

21st June 2019

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

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

BSE: 504112

NSE: Nelco EQ

Dear Sirs,

Sub: Secretarial Audit Report of Tatanet Services Limited (Material Unlisted Indian Subsidiary)
under Regulation 24(A) of SEBI (Listing Obligations Disclosure Requirements) (Amendments)
Regulations 2015 for the year ended 31st March 2019

Ref: SEBI Circular No.CIR/CMD1/27/2019 dated 8th February 2019

As required under the above-mentioned Regulations & Circular, we are enclosing Secretarial Audit Report of Tatanet Services Limited (Material Unlisted Indian Subsidiary) issued by Bhandari & Associates, Practicing Company Secretaries for the year ended 31st March 2019 for your information and record.

Yours faithfully

For NELCO Limited



Girish V.Kirkinde
Company Secretary & Head - Legal



Encl: As above

BHANDARI & ASSOCIATES

Company Secretaries

901, Kamla Executive Park, Off. Andheri Kurla Road,
J. B. Nagar, Andheri East. Mumbai - 400 059
Tel: +91 22 4221 5300 Fax: +91 22 4221 5303
Email: mumbai@anilashok.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,

TATANET SERVICES LIMITED

CIN: U67120MH1987PLC044351

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TATANET SERVICES LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder#;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings#.



B&A

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011#;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015#;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008#;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client #;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018# ;

The Regulations or Guidelines, as the case may be were not applicable for the period under review.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if applicable#.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has undertaken following events/actions –

1. National Company Law Tribunal, Mumbai Bench ("NCLT") at its final hearing held on November 2, 2018 approved the Composite Scheme of Arrangement and Amalgamation amongst Nelco Limited (Transferor or amalgamated Company), Tatanet Services Limited (Amalgamating Company) and Nelco Network Products Limited (Transferee Company) and their respective Shareholders and Creditors (Scheme). The order approving the Scheme was received on December 13, 2018. As per the said order, the Company informed the Registrar of Companies (RoC) about the approval of the Scheme stating that approval of the Department of Telecommunications ("DoT") which is one of the conditions as per NCLT Order has not been received and hence the Scheme has not yet been effective. The RoC records on the MCA web portal were, however, updated to reflect the Scheme as effective which inter alia has also resulted into Tatanet Services Limited (TNSL) mentioning as "Amalgamated" with Nelco Limited. Based on the legal advice, the Company has approached NCLT to direct RoC to amend its records as if the Scheme has not been effective including to reinstate TNSL to its earlier status as "Active". The status of the Company on the MCA portal being reflected as 'Amalgamated' w.e.f. January 11, 2019 (i.e. the date of approval of Form INC-28 by ROC), the Company was unable to file any e-Forms on the MCA portal.

For Bhandari & Associates

Company Secretaries




S. N. Bhandari

Partner

FCS No: 761; C P No. : 366

Mumbai | April 27, 2019

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

To
The Members,
TATANET SERVICES LIMITED
CIN: U67120MH1987PLC044351

Our Secretarial Audit Report for the Financial Year ended on March 31, 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries



S. N. Bhandari
Partner

FCS No: 761; CP. No: 366
Mumbai | April 27, 2019