company, convened pursuant to an Orders dated 2nd February, 2018 and 28th March 2018 of the Hon'ble National Company Law Tribunal, Mumbai Bench to be held on Friday, 18th May, 2018 at 11:00 a.m. (IST) At Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703.

Folio No. ..... DP ID No./Client ID No. : ..... No. of Shares held: .....

Name of the Member: ..... Signature: .....

Name of the Proxyholder/Authorised Representative: ..... Signature: .....

Notes:

1. Only Member/Proxyholder/Authorised Representative can attend the Meeting.
2. Please complete Folio No./DP ID No. Client ID No., No. of shares held, the Name of the Member/Proxyholder/Authorised Representative and sign this Attendance Slip and hand it over at the entrance of the Meeting Hall.
3. Member/Proxyholder/Authorised Representative should bring his/her copy of the Notice for reference at the Meeting.

NELCO LIMITED

CIN No. L32200MH1940PLC003164
Regd. Office: MIDC Plot EL-6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710;
Tel: 91 22 67399100 **Fax:** 91 22 67398787, **Email:** services@nelco.in **Website:** www.nelco.in

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO 1109 OF 2017

In the matter of the Companies Act, 2013;

And

In the matter of sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited ("Nelco" or "Transferor Company" or "Amalgamated Company"); Tatanet Services Limited ("TNSL" or "Amalgamating Company") and Nelco Network Products Limited ("NNPL" or "Transferee Company") and their respective shareholders and creditors.

Nelco Limited, a company incorporated under the Companies Act, 1913, and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai – 400710.) ... Applicant Company

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L32200MH1940PLC003164
Name of the company : Nelco Limited
Regd. Office: EL6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai – 400 710

I/We, being the Member(s) of _____ share(s) of NelcoLimited, hereby appoint :

1. Name : ..... E-mail ID : .....

   Address: .....

   ..... Signature: ..... or failing him

2. Name : ..... E-mail ID : .....

Address: .....

..... Signature: ..... or failing him

3. Name : ..... E-mail ID : .....

Address: .....

..... Signature: ..... or failing him

as my/our Proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the meeting of the Equity Shareholders, convened pursuant to the direction of the Hon'ble National Company Law Tribunal, Mumbai Bench to be held on Friday at 18th May, 2018 at 11.00 am at Ebony, Hotel Regenza By Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 and at any adjournment thereof in respect of such resolution as is indicated below:

Resolution No.	Resolution	For	Against
1	Approval of Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited, Tatanet Services Limited and Nelco Network Products Limited and their respective shareholders and creditors		

Signed this_____ day of _____2018

Affix Rupee One Revenue Stamp

Signature of Shareholder(s) : _____

Signature of Proxy holder(s):_____

Notes:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at EL-6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai – 400 710, not later than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of the Proxy Form.
3. A Proxy need not be a member of the Company
4. For the Resolution, Explanatory Statement and Notes, please refer to the Notice of the Meeting of the Equity Shareholders of the Company.

NELCO LIMITED

A TATA Enterprise

CIN : L32200MH1940PLC003164
Registered Office : EL-6, Electronics Zone, MIDC, Mahape, Navi Mumbai- 400 710
Telephone Number : 022-67399100 / 67918728 Fax Number : 022-67918787
Email ID : services@nelco.in Website : www.nelco.in

POSTAL BALLOT FORM

The last date for receipt of Postal ballot is Thursday,17th May 2018

1. Name & Registered Address of the sole/first named shareholder :

2. Name(s) of the joint holder(s) (if any) :

3. Registered Folio No./ DP ID No./ Client ID No.* *(Applicable to investors holding shares in dematerialized form) :

4. Numbers of share(s) held :

5. E-voting Event Number (EVEN) :

6. User ID :

7. Password :

8. I/We hereby exercise my/our vote(s) in respect of the Resolution as detailed in the Notice dated 28th March 2018 convening Meeting of the Equity Shareholders of the Company, convened pursuant to Orders dated 2nd February 2018 and 28th March 2018 of Hon'ble National Company Law Tribunal, Mumbai Bench, to be held on Friday, 18th May 2018 at 11:00 a.m. (IST) at Ebony, Hotel Regenza by Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703, by sending my/our assent/dissent to the said Resolution by placing a tick mark (✓)in the appropriate box below:

Resolution No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Approval of Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited, Tatanet Services Limited and Nelco Network Products Limited and their respective shareholders and creditors			

Place:

Date:

Signature of the Shareholder(s)

Note:

- Please read the instructions printed overleaf carefully before exercising your vote.
- If the voting rights are exercised electronically, then there is no need to use this Form

INSTRUCTIONS

1. GENERAL INFORMATION

a) The Mumbai Bench of the National Company Law Tribunal ("NCLT"), vide its Orders dated 2nd February 2018 and 28th March 2018 has directed that a Meeting of the Equity Shareholders of the Company shall be convened and held at at Ebony, Hotel Regenza by Tunga, Ground Floor, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 on Friday, 18th May 2018 at 11:00 a.m. (IST) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited, Tatanet Services Limited and Nelco Network Products Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules thereunder.

Pursuant to Sections 230 to 232 read with Sections 108 and 110 of the Companies Act, 2013 and with Companies (Management & Administration) Rules, 2014, assent or dissent of the Members in respect of the resolution detailed in the Notice dated 28th March 2018 is being additionally sought through Postal Ballot process/remote e-voting as per the directions of NCLT.

b) Voting right shall be reckoned on the paid up value of shares registered in the name of the Member as at the close of business on Saturday, 31st March 2018 ("Cut-off date").

c) The proposed Scheme, if assented to by majority of Members representing three-fourth of the value, by way of Postal Ballot, remote e-voting and voting at the Meeting shall be considered as passed on the date of the Meeting.

2. PROCESS FOR MEMBERS OPTING FOR VOTING BY BALLOT

a) Members desiring to cast their vote by Postal Ballot should complete and sign this Ballot Form and send it to the Scrutinizer, Mr. P. N. Parikh (FCS 327) or Mr. Mitesh Dhabliwala (FCS 8331) of M/s. Parikh & Associates, Company Secretaries, at c/o TSR Darashaw Ltd. (Unit - Nelco) 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mumbai 400011, in the enclosed postage prepaid self-addressed envelope. Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.

b) In case of joint holding, this Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member (as per the specimen signature registered with the Company/Depository). A Member may sign the Postal Ballot Form through an attorney; in which case a certified true copy of the Power of Attorney should be attached to the Postal Ballot Form.

c) There will be one Ballot Form for every Client ID No./Folio No., irrespective of the number of joint holders.

d) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.),a duly completed Postal Ballot Form should be signed by its authorised signatories. In such cases, the duly completed Ballot Form should also be accompanied by a certified copy of the relevant board resolution/appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested.

e) Voting rights in the Ballot cannot be exercised by a proxy.

f) Completed Ballot Forms should reach the Scrutinizer no later than the close of working hours i.e. at 5:00 p.m. (IST) on Thursday, 17th May 2018. Incomplete Ballot Forms or Ballot Forms received after this date will be considered invalid.

g) An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form will be rejected. The Scrutinizer's decision in this regard shall be final and binding.

h) A Member seeking duplicate Ballot Form or having any grievance pertaining to the Ballot process, can write to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 or to the e-mail ID nelcoballot2018@tsrdarashaw.com.

i) Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for Members opting for voting by Ballot") along with the Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.

j) The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final.

3. E-VOTING

The Company is pleased to provide e-voting as an alternative for the Members of the Company to enable them to cast their votes electronically instead of through physical Postal Ballot Form. E-voting is optional. In case a Member has voted through e-voting facility, he/she need not send a physical Postal Ballot Form. In case a Member votes through e-voting facility as well as sends his/her vote through physical vote, votes cast through e-voting shall prevail and the votes cast through ballot form shall be considered invalid by the Scrutinizer. Members are requested to refer to the Notice and notes thereto, for detailed instructions with respect to e-voting.