

Annual Report 2008-09



TULSYAN NEC LTD

Setting forth into the future





TULSYAN NEC LIMITED

Board of Directors

Lalit Kumar Tulsyan

Executive Chairman

Sanjay Tulsyan

Managing Director

S.Soundararajan

P.T. Rangamani

A.P. Venkateshwaran

S. Ramakrishnan

Sanjay Agarwalla

V. Kirubanandan

C. Ramachandran

K. JANAKIRAMAN

Company Secretary

Registered Office

61, Sembudoss Street,
Chennai - 600 001.

Corporate Office

Apex Plaza, I Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai 600 034.

Administrative Office

37, Kaveriappa Layout,
Miller Tank Bund Road
Vasanth Nagar, Bangalore - 560 052.

Bankers

Canara Bank
Syndicate Bank
Andhra Bank
State Bank of India
IDBI

Auditors

C.A. Patel & Patel, Chennai

Share Transfer Agents

Cameo Corporate Services Ltd.
Subramanian Building
1 Club House Road, Chennai - 600 002.

Steel Division

39, Dr. Harikrishna Naidu Street
Ambattur, Chennai - 600 053.

A 15/N, (Pt) SIPCOT Indl. Complex,
Gummudipoondi
Chengalpet Dist., Tamil Nadu.

D-4, SIPCOT Indl. Complex,
Gummudipoondi,
Chengalpet Dist., Tamil Nadu

Windmill

Kudimangalam, Udumalpet
Tamil Nadu

Pazhavor, Tirunelveli Dist.
Tamil Nadu

Kavalakiurichi, Tirunelveli Dist.
Tamil Nadu

Synthetics Division

7-A, Doddaballapura Indl. Area,
Kasba Hobli, Karnataka.

2-B, Survey No. 16, Korandanahalli
Malur Industrial Area, Malur Kolar Dist.
Karnataka.

Plot No.E-4, Madkaim Indl. Area,
Madkaim Village, Ponda Taluk, Goa.

Survey No. 4/1-P-1
Adakamaranahully Village,
Dasanapura hobli Makali Post,
Tumkur Road, Bangalore.

SY. No 237 to 245, Boincheruvupalli
Village, Peapully Mandal, Kurnool
District, Andhra Pradesh - 518 220



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 62nd Annual General Meeting of the Company will be held on Wednesday, the 16th September, 2009 at 11.00 a.m. at NARADA GANA SABHA MINI HALL, 254, T.T.K. Road, CHENNAI – 600 018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To Appoint a Director in place of Shri S Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment
4. To Appoint a Director in place of Shri V Kirubanandan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

“RESOLVED THAT M/s. C.A. Patel and Patel, Chartered Accountants, Chennai, retiring auditors of the Company be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors of the Company”

SPECIAL BUSINESS

6. RE-APPOINTMENT OF A WHOLE-TIME DIRECTOR:

To consider and if thought fit, to pass with or without modifications, the following as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, approval of the Company be and is hereby accorded for the re-appointment of Mr. A P VENKATESHWARAN as a WHOLE-TIME DIRECTOR and designated as “DIRECTOR - FINANCE” for a period of 5 years with effect from 01st October, 2009 as per the terms and conditions, including remuneration as set out in the draft of the agreement to be entered into by the Company with him, submitted to the meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement, so as not to exceed the limits and stipulations specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto as may be agreed to between the Board and Mr. A P VENKATESHWARAN or as may be varied by the General Meeting.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Mr. A P VENKATESHWARAN within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary, as may be stipulated by the Central Government as may be agreed to accordingly between the Board and Mr. A P VENKATESHWARAN.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. A P VENKATESHWARAN, shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), as may be applicable from time to time.”

“RESOLVED FURTHER THAT Mr. SANJAY TULSYAN, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution.”

7. To consider and if thought fit, to pass with or without modifications, the following as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of section(s) 198, 269, 309 & 310 of the Companies Act read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals if required, the remuneration committee and the company be and is hereby approved the increase in remuneration from Rs.1,50,000/- to Rs.1,75,000/- per month payable to Mr. SANJAY AGARWALLA, Whole-time Director of the company with effect from 01.07.2009 for a period of 3 years.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Mr. SANJAY AGARWALLA within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary, as may be stipulated by the Central Government as may be agreed to accordingly between the Board and Mr. SANJAY AGARWALLA”

“RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year, Mr. SANJAY AGARWALLA, shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory



modification(s) or re-enactment thereof, for the time being in force), as may be applicable from time to time."

"RESOLVED FURTHER THAT Mr. SANJAY TULSYAN, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution."

8. To consider and if thought fit, to pass with or without modifications, the following as a Special Resolution.

"RESOLVED THAT pursuant to Section(s) 309,198, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals, if required, the remuneration committee and the company be and is hereby approved the payment of incentive of Rs.12,00,000/- to Mr. SANJAY AGARWALLA, Whole-time Director of the company for the financial year 2008-2009 in recognition to the extra-ordinary performance rendered by him to the Company."

"RESOLVED FURTHER THAT Mr. SANJAY TULSYAN, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution."

9. To consider and if thought fit, to pass, with or without modification s, the following resolution as a Special Resolution -

"RESOLVED THAT, pursuant to the provisions of Sections 16, 31 and 94(1)(a) of the Companies Act, 1956, and other applicable provisions, if any, the Authorised Share Capital of the Company be and is hereby increased from Rs.10,00,00,000/- (Rupees ten crores) only divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- each to Rs. 22,00,00,000/- (Rs. twenty two Crores) only divided into 2,20,00,000 (two crores twenty lacs) Equity Shares of Rs.10/- each ranking pari passu with the existing equity shares of the Company."

"RESOLVED FURTHER THAT, consequential amendment in the Capital Clause of Memorandum & Articles of Association be carried out pursuant to increase of authorized Share Capital from Rs. 10.00 Crores (Rupees ten crores) only divided into 1, 00, 00,000 (one crore) Equity Shares of Rs. 10/- each to Rs.22.00 Crores (Rupees twenty two crores) only divided into 2, 20, 00,000 (two crore twenty lac) Equity Shares of Rs. 10/- each."

10. To consider and if thought fit to pass with or without any modification(s), the following resolution as a Special Resolution-

"RESOLVED THAT, pursuant to the provisions of Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act,1956(including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of Memorandum and Articles of Association of the Company and listing agreement entered into by the Company with the Stock Exchanges and subject to the guidelines and approvals of the Securities and Exchange Board of India(SEBI) and the approval of the Reserve Bank of India (RBI), if necessary, and also subject to such terms and conditions, alterations/deletions and modifications as may be required or prescribed under the requisite approvals, consents and guidelines which may be agreed to by the Board of Directors of the Company(hereinafter called the "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) the consent of the Company be and is hereby accorded to the Board to offer, issue and allot up to or as near thereto 150,00,000 (One Crore Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each for cash at a premium within a price band of Rs. 32 to Rs. 45 per share on Rights Basis in the ratio of 3 (Three) Equity Shares for Every Equity Share held by shareholders (ignoring fractional entitlements, if any) whose names appear on the Register of Members or on the list of depositories as beneficial owners at the end of the business hours on such date as may be fixed for the purpose by the Board(hereinafter referred to as the "Record Date") or to such person or persons who may or may not be shareholders of the Company, may be renounees, and others in whose favour (in full or in part), the rights may be renounced by respective shareholders (ignoring fraction entitlements, if any) on such terms and conditions, as the Board may in its absolute discretion think fit, in consultation with the Lead Managers, Auditors, Consultant and /or such other persons as it may think fit.

"RESOLVED FURTHER THAT, the offer shall be made by notice specifying the number of the shares, the amount payable thereon and the time limit from the date of the offer within which the offer has to be accepted failing which, it will be deemed to have been declined, if

not, so accepted and the Board shall thereafter be at liberty to either extend the time for acceptance as aforesaid from time to time, either generally or in respect of any particular

applicants or dispose of the same in its absolute discretion in such manner as the Board may deem fit."

"RESOLVED FURTHER THAT,

a. The new equity shares to be issued/allotted in pursuance of this resolution shall be subject to the provisions of the Memorandum of Association and Articles of Association of



the Company and shall rank pari-passu in all respects with the existing equity shares of the Company including the payment of Dividend for 2010, if any, which will be payable on new Equity Shares to be allotted and the existing Equity Shares.

b. The Shareholders shall have rights to renounce any/all the shares to which he/she is entitled and also to apply for additional shares.

c. The un-subscribed portion, if any, of the above issue of equity shares be issued and allotted or otherwise disposed of by the Board in its absolute discretion in such manner as the Board may deem fit, but, however, subject to the terms of this Resolution and the Letter of Offer.

d. The shares proposed to be issued shall be made in dematerialized form and in respect of shareholders holding shares in physical form, shares certificates will be issued."

"RESOLVED FURTHER THAT, to give effect to these resolutions, the Board be and is hereby authorized inter-alia:

(i) To settle any question or difficulty including any fractional entitlement, if any, that may arise with regard to the issue and allotment of the aforesaid Equity Shares.

(ii) To finalize/prescribe the form of Letter of Offer/ Application Form including Renunciation Form.

(iii) To make requisite adjustment with regard to the issue and allotment of Equity Shares.

(iv) To decide on the terms of payment for the Equity Shares including amount to be paid on application, allotment and calls.

(v) To submit the requisite applications with such papers / documents to various authorities for securing the necessary approvals that may be required from time to time.

(vi) To apply to any of the Stock Exchanges for permission to list the Equity Shares as the Board may deem fit and to do all such acts, deeds, matters and things and to sign all such papers, documents and agreements, as may be necessary to seek the listing of such shares in one or more Stock Exchanges with power to sign and settle any query, difficulty or doubt that may arise in regard to the issue.

(vii) To appoint Lead Managers/Managers, Consultants, Advisors, Bankers, Auditor, Registrar, etc., and other agencies as may be required for the purpose and to give such directions and /or instructions as it may, from time to time deem necessary.

(viii) To appoint Compliance Officer in terms of SEBI requirements.

(ix) To do all such acts, deeds, matters and things, sign all such papers, documents and agreements and make all such

application(s) and take all such actions as may be necessary or considered expedient or deemed fit by the Board for the purpose"

"RESOLVED FURTHER THAT, the Board be and is hereby specifically authorised to decide, accept, agree to any alteration in the size of the issue, the price of the shares to be issued , the amount of premium on shares or such other terms and conditions of the said issue as may be suggested or decided in consultation with the Lead Managers or as may be prescribed and suggested by the SEBI or other concerned authorities or as per applicable guidelines from time to time, without requiring any further approval of the Members".

For and on behalf of the Board

Place: Chennai
Date: 18.08.2009

Lalit Kumar Tulsyan
Executive Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER.

2. The Proxies to be valid should be lodged with the Share Transfer Agents, not less than 48 hours before the commencement of the Meeting.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 9th September, 2009 to 16th September, 2009 (both days inclusive).

4. Members are requested to forward transfer requests, change of address, power of attorney, etc., to the Share Transfer Agents, viz., Cameo Corporate Services Ltd., 1, Club House Road, Chennai – 600 002

5. Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting and also their copy of the Annual Report.

6. Dividend including Dividend for the year 2001-2002 and subsequent years, remaining unclaimed for a period of 7 years, are transferable to the Investor Education and Protection Fund established by Central Government as per section 205A(5) of the Companies Act, 1956. Reminders are sent to members for encashing unclaimed and unpaid dividends, on regular basis, Members who have not yet preferred a claim are, therefore, requested to contact the Registrar and Share Transfer Agents immediately. No claim shall lie against the fund or the Company in respect of unclaimed and unpaid dividends transferred to the IEPF as per section 205C of the Companies Act 1956.



PARTICULARS OF THE DIRECTORS SEEKING REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

ITEM No. 3, 4 & 6

Name of Director	Shri S Ramakrishan	Shri V Kirubanandan	Shri AP Venkateshwaran
Date of Birth	15/07/1954	30/04/1948	12/07/1959
Expertise in specific functional areas.	30 Years	40 Years	27 Years
Qualification	B.Com.,	B.E., M.Tech., M.B.A	B. Com., FCA
List of other companies in which directorship held as on 31st March 2009.	NIL	NIL	NIL
Chairman/Member of the Committees of the Board of other companies in which he is a Director as on 31st March 2009.	FOUR	NIL	NIL
Shareholding as on 31st March 2009			
a) held individually	NIL	NIL	1000
b) held jointly with other	NIL	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS IN THE NOTICE IS ANNEXED:

ITEM No. 6

Mr. A P Venkateshwaran has been working for the growth of the organization since its inception. Lending credence to his excellent contribution to the Company, the Board felt it necessary to re-appoint him as a whole-time Director with effect from 01/10/2009, on the terms & conditions stipulated in the resolution specified in Item No. 6 in the Notice.

The Board recommends the resolution for approval of the members.

ITEM No. 7

Mr.SANJAY AGARWALLA has been associated with the Company for the last 15 years. As recognition of his hard work and dedication to the company, the Board in its meeting held on 31/07/2009 felt it necessary to increase the remuneration for the Whole-time Director with effect from 01.07.2009, on the terms & conditions stipulated in the resolution specified in Item No.7 of the Notice.

The Board recommends the resolution for approval of the members.

Mr. SANJAY AGARWALLA is interested in this resolution proposed to be passed to the extent of his shareholding.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.



Statement in respect of ITEM No7

Increase in Remuneration payable to Mr.Sanjay Agarwalla as Whole-time Director

I. GENERAL INFORMATION:	
1. Nature of Industry :	Manufacturing Iron & Steel and Poly Woven Fabrics and Sacks
2. Date or expected date of commencement of commercial production	Already in existence
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A
4. Financial performance based on given indicators.	01.04.2008 – 31.03.2009 Sales: Rs.69970.06 Lacs Profit after tax: Rs.950.80 Lacs Profit margin on sales:1.36%
5. Export performance and net foreign exchange collaborations.	01.04.2008 to 31.03.2009 Earnings in Foreign exchange: Rs.3770.17 Lacs Expenses in Foreign currency: Rs.7085.17 Lacs
6. Foreign investments or collaborators, if any.	NIL

II. INFORMATION ABOUT THE APPOINTEE:	
1. Background details :	Commerce Graduate
2. Past remuneration :	Rs.1,50,000/-p.m.
3. Recognition or awards :	---
4. Job profile and his suitability :	Responsible for the overall operations of the company
5. Remuneration proposed :	Rs.1,75,000/-p.m. with effect from 01.07.2009
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	--
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Sanjay Agarwalla is directly related with the company in the capacity of whole-time director only.



III. OTHER INFORMATION:	
1. Reasons of loss or inadequate profits	The year 2008-09 witnessed an unprecedented economic crisis world over resulting in slowdown in almost all the sectors. While India hasn't witnessed the kind of major turmoil witnessed in some advanced economies it has certainly been impacted adversely. In the back drop of this crisis the working of company has also been affected to some extent.
2. Steps taken or proposed to be taken for improvement	Expected the situation improves this year 2009-10
3. Expected increase in productivity and profits in measurable terms.	This year the Company will be completing the expansion of the rolling mill by an additional production capacity of 150000 MT/p.a. The Company should get the benefit of the expansion for the 5-6 months this year. The full benefit will arise in the financial year 2010-11. To meet the additional sales from the new capacity, the Company is rapidly increasing its marketing reach and during the year the company hope to have an additional dealer network of over 200 dealers.

IV. DISCLOSURES:	
1.	The shareholders of the company shall be informed of the remuneration package of the managerial person.
2.	The following disclosures shall be mentioned in the Board of Directors' report under the heading "Corporate Governance", attached to the annual report:-
	i). All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc., of all the directors;
	ii). Details of fixed component and performance linked incentives along with the performance criteria;
	iii). Service contracts, notice period, severance fees;
	iv). Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;

ITEM No. 8

The Board of Directors at their meeting held on 31/07/2009 has approved payment of Rs.12,00,000/- (Rupees Twelve Lakhs only) as incentive to Mr. SANJAY AGARWALLA, Whole-time Director of the Company, for the year 2008-09 as recognition of his hard work and services rendered to the company for its growth.

The Board recommends the resolution for approval of the members.

Mr. SANJAY AGARWALLA is interested in this resolution proposed to be passed to the extent of his shareholding.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.

Statement in respect of ITEM No: 8 is same as mentioned in ITEM NO.7

Incentive payable to Mr.SANJAY AGARWALLA as a whole-time director.

**ITEM No.:9**

The existing Authorised Share Capital of the Company is Rs. 10.00 Crores (Rupees ten crores) only and considering the proposed business expansions, additional funds will have to be brought in by way of issue of further shares. In view of the same, the approval of the members is sought for increasing the Authorised Share Capital from Rs. 10.00 Crores to Rs. 22.00 Crores and also for consequential amendments in the capital clause of the Memorandum and Articles of Association of the Company.

The Board recommends the resolution for the approval of the members.

None of the Directors of the Company is concerned or interested in the above Resolutions.

ITEM No.:10

Your Company is at present engaged in manufacturing of Steel, HDPE/PP, Woven Sacks and Generation of Power. Your Company is one of the leading manufacturers of Thermo Mechanical Treated Bars and Pellets in India. At present, your Company has Steel Division, Wind-mill Division and Synthetic Division. For its present business activities, your Company requires huge consumption of power and the cost of the power purchased by the Company is comparatively higher resulting in cost of the Company's product higher than other producers. The Directors of your Company after detailed consideration has decided to set up a captive power plant and undertake expansion of the existing manufacturing activities. Your Directors have decided to set up a captive Power Plant of 35 MW for generation of thermal power at Thiruvallur District in the State of Tamil Nadu. The estimated cost of proposed expansion and setting of power plant is expected to be Rs. 188.00 Crores which is proposed to be funded by way of term loan from banks and equity capital from the existing shareholders of the Company on Rights Basis. Your Company has already acquired land of 75.00 acres for the proposed power plant and for further expansion in future. The proposed site of the power plant has good proximity with the ports for transportation of coal and ample amount of water will be available. Your Company has already appointed Technical Consultants for the proposed power project. The setting up of the proposed power plant will reduce the cost of the products of the Company. The proposed power plant is expected to commence trial procedure by July 2011. Your Directors are hopeful to achieve better results in times to come. The Board seeks consent of the Members to issue and allot to the existing shareholders on a Right Basis at such time and on such terms and conditions as the Board may deem fit and appropriate.

The Board recommends the resolution for the approval of the members.

The Directors of the Company may be deemed to be interested in the Resolution to the extent of allotment, if any, to be made to them, their relatives and to the companies in which they are interested.



REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We take pleasure in presenting the 62nd Annual Report of the Company together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2009

FINANCIAL RESULTS	2008-2009	2007-2008
	Rupees in Lacs	
Profit before Depreciation and tax	2933.32	2649.80
Less: Depreciation	725.02	626.71
Profit for the year before Exceptional Item	2208.30	2023.09
Less: Exceptional Items	722.10	-
Profit for the year	1486.20	2023.09
Less: Provision for		
Current Tax	390.00	400.00
Deferred Tax	131.33	237.53
Fringe Benefit Tax	14.08	11.57
Add: Surplus brought forward	1963.04	911.04
Amount available for appropriation	2913.83	2285.03
Appropriations:		
Dividend	100.00	100.00
Corporate Tax	----	16.99
General Reserve	115.00	205.00
Balance carried forward	2698.83	1963.04

OPERATIONS AND OUTLOOK

The year 2008-09 witnessed an unprecedented economic crisis world over resulting in slowdown in almost all the sectors. While India hasn't witnessed the kind of major turmoil witnessed in some advanced economies it has certainly been impacted adversely. In the back drop of this crisis the working of your company has also been affected to some extent. This year also saw shortage of power in Tamil Nadu and this affected the working of the Company. In the current year the power cut has been relaxed from 40% to 20% and it is expected to be relaxed further. This year the Company will be completing the expansion of the rolling mill by an additional production capacity of 150000 MT/p.a. The Company should get the benefit of the expansion for the 5-6 months this year. The full benefit will arise in the financial year 2010-11. To meet the additional sales from the new capacity, the Company is rapidly increasing its

marketing reach and during the year the company hope to have an additional dealer network of over 200 dealers.

During the year under review, your company posted a Profit Before Depreciation and Tax of Rs.2933.32 as against Rs.2649.80 during the previous year accounting for an increase of 10.70%.

With the Central Government stepping up expenditure on development of infrastructure like roads, ports, power etc., the demand for steel is bound to increase. We look forward to better performance in the coming years.

To over come the shortage and high cost of power, which adversely affects our production, we are planning to install a Thermal power plant of 35 MW at Gummudipoondi, land for the same have been acquired and construction work for which would commence during the current year.

DIVIDEND

our Directors are pleased to recommend a dividend of 20% on the Equity Capital subject to members' approval.

DIRECTORS

Mr S Ramakrishnan, Director of the Company, retires by rotation and being eligible, offers himself for re-election.

Mr. V Kirubanandan, Director of the Company, retires by rotation and being eligible, offers himself for re-election.

Shri A P Venkateshwaran, Whole-time Director of the Company, retires on 30/09/2009 and being eligible, offers himself for re-election. He will be re-appointed as Whole-time Director of the Company with effect from 01/10/2009

AUDITORS

The Auditors of the Company M/s. C.A. Patel & Patel., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment

PERSONNEL

Your Directors wish to express their appreciation to the employees at all levels for their contribution to the Company's performance during the year under review.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988 AND PARTICULARS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be disclosed as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are enclosed with the report.



FIXED DEPOSITS

The Company has complied with the provisions of Section 58A of the Companies Act, 1956 and Rules made thereunder in respect of acceptance of deposits from public. There are no unpaid/unclaimed deposits.

DEMATERIALISATION OF SHARES

Your Company has entered into an arrangement with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for dematerialization of the Company's shares in accordance with the provisions of the Depositories Act, 2001. Accordingly, your company's shares can be dematerialized in the CDSL and NSDL under the ISIN – INE463D01016

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Profit of the Company for the year ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis

AUDIT COMMITTEE

In compliance of Section 292A of the Companies Act, 1956, an Audit Committee of the Board is consisting of the following Directors:

1. Mr S. Soundararajan - Chairman
2. Mr. S Ramakrishnan
3. Mr. A P Venkateshwaran

CORPORATE GOVERNANCE

The Company has complied with the mandatory requirements of Corporate Governance as prescribed in the Listing Agreement entered into with the Stock Exchanges, taking into account, the operational requirements, financial position of the Company etc. A separate report on Corporate Governance along with the Auditor's Certificate on its compliance is attached as Annexure to this report.

GENERAL

The Directors take this opportunity to convey their appreciation of the services rendered and support given by the Company's Bankers, Financial Institutions, suppliers and customers.

Your Directors thank you, the Shareholders for your continued patronage.

For and on behalf of the Board

Place: Chennai
Date: 17th August, 2009

Lalit Kumar Tulsyan
Executive Chairman

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2009

SL No.	Name of the Employee	Age Yrs.	Designation	Gross Rem. Received Rs.	Qualification	Experience in years	Share holding %	Date of Employment	Last Employment
1	Lalit Kumar Tulsyan	49	Executive Chairman	60,00,000	B. Com.,	24	26.89	27.01.1994	---
2	Sanjay Tulsyan	45	Managing Director	60,00,000B	Com., (Hons)	23	26.10	06.09.1986	----
3	Sanjay Agarwalla	46	Whole-time Director	28,61,226	B. Com.,	14	0.002	27.04.2006	----



ANNEXURE TO DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956

A. CONSERVATION OF ENERGY	2008-2009	2007-2008
	Rs.	Rs.
I. Electricity		
a. Purchase in units	56533764	67963403
Total Amount (Rs.in lacs)	2591.24	2938.53
Rate per unit	4.58	4.32
b. Own generation in units	17647	4397
Unit per liter of diesel	3.50	3.50
Cost per unit	10.31	11.66
II. Coal		
Consumption (MT)	6757.225	4296.08
Total Amount (Rs.in lacs)	317.36	180.73
Average Rate (Rs.)	4869.16	4206.98
III. Furnace Oil		
Consumption (liters)	2835142	2221766
Total Amount (Rs.in lacs)	590.94	387.57
Average Rate (Rs.)	20.93	17.44
 B. CONSUMPTION PER UNIT OF PRODUCTION		
Finished Steel Products		
Production	124205	124768
Electricity	112	119
Coal	23	24
Furnace Oil	28	29
MS Ingots		
Production	19818	18439
Electricity	726	960
MS Billets		
Production	41096	48779
Electricity	720	728
 C. TECHNOLOGY ABSORPTION	Not Applicable	Not applicable
 D. ACTIVITY RELATING TO EXPORTS		
		(Rs.in lacs)
(i) Foreign Exchange earned	3770.17	4194.91
(ii) Foreign Exchange used	7085.17	7132.56

Place: Chennai
Date: 17th August, 2009

For and on behalf of the Board
Lalit Kumar Tulsyan
Executive Chairman



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,
RELATING TO SUBSIDIARY COMPANY**

- A (a) The extent of the company's interest in the subsidiary at the end of the financial year on 31/03/2009
- | | |
|--------------------------------------|--------------------------------|
| 1) Name of the Subsidiary Company | : Cosmic Global Limited |
| 2) Paid-up Capital | : Rs.1,12,65,000/- |
| 3) Investment made by the Company | : Rs.1,00,00,000/- |
| 4) Extent of Interest of the Company | : 88.77% |
- (b) The Net aggregate amount of the Profit of the subsidiary company not dealt with in the Company's Account as on 31/03/2009
- | | |
|--|----------|
| 1) Net profit after tax of Cosmic Global Ltd for the period ended 31 st March, 2009 | 23393253 |
| 2) Company's share in the net profit of the Subsidiary Company | 20766191 |
| 3) Less amount of the dividend received from the Subsidiary Company | 10000000 |
| 4) Amount of profit of the Subsidiary Company not dealt within the books of the Company | 10766191 |
- (c) The net aggregate amount of the profits of the Subsidiary Company dealt within the Company's Accounts
- 12128253
- B (a) The extent of the company's interest in the subsidiary at the end of the financial year on 31/03/2009
- | | |
|--------------------------------------|------------------------------|
| 1) Name of the Subsidiary Company | : Tulsy Power Limited |
| 2) Paid-up Capital | : Rs.5,00,000/- |
| 3) Investment made by the Company | : Rs.4,94,000/- |
| 4) Extent of Interest of the Company | : 98.80% |
- (b) The Net aggregate amount of the Profit of the subsidiary company not dealt with in the Company's Account as on 31/03/2009
- | | |
|--|-----|
| 1) Net profit after tax of Tulsy Power Limited for the period ended 31 st March, 2009 | NIL |
| 2) Company's share in the net profit of the Subsidiary Company | NIL |
| 3) Less amount of the dividend received from the Subsidiary Company | NIL |
| 4) Amount of profit of the Subsidiary Company not dealt within the books of the Company | NIL |
- (c) The net aggregate amount of the profits of the Subsidiary Company dealt within the Company's Accounts
- NIL

On behalf of the Board

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

A.P. VENKATESHWARAN
Director - Finance

K JANAKIRAMAN
Company Secretary

Place: Chennai
Date: 17th August, 2009



MANAGEMENT DISCUSSION AND ANALYSIS

(Pursuant to Clause 49 of the Listing Agreement)

Overview.

The Indian economy entered the financial year 2008-09 on a buoyant note. During the preceding three years, the country had witnessed tremendous economic growth with GDP expanding at an average of 9%. However, the growth momentum was moderated because of the global economic conditions, like all other emerging economies, India too was impacted by the credit crisis. The slowdown in growth was reflected in lower industrial production, negative exports, deceleration in services activities, dented corporate margins and diminished business confidence. As per the revised estimates for the FY 2008-09, the GDP for the year grew at 6.7% as against 9.1% in the previous year.

But it was not all gloom and doom. There were some comforting signs too. Well functioning financial markets, robust rural demand, lower inflation and robust foreign exchange reserves were all pointers to the long term strength and resilience of the Indian economy. The timely fiscal stimulus packages announced by the government, coupled with, swift monetary easing and regulatory action by the reserve bank of india, helped to arrest the slow down and keep the economy ticking.

I. Industry Structure and Developments

The Company's products are TMT Bars, Billets and Ingots in the steel division and in synthetic division it is PP Woven Sacks, FIBC and Woven Fabric. During the year under review with the completion of the enhanced capacity, the company has commenced the manufacture of ground cover and ventilated fabric. TMT Bars are used in the Construction Sector and the plastic products cater to the packaging needs of various industries such as Cement, Fertilizers, Food grains, Sugar

The raw materials for Steel Making are M.S. scrap, Sponge and for TMT Bars is Billets. PP granules is used for manufacture of plastic packaging products. This raw material is available in abundance within the country and can also be freely imported. Being in the commodity market the company continuously makes efforts for reducing the cost of production to sustain its margins.

II. Opportunities and Threats.

The Cost of Steel Scrap and power are major costs incurred for producing Steel Rods. Volatility in the price of scrap affects the company's margin. To tide over the power requirement your company would be installing a 35 MW power plant at Gummudipoondi.

With globalization and liberalization the demand gap is ever increasing. With almost 3 decades of presence in the industry the company has earned a good name for its commitment to quality and timely supply. With the enhancement in production capacities the company is well poised to cater to a Bigger market.

Fragmented industry with more SSI units, speculation and uncertainty does not allow price to settle and this scenario synchronizes well when the going is good.

III SEGMENT-WISE/PRODUCT-WISE

The production of steel rods was 124205 MT compared to 124768 MT in the previous year. The sale of rods during the year was 120315 MT compared to 133948 MT in the previous year

The production of synthetic products was 11188 MT compared to 13435 MT in the previous year. The sale of synthetic products during the year was 11094.007 MT compared to 14458.623 MT in the previous year

IV. FUTURE OUTLOOK.

With various infrastructure facilities coming up both in private and public sectors across the country, the management envisages huge demand for its products especially steel. The main Raw Material for Steel making is Scrap / Sponge Iron the Company planning to put up Sponge Iron plant with a capacity of 250000 / TPA to reduce the cost of its input. The other major cost is power which also the company is aiming to produce it own power to further reduce the cost.

**V. QUALITY**

The Company continues to strive to be a quality manufacturer in both its Steel and Plastic Division. Both the divisions are covered under ISO Certificate. The Company has also procured all Certificates from Govt. agency for their Products. Currently the Company is looking towards covering their quality under various international markets, namely, Sri Lanka, U.K., Middle East. We are getting the Rebars certified from CRM, Belgium. The company has a Microsoft ERP Solution which will further add to the quality Systems

VI. RISK AND CONCERNS

Both the economy and the industry are on the growth trajectory. However, increasing prices and availability of key input and raw material, delay in infrastructure development, availability of skilled manpower, volatility in global economy are some of the major risks and concerns that have to be addressed. All these have an impact on the operations of the company. The company is conscious of the risks this entails and has put in place a mechanism for minimizing and mitigating the same. The process is reviewed periodically.

VII. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, the code of conduct and Corporate policies are duly complied with.

The Company has an Internal Audit Department, which conducts audit of various departments and areas. In line with international trend, planning and conduct is oriented towards a review of controls in the management of risks and opportunities in the Company's activities. The annual audit programme is developed by the Internal Audit Department and approved by the Audit Committee of the Board. The Internal Audit Department reports its findings and observations to the Audit Committee, which met four times during the year to review the audit observations and to follow up implementation of corrective actions. The Committee also consults the Company's statutory auditors to ascertain their views on the adequacy of the internal control systems in the Company. The Audit Committee has majority of independent directors to maintain the objectivity.

The Auditors' remarks regarding adequacy of internal controls can be seen in Clause No. iv of the Annexure to the Auditors' Report.

VIII. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Turnover for the year under review amounted to Rs. 69970.03 Lakh as against Rs. 57100.88 Lakh for the previous year showing an increase of 22.54% over the last year. The profit during the year before exceptional item & tax Rs.2208.29 lakh against a profit of Rs. 2023.09 lakh last year showing a modest increase of 9.15% over the last year

IX. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The company, at the year-end had 1420 employees as compared to 1335 in the previous year and industrial relations remained cordial during the year. To meet ongoing challenges in the market place, employees are trained continuously to upgrade both, their knowledge and skills.

X. CAUTIONARY STATEMENT

The above Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking Statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include external economic conditions affecting demand/supply influencing price conditions in the market in which the Company operates, changes in Government regulations, statutes, tax laws and other incidental factors.



REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

Your Company aspires to follow the best practices in the area of corporate governance and the principles of fair representation and full disclosure in all its dealings and communications.

Your Company's annual reports, results, presentations and other forms of corporate and financial communications, provide extensive details.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's Philosophy on the Code of Governance is to enhance the Long term Economic value of the Company, its Shareholders and all its Stakeholders by adopting better Corporate Practices with highest levels of transparency, accountability and equity in all facets of its operation.

2. THE BOARD OF DIRECTORS

The Board of Directors consists of Nine Directors. Your company has an optimum combination of Executive and Non-Executive Directors with not less than Fifty Percent of the Board of Directors comprising of Non-Executive Directors. All the members of Board are eminent persons with expertise and extensive experience in different field and have made outstanding contribution to the Industry. Composition and Category of Directors is as follows:

Category	Name of the Directors
Executive Chairman	Shri Lalit Kumar Tulsyan
Executive - Not Independent, Managing Director	Shri Sanjay Tulsyan
Executive - Not Independent, Director - Finance	Shri A.P. Venkateshwaran
Executive - Not Independent, Whole Time Director	Shri Sanjay Agarwalla
Non-Executive-Independent Directors*	Shri S. Soundararajan
	Shri P.T. Rangamani
	Shri S. Ramakrishnan
	Shri V. Kirubanandan
	Shri C. Ramachandran

*As per the Judgment of the Board these are Independent Directors within the meaning of explanation to Clause 49-1A of the Listing Agreement.

Attendance of each Director at the Board Meeting, last Annual General Meeting and Number of other Directorship and Chairmanship of Committee of each Director in various companies

Name of Directors	No.of Board Meetings attended	Whether last AGM Attended	Directorships (Other than Tulsyan NEC Limited)	No. of Committee in which Chairman / Member (other than Tulsyan NEC Limited)	
				Chairman	Member
Shri Sanjay Tulsyan	Six	Yes	Seven	None	None
Shri L K Tulsyan	Seven	Yes	Seven	None	None
Shri S Soundararajan	Seven	Yes	None	None	None
Shri P T Rangamani	Six	No	None	None	None
Shri A P Venkateshwaran	Six	Yes	None	None	None
Shri S Ramakrishnan	Seven	Yes	Four	None	None
Shri Sanjay Agarwalla	Seven	Yes	Three	None	None
Shri V Kirubanandan	Seven	Yes	None	None	None
Shri C Ramachandran	Six	Yes	Nine	Two	Eight



Number of Board Meetings held and the dates on which held:

13 Board Meeting were held during the year, as against the minimum requirement of 4 meetings. The dates on which the meetings were held are as follows:

30.04.2008	30.07.2008	29.09.2008	30.10.2008
30.01.2009	18.02.2009	23.03.2009	-----

3. Audit Committee

The Board of the Company has constituted an Audit Committee. The constitution of Audit Committee also meets with the requirements under Section 292 A of the Companies Act, 1956

The terms of reference stipulated by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement, as follows:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies, (ii) major accounting entries based on exercise of judgment by management, (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchanges and legal requirements concerning financial statements and (viii) any related party transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors any significant findings and follow-up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

To look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividends) and creditors.



Composition and attendance of the meetings are as follows:

Name of Member/director	Designation (Chairman/Independent)	Qualification	Date of Meeting	Meeting attended or not
Shri S Soundararajan	Chairman	I.A. & A.S. (Retired)	30.04.2008	Yes
			30.07.2008	Yes
			30.10.2008	Yes
			30.01.2009	Yes
Shri A P Venkateshwaran	Member	B.Com. F.C.A	30.04.2008	Yes
			30.07.2008	Yes
			30.10.2008	Yes
			30.01.2009	No
Shri S Ramakrishnan	Member	B.Com.	30.04.2008	Yes
			30.07.2008	Yes
			30.10.2008	Yes
			30.01.2009	Yes

4. Remuneration Committee

Board has constituted Remuneration Committee in its meeting. The Remuneration Committee presently consists of three Non-Executive Independent Directors. Payment of remuneration to the Executive directors is governed by the Agreement executed between them and the Company which was approved by the Committee Board and the Shareholders in terms of Schd. XIII of the Companies Act. Their remuneration structure comprises salary, perquisites and allowances and contribution to provident fund. The Non-executive Directors do not draw any remuneration from the Company other than Sitting fees. Details of the salary paid to the directors are shown below.

Remuneration to Directors

Name and Designation	Total Remuneration (incl. incentive) (In Rs.)	Sitting fee (In Rs.)
Shri Sanjay Tulsyan (<i>Executive</i>)	60,00,000	-
Shri Lalit Kumar Tulsyan (<i>Executive</i>)	60,00,000	-
Shri S Soundararajan (<i>Non-Executive</i>)	-	14,000
Shri P T Rangamani (<i>Non-Executive</i>)	-	12,000
Shri A P Venkateshwaran (<i>Executive</i>)	15,21,228	-
Shri Sanjay Agarwalla (<i>Executive</i>)	28,61,226	-
Shri S Ramakrishnan (<i>Non-Executive</i>)	-	14,000
Shri V Kirubanandan (<i>Non-Executive</i>)	-	14,000
Shri C Ramachandran (<i>Non-Executive</i>)	-	12,000

5. Shareholders/Investors Grievance Committee

The Board of the Company has re-constituted a Shareholders/Investors Grievance Committee. The Committee met on 30/04/2008, 30/07/2008, 30/10/2008 & 30/01/2009 during the year.

The Committee, inter alia:

- approves and monitors transfers, transmission, splits and consolidation of shares of the company.
- reviews redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet, dividends etc., and
- reviews the compliances with various statutory and regulatory requirements.

Composition of the Committee and the attendance of members are as follows:

Name of Member	Designation	No. of Meetings attended
Shri P T Rangamani	Chairman	Three
Shri S Soundararajan	Member	Four
Shri V Kirubanandan	Member	Four

Details as to the total number of shareholder complaints received during the year and its status are given as under.

Complaints pending at beginning	----	3
Complaints received	----	75
Complaints resolved	----	76
Complaints pending at end	----	2

6. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2005-2006	AGM	Naradha Gana Sabha Mini Hall, 254 T T K Road, Chennai – 600 018	22/09/2006	10.15 a.m.
2006-2007	AGM	Naradha Gana Sabha Mini Hall, 254 T T K Road, Chennai – 600 018	30/08/2007	11.30 a.m
2007-2008	AGM	Naradha Gana Sabha Mini Hall, 254 T T K Road, Chennai – 600 018	08/09/2008	11.00 a.m

No postal ballots were used/invited for voting at these meetings in respect of special resolutions passed as there were no such provisions in the Companies Act, 1956. The Company shall comply with the requirements relating to postal ballot as and when the relevant guidelines in this connection are issued.

Special Resolutions passed in the last three years:

AGM held on 08th September 2008

According of the Consent under Section 81(1A) of the Companies Act 1956, for 10,00,000 Equity Shares

7. DISCLOSURES

a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. NIL

c. The Company has laid down procedures about risk assessment and their minimization. These procedures are periodically reviewed in the Board.

8. MEANS OF COMMUNICATION

The quarterly results are published in 'Trinity Mirror' and 'Makkal Kural' news paper for the first Three Quarters and from the last quarter onwards it was published in 'Financial Express' all Editions in English and in Tamil 'Malai Murasu'

Whether Management Discussion & Analysis report is a part of Annual Report: Yes

The Company has not made any presentations to any institutional investors/analyst during the year

The Company does not post its results on the web site



9. GENERAL SHAREHOLDER INFORMATION

9.1. Annual General Meeting

Date and Time : 16th September, 2009; 11.00 a.m
 Venue : Naradha Gana Sabha (Mini Hall)
 254 T T K Road
 Chennai – 600 018

**9.2. Financial Calendar
 (Tentative)**

: Results for the quarter ended 30th June, 2009 – 31/07/2009
 Results for the quarter ended 30th Sept, 2009 – 31/10/2009
 : Results for the quarter ended 31st Dec, 2009 – 31/01/2010
 : Results for the quarter ended 31st Mar, 2010 – 30/04/2010

9.3. Book Closure

: 09.09.2009 – 16.09.2009 (both days inclusive)

9.4. Dividend Payment Date

: **16th October, 2009**

**9.5. Listing of Equity Shares
 on Stock Exchanges at**

: Madras, Mumbai, (Calcutta - delisting applied)

9.6. a. Stock Code

: Mumbai - 513629
 Madras - Tulsyan NEC

**b. Demat ISIN Number in
 NSDL & CDSL for Equity
 Shares**

: INE463D01016

9.7. Stock Market Data

: Monthly High/Low of Market price of the company's shares traded in the Stock Exchange, Mumbai during the year 2008-2009 is furnished below.

Month	High Rs.	Low Rs.
April 2008	99.00	79.00
May 2008	117.30	90.00
June 2008	104.00	82.75
July 2008	101.10	72.70
August 2008	130.80	102.15
September 2008	120.40	81.90
October 2008	91.35	53.50
November 2008	64.70	42.50
December 2008	55.35	56.50
January 2009	54.95	42.70
February 2009	43.35	30.00
March 2009	38.00	28.25

9.8. Registrar and Transfer Agents :

Cameo Corporate Services Ltd.
 #1 Club House Road, Chennai – 600 002

DEMAT INFORMATION (AS ON 31.03.2009)

No. of Shares Dematerialized : 1915866
 % of Total Capital : 38.32



9.9. Distribution of holdings :

Share or Debenture holding of nominal Value of			Share/Debenture holders		Share/Debenture Amount	
Rs.	Rs.		Number	% to Total	in Rs.	% to Total
upto	-	5000	4751	92.648	5885320	11.771
5001	-	10000	184	3.588	1480840	2.962
10001	-	20000	74	1.443	1170480	2.341
20001	-	30000	26	0.507	660660	1.321
30001	-	40000	13	0.254	471160	0.942
40001	-	50000	15	0.293	664930	1.330
50001	-	100000	24	0.468	1860650	3.721
100001	and	above	41	0.800	37805960	75.612
Total			5128	100.000	50000000	100.000

9.10. Distribution of Shareholding :

Category of Shareholder		No. of Holders	Total No. of Shares	Shares in Demat	Total Shareholding as percentage of total number of shares		Shares Pledged or Otherwise encumbered	
(I)	(II)	(III)	(IV)	(V)	As a % of (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % (IX) = (VIII) / (IV) * 100
A. Shareholding of Promoter and Promoter Group								
1. INDIAN								
a.	Individuals/ Hindu Undivided Family	16	3279700	562713	65.5940	65.5940	1037800	31.6431
b.	Central Government/ State Government(s)	0	0	0	0.0000	0.0000	0	0.0000
c.	Bodies Corporate	0	0	0	0.0000	0.0000	0	0.0000
d.	Financial Institutions/ Banks	0	0	0	0.0000	0.0000	0	0.0000
e.	Any other							
Sub - Total (A) (1)		16	3279700	562713	65.5940	65.5940	1037800	31.6431
2. FOREIGN								
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.0000	0.0000	0	0.0000
b.	Bodies Corporate	0	0	0	0.0000	0.0000	0	0.0000
c.	Institutions	0	0	0	0.0000	0.0000	0	0.0000
d.	Any other	0	0	0	0.0000	0.0000	0	0.0000
Sub - Total (A) (2)		0	0	0	0.0000	0.0000	0	0.0000
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		16	3279700	562713	65.5940	65.5940	1037800	31.6431

Contd...



9.10. Distribution of Shareholding :

Category of Shareholder		No. of Holders	Total No. of Shares	Shares in Demat	Total Shareholding as percentage of total number of shares		Shares Pledged or Otherwise encumbered	
(I)	(II)	(III)	(IV)	(V)	As a % of (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % (IX)=(VIII) / (IV) * 100
B. Public Shareholding								
1. Institutions								
a.	Mutual Funds / UTI	5	48600	46600	0.9720	0.9720	0	0.0000
b.	Financial Institutions /Banks	0	0	0	0.0000	0.0000	NA	NA
c.	Central Government / State Government (s)	0	0	0	0.0000	0.0000	NA	NA
d.	Venture Capital Funds	0	0	0	0.0000	0.0000	NA	NA
e.	Insurance Companies	0	0	0	0.0000	0.0000	NA	NA
f.	Foreign Institutional Investors	0	0	0	0.0000	0.0000	NA	NA
g.	Foreign Venture Capital Investors	0	0	0	0.0000	0.0000	NA	NA
h.	Any Other							
Sub - Total (B) (1)		5	48600	46600	0.9720	0.9720	NA	NA
2. Non Institutions								
a.	Bodies Corporate	110	183212	163412	3.6642	3.6642	0	0.0000
b.	Individuals -							
	I. Individual Shareholders Holding Nominal Share Capital Upto Rs.1 Lakh	4411	1013808	730361	20.2761	20.2761	NA	NA
	II. Individual Shareholders Holding Nominal Share Capital in excess of Rs.1Lakh	14	230916	230916	4.6183	4.6183	NA	NA
c.	Any Other							
	Clearing members	5	3312	3312	0.0662	0.0662	NA	Na
	Hindu Undivided Families	64	152674	152674	3.0534	3.0534	NA	NA
	Non Resident Indians	503	87778	25878	1.7555	1.7555	NA	NA
		572	243764	181864	4.8752	4.8752	0	0.0000
Sub - Total (B) (2)		5107	1671700	1306553	33.4340	33.4340	NA	NA
Total Public Shareholding (B) = (B) (1) + (B) (2)		5112	1720300	1353153	34.4060	34.4060	NA	NA
Total (A) + (B)		5128	5000000	1915866	100.0000	100.0000	1037800	20.7560
C. Shares held by Custodians and Against Which Depository Receipts Have been issued								
		0	0	0	0.0000	0.0000	NA	NA
Grand Total (A)+(B)+(C)		5128	5000000	1915866	100.0000	100.0000	1037800	20.7560



9.11. Plant Locations

a. Steel Division

39, Dr. Harikrishna Naidu Street,
Ambattur, Chennai – 600 053.

A15/N, (Pt) SIPCOT Indl. Complex, Gummidipoondi,
Chengalpet Dist., Tamil Nadu.

D-4, SIPCOT Indl. Complex, Gummidipoondi,
Chengalpet Dist., Tamil Nadu.

Windmill :

1. Kudimangalam, Udumalapet, TamilNadu
2. Pazhavor, Tirunelveli Dist. TamilNadu
3. Kavalakiurichi, Tirunelveli Dist. Tamil Nadu

b. Synthetic Division

7-A, Doddaballapura Indl. Area,
Kasba Hobli, Karnataka.

2-B, Survey No.16, Korandanahalli
Malur Industrial Area, Malur Kolar Dist. Karnataka.

Plot No.E-4, Madkaim Indl. Area,
Madkaim Village, Ponda Taluk, Goa.

Survey No. 4/1-P-1
Adakamaranahully Village, Dasanapura Hobli,
Makali Post, Tumkur Road, Bangalore

SY. No 237 to 245, Boincheruvupalli Village
Peapully Mandal, Kurnool District
Andhra Pradesh - 518 220

Name of the Compliance Officer : Mr. S Sankar

Address for Correspondence : I Floor, Apex Plaza, 3, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034
Chennai – 600034

Phone : 044-3918 1060 Fax: 044-39181097

Web site : www.tulsyannec.co.in

Email id : tulsyannec@gmail.com

investor@tulsyannec.com

9.12 Unclaimed Dividend

Unclaimed dividend for the years prior to and including the financial year 2000-01 has been transferred to the Investor Education and Protection Fund established by Central Government as per under section 205C of the Companies Act,1956



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Tulsyan NEC Limited

We have examined the compliance of conditions of corporate governance by TULSYAN NEC LIMITED for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and subject to the Audit Committee has met for four times during the year.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2009 no investor grievances are pending exceeding one month against the Company as on 31-03-2009 as per records maintained by the Company and presented to Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.Damodaran & Associates

Place: Chennai
Date: 17th August, 2009

M.Damodaran
Proprietor

CODE OF CONDUCT

PHILOSOPHY

The TULSYAN NEC LIMITED code of conduct, as adopted by the Board of Directors, is applicable to Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Code covers TULSYAN NEC LIMITED's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance, and the philosophy of leading by personal example. The Code is available on the Company's corporate website.

Declaration pursuant to Clause 49 of the listing agreement regarding adherence to the Code of Conduct

To

The Shareholders of **Tulsyan NEC Limited**

We hereby declare that all members of the Board and senior management personnel have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the company formulated by the board of directors for the financial year ended 31st March 2009.

Place : Chennai
Date: 17th August, 2009

For Tulsyan NEC Limited
SANJAY AGARWALLA
Whole-time Director



CFO CERTIFICATION

We, Lalit Kumar Tulsyan, Executive Chairman and A P Venkateshwaran, Director - Finance , responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2009 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year except as laid down in Accounting Standard (AS) 15 (revised 2005) on Employee Benefits, requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Tulsyan NEC Limited

Place : Chennai
Date : 17th August, 2009

Lalit Kumar Tulsyan
Executive Chairman

A P Venkateshwaran
Director - Finance



REPORT OF THE AUDITORS TO THE MEMBERS OF M/s. TULSYAN NEC LIMITED.

We have audited the attached Balance sheet of M/s. TULSYAN NEC LIMITED as on 31st MARCH 2009, Profit & Loss Account for the year ended on that date and Cash Flow Statement annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conduct our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in term of Sub-Section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph 2 above, we report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of Accounts, as required by law, have been kept by the

Company, so far as appears from our examination of those books.

- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
- d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting standards referred to in sub-section (3c) of sec 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 31st March 2009 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2009, from being appointed as a Directors in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 2009
 - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date
 - (iii) In so far as it relates to the Cash Flow statement of the cash flows of the Company for the year ended on that date.

For **C A PATEL & PATEL**
Chartered Accountants

BHAVESH N PATEL
Partner

Place: Chennai
Date: 17th August, 2009



ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:-

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.

2. In respect of its inventories:

- (a) As explained to us, physical verification have been conducted by the management at reasonable intervals in respect of finished goods, stores and raw materials.
- (b) In our opinion & according to the information and explanation given to us, the procedures of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- (c) As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

- (a) The company has received Rs. 167.15 lacs from subsidiary companies during the year.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not Prima facie prejudicial to the Interest of the Company.
- (c) In respect of loans take by the Company, the interest payments are regular and the principal amount is repayable on demand. In respect of interest free loans granted by the company are repayable on demand.

(d) There is no overdue amount in respect of loans granted, as the same are repayable on demand so the question of overdue amounts does not arise.

(e) The company has taken unsecured loans from 27 parties aggregating to Rs.923.05 lacs during the year (Excluding interest accrued & IFST).

(f) In our opinion and according to the information and explanation given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.

(g) In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.

4. In our opinion and according to the Information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and also sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control

5. In respect of transactions covered under Section 301 of the Companies Act, 1956:

(a) In our opinion and according to the information and explanations given to us, Particulars of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five lacs Only) or more in respect of these parties are prima facie not prejudicial to the interest of the Company and are as per the prevailing market rates.

6. The Company has not accepted any deposit from the public. However loans taken from Directors and their relatives and others the Companies regularly files statement in lieu of prospects after the AGM every year.



7. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate With the size of the Company and the nature of the business.

8. The Company is in the process of setting up of cost and systems in Steel Division.

9. In respect of statutory dues:

- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income – Tax, Sales Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the Appropriate Authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income Tax, Wealth Tax, Sales Tax , Service Tax, Customs Duty and any other statutory dues were outstanding as at 31st March 2009 for a period of more than six months from the date of becoming payable.

According to the information and explanation given to us, details of the disputed dues which have not been deposited as on March 31, 2009 are referred to in the Annexure - A.

10. The Company has no accumulated losses as at March 31st 2009, and it has not incurred any cash losses in the financial year ended on the date or in the immediately preceding financial year.

11. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as to the Balance sheet date.

12. The Company has not given any loans and Advances on the basis of security by way of pledge of shares, debentures and other securities, therefore clause 4 (xii) of the order is not applicable to the company.

13. The provision of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company, therefore clause 4 (xiii) of the order is not applicable.

14. In our opinion, the Company is not dealer or trader in shares, securities, debentures and other investments. 80 clause (XIV) of the order is not applicable.

15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institution during the year. So the clause 4 (xiv) of the order is not applicable.

16. In our opinion and according to the information and explanation given to us, on an overall basis, the term loan taken from bank have been applied for the purposes for which they were obtained.

17. In our opinion and according to the information and explanation given to us, there are no funds raised on short-term basis which have been used for long term investment.

18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (xviii) of the order is not applicable to the Company.

19. The Company has not debentures, therefore the clause 4 (xix) of the order is not applicable to the Company.

20. The Company has not raised money by public issues during the year, therefore clause 4 (xx) of the order is not applicable to the Company.

21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **C A PATEL & PATEL**
Chartered Accountants

BHAVESH N PATEL
Partner

Place: Chennai
Date: 17th August, 2009



ANNEXURE "A" TO AUDITORS REPORT

Referred to in paragraph 9 (b) of Annexure a statement on the matters specified in the Companies (Auditor's Report) Order, 2004 of M/s. **TULSYAN NEC LIMITED** for the year ended March 31, 2008.

TAX LIABILITIES DISPUTED IN APPEAL

S.No.	Asst. Year	Order Reference	Gross Demand	Disputed Amount	Undisputed Amount	Paid/ Adjusted	Remarks
IN RELATION TO INCOME TAX							
1.	2003-2004 32/02	Order 5.09.022	201,989.00	201,989.00	0	100,000.00	Paid Disputed in Appeal before commissionrate CESTAT
2.	2002-2003	Order 2/1, 31.10.01	3,987,205.00	3,987,205.00	0	1,422,316.00	Paid Disputed in Appeal before commissionrate CESTAT
IN RELATION TO EXCISE							
3.	2001-2002	Oredr U/S 154 ITA No. 319/08-09 dt. 01.06.09	571923	571923	0	0	Rectification U/S 154, submitted for Refund of Rs.1025749 dt 29.07.09
4.	2002-2003	Order U/S 154, ITA No.320/08-09 dt. 01.06.09	1592416	159416	0	0	Rectification U/S 154, submitted for Refund of Rs.40391, dt 29.07.09
5.	2003-2004	Order U/S 154, ITA No.321/08-09 dt.01.06.09	1245580	1245580	0	0	Rectification U/S 154, filed for refund dt 29.07.09
6.	2004-2005	Order U/S 154, ITA No.322/08-09 dt.01.06.09	3254834	3254834	0	0	Rectification U/S 154, filed adjustment against earlier years refund, dt. 29.07.09
7.	2005-2006	Oredr U/S 154, ITA No.323/08-09 dt. 01.06.09	2615899	2615899	0	0	Rectification U/S 154, filed adjustment against earlier years refund, dt. 29.07.09 & appeal filed with ITAT.
8.	2006-2007	Order U/s 154, ITA No.324/08-09 dt. 01.06.09	672376	672376	0	0	Rectification U/S 154, file on 29.07.09



TULSYAN NEC LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009

		(Rupees in lacs)	
		As at	As at
I	Schedule	31.03.2009	31.03.2008
I Sources of funds			
1. Shareholders' funds			
(a) Share Capital	1	500.00	500.00
(b) Reserves & Surplus	2	4998.43	4150.97
2. Loan Funds			
(a) Secured Loans	3	16224.37	15109.94
(b) Unsecured Loans	4	1298.15	1458.13
Deferred Tax Adjustment		1231.71	1100.38
		24252.66	22319.42
II Application of funds			
1. Fixed assets			
Gross Block		143032.58	11550.20
Less : Depreciation		4217.46	3493.36
Net Block	5	9815.12	8056.84
Capital Work in Progress		483.32	531.88
2. Investments			
		112.16	207.47
3. Current Assets, Loans & Advances			
(a) Current Assets	7	15707.70	14729.02
(b) Loans & Advances		7556.48	6940.51
		23264.18	21669.53
Less : Current Liabilities & Provisions	8		
a. Current Liabilities		7867.80	6973.93
b. Provisions		1554.32	1172.98
		9422.12	8146.91
NET CURRENT ASSETS		13842.06	13522.62
Miscellaneous Expenditure	9		0.61
		24252.66	22319.42

Significant Account Policies & Notes on Accounts

14

Schedules 1 to 9 and 14 form integral part of this Balance Sheet and are to be read in conjunction therewith

On behalf of the Board

As per our report of even date
For **C A PATEL & PATEL**
Chartered Accountants

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

BHAVESH N PATEL
Partner

A.P. VENKATESHWARAN
Director - Finance

K.JANAKIRAMAN
Company Secretary

Place: Chennai

Date: 17th August, 2009



TULSYAN NEC LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

		(Rupees in lacs)	
		Year ended 31.03.2009	Year ended 31.03.2008
		Schedule	
Sales & Other Receipts	10	69970.06	57100.89
Other Income	11	223.38	129.64
		70193.44	57230.53
Deduct: Cost of Materials and other expenses	12	67260.11	54580.73
Depreciation		725.02	626.71
PROFIT BEFORE EXCEPTIONAL ITEMS		2208.31	2023.09
Exceptional Items Profit / Loss	13	722.10	-
Profit for the year		1486.21	2023.09
Less: Provision for Current Tax		390.00	400.00
Fringe Benefit Tax		14.08	11.57
Deferred Tax		131.33	237.53
		950.80	1373.99
PROFIT AFTER TAXATION		950.80	1373.99
Add: Surplus Brought Forward		1963.04	911.05
		2913.84	2285.04
APPROPRIATIONS			
Transfer to General Reserve		115.00	205.00
Proposed Dividend*		100.00	100.00
Corporate Tax on Dividend		--	17.00
		2698.84	1963.04

*Subject to approval of the AGM

Earning Per Share (basic)	19.02	27.48
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Significant Account Policies & Notes on Accounts 14

Schedules 10 to 14 form integral part of this Profit & Loss Account and are to be read in conjunction therewith

On behalf of the Board

As per our report of even date
For **C A PATEL & PATEL**
Chartered Accountants

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

BHAVESH N PATEL
Partner

A.P. VENKATESHWARAN
Director - Finance

K.JANAKIRAMAN
Company Secretary

Place: Chennai
Date: 17th August, 2009



TULSYAN NEC LIMITED
SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Rupees in lacs)

	As at 31.03.2009	As at 31.03.2008
Schedule 1		
Share capital		
Authorised		
1,00,00,000 Equity Shares of Rs. 10/- each	1000.00	1000.00
	1000.00	1000.00
Issued, Subscribed & Paid-Up:		
50,00,000 Equity Shares of Rs. 10/- each fully Paid-up	500.00	500.00
Of the above, 5,06,660 Equity Shares of Rs.10/- each were issued as fully paid bonus shares		
Schedule 2		
Reserves & Surplus		
Share Premium	130.00	130.00
State subsidy	10.00	10.00
Revaluation Reserve	20.19	23.54
Investment Allowance Reserve	59.39	59.39
General Reserve	2080.00	1965.00
Profit and Loss Account	2698.85	1963.04
	4998.43	4150.97

Investment Allowance Reserve credited in earlier years have been fully utilised for acquiring new Plant and Machinery.



Schedules - (Continued)

(Rupees in lacs)

	As at 31.03.2009	As at 31.03.2008
Schedule 3		
Secured Loans		
Working Capital Loans from Banks (Against hypothecation of book debts, inventories & Second charge on Fixed Assets of the Company)	8345.98	7950.14
Term Loan Form Banks*		
Term Loan - Andhra Bank	289.49	316.97
Term Loan - Canara Bank	394.59	496.70
Term Loan - Syndicate Bank	2272.27	2641.76
Term Loan - State Bank of India	261.94	304.50
Term Loan - State Bank of India (Windmill)	275.71	323.47
(Secured by first charge on fixed assets on above loan)		
From Financial Institutions*		
Industrial Development Bank of India	2824.50	1799.25
(Secured by first charge on balance of fixed assets of the company)* In addition, the above loans are also guaranteed by directors		
From Others	1559.89	1277.15
	16224.37	15109.94

Schedule 4**Unsecured Loans :**

From Bodies corporate	730.45	682.76
From Directors	104.86	21.69
From Others	88.50	376.45
Interest Accrued & Due	81.35	49.18
IFST Loan	292.99	328.05
	1298.15	1458.13

Schedules - (Continued)

Schedule 5

FIXED ASSETS

(Rupees in Lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1st April 2008	Additions upto March 2009	Sold upto March 2009	Cost as at 31st March 2009	As on 1st April 2008	For the year 2008-2009	Adjusted on Assets Sold	Upto 31st March 2009	As at 31st March 2009	As at 31st March 2008
Land	270.38	794.10	-	1064.48	-	-	-	-	1064.48	270.38
Land Leasehold	102.33			102.33	1.74	0.95		2.69	99.64	100.59
Factory Buildings	1820.86	419.08		2239.94	278.60	62.61		341.21	1898.73	1542.26
Office Premises	20.69			20.69	3.09	0.73		3.82	16.87	17.60
Plant & Machinery	8797.41	1036.07		9833.48	3042.99	602.53		3645.52	6187.96	5754.42
Works Equipments	57.08			57.08	24.67	3.29		27.96	29.12	32.41
Lab equipments	4.75			4.75	3.04	0.14		3.18	1.57	1.71
Office & other Equipments	212.07	175.90		387.97	86.87	29.85		116.72	271.25	125.20
Vehicles	264.63	68.02	10.79	321.86	52.35	28.27	4.27	76.35	245.51	212.28
TOTAL	11550.20	2493.17	10.79	14032.58	3493.35	728.37	4.27	4217.46	9815.12	8056.85
Previous Year	7461.16	4130.18	41.14	11550.20	2882.63	630.06	19.33	3493.36	8056.84	4578.53





Schedules - (Continued)

(Rupees in lacs)

	As at 31.03.2009	As at 31.03.2008
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Schedule 6**Investments - Long term****Unquoted at Cost**

In Govt. Securities	0.09	0.09
- 10 Equity Shares of Rs.90/-each in Karnataka Woven Sacks Construction P Ltd.	0.01	0.01
- 10,00,000 Equity Shares of Rs.10/- each in Cosmic Global Ltd.	100.00	100.00
- 49,400 Equity Shares of Rs.10/- each in Tulsyan Power Ltd.	4.94	4.94
- 10,10,000 Equity shares of Rs.10/- Arkay Energy Rameshwaram Ltd.	-	101.00
- 7,500 Equity shares of Rs.10/- in Tulsyan Alloys Ltd	0.75	-
- 49,400 Equity shares of Rs.10/- in Balaji Engineering & Galvanizing Ltd	4.94	-
- IN Bonds of Rs.100/-each in Krishna Bhagya Jaala Nigam Ltd. (17% Secured Redeemable NCB)	1.00	1.00

Quoted

-864 Equity shares of Rs.10 each in Syndicate Bank (Market Value Rs. 40,841)	0.43	0.43
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112.16	207.47
---------------	---------------

Schedule 7**Current Assets, Loans & Advances****A. Current Assets**

(a) Inventories

(i) Raw Materials	2044.40	4321.99
(ii) Finished Goods	4162.22	2121.74
(iii) Stores, Spares & Others	229.04	202.38

6435.66	6646.11
----------------	----------------

(b) Sundry Debtors - unsecured Considered good

Outstanding for more than six months	1985.23	1096.74
Other Debts	5879.25	5874.27

7864.46	6971.01
----------------	----------------

(c) Cash and Bank Balances

(i) Cash on hand	19.94	17.01
(ii) Balance with Scheduled banks		
- In Current Accounts	13.33	32.95
- In Deposit Accounts	1374.29	1061.94

1407.56	1111.90
----------------	----------------

15707.70	14729.02
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Schedules - (Continued)

(Rupees in lacs)
As at **As at**
31.03.2009 **31.03.2008**

B. Loans & Advances

Unsecured and considered good, recoverable in cash or in kind for value to be received or pending adjustment

Loans	1848.13	311.84
Advance Tax	1691.30	1193.48
Deposits	849.75	760.48
Advance to Suppliers	1781.47	2165.76
Advance for Fixed Assets	255.11	148.04
Other Advances	1130.71	2360.91
	7556.47	6940.51

23264.17 **21669.53**

Schedule 8**Current Liabilities & Provisions****Liabilities**

Sundry Creditors	4135.49	3152.83
Other Creditors	3732.31	3821.10

7867.80 **6973.93**

Provisions

Provisions for Taxation	1435.91	1045.91
Proposed Dividend	100.00	100.00
Corporate Dividend Tax	-	17.00
Fringe Benefit Tax Payable	18.41	10.07
	1554.32	1172.98

9422.12 **8146.91**

Schedule 9**Miscellaneous Expenditure (To the extent not written off)**

Pre-operative Expenses	0.61	2.44
Less: Amortised during the year	0.61	1.83
	-	0.61

SCHEDULES TO PROFIT AND LOSS ACCOUNT**Schedule 10****Sales and Other Receipts**

For the **For the**
year ended **year ended**
31.03.2009 **31.03.2008**

Sales - Domestic	60386.17	49864.39
- Exports	3987.75	4236.91
- Export Trading	54.52	-
- Raw Material Sales Trading	4992.41	2830.19
- Processing Charges & Other receipts	458.65	147.71
- Sale of Import Licence	15.80	21.68
- Drawback	74.76	-

69970.06 **57100.89**

**Schedules - (Continued)**

(Rupees in lacs)

	For the year ended 31.03.2009	For the year ended 31.03.2008
--	--	-------------------------------------

Schedule 11**Other Income**

Interest Receipts	123.36	46.12
Dividend Received	100.02	15.88
Miscellaneous Receipts	-	40.12
Profit on sale of shares	-	27.52
	223.38	129.64

Schedule 12**Cost of Materials and Other expenses**

Stocks of Raw Materials and Finished Goods

as at 1st April	6443.73	5641.28
Purchases	46751.40	39711.54
Material Inward Expenses	1342.55	1241.39
Salaries, Wages, Labour Charges, Bonus & Gratuity	1386.07	1214.77
Contribution to Provident & Other Funds	65.34	66.40
Excise Duty	6893.99	3888.62
Workmen & Staff Welfare Expenses	39.16	73.10
Power and Fuel	3691.48	3887.28
Stores and Spares Consumed	1652.33	1672.74
Repairs to Machinery	265.00	279.14
Repairs to Buildings	2.70	5.68
Other Manufacturing Overheads	24.50	77.88
Processing Charges	283.63	344.95
Insurance	14.42	16.81
Rent	120.12	110.67
Loss on Sale of Assets	3.59	2.16
Rates & Taxes	28.55	30.00
Remuneration to Directors	151.92	66.96
Legal Professional & Consultancy Charges	28.13	27.03
Payment to Auditors	5.00	5.30
Transportation Charges	398.81	435.30
Brokerage and Commission	104.64	105.64
Other Administration & Selling Expenses	728.03	605.61
Interest on Fixed Loans	827.21	581.33
Interest on Other Loans	1620.32	763.05
Other Finance Charges	603.10	169.88
Less :		
Stock of Raw Materials, Finished Goods as at 31st March	6206.62	6443.73
	67260.10	54580.73

Schedule 13**EXCEPTIONAL ITEMS**

Foreign Curr Fluctn-Forward Contract Profit/Loss	722.10	-
	722.10	0.00



Schedules - (Continued)

SCHEDULE 14

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. Basis of preparation of Financial Statements

- a. The accounts are prepared on historical cost convention using the accrual concept on a going concern basis consistently and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- b. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

1.2. Fixed Assets and Depreciation

- a. Fixed Assets are stated at cost of acquisition or construction including directly attributable cost of bringing the assets to its working condition for the intended use less accumulated depreciation. Indirect expenditure during construction period has been apportioned to individual fixed Assets in an equitable manner.
- b. Financial costs incurred up to the date of commissioning of assets are capitalised.
- c. Depreciation has been provided as follows:
 - i) Under WDV method on assets acquired up to 31.12.1985 at the then prevailing rates.
 - ii) Under SLM method on assets acquired after 31.12.1985 and up to 15.12.1993 at the rates as originally prescribed in Schedule XIV to the Companies Act,1956, and on assets acquired thereafter at the revised rates as per Notification GSR 756(E) dated 16.12.1993.
 - iii) Depreciation on revaluation is adjusted against Revaluation Reserve.
 - iv) Cost of Leasehold land is amortised over the lease period.
 - v) Plant and Machinery and Furniture and Fittings where the individual value per item is less than Rs.5000/- is written off during the year.

1.3. Treatment of gratuity (retirement benefit): Liability in this regard is charged off to revenue in the year of separation. Liability in respect of gratuity is not provided in the books since the amount is small and insignificant

1.4. Inventories

Raw materials and Stores and Spares are valued at weighted average cost and Finished Goods at cost or market price whichever is less. The cost is inclusive of excise duties

1.5. Sales

Sales comprises of sale of goods produced & purchased by the Company as also sales effected as agents including internal stock transfers and sale of raw materials, and are gross of duties. Consignment sales is accounted on receipt of consignment sale note from the consignee and Inter Unit Transfers included in Sales and Purchases

1.6. Revenue Recognition

All income and expenditure are recognised on accrual basis except rates & taxes, bonus on cash basis. Export benefits representing duty free imports of earlier years are accounted in proportion to materials consumed. The value of Advance Licence on hand at the end of the year as certified by the management is incorporated in the books of accounts.



1.7. Investments are valued and stated at cost

1.8. Contingent Liabilities

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the Notes to the Accounts wherever practicable.

	On 31.03.2009	On 31.03.2008
(a) Guarantees Outstanding	Rs.9036322	Rs. 24069793
(b) FLC with Bank	Rs.20291050	NIL
(c) Entry Tax	Rs.8044456	Rs. 8044456
(d) Excise Duty	Rs.995867	Rs. 995867

1.9. Expenses of Rs.549857.92 incurred towards acquiring and bringing into working condition of Rolling Mill at Coimbatore for period of three years lease has been capitalised and written off pro-rata over the lease period. During the year Rs.61095.92 has been written off

1.10 Sale of raw materials is included in the total sales.

1.11 Foreign Exchange Transactions

All foreign currency transactions are recorded at the rates prevailing on the date of the transaction. All exchange differences are recognised as income/expense for the period

Exchange difference relating to foreign currency loan for the purchase of fixed assets will be dealt with in the carrying cost of fixed assets at the time of repayment of loan.

2. QUANTITATIVE INFORMATION IN RESPECT OF CLASS OF GOODS MANUFACTURED INCLUDING CONVERSION

Class of Goods	Licensed Capacity	Installed Capacity	Production 2008-2009
Finished Steel Products (Chennai)	Delicensed	48000 MT (48000 MT)	42073MT (51089MT)
Finished Steel Products (Chennai-Gumudipoondi)	Delicensed	150000 MT (150000 MT)	78085 MT (57814 MT)
Finished Steel Products (Coimbatore)	Delicensed	36000 MT (36000 MT)	4047 MT* (15865 MT)
* Three months only April to June 2008			
MS Ingots	Delicensed	36000 MT (36000 MT)	19818MT (18439 MT)
MS Billet **72,000MT added during March 2009	Delicensed	144000 MT (72000) MT	41096 MT** (48779) MT
HDPE/PP Woven Sack & Fabrics	Delicensed	20541 MT (20541 MT)	11188 MT (13435 MT)

Note: i) Installed Capacity being a technical matter is as certified by the Management and relied upon by the Auditors.

ii) Scrap generated 5141 MT (During the year 2007-2008 - 4410 MT)

3. CONSUMPTION OF MATERIALS

		2008-2009	(Rs. In Lakhs) 2007-2008
Ingot, billets and rerollables Indigenous	Qty	132247 MT	131552 MT
	Value	39385.38	29181.71
	Percent	100.00	100.00
Steel Scrap Indigenous	Qty	24442 MT	245949MT
	Value	3044.63	3115.13
	Percent	34.13	33.20



Imported	Qty	47171 MT	52223 MT
	Value	10022.72	6449.34
	Percent	65.87	66.80

PP/HDPE Granules

Imported	Qty	504 MT	2409 MT
	Value	312.92	1466.93
	Percent	4.06	15.94

Indigenous	Qty	9286 MT	11833 MT
	Value	7370.22	7735.70
	Percent	95.94	84.06

Stores & Spares 100% Indigenous

		1652.33	1672.74
--	--	----------------	---------

**4. Opening & Closing stocks and Sales
Finished Steel Products**

Opening Stock	Qty	3486 MT	9486 MT
	Value	1141.51	2371.03

Closing Stock	Qty	7208 MT	3486 MT
	Value	2361.74	1141.51

Sales	Qty	120315 MT	133948 MT
	Value	40060.11	37242.97

MS Ingots

Opening Stock	Qty	55 MT	214 MT
	Value	14.09	44.83

Closing Stock	Qty	9 MT	55 MT
	Value	2.42	14.09

Sales	Qty	414 MT	0
	Value	98.61	0.00

M S Billet

Opening Stock	Qty	38 MT	694 MT
	Value	9.59	151.75

Closing Stock	Qty	370 MT	38 MT
	Value	105.79	9.59

Sales	Qty	196 MT	30 MT
	Value	43.82	6.41

M S Ingot & Billet

Closing Stock Rolling Divisions	Qty	0	262 MT
	Value	0	77.38

Fabrics

Opening Stock	Qty	558 MT	604 MT
	Value	429.40	465.34

Closing Stock	Qty	751 MT	558 MT
	Value	570.77	429.40

Sales	Qty	2464 MT	3350 MT
	Value	1621.10	1806.16

**Sacks**

Opening Stock	Qty	494 MT	238 MT
	Value	400.08	192.63
Closing Stock	Qty	426 MT	494 MT
	Value	340.76	400.08
Sales	Qty	8630 MT	11109 MT
	Value	9261.34	10415.06

5. Other Information

a) CIF Value of Imports (RawMaterials)	7085.71	7132.56
b) Earnings in Foreign Exchange(FOB)	3770.17	4194.91
c) Expenditure in Foreign Currency for other matters	28.97	4.85
d) Interest paid on \$ Loan	100.65	70.57
e) Loan paid	233.41	435.15

6. Directors Remuneration

a) Salary	163.82	69.36
b) Contribution to Provident & Other Funds	2.31	2.31
c) Monetary Value of perquisites	9.00	6.01

7. Remuneration to Auditors

For Audit	3.50	3.50
For Tax Audit	0.75	0.50
For Internal Audit	7.80	7.80

8. Sitting Fees paid to Directors

0.66	0.96
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9. Segment Reporting

A. Primary Segment Reporting - by Geographical Segment on Location of Assets Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organisational structure as well as differential risk and returns of the segments

	Rs. In Lacs		
	Chennai	Bangalore	Total
1 Sales/ Other income			
(I) Sales- External	52325.45	17644.60	69970.05
(ii) Sales- Inter-segment	9.38	0.00	9.38
(iii) Other Income-External	NIL	NIL	NIL
(iv) Other Income-Inter-segment			
Total	52316.07	17644.60	69960.67

2. Segment Results

Profit/(Loss) before interest & Tax	3026.18	907.57	3933.75
Less: Interest (unallocable charge)			2447.53
Profit/(Loss) after interest			1486.22
Less: Other unallocable expense			0.00
Profit/(Loss) before Tax			1486.22

B. Other Information

Segment assets	16800.56	7552.07	24352.63
Adj: Eliminations	9480.63	-9480.63	0.00
	26281.19	-1928.56	24352.63
Segment Liabilities	16800.56	7552.07	24352.63
Capital Employed	11125.49	4769.01	15894.51
Capital Expenditure (Fixed Assets)	2178.75	314.42	2493.16
Depreciation	471.55	250.47	725.02

C. Secondary Segments Reporting

Sales to Customers within India	65853.01
Sales to Customers outside India	4042.27



10 Related Parties Disclosure

Disclosure as required by Accounting Standards 18 " Related Party Disclosures" are given below

a) List of Related Parties

1. Cosmic Global Limited	Subsidiary
2. Tulsyan Power Ltd	Subsidiary
3. Tulsyan Smelters P Ltd.	Associate
4. Shri Lalit Kumar Tulsyan	Executive Chairman/Key Management Person
5. Shri Sanjay Tulsyan	Managing Director/Key Management Person
6. Shri A P Venkateshwaran	Director - Finance/Key Management Person
7. Shri Sanjay Agarwalla	Whole-time Director/Key Management Person

b) Transaction with related parties

Purchase of Goods - Associates	0.00
Sale of Goods - Associates	0.00
Purchase of Fixed Assets - Associates	NIL
Sale of Fixed Assets - Associates	NIL
Rendering Services- Associates	0.18
Receiving services- associates	NIL
Agency arrangements	NIL
Leasing or Hire Purchase arrangements - associates	NIL
Transfer of Research & Development	NIL
Licence Agreements	NIL
Interest paid	NIL

Outstanding balances as on 31.3.2009

Amount Receivable (Associates and Subsidiaries)	35.03
Amount Payable (Associates and Key Management Persons)	439.61
Equity Contribution in Subsidiary in Cash	0.00
Guarantee and collaterals	NIL
Payment towards Management (Employment) contracts Key Management Personnel	178.90

11 Earnings per share

Particulars	Year Ended 31.3.2009	Year Ended 31.3.2008
Net Profit attributable to shareholders	950.80	1373.99
Weighted average number of equity shares	50.00	50.00
Basic earnings per share of Rs.10/- each	19.02	27.48

The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the company remain the same. Appropriation Deferred Tax Liability has not been considered in the above computation, since the effect of tax on timing differences has accrued over earlier years of the Company's existence.



12 Taxes on Income

Accounting Standard 22 (" Accounting for Taxes on Income") has been brought into effect. Accumulated net deferred tax as on 31/03/2009 stands at **Rs.1231.71** lacs (as at 31/03/2008 Rs. 1100.38 lacs)

The company's financial projections for the future years indicate that the unabsorbed tax credit will be set off against future cash flows.

The deferred tax balance has arisen principally on account of the timing differences between the depreciation admissible under Income-tax and the depreciation adjusted in the accounts.

The adjustment is being made in terms of Accounting Standard 22, having regard to the normal capital expenditure which the company is expected to continue to make in future years, the " timing difference" is not expected to be effectively reversed and no cash outgo likely to materialise on account thereof.

Deferred tax liability is recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax liability can be adjusted

13 LEASE PAYMENTS AND RECEIPTS

Lease payments have been made towards land at Chennai and amortised equally during the period of lease

Lease payments have been made towards Hire Purchase of Vehicles. Lease charges have been debited to the Profit and Loss Account based on the certificate issued by the Lessor. The Principal amount of lease due has been disclosed in the Balance Sheet under Secured Loans

During the year 2005-06 the Company has taken a Rolling Mill at 476, K G Palayam Post, Kariyampalayam, Pugalur, Annur Union, Coimbatore - 641697. A monthly rent of Rs.1,25,000/- has been paid and debited to Profit & Loss Account. The said Rolling Mill was handed over to the Lessor as the Leased Period ended on 30/06/08

14. Details of Secured Loans

- a. Loans from Banks secured by exclusive charge on land, buildings and plant and machinery other than those specifically charged and hypothecation of inventories and book debts and are guaranteed by the Managing Director and Director of the Company
- b. Term Loan from Financial Institution is secured by assets purchased under the loan and are guaranteed by the Managing Director and Director of the Company
- c. Others Loans are secured by Hire Purchase/Hypothecation Agreements of vehicles and specific machinery and are guaranteed by the the Managing Director.

15. Unsecured loans include **Rs. 104.86** lakhs due to Directors(As at 31.03.2008 Rs.21.69 lacs)

16. Other contingent liabilities:

a. Guarantees given by bankers	90.36	240.70
b. Counter Guarantee given for Subsidiary Company	-----	-----
17. Liability under acceptances against Letter of Credit established by Bankers	3040.22	3066.97

18. The Company has confirmed balances with most of Sundry Debtors, Creditors & Loans and Advances



19. An amount of **Rs.115.00** Lacs has been appropriated from Profit & Loss Appropriation A/c. to General Reserve A/c from profits.

20. Income tax deducted at source:

From interest received	24.82	21.91
From Job works received	10.53	1.28
From Others	NIL	0.07

21. Balances with bank in deposit accounts includes **Rs.1374.29** Lacs being margin money for Letters of Credit/Guarantees issued by Bank (As at 31.03.2008 Rs.1061.93 lacs).

22. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principle amount and / or interest and accordingly no additional disclosures have been made.

23. As per the management representation there is no impairment loss on fixed assets during the year. So AS-28 is not applicable.

24. Previous year figures have been regrouped wherever necessary

26. Licence under DFRC (Duty Free Replenishment Certificate)/DEPB/DFIA/TARGET PLUS to the extent of Rs.586.55 lacs (balance as on 31/03/09) for which exports have already been made and proceeds received, has been credited to Raw Material Purchase Account and debited to Loans & Advances

On behalf of the Board

As per our report of even date
For **C A PATEL & PATEL**
Chartered Accountants

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

BHAVESH N PATEL
Partner

A.P. VENKATESHWARAN
Director - Finance

K .JANAKIRAMAN
Company Secretary

Place: Chennai
Date: 17th August, 2009



BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration Number : 7 4 3 7 State Code : 1 8
 Balance Sheet : 3 1 0 3 2 0 0 9
 Day Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue N I L Right Issue N I L
 Bonus Issue N I L Private Placement N I L

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Thousands)

Total Liabilities 2 4 2 5 2 6 6 Total Assets 2 4 2 5 2 6 6
 Sources of Funds
 Paid-up Equity 5 0 0 0 0 Reverse & Surplus 4 9 9 8 4 3
 Shares Capital 1 6 2 2 4 3 7 Unsecured Loans 1 2 9 8 1 5
 Secured Loans
 Application Funds
 Net Fixed Assets 9 8 1 5 1 2 Investments 1 1 2 1 6
 Net Current Assets 1 3 8 4 2 0 6 Misc. Expenditure 0
 Accumulated Losses N I L

IV. PERFORMANCE OF THE COMPANY (Amount Rs. Thousands)

Turnover (includes other income) 7 0 1 9 3 4 4 Total Expenditure 6 8 7 0 7 2 1
 Profit before Tax 1 4 8 6 2 1 Profit After Tax 9 5 0 8 0
 Earnings per share in Rs. 19.02 Dividend Rate 20%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms)

Item Code No. (ITC Code) : 7214 -1090
 Product Description : NON ALLOY BARS & RODS
 Item Code No. (ITC Code) : 3923 - 2990
 Product Description : HDPE/PPWOVEN SACKS
 Item Code No. (ITC Code) : 7206 -1090
 Product Description : NON ALLOY INGOTS
 Item Code No. (ITC Code) : 7207- 1920
 Product Description : NON ALLOY BILLETS

On behalf of the Board

As per our report of even date
 For **C PATEL & PATEL**
 Chartered Accountants

LALIT KUMAR TULSYAN **SANJAY TULSYAN** **S. SOUNDARARAJAN**
 Executive Chairman Managing Director Director

BHAVESH N PATEL
 Partner

A.P. VENKATESHWARAN
 Director - Finance

K.JANAKIRAMAN
 Company Secretary

Place: Chennai
 Date: 17th August, 2009



CASH FLOW STATEMENTS FOR THE YEAR 2008-2009

(Pursuant to Clause 32 of Listing Agreement)

	(Rupees in lakhs)	
	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax after adjustments of Loss on sale of assets	1486.21	2023.09
Adjustments for:		
Depreciation	725.02	626.71
Depreciation on old Assets sold	(4.27)	(19.22)
Preoperative Expenses incurred during the year	0.61	1.84
Interest/Dividend	2224.15	1282.38
Operating Profit before WC Changes	4431.72	3914.80
Adjustments for:		
Inventories	210.45	(809.95)
Sundry Debtors	(893.47)	(380.24)
Loans & Advances	(615.96)	(1867.36)
Current Liabilities	893.87	(923.61)
Working Capital Loans from Bank	395.84	2966.62
Short Term Loans	282.74	(835.21)
Cash generated from operations	4705.19	2065.05
Interest Paid	(2447.53)	(1344.38)
Income Tax Payable / Paid	(17.00)	(10.52)
Fringe Benefit Tax Paid	(5.69)	(6.33)
Net Cash from Operating activities	2234.98	703.82
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2444.62)	(2775.66)
Sale of Fixed Assets	10.79	41.14
Purchase of Investments	95.31	96.64
Interest Received	123.36	46.12
Dividend Received	100.02	15.86
Net Cash used in investing activities	(2115.15)	(2575.88)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long Term Loans	435.85	1865.31
Increase in Unsecured Loans	(159.98)	236.70
Dividend Payable/paid	(100.00)	0.00
Net Cash from financing activities	175.88	2102.01



(Cash Flow Statement - Continued)

	(Rupees in lakhs)	
	2008-2009	2007-2008
Opening Cash & Cash Equivalents	1111.92	881.97
Closing Cash & Cash Equivalents	1407.62	1111.92

NOTES : State subsidy received has been included in Reserves and Surplus.

On behalf of the Board

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

A.P. VENKATESHWARAN
Director - Finance

K.JANAKIRAMAN
Company Secretary

Place: Chennai
Date: 17th August, 2009

AUDITOR'S CERTIFICATE

We have verified the above statement with the books and records maintained by TulSYAN NEC Limited and certify that in our opinion and according to the information and explanation given to us, the above statement is in accordance therewith.

For **C A PATEL & PATEL**
Chartered Accountants

BHAVESH N PATEL
Partner

Place : Chennai
Date : 17th August, 2009



REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF TULSYAN NEC LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TULSYAN NEC LIMITED AND ITS SUBSIDIARIES.

We have examined the attached consolidated Balance Sheet of Tulsyan NEC Limited and its subsidiaries Cosmic Global Limited and Tulsyan Power Limited as at 31st March, 2009 and the Consolidated Profit & Loss Account for the year ending as on that date.

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identical reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of Tulsyan NEC Limited incorporate the accounts of Cosmic Global and Tulsyan Power Limited for the year ended 31st March, 2009 which has been audited by their auditors and whose report has been considered by us.

We did not audit the financial statements of their subsidiary Cosmic Global Limited and Tulsyan Power Limited whose financial statements reflect total assets of Rs. 377.44 lakhs and gross revenue of Rs. 776.39 lakhs for the year then ended. These financial statements have been audited by another auditor whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of subsidiary, is based solely on report of the other auditor.

We report that the consolidated financial statements have been prepared in accordance with the requirements of AS-21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Tulsyan NEC Limited and its subsidiaries Cosmic Global Limited and Tulsyan Power Limited included in the consolidated financial statements.

On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Tulsyan NEC Limited and its aforesaid subsidiary, the consolidated financial statements gives a true and fair view in conformity with the accounting principles generally accepted in India :

- a. in the case of the consolidated Balance Sheet of the consolidated state of affairs of Tulsyan NEC Limited and its subsidiary as at 31st March, 2009,
- b. in the case of the consolidated Profit & Loss Account of the consolidated results of operation of Tulsyan NEC Limited and its subsidiary for the year ended on that date, and
- c. in the case of consolidated Cash Flow Statement, of the consolidated cash flow of Tulsyan NEC Limited and its subsidiary for the year ended on that date

For **C A PATEL & PATEL**
Chartered Accountants

BHAVESH N PATEL
Partner

Place : Chennai
Date : 17th August, 2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

		(Rupees in lacs)	
		As at	As at
		31.03.2009	31.03.2008
I Sources of funds	Schedule		
1. Share holders' funds			
(a) Share Capital	1	50.00	500.00
(b) Reserves & Surplus	2	5171.15	4232.86
Minority Interest		29.83	18.34
2. Loan Funds			
(a) Secured Loans	3	16224.38	15109.95
(b) Unsecured Loans	4	1298.15	1458.13
3. Deferred Tax Adjustment			
		1231.71	1100.38
		24455.22	22419.65
II Application of funds			
1. Fixed assets			
Gross Block		14176.64	11693.23
Less : Depreciation		4310.06	3575.89
Net Block	5	9866.58	8117.34
Capital Work in Progress		483.33	531.89
2. Investments			
	6	7.22	102.53
3. Current Assets, Loans & Advances			
(a) Current Assets	7	15951.73	14991.35
(b) Loans & Advances		7810.92	6955.76
		23762.65	21947.11
Less : Current Liabilities & Provisions			
a. Current Liabilities	8	7960.13	7078.43
b. Provisions		1704.43	1201.40
		9664.56	8279.83
NET CURRENT ASSETS		14098.09	13667.28
Miscellaneous Expenditure	9		0.61
		24455.22	22419.65
Notes to Accounts	14		

Schedule 1 to 9 and 14 form integral part of this Balance Sheet and are to be read in conjunction therewith.

On behalf of the Board

As per our report of even date
For **C A PATEL & PATEL**
Chartered Accountants

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

BHAVESH N PATEL
Partner

A.P. VENKATESHWARAN
Director - Finance

K.JANAKIRAMAN
Company Secretary

Place: Chennai
Date: 17th August, 2009



**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009**

		(Rupees in lacs)	
		Year ended 31.03.2009	Year ended 31.03.2008
		Schedule	
Sales & Other Receipts	10	70707.08	57687.52
Other Income	11	262.75	129.64
		70969.83	57817.16
Deduct: Cost of Materials and other expenses	12	67773.92	55040.32
Depreciation		735.09	642.96
Profit for the Year before Exceptional Items		2460.82	2133.88
Exceptional Items	13	722.10	-
Profit for the Year		1738.72	2133.88
Less: Provision for Current Tax		408.31	408.65
Fringe Benefit Tax		14.08	11.57
Deferred Tax		131.33	237.53
Profit after taxation		1185.00	1476.13
Add: Surplus Brought Forward		2063.70	934.88
Less: Public Issue/Preliminary Expenses written off		0.26	-
		3248.44	2411.01
Appropriations			
Transfer to General Reserve		140.22	210.54
Proposed Dividend Paid		22.53	-
Dividend Tax Payable (Interim)		3.83	-
Proposed Dividend*		190.12	116.90
Corporate Tax on Dividend		15.32	19.87
Balance Carried to Balance Sheet		2876.42	2063.70

* Subject to approval of the AGM

Notes to Accounts

14

Schedules 10-14 form Integral part of this Profit and Loss and are to be read in conjunction therewith.

On behalf of the Board

As per our report of even date
For **CA PATEL & PATEL**
Chartered Accountants

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

BHAVESH N PATEL
Partner

A.P. VENKATESHWARAN
Director - Finance

K.JANAKIRAMAN
Company Secretary

Place: Chennai
Date: 17th August, 2009



SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Rupees in lacs)

	As at 31.03.2009	As at 31.03.2008
Schedule 1		
Share capital		
Authorised		
100,00,000 Equity Shares of Rs. 10/- each	1000.00	1000.00
Issued, Subscribed & Paid-Up:		
50,00,000 Equity shares of Rs. 10/- each fully Paid-up	500.00	500.00
Of the above, 5,06,660 Equity Shares of Rs.10/- each were issued as fully paid bonus shares		
 Schedule 2		
Reserves & Surplus		
Share Premium	130.00	130.00
State subsidy	10.00	10.00
Revaluation Reserve	20.19	23.54
Investment Allowance Reserve	59.39	59.39
General Reserve	2080.00	1965.00
Profit and Loss Account	2698.86	1963.04
Share Application Money	50.00	50.00
Capital Reserve	122.71	31.89
	5171.15	4232.86

Investment Allowance Reserve credited in earlier years have been fully utilised for acquiring new Plant and Machinery.



Schedules - (Continued)

(Rupees in lacs)

	As at 31.03.2009	As at 31.03.2008
Schedule 3		
Secured Loans		
Working Capital Loans from Banks (Against hypothecation of book debts, inventories & Second charge on Fixed Assets of the Company)	8345.97	7950.14
Term Loan Form Banks*		
Term Loan - Andhra Bank	289.50	316.97
Term Loan - Canara Bank	394.59	496.70
Term Loan - Syndicate Bank	2272.27	2641.76
Term Loan - State Bank of India	261.94	304.50
Term Loan - State Bank of India (Windmill)	275.71	323.47
(Secured by first charge on fixed assets on above loan)		
(First Charge on Wind Mill) * (In addition, the above loans are also guaranteed by the directors)		
From Financial Institutions*		
Industrial Development Bank of India (Secured by first charge on balance of fixed assets of the company)* (In addition, the above loans are also guaranteed by directors)	2824.50	1799.25
From Others	1559.89	1277.15
	16224.37	15109.94
Schedule 4		
Unsecured Loans :		
From Bodies corporate	730.45	682.76
From Directors	104.86	21.69
From Others	88.50	376.45
Interest Accrued & Due	81.36	49.18
IFST Loan	292.98	328.05
	1298.15	1458.13

Schedules - (Continued)

Schedule 5

FIXED ASSETS

(Rupees in Lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1st April 2008	Additions upto March 2009	Sold upto March 2009	Cost as at 31st March 2009	As on 1st April 2008	For the year 2008-2009	Adjusted on Assets Sold	Upto 31st March 2009	As at 31st March 2009	As at 31st March 2008
Land	276.25	794.10		1070.35	-	-	-	-	1070.35	276.25
Land Leasehold	102.33			102.33	1.74	0.95		2.69	99.64	100.59
Factory Buildings	1820.86	419.08		2239.94	278.59	62.61		341.20	1898.74	1542.27
Office Premises	20.69			20.69	3.10	0.73		3.83	16.86	17.59
Plant & Machinery	8797.40	1036.07		9833.47	3043.04	602.53		3645.57	6187.90	5754.36
Works Equipments	57.08			57.08	24.59	3.29		27.88	29.20	32.49
Lab equipments	4.76			4.76	3.05	0.14		3.19	1.57	1.71
Office & other Equipments	344.44	176.93		521.37	168.09	39.47		207.56	313.81	176.35
Vehicles	269.43	68.02	10.79	326.66	53.68	28.72	4.27	78.13	248.53	215.75
TOTAL	11693.24	2494.20	10.79	14176.65	3575.88	738.44	4.27	4310.05	9866.60	8117.36
Previous Year	7592.26	4149.25	48.27	11693.24	2952.29	646.31	22.71	3575.89	8117.35	4639.97





Schedules - (Continued)

(Rupees in lacs)

As at 31.03.2009 As at 31.03.2008

Schedule 6

Investments - Long term

Unquoted at Cost

In Govt. Securities	0.09	0.09
- 10 Equity Shares of Rs.90/-each in Karnataka Woven Sacks Construction P Ltd	0.01	0.01
- 1010000 Equity Shares of Rs.10/- in Arkay Energy Rameswaram Ltd	-	101.00
- 7500 Equity Shares of Rs.10/-in Tulsyan Alloys Ltd	0.75	-
- 49400 Equity Shares of Rs.10/- Balaji Engineering & Galvanizing Ltd	4.94	-
- IN Bonds of Rs.100/-each in Krishna Bhagya Jaala Nigam Ltd. (17% Secured Redeemable NCB)	1.00	1.00

Quoted-Fully Paid

-864 Equity Shares of Rs.10/- each in Syndicate (Market Value Rs.40841)	0.43	0.43
--	------	------

7.22 102.53

Schedule 7

Current Assets, Loans & Advances

A. Current Assets

(a) Inventories

(i) Raw Materials	2044.41	4321.99
(ii) Finished Goods	4169.10	2128.61
(iii) Stores, Spares & Others	229.04	202.38

6442.55 6652.98

(b) Sundry Debtors - unsecured Considered good

Outstanding for more than six months	1985.23	1107.38
Other Debts	6094.93	6110.07

8080.16 7217.45

(c) Cash and Bank Balances

(i) Cash on hand	20.12	17.09
(ii) Balance with Scheduled banks		
- In Current Accounts	24.44	41.89
- In Deposit Accounts	1384.46	1061.94

1429.02 1120.92

15951.73 14991.35



Schedules - (Continued)

(Rupees in lacs)

	As at 31.03.2009	As at 31.03.2008
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B. Loans & Advances

Unsecured and considered good, recoverable in cash or in kind for value to be received or pending adjustment

Loans	1848.13	311.84
Advance Income-tax	1691.30	1193.48
Deposits	849.78	770.90
Advance to Suppliers	1815.15	2199.43
Advance for Fixed Assets	255.11	191.25
Other Advances	1351.45	2288.86
	<u>7810.92</u>	<u>6955.76</u>
Total (A+B)	<u>23762.65</u>	<u>21947.11</u>

Schedule 8**Current Liabilities & Provisions****Liabilities**

Sundry Creditors	4227.72	3257.28
Other Creditors	3732.41	3821.15
	<u>7960.13</u>	<u>7078.43</u>

Provisions

Provisions for Taxation	1454.22	1054.56
Proposed Dividend	212.65	116.90
Corporate Dividend Tax	19.15	19.87
Fringe Benefit Tax Payable	18.41	10.07
	<u>1704.43</u>	<u>1201.40</u>

	<u>9664.55</u>	<u>8279.83</u>
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Schedule 9**Miscellaneous Expenditure (To the extent not written off)**

Pre-operative Expenses	0.61	2.44
Less: Amortised during the year	0.61	1.83
	<u>-</u>	<u>0.61</u>

Total	-	0.61
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MINORITY INTEREST	29.83	18.34
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Schedule 10**Sales and Other Receipts**

	For the year ended 31.03.2009	For the year ended 31.03.2008
Sales - Domestic	60386.17	49864.40
- Exports	3987.75	4236.91
- Export Trading	54.52	
- Raw Material Trading	4992.41	2830.19
- Processing Charges of other Receipts	458.65	147.71
- Sale of Import Licence	15.80	21.68
- Drawback	74.76	
- Services	737.03	586.63
	<u>70707.08</u>	<u>57687.52</u>



Schedules - (Continued)

(Rupees in lacs)

	For the year ended 31.03.2009	For the year ended 31.03.2008
Schedule 11		
Other Income		
Interest Receipts	123.36	46.12
Dividend Received	100.02	15.88
Miscellaneous Receipts	39.38	40.12
Profit on sale of shares	0.00	27.52
	<u>262.76</u>	<u>129.64</u>

Schedule 12

Cost of Materials and Other expenses

Stocks of Raw Materials and Finished Goods as at 1st April	6443.73	5641.28
Purchases	46751.40	39711.55
Material Inward Expenses	1342.55	1241.40
Salaries, Wages, Labour Charges, Bonus & Gratuity	1534.68	1329.36
Contribution to Provident & Other Funds	71.62	68.45
Excise Duty	6893.99	3888.62
Workmen & Staff Welfare Expenses	41.40	74.90
Power and Fuel	3699.11	3894.60
Stores and Spares Consumed	1652.33	1672.74
Repairs to Machinery	265.00	279.14
Repairs to Buildings	2.70	5.68
Other Manufacturing Overheads	24.50	77.88
Processing Charges	283.63	344.95
Translation Charges Paid	300.25	286.29
Insurance	15.18	16.99
Rent	131.83	122.37
Loss on Sale of Assets	3.59	2.16
Rates & Taxes	28.66	30.00
Remuneration to Directors	151.92	66.96
Legal Professional & Consultancy Charges	28.36	30.00
Payment to Auditors	5.75	6.05
Transportation Charges	389.81	435.30
Brokerage and Commission	104.64	105.64
Other Administration & Selling Expenses	754.32	636.27
Interest on Fixed Loans	827.21	581.39
Interest on Other Loans	1620.32	763.05
Other Finance Charges	612.07	173.70
Less :		
Stock of Raw Materials, Finished Goods as at 31st March	6206.62	6443.73
	<u>67773.92</u>	<u>55040.32</u>

Schedule 13

EXCEPTIONAL ITEMS

Foreign Curr Fluctn-Forward Contract Profit/Loss	722.10	-
	<u>722.10</u>	<u>0.00</u>



Schedules - (Continued)

SCHEDULE 14

NOTES ON ACCOUNTS

Tulsyan NEC Limited (hereinafter known as the Parent Company) holds 88.77% of the Shares of Cosmic Global Limited and 98.80% of the Shares of Tulsyan Power Limited (hereinafter known as the Subsidiaries) with a common reference to the companies being made as "Group" or "Group Companies".

Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Parent Company and its Subsidiary companies has been combined on a line to line basis by adding together the book values of like items of Assets, liabilities, Income and Expenditure after fully eliminating intra group balances.
- The Consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate Financial Statement.
- The Excess of Cost to the Parent Company of its investment in the Subsidiary is recognized in the financial statements as Goodwill, which is amortised on a straight line basis over a period of five years. At the end of every year, a review of the balancing amount of goodwill would be made and if it is considered that the goodwill is impaired then only it would be written down.

1. Significant Accounting Policies:

1.1 Basis of preparation of Financial Statements

- a. The accounts are prepared on historical cost convention using the accrual concept on a going concern consistently and complies with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- b. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

1.2 Fixed Assets and Depreciation

- a. Fixed Assets are stated at cost of acquisition or construction including directly attributable cost of bringing the assets to its working condition for the intended use less accumulated depreciation. Indirect expenditure during construction period has been apportioned to individual fixed Assets in an equitable manner.
- b. Financial costs incurred upto the date of commissioning of assets are capitalised.
- c. Depreciation has been provided as follows:
 - i) Under WDV method on assets acquired upto 31.12.1985 at the then prevailing rates.
 - ii) Under SLM method on assets acquired after 31.12.1985 and upto 15.12.1993 at the rates as originally prescribed in Schedule XIV to the Companies Act,1956, and on assets acquired thereafter at the revised rates as per Notification GSR 756(E) dated 16.12.1993.
 - iii) Depreciation on revaluation is adjusted against Revaluation Reserve.
 - iv) Cost of Leasehold land is amortised over the lease period.
 - v) Plant and Machinery and Furniture and Fittings where the individual value per item is less than Rs.5000/- is written off during the year.
 - vi) The Depreciation is restricted to the net Realisable Value of Scraped Assets. Adoption of such value being a management perception

1.3 Treatment of retirement benefit: Liability in this regard is charged off to revenue in the year of separation. Hence the Liability on this account has not been provided in the statement of account.

1.4 Inventories

Raw materials and Stores and Spares are valued at weighted average cost and Finished Goods at cost or market price whichever is less. The cost is inclusive of excise duties (wherever applicable).



1.5 Sales

Sales comprises of sale of goods produced & purchased by the Company as also sales effected as agents including internal stock transfers and are gross of duties. Consignment sales is accounted on receipt of consignment sale note from the consignee and Inter Unit Transfers included in Sales and Purchases.. Export/Consultancy Services are billed at mutually discussed rates wherever the terms have not been reduced to writing.

1.6 Revenue Recognition

In respect of the Holding Company, all income and expenditure are recognised on accrual basis except rates & Taxes, bonus on cash basis. The Subsidiary Company – M/s Cosmic Global Limited follows the practice of recognizing revenue under the “Proportionate Completion Method” in respect of Export/Consultancy Services as laid down in the Accounting Standard No. 9 Revenue Recognition as issued by the Institute of Chartered Accountants of India. Export benefits representing duty free imports of earlier years are accounted in proportion to materials consumed. The value of Advance Licence on hand at the end of the year as certified by the management is incorporated in the books of accounts.

1.7 Investments are valued and stated at cost

1.8 Contingent Liabilities

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the Notes to the Accounts wherever practicable

	On 31/03/2009	On 31/03/2008
(a) Guarantees Outstanding	Rs. 9036322	Rs. 24069793
(b) FLC with Bank	Rs. 20291050	NIL
(c) Entry Tax	Rs. 8044456	Rs. 8044456
(d) Excise Duty	Rs. 995867	Rs. 995867

1.9 Preliminary (including expenses on expansion)/Public Issue expenses are being written off over a period of ten years. Expenses incurred prior to commencement of commercial operations relating to medical transcriptions is written off over a period of five years including the year of commencement of operations. In the books of the Subsidiary, expenses incurred on the development, launch, sustained maintenance and up gradation of a Portal has been treated as pre-operative expenses.

1.10 Sale of raw materials is shown separately and include in the total sales

1.11 Foreign Exchange Transactions

All foreign currency transactions are recorded at the rates prevailing on the date of the transaction. All exchange differences are recognised as income/expense for the period. All foreign currency Medical Transcription Debtors are converted at year end rates and exchange rate differences are written off to the profit and loss account.

1.12 Expenses of Rs.549857.92 incurred towards acquiring and bringing into working condition of Rolling Mill at for period of three years lease has been capitalized and written off pro-rata over the lease period. During the year Rs.61095.92 has been written off

2. Quantitative information in respect of class of goods manufactured including conversion

Class of Goods	Licensed	Installed Capacity	Production Capacity 2008-2009
Finished Steel Products (Chennai)	Delicensed	48000MT (48000 MT)	42073 MT (51089 MT)
Finished Steel Products (Chennai-Gummidipoondi)	Delicensed	150000MT (150000 MT)	78085 MT (57814 MT)
Finished Steel Products (Coimbatore)	Delicensed	36000MT (36000 MT)	4047 MT* (15865 MT)

*Three months only April to June 2008



MS Ingots	Delicensed	36000 MT (36000 MT)	19818MT (18439 MT)
MS Billets	Delicensed	144000 MT (72000 MT)	41096 MT** (48779 MT)

**72000 MT added during March, 2009

HDPE/PP Woven Sack & Fabrics	Delicensed	20541 MT (20541 MT)	11188 MT (13435 MT)
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Note: i) Installed Capacity being a technical matter is as certified by the Management and relied upon by the Auditors.

ii) Scrap generated **5141 MT** (During the year 2007-08 4410 MT)

3. Consumption of materials

		2008-09	(Rs. In Lakhs) 2007-08
Ingot, billets and rerollables			
Indigenous	Qty	132247 MT	131552 MT
	Value	39385.38	29181.71
	Percent	100.00	100.00
Steel Scrap			
Indigenous	Qty	24442 MT	25949 MT
	Value	3044.63	3115.13
	Percent	34.13	33.20
Imported	Qty	47171 MT	52223 MT
	Value	10022.72	6449.34
	Percent	65.87	66.80
PP/HDPE Granules			
Imported	Qty	504 MT	2409 MT
	Value	312.93	1466.93
	Percent	4.06	15.94
Others	Qty	9286 MT	11833 MT
	Value	7370.22	7735.70
	Percent	95.94	84.06
Stores & Spares 100% Indigenous		1652.33	1672.74

4. Opening & Closing stocks and Sales

Finished Steel Products

Opening Stock	Qty	3486 MT	9486.MT
	Value	1141.51	2371.03
Closing Stock	Qty	7208 MT	3486 MT
	Value	2361.74	1141.51
Sales	Qty	120315 MT	133948 MT
	Value	40060.11	37242.97

MS Ingots

Opening Stock	Qty	55 MT	214 MT
	Value	14.09	44.83
Closing Stock	Qty	9 MT	55 MT
	Value	2.42	14.09
Sales	Qty	414 MT	0 MT
	Value	98.61	0.00



MS Billet

Opening Stock	Qty	38 MT	694 MT
	Value	9.59	151.75
Closing Stock	Qty	370 MT	38 MT
	Value	105.79	9.59
Sales	Qty	196 MT	30 MT
	Value	43.82	6.41

M S Ingot & Billet

Closing Stock at Rolling Divisions	Qty	0 MT	262 MT
	Value	0.00	77.38
Fabrics			
Opening Stock	Qty	558 MT	604 MT
	Value	429.40	465.34
Closing Stock	Qty	751 MT	558 MT
	Value	570.77	429.40
Sales	Qty	2464 MT	3350 MT
	Value	1621.10	1806.16

Sacks

Opening Stock	Qty	494 MT	238 MT
	Value	400.08	192.63
Closing Stock	Qty	426 MT	494 MT
	Value	340.76	400.08
Sales	Qty	8630 MT	11109 MT
	Value	9261.34	10415.06

The above information is provided from the books of Tulsyan NEC Limited. Since, the nature of business of Cosmic Global Limited is technical and not quantifiable in terms of any particular unit of conversion, it is not possible to give the quantitative details (as prescribed under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956) of transcription charges received, export and consultancy services.

5. Other Information

			(Rs. In Lakhs)
a) CIF Value of Imports (Raw Materials)	11071.46		7132.56
b) Earnings in Foreign Exchange(FOB)	4397.53		4811.52
c) Expenditure in Foreign Currency for other matters	292.89		115.70
e) Loan Paid	233.41		435.16

6. Directors Remuneration

a) Salary	163.82	69.36
b) Contribution to Provident & Other Funds	2.31	2.31
c) Monetary Value of perquisites	9.00	6.01

7. Remuneration to Auditors

For Audit	4.25	4.25
For Tax Audit	0.75	0.50
For Internal Audit	7.80	7.80

8. Sitting Fees paid to Directors

0.66	0.96
-------------	------



9.Details of Secured Loans

- a. Loans from Banks secured by exclusive charge on land, buildings and plant and machinery other than those specifically charged and hypothecation of inventories and book debts and are guaranteed by the Managing Director and Director of the Company
 - b. Term Loan from Financial Institution is secured by assets purchased under the loan and are guaranteed by the Managing Director and Director of the Company
 - c. Others Loans are secured by Hire Purchase/Hypothecation Agreements of vehicles and specific machinery and are guaranteed by the Managing Director/secured by a charge on the specific equipment.
10. Other current liabilities include Rs. **104.86** lakhs due to Directors (As as 31/03/2008 Rs.21.69 lacs)
11. Other contingent liabilities:
- | | | |
|--|--------------|--------|
| a. Guarantees given by bankers | 90.36 | 240.70 |
| b. Counter Guarantee given for
Subsidiary Company | ----- | ----- |
12. Liability under acceptances against Letter of Credit established by Bankers **3040.22** 3066.97
13. The Company has confirmed balances with most of Sundry Debtors, Creditors & Loans and Advances.
14. An amount of Rs.115 Lacs has been appropriated from Profit & Loss Appropriation A/c. to General Reserve A/c from profits.
15. Income tax deducted at source:
- | | | |
|-------------------------|-------|-------|
| From interest received | 24.82 | 21.91 |
| From Job works received | 10.53 | 1.28 |
| From Others | NIL | 0.07 |
16. Balances with bank in deposit accounts includes Rs. 1374.29 Lacs being margin money for Letters of Credit/Guarantees issued by Bank. (As ast 31/03/2008 Rs.1061.93 lacs)
17. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principle amount and / or interest and accordingly no additional disclosures have been made.
18. AS-16 Borrowing Cost have been treated in accordance with the Accounting Standard (AS_16) issued by the Institute of Chartered Accountants of India. During the financial year the interest of Rs.1,44,12,458/- has been capitalized to Plant & Machinery.
19. Licence under DFRC (Duty Free Replenishment Certificate) to the extent of Rs.586.55 lacs for which exports have already been made and proceeds received, has been credited to Raw Material Purchase Account and debited to Loans & Advances
20. Accounting Policies and Notes on Accounts of the Financial Statements of the Parent Company and the Subsidiary are set out in their respective Financial Statements.

On behalf of the Board

As per our report of even date
For **C A PATEL & PATEL**
Chartered Accountants

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

BHAVESH N PATEL
Partner

A.P.VENKATESHWARAN
Director - Finance

K.JANAKIRAMAN
Company Secretary

Place: Chennai
Date: 17th August, 2009



CASH FLOW STATEMENTS FOR THE YEAR 2008-2009

(Pursuant to Clause 32 of Listing Agreement)

	2008-2009	2007-2008
(Rupees in lakhs)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax after adjustments of Loss on sale of assets	1738.72	2133.87
Adjustments for:		
Depreciation	735.09	642.96
Depreciation on old Assets sold	(4.27)	(22.71)
Preoperative Expenses incurred during the year	0.61	1.83
Interest/Dividend	2224.15	1282.44
Operating Profit before WC Changes	4694.30	4038.39
Adjustments for:		
Inventories	210.43	(810.09)
Sundry Debtors	(862.71)	(488.53)
Loans & Advances	(855.71)	(1953.36)
Current Liabilities	881.70	(872.20)
Working Capital Loans from Bank	395.83	2966.62
Short Term Loans	282.74	(835.75)
Cash generated from operations	4747.12	2045.08
Interest Paid	(2447.53)	(1344.44)
Income Tax Payable / Paid	(28.58)	(17.79)
Fringe Benefit Tax Paid	(5.74)	(6.33)
Net Cash from Operating activities	2265.27	676.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2445.64)	(2794.72)
Sale of Fixed Assets	10.79	48.27
Purchase of Investments	95.31	96.64
Interest Received	123.36	46.12
Dividend Received	100.02	15.88
Net Cash used in investing activities	(2116.15)	(2587.81)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long Term Loans	435.86	1865.30
Increase in Unsecured Loans	(159.98)	236.70
Dividend Payable/paid	(116.90)	(12.39)
Share Application Money	-	50.00
Net Cash from financing activities	158.98	2139.61



(Cash Flow Statement - Continued)

	(Rupees in lakhs)	
	2008-2009	2007-2008
D. NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	308.10	228.17
Opening Cash & Cash Equivalents	1120.92	892.75
Closing Cash & Cash Equivalents	1429.02	1120.92

NOTES : State subsidy received has been included in Reserves and Surplus.

On behalf of the Board

LALIT KUMAR TULSYAN
Executive Chairman

SANJAY TULSYAN
Managing Director

S. SOUNDARARAJAN
Director

A.P. VENKATESHWARAN
Director - Finance

K.JANAKIRAMAN
Company Secretary

Place: Chennai
Date: 17th August, 2009

AUDITOR'S CERTIFICATE

We have verified the above statement with the books and records maintained by TulSYAN NEC Limited and certify that in our opinion and according to the information and explanation given to us, the above statement is in accordance therewith.

For **C A PATEL & PATEL**
Chartered Accountants

BHAVESH N PATEL
Partner

Place : Chennai
Date : 17th August, 2009



COSMIC GLOBAL LIMITED

(Formerly known as Tulsyan Technologies Limited)
Regd. Office: V Floor, 147, Greams Road, Chennai 600 006

Board of Directors

Mr. Lalit Kumar Tulsyan
Mr. Sanjay Tulsyan
Mr. Sanjay Agarwalla
Mr. Sashi Kumar Nair

Registered Office

V Floor, 147,
Greams Road, Chennai - 600 006.

Corporate Office

Apex Plaza, I Floor, Old No. 3, New No. 77,
Nungambakkam High Road,
Chennai 600 034.

E-Commerce Division

37, Kaveriappa Layout,
Miller Tank Bund Road,
Vasanth Nagar, Bangalore - 560 052.

Bankers

Canara Bank
Overseas Branch, Chennai
ABN Amro Bank, Chennai
Canara Bank, Industrial Branch, Bangalore

Auditors

M/s V. Ganesh & Co
Chartered Accountants,
Chennai



COSMIC GLOBAL LIMITED

(Formerly known as Tulsyan Technologies Limited)

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 10th Annual General Meeting of COSMIC GLOBAL LIMITED will be held at the Registered office of the Company situated at V floor, Regd.Office: V Floor, 147, Greams Road, Chennai - 600 006, on th 31st July 2009 at 3.00 pm to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31st 2009 and the profit and loss account for the year ended on that date and the report of the Directors and Auditors.
2. To Confirm the Interim Dividend declared by the Board of Directors as Final Dividend
3. To re-appoint a director in place of **Shri.Shashi Kumar Nair** who retired by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution:

“RESOLVED THAT M/s. V.Ganesh & Co., Chartered Accountants, Chennai retiring auditors of the Company be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of the Annual General Meeting on a remuneration to be fixed by the Board of “Directors of the Company”

Date : 01.07.09

Place : Chennai

By Order of the Board

SANJAY TULSYAN

Whole-Time Director

NOTES:

A. MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.

The proxies to be valid, should be lodged with the share Transfer Agents, not less than 48 hours before the commencement of the Meeting.

Members/proxies are requested to bring the attendance slip duly filled in for attending the meeting and also their copy of the Annual Report



REPORT OF THE AUDITORS TO THE MEMBERS

To the Shareholders of **Cosmic Global Limited**.

We have audited the attached Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009 of **Cosmic Global Limited**,

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit:

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors report) order 2003 issued by the Central Government of India. In terms of Section 227 (4A) of the Companies Act 1956 and on the basis of the checks as we have considered appropriate, we state on the matter specified in para 4 and 5 of the said order that:

We report that

- l) 1a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1b. These Fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification
- 1c. No major part of fixed assets has been disposed off during the year.
- 2a. We have been informed that physical verification was made at reasonable intervals in respect of inventories of paintings and art books.
- 2b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- 2c. In our opinion, the Company is maintaining proper records of inventories and based on the information and explanations given to us, no material discrepancies were noticed on such verification.
- 3a. The Company has advanced to its holding Company TULSYAN NEC LIMITED, a sum of Rs.16,639,616 interest free. We have been informed that no loan agreement has been entered into in respect of the above said payment.
- 3b. As per the information and explanations given to us, the advance is given to the holding company for general working of the holding company.
4. The Company has an adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to the purchase of inventories and fixed assets and services rendered.

During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- 5a. In our opinion and as per the information and explanations given to us, and based on the representation by the Management there is no transaction that needs to be entered in the register maintained under section 301 of the Act.
- 5b. In view of the above, clause V (b) of this order is not applicable for the current year.



6. The provision of section 58 A and section 58 AA of the Companies Act 1956 and the rules framed thereunder are not applicable to this Company.
7. As informed to us, the Company is in the process of setting up an Internal audit system commensurate with the size and nature of the business.
- 8a. The Company has generally regularly deposited during the year, the Provident Fund and Employees State Insurance dues with the appropriate authorities.

According to the information and explanations given to us there are no undisputed amounts payable in respect of Income Tax.

The Company has filed revision petition before the assessing office in respect of FBT for the assessment year 2006-2007.

The Company is not subject to Sales Tax, Investor's education and protection fund, Wealth Tax, Customs Duty, Excise Duty and Cess for this year.
- 8b. The Company does not have any disputed taxes payable at the end of the year.
9. The Company had not incurred cash losses during the financial year covered by our Audit.

There is no accumulated loss at the end of 31.03.2009

However the Company has to write off over a period of time Pre – operative Expenses amounting to Rs.56,54,988.
10. In our opinion and according to the information and Explanation given to us, the Company has not defaulted in repayment of dues. The Company does not have debenture holders.
11. According to the information and explanations given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The Company is not a Chit fund/ Nidhi/ Mutual Benefit fund/ Society. Therefore the provisions of clause 4 (XIII) are not applicable to the Company.
13. The Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (XIV) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. In our opinion and according to the information given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
15. The Company has not obtained any term loans during the year.
16. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, the Company has not used short term funds for long term investments and vice versa.
17. The Company has not made any public issue in the year under review.
18. According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year.
19. In our opinion and according to the information given to us the provision of clause (VIII), (XVIII) and (XIX), of para 4 of the Company's (Auditors Report) order 2003 are not applicable to this Company



- II) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- III) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of the books.
- IV) The Company's Balance sheet and Profit and Loss Account are in agreement with the books of account.
- V) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
- VI) On the basis of the written representations received from the Directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2009, from being appointed as a Director in terms of Clause (g) of sub section 1 of Section 274 of the Companies Act, 1956
- VII) In our opinion and to the best of our information and according to the explanations given to us, the Profit and Loss Account for the period ended 31st March 2009 and the balance Sheet as at that date read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India.
- VIII) a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009
b) In the case of Profit and Loss Account, of the Profit of the company for the year ended March 31, 2009

For M/s. V Ganesh and Co.
Chartered Accountants

Place: Chennai
Date: 29.06.09

V.Ganesh
Partner



DIRECTORS' REPORT TO THE SHAREHOLDERS

We take pleasure in presenting the 10th Annual Report of the Company together with the Audited Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended 31st March 2009.

FINANCIAL RESULTS

Particulars	Year Ended March 31, 2009 Rs.	Year Ended March 31, 2008 Rs.
Gross Revenue	7,76,39,593	58,663,285
Profit before Depreciation	2,62,31,638	1,27,05,100
Profit after Depreciation	2,52,24,130	1,10,80,076
Nett Profit for the year	2,52,24,130	1,10,80,076
Add: Accumulated Profit/Loss Brought Forward	1,00,67,058	23,83,398
Amount available for appropriation	3,52,91,188	1,34,63,474
Less: Dividend on Equity paid	1,12,65,000	16,89,750
Tax on dividend	19,14,486	2,87,173
Transferred to General Reserve	25,22,413	5,54,004
Provision for Taxation	18,30,877	8,65,489
Balance carried to Balance Sheet	1,77,58,412	1,00,67,058

Dividend

During the year the Company declared interim Dividend of 20% and a final dividend of 80%.

Review of Performance and Business prospects

The company during this financial year has achieved the growth by tapping the I.T enabled Translation services and earned the optimum profit. The Company is trying to expand the customer base by their specialisation in translation services and also pursuing other I.T enabled services such as BPO Services and tries to establish a brand in this field. *With the allround efforts being taken for widening the horizons, the company is confident of both increasing the volumes and the margin in the coming years.*

Directors

Shri. Shashi Kumar Nair retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Auditors

The auditors of the company M/s. V.Ganesh & Co., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Personnel

The Directors wish to express their appreciation to all the employees of the Company for their contribution to the Company's operations and growth during the year under review.

None of the employees was in receipt of remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956.



DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Profit of the Company for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis

FIXED DEPOSITS

The company has not accepted Fixed deposits within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

GENERAL

As required by the Companies (Disclosure of particulars in the report of Board) Rules, 1988, information pertaining to Foreign Exchange earnings and outgo are as under:-

Foreign Exchange earnings	:	Rs. 6,27,36,277
Foreign Exchange outflow	:	Rs. 2,63,92,543

The company's activities being I.T. enabled services like Medical Transcription, Translation and Software Development there are no pertinent information relating to Research and Development, Conservation of Energy and Technology Absorption and Innovation that could be furnished.

The Board wishes to place on record its appreciation of the excellent support received from the officials of the Software Technology Parks of India, Chennai and Bangalore, bankers, suppliers and customers.

Your Directors thank you the Share holders for your continued patronage.

On behalf of the Board

Place: Chennai
Date : 01.07.09

SANJAY TULSYAN
Whole-Time Director



COSMIC GLOBAL LIMITED

(Formerly known as Tulsyan Technologies Limited)

Balance Sheet as at March 31st, 2009

PARTICULARS	SCH	As at		As at	
		31-March-2009		31-March-2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS					
Share Capital	1	11,265,000		11,265,000	
Reserves and Surplus	2	<u>3,296,417</u>		<u>774,004</u>	
			14,561,417		12,039,004
PROFIT AND LOSS ACCOUNT			17,758,412		10,067,058
LOAN FUNDS					
Unsecured Loans	3		--	<u>7,282,347</u>	
					7,282,347
			<u>32,319,829</u>		<u>29,388,409</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	4	13,820,301		13,716,957	
Less: Depreciation		<u>9,259,963</u>		<u>8,252,455</u>	
			4,560,338		5,464,502
CURRENT ASSETS, LOANS AND ADVANCES					
Current Assets	5	24,339,592		27,209,752	
Loans and Advances		<u>21,998,132</u>		<u>4,320,672</u>	
		46,337,724		31,530,424	
Less: CURRENT LIABILITIES AND PROVISIONS	6				
Liabilities		<u>24,233,221</u>		<u>13,287,231</u>	
NET CURRENT ASSETS			22,104,503		18,243,193
MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR PROVIDED					
Preliminary Expenses		--		25,726	
Pre-operative Expenses	7	<u>5,654,988</u>		<u>5,654,988</u>	
			5,654,988		5,680,714
			<u>32,319,829</u>		<u>29,388,409</u>

The accompanying Schedules (1 to 7) and Accounting Policies form an integral part of the Financial Statements.

As per our report of even date
 For Ms.V.Ganesh & Co.,
 Chartered Accountants
V.Ganesh
 Partner
 Place : Chennai
 Date : 29.06.09

On behalf of the Board

Sanjay Agarwalla
 Director

Sanjay Tulsyan
 Director



COSMIC GLOBAL LIMITED

(Formerly known as Tulsyan Technologies Limited)

Profit & Loss Account for the year ended March 31, 2009

PARTICULARS	SCH	FOR THE YEAR ENDED 31-March-2009 Rs.	FOR THE YEAR ENDED 31-March-2008 Rs.
<u>INCOME</u>			
Revenue from Operations	8	73,702,584	58,663,285
Miscellaneous Income		3,937,009	
		77,639,593	58,663,285
<u>EXPENDITURE</u>			
Salaries, Wages & Amenities	9	15,711,463	8,240,932
Training and Development	10	--	3,466,842
Other Expenses	11	4,748,288	5,233,073
Translation Charges Paid		30,025,326	28,629,348
Interest and Finance Charges	12	897,152	387,990
Depreciation		1,007,508	1,625,024
Preliminary Expenses		25,726	
		52,415,463	47,583,209
Net Profit / (Loss) for the year		25,224,130	11,080,076
Balance in Profit & Loss Account		10,067,058	2,383,398
Transfer to General Reserve		(25,22,413)	(554,004)
Dividend (Interim)		(2,253,000)	--
Dividend Tax Payable (Interim)		(382,897)	--
Proposed Final Dividend		(9,012,000)	(1,689,750)
Tax on Proposed Final Dividend		(1,531,589)	(287,173)
Provision for Tax		(1,830,877)	(865,489)
Profit / Loss carried to Balance Sheet		17,758,412	10,067,058

Notes to Accounts 13

The accompanying Schedules (8 to 13) and Accounting Policies form an integral part of the Financial Statements.

As per our report of even date

For **Ms.V.Ganesh & Co.,**

Chartered Accountants

V.Ganesh

Partner

On behalf of the Board

Sanjay Agarwalla

Director

Sanjay Tulsyan

Director

Place : Chennai

Date : 29.06.09



COSMIC GLOBAL LIMITED
(Formerly known as Tulsyan Technologies Limited)
Schedules to the Balance Sheet

PARTICULARS	AS AT 31-March-09 RS.	AS AT 31-March-08 RS.
Schedule 1		
SHARE CAPITAL		
50,00,000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP 11,26,500 Equity Shares of Rs.10/- each	11,265,000	11,265,000
	<u>11,265,000</u>	<u>11,265,000</u>
Schedule 2		
RESERVES AND SURPLUS		
General Reserve	3,296,417	774,004
	<u>3,296,417</u>	<u>774,004</u>
Schedule 3		
UNSECURED LOANS		
Short term loans from the holding company	-	7,282,347
	<u>-</u>	<u>7,282,347</u>

Schedules - (Continued)

Schedule 4

FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at Apr 1 2008	Additions during the year	Deletions during the year	As at Mar 31 2009	As at Apr 1 2008	Charged during the year	Deletions during the year	As at Mar 31 2009	As at Mar 31 2008	As at Mar 31 2009
Computers	8,666,460	97,354	--	8,763,814	6,168,503	669,563		6,838,066	2,497,957	1,925,748
Furniture and Office Equipment	4,570,747	5,990	--	4,576,737	1,954,820	292,369	-	2,247,189	2,615,927	2,329,548
Vehicles	479,750	--	--	479,750	129,132	45,576	-	174,708	350,618	305,042
	13,716,957	103,344	--	13,820,301	8,252,455	1,007,508	-	9,259,963	5,464,502	4,560,338

For M/s. **V.GANESH & CO.,**

Chartered Accountants

V.GANESH

Partner

Place : Chennai

Date : 29.06.09

On behalf of the Board

SANJAY AGARWALLA

Director

SANJAY TULSYAN

Director





Schedules - (Continued)

PARTICULARS	AS AT 31-March-2009 RS.	AS AT 31-March-2008 RS.
Schedule 5		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
(a) Inventories	<u>687,780</u>	<u>687,780</u>
(b) Sundry debtors - Unsecured, considered good		
Debtors outstanding for a period exceeding six months	0	1,063,302
Other debts	<u>21,568,661</u>	<u>23,579,158</u>
	<u>21,568,661</u>	<u>24,642,460</u>
(c) Cash and Bank balances		
Cash on hand	15,319	5,371
Balance with scheduled banks in current accounts	<u>1,050,972</u>	<u>834,281</u>
	<u>1,066,291</u>	<u>839,652</u>
(d) Other Current assets	<u>1,016,860</u>	<u>1,039,860</u>
TOTAL CURRENT ASSETS	<u><u>24,339,592</u></u>	<u><u>27,209,752</u></u>
B. LOANS AND ADVANCES		
Unsecured, considered good		
(a) Advances		
(b) Others		
(Refer Note no.15 of Notes forming part of Accounts)	<u>21,998,132</u>	<u>4,320,672</u>
	<u>21,998,132</u>	<u>4,320,672</u>
Schedule 6		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	<u>24,233,221</u>	<u>13,287,231</u>
	<u>24,233,221</u>	<u>13,287,231</u>
Schedule 7		
PRE-OPERATIVE EXPENSES	<u>5,654,988</u>	<u>5,654,988</u>
	<u>5,654,988</u>	<u>5,654,988</u>



COSMIC GLOBAL LIMITED
(Formerly known as Tulsyan Technologies Limited)
Schedules to Profit and Loss Account

PARTICULARS	For the year ended 31-March-2009 RS.	For the year ended 31-March-2008 RS.
 Schedule 8		
REVENUE FROM OPERATIONS		
Medical Transcription and Consultancy Services	990,737	7,04,704
Translation Charges	69,935,756	55,995,502
Accounts BPO	2,776,090	1,963,079
	73,702,584	58,663,285
 Schedule 9		
SALARIES, WAGES AND AMENITIES		
Salaries and Wages	14,860,956	7,856,089
Staff Welfare	222,953	1,79,674
Contribution to Provident Fund and other Funds	627,554	2,05,169
	15,711,463	8,240,932
 Schedule 10		
TRAINING AND DEVELOPMENT EXPENSES		
Expenditure incurred during the year 2008 - 2009	--	3,466,842
Add: Amount written off during the year as detailed in Note 1.8 of Notes forming part of Accounts		0 3,466,842



Schedules - (Continued)

PARTICULARS	For the year ended 31-March-2009 Rs.	For the year ended 31-March-2008 Rs.
Schedule 11		
Rent	1,170,516	1,170,516
Traveling & Conveyance	951,408	626,821
Telephone Expenses	560,906	510,213
Power Charges	763,605	731,832
Legal and Consultancy Charges	23,000	31,056
Repairs and Maintenance	293,724	254,358
Advertisement	120,292	110,303
Staff Recruitment	69,491	135,659
Printing and Stationery	207,405	341,469
Miscellaneous Expenses	96,891	1,033,221
Rates and Taxes	11,586	6,000
Insurance	76,123	17,705
Registrations and Renewals	150,000	50,000
Space Charges	10,341	9,577
Security Charges	168,000	129,343
Audit Fees	75,000	75,000
	<u>4,748,288</u>	<u>5,233,073</u>

Schedule 12

INTEREST AND FINANCE CHARGES

Interest on Hire Purchase	0	6,046
Bank Charges	897,152	381,944
	<u>897,152</u>	<u>387,990</u>



Schedule - 13

Notes Forming Part of Accounts For the Year ended March 31, 2009.

1 Significant Accounting Policies

1.1 Basis of preparation of Financial Statements:

- a) The accounts are prepared on historical cost convention and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- b) Accounting policies not specifically referred to are consistent and in consonance with generally accepted accounting principles.

1.2 Revenue recognition :

In respect of Medical Transcription Services, and Translation Services the Company follows the practice of raising monthly invoices job-wise on the clients based on the number of lines and number of words respectively, etc., as accepted by them and in respect of Accounts BPO services the invoices are raised after acceptance by the clients on mutually agreed basis.

This year the company has raised the bill on all the jobs accepted and hence the application of proportionate completion method according to AS-9 has not arisen.

Export/Consultancy Services are billed at mutually discussed rates wherever the terms have not been reduced to writing.

Revenue from Operations includes Revenue earned through Translation Services Rs.6,99,35,756.45, through Medical Transcription Rs.9,90,737 and through Accounts BPO services Rs.27,76,090.

1.3 Depreciation

Depreciation on Fixed Assets has been provided on the following basis at the rates specified in Schedule XIV of the Companies Act 1956.

- a) All assets whose actual cost does not exceed Rs.5,000/- are recognised as revenue expenses
- b) On assets whose actual cost exceeds Rs.5,000/-, on straight line basis, Prorata from the date they were put to use.
- c) On Assets whose individual value becomes Nil, balance depreciation by leaving Re.1/- as Book value.

1.4 Impairment of assets:

External indicators are as under;

1. Market value of assets been declined.
2. Change in economic environment.
3. Change in technology.
4. Increase in interest rates.

Internal indicators are as under;

1. Actual cash flow is less than the estimated cash flow.
2. Physical damage to the asset.
3. Restructuring plan.

As such there is no impairment of assets for the current year.

- 1.5 During the year company has declared interim dividend of 20% and final dividend of 80%. The company has complied with "Transfer of profit to reserves rules 1975", by transferring 10% of current year profits to reserves.



- 1.6 The Company during the earlier years had launched its portal "Artlogin.com". The Company is yet to generate any income through the portal while expenses amounting to Rs.56,54,988 have been incurred in the earlier years for the development, launch, sustained maintenance and up gradation of the portal. The Company had treated the expenses of Rs.56,54,988 as pre operative expenditure and it continues to remain the same during the year.
- 1.7 Due of adequacy of profits, the company has written off the preliminary expenses of Rs.25,726 during the year.
- 1.8 During the year the company has deployed only experienced and trained personnel as transcriptionists and checkers for translation work.
- 1.9 Retirement benefits :
Provisions for/contributions to retirement benefit schemes are made as follows:
Provident fund on actual liability basis.
Encashment of earned leave is at the discretion of the management and is charged off to revenue in the year of payment.

Schedules - (Continued)

1.0 Foreign Currency transactions:

Foreign currency transactions during the year are converted at rates prevailing at the time of realization and exchange differences arising therefrom are adjusted to the Profit and Loss Account in the Head of account Exchange control variation.

2. Expenditure in Foreign Currency (on payment basis):

		Previous Year
Translation Payment	Rs.2,63,82,202	Rs. 1,10,76,206
Space Charges	Rs.10,341	Rs. 9,577
3. Value of Imports on CIF basis :	NIL	NIL
4. Earnings in foreign currency (based on realisation) Medical Transcription, Translation and Consultancy Services	Rs.6,27,36,277	Rs. 3,18,97,534
5. Auditor's remuneration For Statutory Audit	Rs.70,000	Rs. 70,000
Tax Audit	Rs.5,000	Rs. 5,000

6. Details of secured Loans: Nil

Details of Unsecured Loan: The Company has fully repaid during the year interest free unsecured loan to its holding company Tulsyan NEC Limited. In addition to the repayment the company has advanced to its holding company the sum of Rs.1,66,39,616 interest free.

7. Estimated amount of contracts remaining to be executed on Capital Account and not provided for: Nil
8. Future value of lease rentals on assets : Nil (previous year - Nil)
9. Claims against the Company not acknowledge as debts: Nil



10. As the Company is availing deduction u/s 10A of Income Tax Act 1961 for the period of 10 years from the year of production, the Company has not provided for Deferred Tax Assets as a matter of prudence.
11. The Company has not received replies from the Creditors as to whether they are Small-Scale Industrial undertakings and hence the informations in respect of dues to such units, if any, could not be furnished.
12. The Company continues to avail exemption U/S10A of Income Tax, Act 1961. The deduction U/S10A was calculated on the assurance by the management that the export bills will be realized before September 09 and accordingly Income Tax provision was made.
13. The amounts due from/due to the Debtors/Creditors other than for which payment has been received/made subsequent to the Balance Sheet date are subject to their confirmation and statement of account.
14. Considering the nature of business the Company is engaged in, it is not possible to give the quantitative details of transcription and translation charges received, export and consultancy services and certain information as required under paragraphs 3,4C and 4D of part II of Schedule VI of the Companies Act, 1956.
15. The Company has made a publication on Contemporary Indian Art meant for Sale. The Company has paid to various artists who had contributed articles for the said publication. The Company has received Royalty of Rs.13,316.63 during the year.
16. Inventories of paintings and art books are valued at cost or net realizable values which ever is less.
17. Travelling Expenditure includes Air Travel Expenses amounting to Rs.5,68,042.30/- incurred by Executives.

As per our report of even date
For M/s. **V.GANESH & CO.**,
Chartered Accountants

On behalf of the Board

V.GANESH
Partner

SANJAY AGARWALLA
Director

SANJAY TULSYAN
Director

Place : Chennai
Date : 29.06.09



BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration Number :

4	1	8	6	3
---	---	---	---	---

 State Code :

1	8
---	---

Balance Sheet :

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Day Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Thousands)

Total Liabilities	<table border="1" style="border-collapse: collapse;"><tr><td>3</td><td>2</td><td>3</td><td>2</td><td>0</td></tr></table>	3	2	3	2	0	Total Assets	<table border="1" style="border-collapse: collapse;"><tr><td>3</td><td>2</td><td>3</td><td>2</td><td>0</td></tr></table>	3	2	3	2	0
3	2	3	2	0									
3	2	3	2	0									
Sources of Funds													
Paid-up Equity Shares Capital	<table border="1" style="border-collapse: collapse;"><tr><td>1</td><td>1</td><td>2</td><td>6</td><td>5</td></tr></table>	1	1	2	6	5	Reserve & Surplus	<table border="1" style="border-collapse: collapse;"><tr><td>3</td><td>2</td><td>9</td><td>6</td></tr></table>	3	2	9	6	
1	1	2	6	5									
3	2	9	6										
Secured Loans	<table border="1" style="border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Unsecured Loans	<table border="1" style="border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L				
N	I	L											
N	I	L											
Application Funds													
Net Fixed Assets	<table border="1" style="border-collapse: collapse;"><tr><td>4</td><td>5</td><td>6</td><td>0</td></tr></table>	4	5	6	0	Investments	<table border="1" style="border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L			
4	5	6	0										
N	I	L											
Net Current Assets	<table border="1" style="border-collapse: collapse;"><tr><td>2</td><td>2</td><td>1</td><td>0</td><td>5</td></tr></table>	2	2	1	0	5	Misc. Expenditure	<table border="1" style="border-collapse: collapse;"><tr><td>5</td><td>6</td><td>5</td><td>5</td></tr></table>	5	6	5	5	
2	2	1	0	5									
5	6	5	5										
Accumulated Profit	<table border="1" style="border-collapse: collapse;"><tr><td>1</td><td>7</td><td>7</td><td>5</td><td>9</td></tr></table>	1	7	7	5	9							
1	7	7	5	9									

IV. PERFORMANCE OF THE COMPANY (Amount Rs. Thousands)

Turnover (includes other income)	<table border="1" style="border-collapse: collapse;"><tr><td>7</td><td>7</td><td>6</td><td>4</td><td>0</td></tr></table>	7	7	6	4	0	Total Expenditure	<table border="1" style="border-collapse: collapse;"><tr><td>5</td><td>2</td><td>4</td><td>1</td><td>6</td></tr></table>	5	2	4	1	6
7	7	6	4	0									
5	2	4	1	6									
Profit before Tax	<table border="1" style="border-collapse: collapse;"><tr><td>2</td><td>5</td><td>2</td><td>2</td><td>4</td></tr></table>	2	5	2	2	4	Profit After Tax	<table border="1" style="border-collapse: collapse;"><tr><td>2</td><td>3</td><td>3</td><td>9</td><td>3</td></tr></table>	2	3	3	9	3
2	5	2	2	4									
2	3	3	9	3									
Earnings per share in Rs.	<table border="1" style="border-collapse: collapse;"><tr><td>20.77%</td></tr></table>	20.77%	Dividend Rate	<table border="1" style="border-collapse: collapse;"><tr><td>100%</td></tr></table>	100%								
20.77%													
100%													

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms)

Item Code No. (ITC Code):

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

Product Description

TRANSLATION, TRANSCRIPTION AND OTHER IT ENABLED SERVICES

As per our report of even date
For M/s. **V.GANESH & CO.,**
Chartered Accountants

On behalf of the Board

V.GANESH
Partner

SANJAY TULSYAN
Director

SANJAY AGARWALLA
Director

Place: Chennai
Date: 29.06.09



TULSYAN POWER LIMITED

Regd. Office: V Floor, 147, Greams Road, Chennai 600 006

Board of Directors

Shri Lalit Kumar Tulsyan
Shri Sanjay Tulsyan
Shri Sanjay Agarwalla

Registered Office

V Floor, 147,
Greams Road,
Chennai - 600 006.

Bankers

IDBI Bank Limited
37 Greams Road
Chennai - 600 006

Auditors

M/s V. Ganesh & Co
Chartered Accountants,
Room No. 4, III Floor
189 Thambuchetty Street
Chennai - 600 001



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Seventh Annual General Meeting of the Company will be held on Friday the 3rd July, 2009 at 11.00 a. m. at 1st Floor, Apex Plaza, 3 Nungambakkam High Road, Chennai 600 034. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and together with the Report of the Directors and Auditors thereon
2. To appoint a Director in place of Mr. Lalit Kumar Tulsyan, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint auditors of the Company in place of M/s V Ganesh & Co., Chartered Accountants, who retire at the Annual General Meeting and being eligible offer themselves for re-appointment

For and on behalf of the Board

Sanjay Tulsyan
Director

Place: Chennai
Date: 30th April, 2009

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER

The Proxies to be valid should be lodged with the Share Transfer Agents, not less than 48 hours before the commencement of the Meeting.

Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting and also their copy of the Annual Report



DIRECTORS' REPORT TO THE SHAREHOLDERS

We take pleasure in presenting the Seventh Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2009

Business Performance :

As the Commercial Activity has not yet been started, the Profit & Loss Account for the period from 01/04/2008 to 31/03/2009 has not been drawn up.

Directors :

Mr. Lalit Kumar Tulsyan, Director of the Company, retires by rotation and being eligible, offers himself for re-election.

Auditors :

The Auditors of the Company M/s. V. Ganesh & Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Personnel :

None of the employees was in receipt of remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. such accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis

General :

Your Directors thank you the shareholders for your continued patronage

On behalf of the Board

Place : Chennai
Date : 30th April, 2009

SANJAY TULSYAN
Director



REPORT OF THE AUDITORS TO THE MEMBERS

To the Shareholders of Tulsyan Power Limited.

We have audited the attached Balance Sheet of M/s Tulsyan Power Limited, as at 31st March 2009 and also Pre-Operative Expenditure statement for the period ended on that date, annexed hereto and reports that, these financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors report) Order 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956 and on the basis of the checks as we have considered appropriate, we state on the matter specified in Para 4 and 5 of the said order.

We report that

- I. 1. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company does not have any Fixed assets except for the Land purchased and hence Clause (I) b is not applicable.
- c. The company has not disposed any fixed assets during the year.
2. In our opinion and according to the information given to us the provision of Clause 4 ii (a),(b) and (c) are not applicable to this Company.
3. a. The Company has advanced to Tulsyan NEC Limited a sum of Rs.75,717/- Interest free. We have been informed that no loan agreement has been entered into in respect of the above said payment.
- b. As mentioned above the Company has advanced to its holding company interest free loan and we have been informed that the said amount is paid only as a temporary measure.
4. The Company has an adequate internal control procedure commensurate with size of the company and nature of its business with regard to the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
5. a. In our opinion and as per the Information and explanations given to us and based on the representation by the Management, there is no transaction that needs to be entered in the register maintained under section 301 of the Act.
- b. In view of the above, Clause V (b) of this order is not applicable for the current year.
6. a. As per the information and explanations given to us, the Company is not subject to Provident fund, Investors Education and protection fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Customs duty, Excise duty and Cess.
- b. In view of the above, Clause ix (b) of the order is not applicable.
7. The Company has no dues with any financial institutions or banks, and the company does not have debenture holders.
8. According to the information and explanations given to us the Company has not granted any Loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



9. The company is not a Chit fund/Nidhi/Mutual Benefit fund/Society. Therefore the provisions of Clause 4 XIII are not applicable to the Company.
 10. The company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of Clause 4 XIV of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
 11. In our opinion and according to the information given to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
 12. The Company has not obtained any term loans during the year.
 13. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, the company has not used short term funds for long term investments and vice versa.
 14. The company has not made any public issue in the year under review.
 15. According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year.
 16. In our opinion and according to the information given to us the provision of clause vi, vii, viii, x, xviii and xix of Para 4 of the Company (Auditors Report) Order 2003 are not applicable to this Company.
- II. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - III. In our opinion, Proper books of accounts as required by law have been kept by the company, so far as it appears from examinations of the Books.
 - IV. The Balance sheet and the Pre-Operative expenditure statement dealt with by this report are in agreement with the Books of account.
 - V. In our opinion, the Balance sheet comply with the accounting standards referred to in Sub-Section 3(c) of the Section 211 of the Companies act 1956.
 - VI. On the basis of the written representations received from the Directors as on 31st March 2009 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2009 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of section 274 of the Companies act 1956.
 - VII. In our opinion, and to the best of our knowledge, the said accounts give the information required by the Companies act 1956 in the manner so required and give a true and fair view.
 - a. In so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March 2009 and
 - b. In so far it relates to the Pre-Operative expenditure statement of deficit for the period ended on that date.

For M/s. V. Ganesh & Co.
Chartered Accountants

V. Ganesh
Partner

Place: Chennai

Date: 30th April, 2009



TULSYAN POWER LIMITED

Balance Sheet as at 31st, March 2009

PARTICULARS	SCH	As at 31-Mar-09 Rs.	As at 31-Mar-08 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Capital	1	500,000	500,000
Reserves and Surplus	2		
Share Application Money		5,000,000	5,000,000
Holding Company		(75,717)	(77,247)
	Total	<u>5,424,283</u>	<u>5,422,753</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	5	586,155	586,155
Current Assets and Liabilities			
CURRENT ASSETS,			
LOANS AND ADVANCES			
	6	<u>3,433,038</u>	<u>3,433,038</u>
Less:			
Current Liabilities And Provisions	7	10,000	5,000
		<u>3,423,038</u>	<u>34,28,038</u>
Miscellaneous Expenditure To The Extent			
Not Written Off Or Adjusted	8		
Preliminary Expenses		168,859	168,859
Pre-operative Expenses		<u>1,246,231</u>	<u>1,239,651</u>
		<u>5,424,283</u>	<u>5,422,753</u>

Schedule 1 to 9 form integral part of this Balance Sheet and are to be read in conjunction therewith

As per our report of even date

For M/s. **V.GANESH & CO.,**

Chartered Accountants

On behalf of the Board

V.GANESH

Partner

SANJAY AGARWALLA

Director

SANJAY TULSYAN

Director

Place : Chennai

Date : 30th April, 2009



TULSYAN POWER LIMITED

Schedules to the Balance Sheet

PARTICULARS	AS AT 31 March 2009 RS.	AS AT 31 March 2008 RS.
Schedule 1		
CAPITAL		
AUTHORISED		
30,00,000 Equity Shares of Rs.10/- each	30,000,000	30,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
50,000 Equity Shares of Rs.10/- each	<u>500,000</u>	<u>500,000</u>
Schedule 2		
RESERVES AND SURPLUS		
Share application money	50,00,000	--
Schedule 3		
SECURED LOANS		
	--	--
Schedule 4		
UNSECURED LOANS		
	<u>(75,717)</u>	<u>(77,247)</u>
Schedule 5		
FIXED ASSETS		
	<u>586,155</u>	<u>586,155</u>
Schedule 6		
A. CURRENT ASSETS		
a. Cash and Bank balances		
i. Cash on hand	2,460	2,460
ii. Balances with Bank IDBI Bank Limited	55,233	55,283
Bank of India	5,000	5,000
b. Other Current Assets Sales Tax Deposit	2,500	2,500
B. LOANS AND ADVANCES	<u>3,367,845</u>	<u>3,367,845</u>
	<u>3,433,038</u>	<u>34,33,088</u>
Schedule 7		
CURRENT LIABILITIES AND PROVISIONS		
	10,000	5,000
Schedule 8		
MISCELLANEOUS EXPENDITURE		
Pre-incorporation Expenses	168,859	168,859
Pre-operative Expenses	1,239,651	1,225,105
Bank Charges	80	4,675
Audit Fees	5,000	5,000
Filing Fee	1,500	1,500
Professional Charges	0	3,371
	<u>1,246,231</u>	<u>1,239,651</u>



Schedule - (Continued)

Schedule 9

Notes on Accounts

1.0 Significant Accounting Policies

1.1. Basis of preparation of Financial Statement :

- a. The accounts are prepared on historical cost convention and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
 - b. Accounting policies not specifically referred to are consistent and in consonance with general accepted accounting principles.
2. As the company is yet to commence its activity the Profit and Loss Account is not prepared.

As per our report of even date

For M/s. **V.GANESH & CO.,**

Chartered Accountants

V.GANESH

Partner

Place : Chennai

Date : 30th April, 2009

On behalf of the Board

SANJAY AGARWALLA

Director

SANJAY TULSYAN

Director



BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration Number :

4	9	9	5	8
---	---	---	---	---

 State Code :

1	8
---	---

Balance Sheet :

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Day Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Thousands)

Total Liabilities

5	4	2	4
---	---	---	---

 Total Assets

5	4	2	4
---	---	---	---

Sources of Funds

Paid-up Equity

5	0	0
---	---	---

 Reverse & Surplus

0

Shares Capital

0

 Unsecured Loans

(76)

Application Funds

Net Fixed Assets

5	8	6
---	---	---

 Investments

0

Net Current Assets

3	4	2	3
---	---	---	---

 Misc. Expenditure

1	4	1	5
---	---	---	---

Accumulated Losses

N	I	L
---	---	---

IV. PERFORMANCE OF THE COMPANY (Amount Rs. Thousands)

Turnover (includes other income)

0

 Total Expenditure

0

Profit before Tax

0

 Profit After Tax

0

Earnings per share in Rs.

0

 Dividend Rate

0

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms)

Item Code No. (ITC Code):

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

Product Description

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

As per our report of even date
For M/s. **V.GANESH & CO.**,
Chartered Accountants

On behalf of the Board

V.GANESH
Partner

SANJAY AGARWALLA
Director

SANJAY TULSYAN
Director

Place: Chennai
Date: 30th April, 2009





TULSYAN NEC LIMITED

Registered Office: 61, Sembudoss Street, Chennai - 600 001.

ANNUAL GENERAL MEETING - 16TH SEPTEMBER, 2009 AT 11.00 A.M.

Dip. ID	
---------	--

Client ID/ Folio No.	
-------------------------	--

No. of Shares	
------------------	--

NAME & ADDRESS OF THE REGISTERED SHAREHOLDERS

--

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at Narada Gana Sabha, Mini Hall, 254, T.T.K. Road, Chennai - 600 018 on Wednesday 16th September 2009 at 11.00 a.m.

Member's/Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.



TULSYAN NEC LIMITED

Registered Office: 61, Sembudoss Street, Chennai - 600 001.

I/We of
..... in the district of being a member/members of
TULSYAN NEC LIMITED appoint of
..... in the district of or / failing him
..... of in the district of as
my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company
held on Wednesday 16th September 2009 and at any adjournment thereof.

Signed this day of 2009

Dip. ID	
---------	--

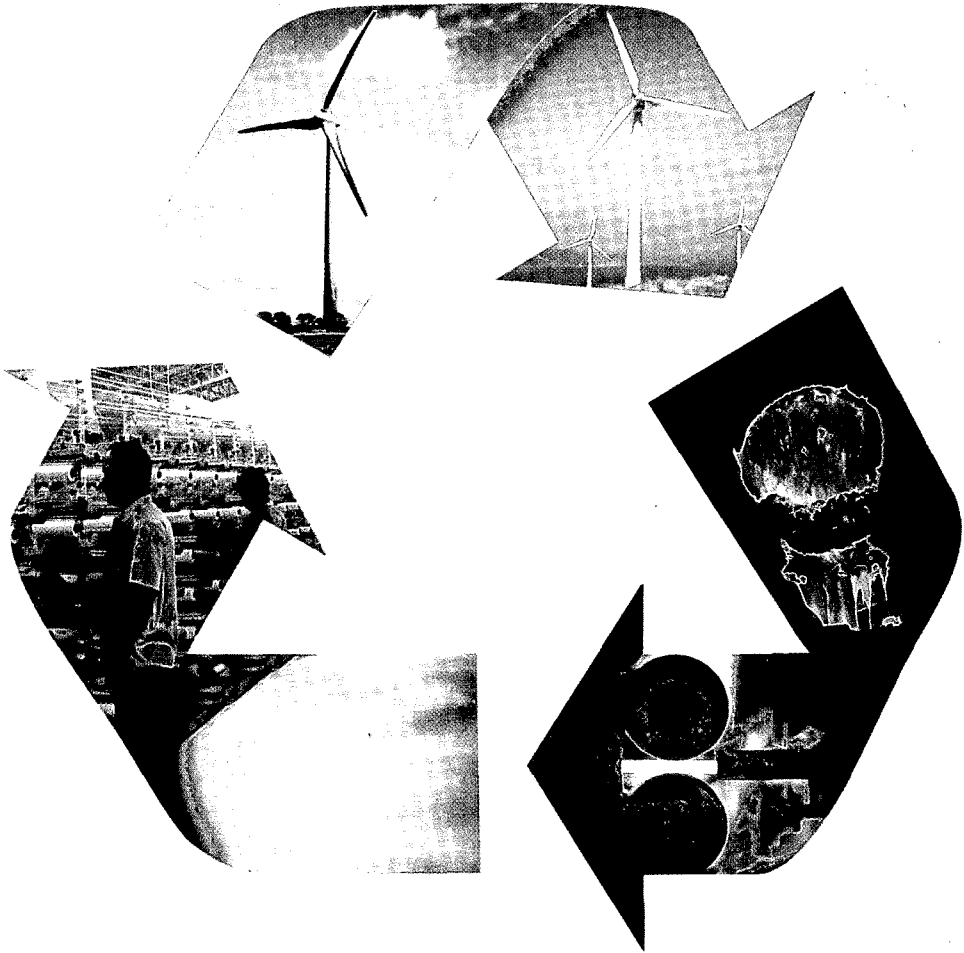
Client ID/ Folio No.	
-------------------------	--

No. of Shares	
------------------	--

Signature

Affix a Re. 1 Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting



TULSYAN NEC LTD

Corporate Office: Apex Plaza, 1st Floor, # 3, Nungambakkam High Road, Chennai - 600 034

Tel: +91 44 3918 1060, 3912 0756 Fax: +91 44 3918 1097

E-mail: tulsyannec@gmail.com Website: www.tulsyannec.co.in