

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
NELCO LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Nelco Limited ("the Company"), its subsidiary (the Company and its subsidiary constitute "the Group") and its share of the profit of its associate for the Quarter and Nine Months ended 30th June, 2015 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 7 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of 'Tatanet Services Limited', subsidiary and of 'Nelito Systems limited', an associate.
4. We did not review the interim financial statements of a subsidiary included in the consolidated financial results, whose interim financial statements reflect total revenues of Rs. 1,632 lakhs and Rs. 4,268 lakhs for the Quarter and Nine Months ended 30th June, 2015 respectively and total profit after tax of Rs. 41 lakhs for the Quarter ended 30th June, 2015 and total loss after tax of Rs. 330 lakhs for the Nine months ended 30th June, 2015, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of Rs. 1 lakh and Rs. 13 lakhs for the Quarter and Nine Months ended 30th June, 2015 respectively, as considered in the consolidated financial results in respect of an associate, whose interim financial statements have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and an associate, is based solely on the report of the other auditors.



5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 3 to the Statement, which describes the continued applicability of the going concern concept to the Company despite substantial erosion in the Net worth of the Company as at 30th June, 2015 in view of the support letter from the Parent Company. Our report is not qualified in respect of this matter.
7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months Ended 30th June, 2015 of the Statement, from the details furnished by the Registrars.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Rupen K. Bhatt
Partner
(Membership No. 046930)

MUMBAI, 30th July, 2015