

Date: 01-10-2021

To,  
The BSE Limited,  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir/Madam,

**Sub: Noting of changes in the Annual Report of Tulsyannec Limited (“the Company”) for the FY 2020-21**

**Ref: Scrip Code: 513629**

With reference to the subject captioned above, we wish to inform you that the 74<sup>th</sup> AGM of the Company was held on Thursday, September 30, 2021 at 11.30 am (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), in compliance with the General Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 02/2021 January 13, 2021 issued by the Ministry of Corporate Affairs (‘collectively referred as MCA circulars’), and other applicable provisions of the Companies Act, 2013, to transact the businesses as set forth in the Notice of AGM.

Pursuant to the provisions of Regulations 30 and 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Notice of the 74<sup>th</sup> AGM along with the Annual Report of the Company for the FY 2020-21 was intimated to your good office on September 07, 2021.

However, we would like to draw your kind attention that in the Board’s Report, which is the part of the Annual Report 2020-21, under the heading “Auditors” and sub-heading “Statutory Auditors & their Report”, the last para i.e. “The statutory audit report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark or disclaimer made by the statutory auditors” was inadvertently included by the printer while printing the final copy of the Annual Report and therefore, we are hereby replacing the said para with the following para:

“The Auditors’ Report contains the following qualifications for which the necessary response has been given by the management as follows:

| Sl. No. | Observations by Statutory Auditors  | Management’s Reply   |
|---------|---|--|
| 1.      | <p><b>Going Concern</b></p> <p>We draw attention to the fact that the Company is continuously incurring losses and its net worth is totally eroded on 31.03.2021. During the Financial year 2015-16 the Company’s loans and liabilities were restructured under the Corporate Debt Restructuring Scheme providing certain reliefs and concessions. As per the scheme the company’s repayment obligations were restructured. The Banks also provided certain reliefs/waivers/sacrifices by reducing the rate of interest. Interest was provided in the books at the lowered rates of interest.</p> | <p>The company has shown improved performance in sale of steel during the year as compared to the previous year and with the steel sector showing sign of recovery and buoyancy the Turnover and profitability would increase further during the Current FY. With respect to the power division the sales during the last few months have shown improvement with increase in the demand. Together the performance from current FY is expected to be better than what was witnessed in the last few years.</p> <p>Despite the losses incurred and</p> |

**TULSYAN NEC LTD**

Registered Office : Apex Plaza, 1st Floor, No.3, Nungambakkam High Road, Chennai - 600 034. Tamil Nadu  
Ph : +91 44 6199 1060 / 6199 1045, Fax : +91 44 6199 1066 | Email : info@tulsyannec.in | www.tulsyannec.in

GSTIN 33AABCT3720E1ZW | CIN L28920TN1947PLC007437



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|           |  |   |
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|           | <p>However upon the non-adherence to the scheme by the company, the concessions so provided under the scheme were withdrawn by some of the banks with retrospective effect and charged the interest at original rates. Consequent to the withdrawal of concessions, few banks have debited the account of the company for the differential amount of interest and other concessions given as per CDR scheme. The period of withdrawal relates from May 1st 2014 to the date of debit.</p> <p>The Company had sought waiver of the said debits in the various restructuring proposals submitted to the bank. The charges as debited have been recognized as Finance charges in the period of debit. During the year the company had submitted a Compromise Settlement proposal as detailed below.</p>   | <p>unfavourable business circumstances, the company is able to achieve reasonable levels of Capacity utilization and is in a position to meet all its operational expenses from out of operations and is up to-date with all obligations. Further, the company has entered into compromise settlement with one of the Bank and is in discussion with other banks which substantially reduce the debt. The company is capable fo meeting obligations in respect of reduced debt on account of the compromise settlement. Therefore all the uncertainties have been substantially addressed with definite plan and proposal and therefore the Board firmly believes that the company would be able to continue as a going concern.</p>  |
| <p>2.</p> | <p><b>Compromise Settlement</b></p> <p>We draw attention to Note No 44 and 52 regarding the Compromise Settlement. The Company has submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. Subsequent to the Balance Sheet date, the Compromise Settlement proposal has been accepted by one of the banks with certain conditions and the application with the other banks/ financial institutions are under negotiation and a decision is yet to be taken by the lenders. The Company is in the process of complying with the conditions of the Compromise Settlement proposal approved and is following up with the other lenders for approving the respective Compromise Settlement proposals submitted. We were informed that the Company's management is confident of complying with the conditions of the Compromise proposal approved and also getting approval for the other pending compromise proposals. Based on the above, the management believes that it will result in significant reduction in the outstanding dues to the lenders, including interest.</p> <p>Considering the above, the Company has</p> <p>(a) reversed the interest charged by the banks during the year under audit</p> <p>(b) did not provide for interest where the banks have not charged interest.</p> | <p>The company has entered into a compromise settlement which is holding 54.53% of security and has offered settlement on similar terms to other banks. The offers of the company are under consideration of these banks. The offer envisages waiver of entire interest outstanding and also a waiver of a portion of the principle amount as well. Thus, Interest debited during the year by the Banks (while the compromise settlement was under consideration), has been accounted as debited by the Banks and has been reversed under the head exceptional items due to expected waiver. In cases where the banks have not debited the interest, no provision has been made on accrual basis on account of the expected waiver. The company is confident of obtaining sanction of the compromise settlement from the Banks and thus, non-provisioning of the interest during the Financial does not alter the financial position of the company or its profit and loss.</p> |

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| <p>In the opinion of the management, in view of the Compromise Settlement already approved by a Bank/under negotiation with the other bankers, there will be no further interest liability on the Company and the above accounting treatment considered will not significantly impact of the financial statements in the current and future periods.</p> <p>In the absence of any specific confirmation of balances received from the banks/ financial institutions on the final dues of principal and interest, we are unable to comment on the appropriateness of the aforesaid reversal of interest charged during the year and the non-provision of interest in other cases. The impact of the above accounting treatment on the financial statements is not presently determinable. The Company's ability to continue as a Going Concern is dependent on the successful completion of Compromise Settlement obligations.</p> |  |
|---|--|

The aforesaid auditor's qualifications and management's reply were discussed in the Board Meeting held on August 13, 2021 and were also read at the 74<sup>th</sup> AGM of the Company.

Further, we hereby confirm that no other changes, except as above, have been made in the Annual Report 2020-21 of the Company and this intimation shall be read in conjunction with the Original Annual Report 2020-21 of the Company which was submitted to the Stock Exchange on September 07, 2021.

Therefore, we request your good office to accept and take note of the aforesaid changes in the Annual Report 2020-21 of the Company in compliance with the provisions of Regulation 34(1) of SEBI (LODR) Regulations, 2015 and to take the same on your record and oblige.

Thanking you,

Yours faithfully,  
For **Tulsyannec Limited**



**Parvati Soni**  
**Company Secretary & Compliance Officer**

*Encl: Annual Report 2020-21 of Tulsyannec Limited*

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**TULSYAN** NEC LTD  
Strength of Steel, Flexibility of Plastic



**ANNUAL REPORT**  
**2020-21**



# TULSIYAN NEC LIMITED

CIN: L28920TN1947PLC007437

## Board of Directors

**Lalit Kumar Tulsiyan**  
Executive Chairman

**Sanjay Tulsiyan**  
Managing Director

**Sanjay Agarwalla**  
Whole-time Director

**Manogyanathan Parthasarathy**  
Non-executive Independent Director

**Antonisamy Axilium Jayamary**  
Non-executive Independent Director

**Somasundaram Ponsing Mohan Ram**  
Non-executive Independent Director

**Shantha Kumar RP**  
Chief Financial Officer

**Parvati Soni**  
Company Secretary & Compliance Officer

## Registered Office

Apex Plaza, I Floor, New No. 77,  
Old No. 3, Nungambakkam High Road,  
Chennai - 600 034  
Tel.: 044-6199 1060, Fax : 044-6199 1066  
E-mail: investor@tulsiyannec.in  
Website: www.tulsiyannec.in

## Administrative Office

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

## Bankers

Canara Bank  
Union Bank of India  
State Bank of India  
IDBI Bank  
Indian Overseas Bank  
SVC Co-operative Bank

## Auditors

CNGSN & Associates LLP  
Chartered Accountants,  
No. 43, Old No. 22, Swathi Court,  
Flat No. C & D Vijayaraghava Road,  
T.Nagar, Chennai - 600 017

## Registrar & Share Transfer Agent

Cameo Corporate Services Ltd.  
"Subramanian Building",  
1 Club House Road, Chennai - 600 002.  
Tel. : 044-28460390, Fax : 044-28460129

## Steel Division

D-4, SIPCOT Industrial Complex,  
Gummudipoondi-601 201, Tamil Nadu

## Power Plant:

17, Sithurnatham Village,  
Gummidipoondi-601 201, Tamil Nadu

## Windmill:

Kudimangalam, Udumalpet, Tamil Nadu.  
Pazhavor, Tirunelveli District, Tamil Nadu.  
Kavalakurichi, Tirunelveli District, Tamil Nadu

## Synthetics Division:

7-A, Doddaballapura Industrial Area,  
Kasba Hobli, Karnataka

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## NOTICE OF THE 74<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventy Forth (74th) Annual General Meeting (AGM) of the Members of Tulsyan NEC Limited will be held on Thursday, September 30, 2021, at 11.30 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following items of business:

### ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the reports of the Board of Directors and the Auditors thereon be and are hereby received, considered and adopted.”

2. **To appoint a director in place of Mr. Sanjay Tulsyan (DIN: 00632802), Managing Director, who retires by rotation and being eligible offers himself for re-appointment.**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** Mr. Sanjay Tulsyan (DIN: 00632802), Managing Director of the Company, who retires by rotation, in accordance with the provisions of section 152 and other applicable provisions of the Companies Act, 2013, be and is hereby re-appointed as a director liable to retire by rotation.”

3. **To re-appoint M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, as the Statutory Auditors of the Company and to fix their remuneration.**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013, and relevant

rules made thereunder, M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, having LLP Identity Number: AAC-9402, having Firm ICAI Registration No: 004925S/S200036 be and are hereby re-appointed as Statutory Auditors of the Company, to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 74th Annual General Meeting of the Company until the conclusion of the 79<sup>th</sup> Annual General Meeting of the Company;

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 142 of the Companies Act, 2013, a remuneration of Rs. 5,00,000/- p.a. (Rupees Five Lakhs only) plus out of pocket expenses and applicable taxes for auditing the books of accounts of the Company for the financial year 2021-22 payable to M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, Statutory Auditors of the Company, be and is hereby approved;

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be required for the purpose of giving effect to this resolution.”

### SPECIAL BUSINESS:

4. **To ratify the remuneration payable to M/s. Murthy & Co. LLP, Cost Auditors of the Company, for the financial year 2021-2022.**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), a remuneration amounting to Rs.70,000/- (Rupees Seventy Thousand only) plus taxes as may be applicable, in addition to reimbursement of all out of pocket expenses payable to M/s. Murthy & Co. LLP, Practicing Cost Accountants, (Firm Registration Number: S200001), Chennai, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2022, be and is hereby ratified.”

**5. To approve the Related Party Transactions with Chitrakoot Steel and Power Private Limited.**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s) and subject to such approvals, consents, sanctions and permissions as may be necessary, on the basis of approval of the Audit Committee, approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Chitrakoot Steel and Power Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase of raw materials, sale of materials and availing of job work relating to manufacturing activity, any income or expenses, applicable taxes, if any, incurred in these connections and on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 300 Crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be in the ordinary course of business of the Company;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee or Directors / CFO / Company Secretary of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**6. To approve the Related Party Transactions with Tulsyan Smelters Private Limited.**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other

applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s) and subject to such approvals, consents, sanctions and permissions as may be necessary, on the basis of approval of the Audit Committee, approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tulsyan Smelters Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase / sale of Company Goods and Services, any income or expenses, applicable taxes, if any, incurred in these connections and on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 2200 Crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be in the ordinary course of business of the Company;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee or Directors / CFO / Company Secretary of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**By Order of the Board of Directors**  
For Tulsyan NEC Limited  
Sd/-

**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN: 00632823

**Place: Chennai**  
**Date: 13-08-2021**

**Registered Office:**  
**Apex Plaza, I Floor, New No.77,**  
**Old No.3, Nungambakkam High Road**  
**Chennai-600034, Tamil Nadu**

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 13<sup>th</sup> January, 2021 read with General Circular No. 20/2020, dated 05th May, 2020 permitted the Companies for holding the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio- Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Explanatory Statement as required under section 102 of the Companies Act, 2013, in respect of items of special business to be transacted at this AGM is annexed hereto.
3. Since this AGM will be held through VC / OAVM, (a) the facility for appointment of proxies by the Members will not be available for the AGM, and (b) Attendance Slip, Proxy Form and Route Map are not being annexed to this Notice.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
5. Corporate members intending to authorize their representatives to participate and vote at the AGM are requested to send a certified scanned copy (in PDF / JPG format) of the Board resolution / authorization letter, pursuant to Section 113 of the Act, through email at [cs@tulsyanec.in](mailto:cs@tulsyanec.in) .
6. In case of Joint Holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Only bona fide members of the Company whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/ OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.
8. Relevant documents referred to in the notice are open for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2021 at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting. Members seeking to inspect such documents can send an email to [investor@tulsyanec.in](mailto:investor@tulsyanec.in) .
9. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DPs). Members holding shares in physical form are requested to notify change of address immediately to the Company or its Registrar and Share Transfer Agent i.e. Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai-600002.
10. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s. Cameo Corporate Services Limited, “Subramanian Building”, No.1, Club House Road, Chennai-600002 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialization and change in the address of the members may be communicated to the RTA.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
12. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members can request for the said form by sending an email to [investor@tulsyanec.in](mailto:investor@tulsyanec.in). Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members are requested to



submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Cameo Corporate Services Limited, in case the shares are held in physical form.

13. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF): It may be noted that the all unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on 31st March 2012, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at [www.tulsiyannec.in](http://www.tulsiyannec.in) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.
14. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the AGM. Replies will be provided in respect of such written queries at the meeting.
15. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.
16. In view of the prevailing circumstances due to the COVID-19 pandemic, and also in conformity with the applicable regulatory requirements, the Notice of this AGM and the Annual Report 2020-21 are being sent only through electronic mode

to those Members who have registered their e-mail addresses with the Company or with the Depositories. Members may note that the Notice and the Annual Report 2020-21 will also be available on the Company's website at [www.tulsiyannec.in](http://www.tulsiyannec.in), on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent / their Depository Participants in respect of shares held in physical/ electronic mode, respectively.

17. The Register of Members and Share Transfer Books of the Company will remain closed for a period of Seven days starting from September 24, 2021 to September 30, 2021 (both days inclusive) for the purpose of the Annual General Meeting.
18. Additional information, pursuant to Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings, information in respect of the Director seeking re-appointment at the Annual General Meeting is furnished in the annexure and forms part of this notice. The Director has furnished the requisite consent / declaration for his re-appointment.

## E-VOTING

### Instructions to Shareholders for CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January, 13, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The voting period begins on **Monday, September 27, 2021 (9:00 a.m. IST) and ends on Wednesday, September 29, 2021 (5:00 p.m. IST)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 23, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
4. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
5. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that

the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

6. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode in CDSL/NSDL is given below:**

| Type of shareholders  | Login Method   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> </ol> |

|  |   |
|--|---|
|  | <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>  |
| Individual Shareholders holding securities in demat mode with NSDL                                     | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30               |

7. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form-**
  - 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

|   | <b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>  |
|---|---|
| <b>PAN</b>  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| <b>Dividend Bank Details OR Date of Birth (DOB)</b> | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>                 |

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- 11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com)

and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@tulsyanec.in , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance **atleast seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investor@tulsyanec.in . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **atleast seven days days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investor@tulsyanec.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).



3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### General Instructions:

1. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on September 23, 2021.
2. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
3. The Board of Directors have appointed **Mr. M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries (Membership No. 5837 and CP No. 5081)**, to act as Scrutinizer to scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.
4. The Scrutinizer, after scrutinising the votes cast at the meeting through remote e-voting and during AGM will, not later than two working days from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated Scrutinizer's report shall be communicated to the Stock Exchange, CDSL, and RTA and will also be displayed on the Company's website at [www.tulsiyannec.in](http://www.tulsiyannec.in).

5. The voting results will be announced by the Chairman or any other person authorized by him within two working days of conclusion of the AGM.

**By Order of the Board of Directors  
For Tulsiyan NEC Limited**

**Sd/-  
Lalit Kumar Tulsiyan  
Executive Chairman  
DIN: 00632823**

**Place: Chennai  
Date: 13-08-2021**

**Registered Office:  
Apex Plaza, I Floor, New No.77,  
Old No.3, Nungambakkam High Road  
Chennai-600034, Tamil Nadu**

### Explanatory Statement in respect of the Special Business

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice.

#### **Item No.4: To ratify the remuneration payable to M/s. Murthy & Co. LLP, Cost Auditors of the Company, for the financial year 2021-2022.**

Pursuant to Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, as amended till date, the Company is required to conduct audit of its cost records by a Cost Accountant in Practice, as specified under the Companies (Cost Records and Audit) Rules, 2014.

The Board of Directors of the Company, on recommendation of the Audit Committee, at its meeting held on June 30, 2021, appointed M/s. Murthy & Co. LLP, Cost Auditors (Firm Registration Number: S200001), as Cost Auditors of the Company for the Financial Year ending March 31, 2022 at a remuneration of Rs.7,00,000/- plus applicable taxes and reimbursement of out-of-pocket expenses.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company at the AGM. Accordingly, the Board recommends the ordinary resolution as set out under Item No.4 of the accompanying Notice for approval of the shareholders.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out under Item No.4 of the accompanying Notice.

#### **Item No.5: To approve the Related Party Transactions with Chitrakoot Steel and Power Private Limited.**

Chitrakoot Steel and Power Private Limited is a Wholly Owned Subsidiary Company of Tulsyan NEC Limited ("the Company") whose primary business is manufacturing of Sponge Iron. Accordingly, transaction(s) to be entered into with Chitrakoot Steel and Power Private Limited comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations.

Pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, All Material Related Party Transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the

entity is a related party to the particular transaction or not. Material Related Party Transaction means the transaction(s) entered/to be entered with related parties either individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Further, as per the provisions of Section 188 of the Companies Act, 2013 and the applicable Rules framed thereunder, any Related Party Transaction will require prior approval of shareholders through a resolution, if the aggregate value of transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year with the related party amounts to 10% or more of the turnover of the Company.

Though the related party transactions made or to be made by the company is covering under section 188 of the companies Act, 2013 are in ordinary course of business and also the transactions are not material pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, the board requested for shareholder's approval by passing Ordinary Resolution to follow better corporate governance practice.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with Chitrakoot Steel and Power Private Limited.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Chitrakoot Steel and Power Private Limited are as follows:

1. Name of the Related Party: Chitrakoot Steel and Power Private Limited
2. Name of the Director or KMP who is related: Mr. Sanjay Tulsyan (Director); Mr. Lalit Kumar Tulsyan (Director); and Mr. Sanjay Agarwalla (Director)
3. Nature of Relationship: Wholly Owned Subsidiary
4. Nature, material terms, monetary value and particulars of the contract or arrangement: Transactions for purchase of raw materials, sale of materials and availing of job work relating to manufacturing activity, any income or expenses, applicable taxes, if any, incurred in these connections, up to a maximum aggregate value of Rs. 300 Crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company.

5. Any other information relevant or important for the members to take a decision on the proposed resolution: Nil.

Except Mr. Sanjay Tulsyan; Mr. Sanjay Agarwalla and Mr. Lalit Kumar Tulsyan, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

Accordingly, the Board recommends the ordinary resolution as set out at Item No.5 of the Notice for approval by the shareholders.

Inspection of Documents: Relevant documents are available for inspection in the Company during business hours till the date of Annual General Meeting.

**Item No.6: To approve the Related Party Transactions with Tulsyan Smelters Private Limited.**

Tulsyan Smelters Private Limited is a Group Company of Tulsyan NEC Limited ("the Company") whose primary business is trading of Iron and Steel. Accordingly, transaction(s) to be entered into with Tulsyan Smelters Private Limited comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations.

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, All Material Related Party Transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Material Related Party Transaction means the transaction(s) entered/ to be entered with related parties either individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Further, as per the provisions of Section 188 of the Companies Act, 2013 and the applicable Rules framed thereunder, any Related Party Transaction will require prior approval of shareholders through a resolution, if the aggregate value of transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year with the related party amounts to 10% or more of the turnover of the Company.

Though the related party transactions made or to be made by the company is covering under section 188 of the companies Act, 2013 are in ordinary course of business and also the transactions are not material pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, the board requested for shareholder's approval by passing Ordinary Resolution

to follow better corporate governance practice.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with Tulsyan Smelters Private Limited.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Tulsyan Smelters Private Limited are as follows:

1. Name of the Related Party: Tulsyan Smelters Private Limited
2. Name of the Director or KMP who is related: Mr. Sanjay Tulsyan (Director) and Mr. Lalit Kumar Tulsyan (Director)
3. Nature of Relationship: Private Company in which directors are interested
4. Nature, material terms, monetary value and particulars of the contract or arrangement: Transactions for purchase / sale of Company Goods and Services, any income or expenses, applicable taxes, if any, incurred in these connections, up to a maximum aggregate value of Rs. 2200 Crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company.
5. Any other information relevant or important for the members to take a decision on the proposed resolution: Nil.

Except Mr. Sanjay Tulsyan and Mr. Lalit Kumar Tulsyan, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

Accordingly, the Board recommends the ordinary resolution as set out at Item No.6 of the Notice for approval by the shareholders.

Inspection of Documents: Relevant documents are available for inspection in the Company during business hours till the date of Annual General Meeting.

**By Order of the Board of Directors  
For Tulsyan NEC Limited**

**Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823**

**Place: Chennai**

**Date: 13-08-2021**

**Registered Office:**

**Apex Plaza, I Floor, New No.77,  
Old No.3, Nungambakkam High Road  
Chennai-600034, Tamil Nadu**



**Particulars of Directors seeking Re-appointment as required to be furnished under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

|   |   |                                   |                                     |
|---|---|-----------------------------------|-------------------------------------|
| <b>Name of the Director</b>   | Sanjay Tulsyan  |                                   |                                     |
| <b>Age</b>  | 57 Years  |                                   |                                     |
| <b>DIN</b>  | 00632802  |                                   |                                     |
| <b>Qualification</b>  | B.Com   |                                   |                                     |
| <b>Experience &amp; Nature of expertise in specific functional areas</b>                            | Business Management<br>Please refer Corporate Governance Report forming part of the Annual Report                       |                                   |                                     |
| <b>Terms &amp; Conditions of Re-appointment</b>   | Retirement by Rotation pursuant to Section 152(6) of the Companies Act, 2013  |                                   |                                     |
| <b>Details of remuneration sought to be paid and the remuneration last drawn by such person</b>     | 60,29,000   |                                   |                                     |
| <b>Date of first appointment on the Board</b>   | 01/10/1996  |                                   |                                     |
| <b>Shareholding in the Company</b>  | 4475481   |                                   |                                     |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b> | He is the younger brother of Mr. Lalit Kumar Tulsyan, Managing Director designated as Executive Chairman of the Company |                                   |                                     |
| <b>The number of Meetings of the Board attended during the year</b>                                 | 4   |                                   |                                     |
| <b>Other Directorships, Membership/ Chairmanship of Committees of other Boards</b>                  | <b>Other Directorship</b>   | <b>Other Committee Membership</b> | <b>Other Committee Chairmanship</b> |
|   | Tulsyan Smelters Private Limited  | -                                 | -                                   |
|   | Chitrakoot Steel and Power Private Limited  | -                                 | -                                   |
|   | Tulsyan Power Private Limited   | -                                 | -                                   |
|   | Color Peppers Media Private Limited   | -                                 | -                                   |

**Disclosure requirement u/r 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To re-appoint M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, as the Statutory Auditors of the Company and to fix their remuneration**

Terms and Conditions of re-appointment are as under:

|   |  |
|---|--|
| <b>Name and address of the Firm</b>   | M/s. CNGSN & Associates LLP<br>Chartered Accountants<br>No. 43, Old No. 22, Swathi Count,<br>Flat No. C & D Vijayaraghava Road,<br>T.Nagar, Chennai - 600017   |
| <b>Term of Appointment</b>  | 5 (five) consecutive Financial Years commencing from the conclusion of the 74th Annual General Meeting of the Company until the conclusion of the 79th Annual General Meeting of the Company.  |
| <b>Details of remuneration sought to be paid and the remuneration last drawn by such Auditors</b> | Remuneration Last Drawn: Rs. 4,00,000/- p.a. plus out of pocket expenses and applicable taxes<br><br>Remuneration Sought to be paid: Rs. 5,00,000/- p.a. plus out of pocket expenses and applicable taxes for auditing the books of accounts of the Company for the financial year 2021-22.<br><br>Remuneration for other respective Financial Years shall be according to nature and volume of work and as may be mutually decided between the Auditors and the Board of Directors of the Company.                  |
| <b>Basis of recommendation for appointment</b>  | The Board of Directors of the Company, on recommendation of the Audit Committee, has proposed to re-appoint M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, having LLP Identity Number: AAC-9402, having Firm ICAI Registration No: 004925S/S200036, as Statutory Auditors of the Company for a period of 5 (five) consecutive Financial Years commencing from the conclusion of the 74th Annual General Meeting of the Company until the conclusion of the 79th Annual General Meeting of the Company. |

**BOARD'S REPORT**

**Dear Members,**

Your Directors take immense pleasure in presenting 74th Board's Report of your Company along with the Balance Sheet, Statement of Profit and Loss and Statement of Cash Flow for the financial year ended March 31, 2021.

**FINANCIAL SUMMARY:**

The highlights of the financial results for the year are given below:

(Rs. In Lakhs)

| Particulars                                   | Standalone |             | Consolidated |             |
|---|------------|-------------|--------------|-------------|
|   | FY 2021    | FY 2020     | FY 2021      | FY 2020     |
| Total Revenue                                 | 56,664.92  | 73,664.53   | 62,246.11    | 75,095.22   |
| Total Expenses                                | 77,280.10  | 96,268.99   | 82,765.24    | 97,133.94   |
| Profit before tax including exceptional items | (922.05)   | (22,604.46) | (826.00)     | (22,038.72) |
| Tax Expenses                                  |            |             |              |             |
| Current Tax                                   | -          | -           | -            | -           |
| Deferred Tax                                  | 0.00       | 0.00        | (330.36)     | (117.83)    |
| Profit After tax                              | (922.05)   | (22,604.46) | (1,156.36)   | (21,920.89) |
| Proposed Dividend and tax thereon             | -          | -           | -            | -           |
| Transfer to General Reserve                   | -          | -           | -            | -           |
| Earnings per share                            |            |             |              |             |
| Basic   | (6.27)     | (153.63)    | (7.86)       | (148.98)    |
| Diluted                                       | (6.27)     | (153.63)    | (7.86)       | (148.98)    |

**RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:**

For most of FY 2020-21, the global steel industry faced a number of challenges, and the impact of the slowing economy was felt in the global steel sector mainly due to COVID-19 outbreak in early 2020 brought global economic activities to a near standstill as nationwide lockdowns and social distancing norms were imposed to contain the spread in the affected countries.

Due to this, during the year under review, the turnover of the Company decreased from Rs.73,664.54 lakhs to Rs. 56,664.92 which is 23 % decline compared to the turnover of the previous year and the Loss after tax decreased from Rs.22604.46 lakhs to Rs.922.05 lakhs. The reduction in losses was on account of not providing interest on the term loans and working capital from one of the Major lender with whom the company entered into a compromise settlement (post balance sheet date) wherein entire outstanding interest was waived. Therefore, interest on the dues of the bank relating to year 2020-21 was not provided which resulted reduction in the financial charges.

Indian economy suffered severely from an extended period of severe lockdown, which brought most industrial and construction activities to a standstill. Your company was no exception to the lockdown and the steel and power unit remained closed for over 45 days due to lockdown. Post ease of lockdown, the recovery of the economy was slow and so was the company's performance. The performance for the first 2 quarters was EBIDTA negative and recovery was seen in the third quarter and the performance reached near normalcy in the fourth quarter.

The economy has been recovering strongly since August, much sharper than expected, with the resumption of government projects and pent-up consumption demand. India's steel demand fell by 13.7% in 2020 but is expected to rebound by 19.8% to exceed the 2019 level in 2021. The growth-oriented government agenda will drive India's steel demand up, while private investment will take longer to recover. (source Worldsteel.org). The future of steel remains good and promising.

Some of the other recent Government initiatives in this sector are as follows:

- Under the Union Budget 2020-21, the government allocated Rs. 39.25 crore (US\$ 5.4 million) to the Ministry of Steel.
- In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India-Japan Steel Dialogue.
- In December 2020, the Minister for Petroleum & Natural Gas and Steel, Mr. Dharmendra Pradhan, has appealed to the scientific community to Innovate for India (I4I) and create competitive advantages to make India 'Aatmanirbhar'.
- In September 2020, the Ministry of Steel prepared a draft framework policy for development of steel clusters in the country.
- On October 1, 2020, Directorate General of Foreign Trade (DGFT) announced that steel manufacturers in the country can avail duty drawback benefits on steel supplied through their service centres, distributors, dealers and stock yards.
- Government introduced Steel Scrap Recycling Policy to reduce import.
- An export duty of 30% has been levied on iron ore ^ (lumps and fines) to ensure supply to domestic steel industry.
- Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intend to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

Future outlook of the Steel sector looks good and your company's steel operations are expected to gain from the sectoral reforms and positive developments in the sector.

The power plant operation of the Company was also slightly impacted by closure of the unit due to lockdown during the year. The power unit was closed due to COVID lockdown imposed for about 45 days. The power generation of the Company reduced from 440.15 Million KWH to 357.27 Million KWH in the FY 2020-21.

The performance of the power operations currently depend on the volatility of international coal prices which currently ruling very high impacting margins. However, the silver lining is improved demand for power throughout the country which is expected to improve the demand and thus the prices. Further, Government initiatives on the power sector reforms is likely to improve the position better.

The Synthetic Division also showed decline in turnover due to Lockdown and covid related effects on the business. The turnover from the division fell by 11% which is attributed to the lockdown impacts. However the future looks to be good at present as the demand and prices seem to improve post lockdown recovery.

#### **PERSONNEL & INDUSTRIAL RELATIONS:**

Overall, the industrial relations in all our manufacturing units are harmonious and cordial in nature. Your Company strictly believes that maintaining cordial industrial relations is the key to progress of the firm, individuals, management, industry and nation.

#### **CHANGE IN THE NATURE OF BUSINESS:**

No changes took place in the nature of business of the company during the financial year under review.

#### **MATERIAL CHANGES AND COMMITMENTS:**

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

#### **DIVIDEND:**

The Company has incurred loss during the year under review and hence the Directors have not recommended any payment as dividend to its shareholders.

### **TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF:**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all dividends which remains unpaid or unclaimed for a period of seven years from the date of their transfer to the unpaid dividend account are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Central Government. Further, as per IEPF Rules, the shares on which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

The shareholders may note that there are no further unpaid or unclaimed dividend amounts/shares left with the Company for transfer to the IEPF Authority.

### **SHARE CAPITAL:**

The detailed capital structure of the Company as on 31-3-2021 is as follows:

- a. Authorized Share Capital:** The Authorized Share Capital of the Company is Rs. 36,00,00,000/- (Rupees Thirty Six Crores only) divided into 1,60,00,000 Equity Shares of Rs. 10/- each and 2,00,00,000 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- each.
- b. Issued and Subscribed Share Capital:** The Issued & Subscribed Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity Shares of Rs. 10/- each.
- c. Paid-up Share Capital:** The Paid-up Share Capital of the Company is Rs. 23,55,68,497/- (Rupees Twenty Three Crores Fifty Five Lakhs Sixty Eight Thousand Four Hundred and Ninety Seven only) divided into 1,45,06,790 Equity Shares of Rs. 10/- each, 1,96,989 Equity Shares of Rs. 6/- each (Partly Paid-up), 2,96,221 Equity Shares of Rs. 3/- each (Partly paid-up) and 88,43,000 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- each.

### **TRANSFER TO RESERVES:**

Your Company proposes not to transfer any sum to Reserves of the Company.

### **DEPOSITS:**

During the year under review, the Company did not raise any funds which could be classified within the ambit of the term "Deposits" under Section 73 of the Companies Act, 2013 read with the Companies

(Acceptance of Deposits) Rules, 2014 and Circulars as amended from time to time.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Details of Loans, Guarantees and Investments pursuant to the provisions of Section 186 of the Companies Act, 2013, for the financial year under review, are disclosed under the notes to Financial Statements forming part of this Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:**

Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, have been amended substantially with effect from 22 January 2021.

In terms of the provisions of the Act read with amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities in the format prescribed under Annexure II of the said Rules is annexed to this Report as 'Annexure-A'.

In line with the said amendments, the Board, at its meeting held on August 13, 2021, amended the existing policy. The policy including the composition of the CSR committee is uploaded on the Company's website at [www.tulsyanec.in](http://www.tulsyanec.in).

During the last three financial years, the Company's average net Profit after tax on Standalone basis is negative and hence the Company is not required to spend any amount on CSR activities. However, being a responsible citizen, your Company had spent an amount of Rs. 3,88,031 towards supply of foods during lockdown.

### **RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. The Board and the Audit Committee periodically undertake a review of the major risks affecting the Company's business and suggests steps to be taken to control and mitigate the same.

### **WHISTLE BLOWER POLICY / VIGIL MECHANISM:**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the rules prescribed thereunder and the SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the

Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website at [www.tulsyanec.in](http://www.tulsyanec.in) and can be accessed therein.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In terms of provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as Listing Regulations) the Management Discussion and Analysis Report for the financial year ended March 31, 2021 is given under separate section and forming part of this Annual Report.

### **CORPORATE GOVERNANCE REPORT:**

Your Company is committed to maintain the highest standards of corporate governance. We believe in adherence to good corporate practices, implement policies and guidelines and develop a culture of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters to enhance and retain investor trust, long-term shareholder value and respect minority rights in all our business decisions.

In accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the financial year ended March 31, 2021 along with the requisite certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI Listing Regulations is given under separate section and forming part of this Annual Report.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES AND JUSTIFICATION FOR THE SAME:**

None of the transactions with the related parties (RPTs) were in conflict with the Company's interest. The Company's major related party transactions are generally with its subsidiary / group companies. There is no 'material' RPTs as defined under regulation 23 of SEBI Listing Regulations, 2015. During the year under review, the contracts or arrangements with related parties referred to under section 188 of Companies Act, 2013 were in the ordinary course of business of the Company.

Accordingly, the particulars of the transactions as prescribed in **Form AOC - 2** pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed to this Report as '**Annexure-B**'.

Pursuant to regulation 23 of SEBI Listing Regulations, 2015 and Sections 177 and 188 of the Companies Act, 2013 read with the rules made thereunder, the Board, upon recommendation of the Audit Committee, at its meeting held on August 13, 2021, approved and increased the existing limit of RPTs with Chitrakoot Steel and Power Private Limited (Wholly Owned Subsidiary) and Tulsyan Smelters Private Limited (Group company) subject to approval of the shareholders at the ensuing 74th AGM of the Company. Therefore, the Board recommends the same for approval by shareholders at the ensuing 74th AGM of the Company.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information as required to be given under section 134(3)(m) read with rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this Report as '**Annexure-C**'.

### **PARTICULARS OF DIRECTORS AND EMPLOYEES:**

The details as required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors and Employees of the Company is annexed to this Report as '**Annexure-D**'.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**a. Change in Board Constitution**

During the year following changes were occurred in the Composition of the Board of Directors-

- (i) Mr. Somasundaram Ponsing Mohan Ram (DIN: 08883633) was appointed as an Additional Director (Non-Executive and Independent) of the Company w.e.f. September 19, 2020 by way of passing of a Circular Resolution by the Board of Directors of the Company upon recommendation of the Nomination and Remuneration Committee and thereafter his appointment was regularised as an Independent Director at the 73rd AGM of the Company for a period of 5 consecutive years.
- (ii) At the 73rd AGM held on October 22, 2020,
  - Mrs. Antonisamy Axilium Jayamary (DIN: 07410090), who was appointed as an Additional Director (Women, Non-Executive & Independent) of the Company with effect from September 27, 2019 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company, was re-appointed as Non-Executive Independent Woman Director of the Company to hold the office as such for a second term of up to 5 (five) consecutive years with effect from September 27, 2019 and is not liable to retire by rotation.
  - Mr. Somasundaram Ponsing Mohan Ram (DIN: 08883633) was appointed as Non-executive Independent Director of the Company to hold the office as such for a term of up to 5 (five) consecutive years with effect from September 19, 2020 and is not liable to retire by rotation;

- Mr. Lalit Kumar Tulsyan (DIN: 00632823), Managing Director designated as “Executive Chairman” of the Company, who was retired from his office by rotation, being longest in the office among the directors liable to retire by rotation, was re-appointed as a Director of the Company and is liable to retire by rotation.

**b. Retirement by Rotation**

Independent directors hold office for a fixed term not exceeding five years from the date of their appointment / re-appointment and are not liable to retire by rotation.

The Act, mandates that at least two-third of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Mr. Sanjay Tulsyan (DIN: 00632802), Managing Director, being longest in the office among the directors liable to retire by rotation, retire from the Board this year and, being eligible, have offered themselves for re-appointment at the ensuing 74th AGM of the Company.

Brief details of Mr. Sanjay Tulsyan are given in the notice of the 74th AGM which forms part of this report.

There was no other change in the directors and key managerial personnel of the Company during the year under review since the last report.

**c. Policy for Remuneration to Directors, KMP & Other Senior Management Personnel**

The Company’s current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management.

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfils such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act, Listing Regulations or other applicable laws. The Board has, on recommendation of the Nomination and Remuneration Committee framed a policy on the remuneration of Directors, Key Managerial Personnel and other Employees as required under sub-section (3) of Section 178 of the Companies Act, 2013. The policy of the Company on director’s

appointment and remuneration is uploaded on the Company's website and available at-

<http://tulsyanec.in/pdf/policy%20for%20Remuneration%20to%20Directors%20and%20KMP.pdf>

**d. Declaration by Independent Directors**

The independent directors have submitted their declaration of independence, as required under section 149(7) of the Act stating that they meet the criteria of independence as provided in section 149(6) of the Act, as amended and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015'), as amended. The independent directors have also confirmed compliance with the provisions of the rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

**e. Familiarization Programme for Independent Directors**

The Company has adopted policy of Familiarization Programme for Independent Directors.

**f. Formal Annual Evaluation of the Performance of the Board, its Committees, Chairperson and Individual Directors**

Information on the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its Committees, Chairperson and Individual Directors is given in the Corporate Governance Report which forms part of this Annual Report.

**NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEE HELD DURING THE YEAR:**

During the year, the Board met four times. Detailed information regarding the meetings of the Board and its committees are included in the report on Corporate Governance, which forms part of this Annual Report.

**DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:**

The Company doesn't have any Joint Venture and Associate Companies. Further, pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of Subsidiaries in the prescribed **Form AOC-1** is annexed to this Report as '**Annexure-E**'. The statement also provides the details

of the performance of the Subsidiary Companies, financial positions of each of the subsidiaries and their contribution to the overall performance of the Company during the period under report.

**EXTRACT OF ANNUAL RETURN:**

An Extract of annual return in **Form MGT-9** as per the provisions of Section 134(3)(a) and 92(3) of the Companies Act, 2013, is available on the website of the Company at [www.tulsyanec.in](http://www.tulsyanec.in).

**SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in future.

**INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:**

The Company has a well-placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

The Board of Directors has appointed M/s. Sunil Ahuja and Associates, Chartered Accountants, as the Internal Auditors of the Company. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment.

**AUDITORS:**

**a. Statutory Auditors & their Report**

Pursuant to provisions of Section 139 of the Act, the members at the 70th AGM of the Company held on 20 July 2017 appointed M/s. CNGSN & Associates LLP (LLP Identity Number: AAC-9402 and Firm ICAI Registration No: 004925S/S200036), Chartered Accountants, Chennai, as Statutory Auditors of the Company from the conclusion of 70th AGM till the conclusion of 74th AGM of the



Company, covering one term of four consecutive years.

The Statutory Auditors, being eligible, have offered themselves for re-appointment as the statutory auditors of the company for another term of 5 consecutive years and have also confirmed that they are not disqualified from continuing as auditors of the Company. Since the re-appointment of the Statutory Auditors is required to be approved by the members at AGM, the Board recommends the same for approval by members at the ensuing 74th AGM of the Company.

The statutory audit report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark or disclaimer made by the statutory auditors.

**b. Reporting Of Frauds By Auditors**

During the year under review, there were no frauds reported by the auditors to the audit committee or the Board under section 143(12) of the Act.

**c. Cost Auditors**

The Cost Records of the Company are maintained in accordance with the provisions of Section 148(1) of the Act as specified by the Central Government. The Cost Audit Report, for the financial year ended March 31, 2021, shall be filed with the Central Government within the prescribed time. The Board, on recommendation of the Audit Committee, had appointed Messrs Murthy & Co. LLP, Cost Accountants (Firm Registration Number S200001) as the Cost Auditors to conduct the audit of Company's cost records for the financial year

ending on March 31, 2022. The Cost Auditors have confirmed that their appointment is within the limits of Section 141(3) (g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors for FY 2021-22 is required to be ratified by the members, the Board recommends the same for approval by members at the ensuing 74th AGM of the Company.

**d. Secretarial Auditors**

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s. M. Damodaran & Associates, LLP, Company Secretaries in Practice, Chennai, to conduct the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended on March 31, 2021 issued by Mr. M. Damodaran (M. No. 5837, CP No. 5081), Managing Partner at M/s. M. Damodaran & Associates, LLP, in the prescribed **Form MR-3** is annexed to this Report as '**Annexure-F**'.

The Secretarial Audit Report contains following observations as mentioned below:

| Sl. No. | Observations by Secretarial Auditors  | Management's Reply   |
|---------|---|--|
| 1.      | The Company has complied the regulations 17(1) (a), 17(1) (b), 17(2), 18(2) and 33(3) (d) of SEBI LODR with deviations. | <p>Due to ongoing COVID-19 pandemic,</p> <ul style="list-style-type: none"> <li>- management put their best efforts for appointment of Independent Director in order to comply with the regulations 17 and 18 respectively.</li> <li>- The Company had requested the regulatory for grant of extension of time till September 15, 2020 for submission of the financial results for the quarter and year ended March, 31, 2020.</li> </ul> <p>The delay was unintentional and later it was complied with.</p> |

In addition to the above and pursuant to SEBI circular no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Company has submitted the Annual Secretarial Compliance Report for the financial year ended March 31, 2021, issued by Mr. M. Damodaran (M. No. 5837, CP No. 5081), Managing Partner at M/s. M. Damodaran & Associates, LLP, Practicing Company Secretaries, Chennai, with the stock exchange where shares of the Company are listed.

#### **SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)**

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA Circulars granting exemptions in view of the Covid-19 pandemic.

#### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted an Internal Complaints Committee to prevent and prohibit any form of sexual harassment at workplace and provide redressal for woman employees as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No cases were reported during the year under review under the said policy.

#### **LISTING ON STOCK EXCHANGES:**

Our Company's shares are suspended from trading w.e.f. November 29, 2016 due to the penal reasons. All penalties has been paid to the BSE for delay in submission of financial results and all the revocation norms has been complied with by the Company.

During the year under review, the Company has filed an application, for revocation of Suspension, with the BSE and the Management is putting best efforts to uplift the suspension at earliest.

#### **GREEN INITIATIVES:**

We request all the shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and the Company's continuance towards greener environment by enabling the service of the Annual Report, AGM Notice and other documents electronically to your email address registered with your Depository Participant/ Registrar and Share Transfer Agent.

We also request all the investors whose email id is not registered to take necessary steps to register their email id with the Depository Participant/ Registrar and Share Transfer Agent.

#### **APPRECIATION:**

We place on record our appreciation for the committed services by every member of the Tulsyan family whose contribution was significant to the growth and success of the Company. We would like to thank all our shareholders, customers, suppliers, investors, bankers, financial institutions and other business associates, executives, staffs and workers at all levels for their continued support and encouragement during the year.

We also thank the Government of India and Government of Tamil Nadu, Ministry of Corporate Affairs, Central Board of Indirect Taxes and Customs, Income Tax Department, and all other regulatory agencies for their assistance and co-operation during the year and look forward to their continued support in the future.

**By Order of the Board of Directors  
For Tulsyan NEC Limited  
Sd/-**

**Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823**

**Place: Chennai  
Date: 13-08-2021**

**Registered Office:  
Apex Plaza, I Floor, New No.77,  
Old No.3, Nungambakkam High Road  
Chennai-600034**

Annexure A to the Board's Report

**ANNUAL REPORT ON CSR ACTIVITIES**

*[Information disclosed pursuant to Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]*

1. Brief outline on CSR Policy of the Company: Tulsyan NEC Limited has adopted a CSR Policy as a strategic tool for sustainable growth. For Tulsyan NEC Limited, CSR means not only investment of funds for social activity and relief to the under-privileged sections of the society but also integration of Business processes with social processes.

Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 are amended substantially with effect from 22 January 2021. Accordingly, the CSR Policy which was framed by the Company on June 30, 2014 has got amended on August 13, 2021, with approvals of the CSR Committee and the Board of Directors. The Policy, inter alia, covers the Guiding Principles for selection, implementation and monitoring of activities as well as formulation of Annual Action Plan.

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director            | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-----------------------------|--------------------------------------|--|--|
| 1.      | Sanjay Agarwalla            | Chairman                             | 0  | 0  |
| 2.      | Manogyanathan Parthasarathy | Member                               | 0  | 0  |
| 3.      | Antonisamy Axilium Jayamary | Member                               | 0  | 0  |

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:  
[www.tulsyanec.in/wp-content/uploads/2021/08/24.-Revised-Policy-of-CSR-Annexure-13.pdf](http://www.tulsyanec.in/wp-content/uploads/2021/08/24.-Revised-Policy-of-CSR-Annexure-13.pdf)  
[www.tulsyanec.in/investors](http://www.tulsyanec.in/investors)
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable
6. Average net profit of the company as per section 135(5): The Company has incurred losses in the last three consecutive financial years.
7. (a) Two percent of average net profit of the company as per section 135(5): Nil  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b- 7c): Nil
8. (a) CSR amount spent or unspent for the financial year: Nil  
 (b) Details of CSR amount spent against ongoing projects for the financial year: Nil  
 (c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil  
 (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable



- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil
- (g) Excess amount for set off, if any: Nil
9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil
- (a) Date of creation or acquisition of the capital asset(s): Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

**Sd/-**  
**(Managing Director)**

**Sd/-**  
**(Chairman of CSR Committee)**

**Place: Chennai**  
**Date: 13-08-2021**

**Annexure B to the Board's Report**

**Form AOC-2**

*[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of contracts or arrangements or transactions at arm's length basis:

| Sl. No. | Particulars  | Details  |
|---------|--|--|
| a)      | Name (s) of the related party & nature of relationship                                     | <b>Tulsyan Smelters Private Limited</b> – Common Directors   |
|         |  | <b>Chitrakoot Steel and Power Private Limited</b> – Subsidiary Company   |
| b)      | Nature of contracts/arrangements/transactions  | <b>Tulsyan Smelters Private Limited</b> – Purchase / Sale of Company Goods and Services  |
|         |  | <b>Chitrakoot Steel and Power Private Limited</b> – Purchase of Raw materials, sale of materials and availing of job work relating to manufacturing activity |
| c)      | Duration of the contracts/arrangements/ transactions                                       | <b>Tulsyan Smelters Private Limited</b> - From 01-04-2019 to 31-03-2022 (for three years)  |
|         |  | <b>Chitrakoot Steel and Power Private Limited</b> - From 08-08-2018 to conclusion of the 74th AGM  |
| d)      | Salient terms of the contracts or arrangements or transactions including the value, if any | <b>Tulsyan Smelters Private Limited</b> - Contract value not exceeding Rs.1800 Crores in aggregate   |
|         |  | <b>Chitrakoot Steel and Power Private Limited</b> - Contract value not exceeding Rs. 250 Crores in aggregate   |
| e)      | Justification for entering into such contracts or arrangements or transactions             | Best interest of the Company and shareholders  |



| SI. No. | Particulars  | Details  |
|---------|--|--|
| f)      | Date of approval by the Board  | <b>Tulsyan Smelters Private Limited</b> - 13th February, 2019                        |
|         |  | <b>Chitrakoot Steel and Power Private Limited</b> - 14th August, 2018                |
| g)      | Amount paid as advances, if any  | Nil  |
| h)      | Date on which the Special / Ordinary resolution was passed in General meeting as required under first proviso to section 188 | <b>Tulsyan Smelters Private Limited</b> – 27 <sup>th</sup> March, 2019               |
|         |  | <b>Chitrakoot Steel and Power Private Limited</b> - 28 <sup>th</sup> September, 2016 |

By Order of the Board of Directors  
For Tulsyan NEC Limited

Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823

Place: Chennai  
Date: 13-08-2021

Annexure C to the Board's Report

Information disclosed pursuant to Section 134(3) (m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014

**(A) CONSERVATION OF ENERGY:**

**(I) The Steps taken or impact on conservation of energy:**

The Company engages outside professional / Consultants for conservation of energy from time to time and implementing their recommendations and observations. The Consultants use thermography and other technologies to monitor the health of electrical systems and their consumption pattern and arrest energy losses and optimize the energy utilization from time to time.

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

The company produced 324378648 units of energy during the financial year 2020-2021.

**(III) The Capital investment on energy conservation equipments:**

There is no capital investment during the financial year 2020-2021.

**(B) TECHNOLOGY ABSORPTION**

**(I) The efforts made towards technology absorption:** Not Applicable

**(II) The benefits derived like product improvement, cost reduction, product development or import substitution:** Not Applicable

**(III) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Not Applicable

- a. The details of technology imported;
- b. The year of import;
- c. Whether the technology been fully absorbed;
- d. If not fully absorbed, area where absorption has not taken place, and the reasons thereof, and

**(IV) The expenditure incurred on Research and Development:** Not Applicable

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of Foreign Exchange earned in terms of actual inflows during the year and the details of Foreign Exchange outgo during the year in terms of actual outflows are given in the Notes to Accounts of the financial statements.

By Order of the Board of Directors  
For Tulsyan NEC Limited

Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823

Place: Chennai  
Date: 13-08-2021

**Annexure D to the Board's Report**

**Information disclosed pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- 1) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2020-21:**

| <b>Name</b>                    | <b>Designation</b>                 | <b>Ratio</b> |
|--------------------------------|------------------------------------|--------------|
| Lalit Kumar Tulsiyan           | Chairman                           | No change    |
| Sanjay Tulsiyan                | Managing Director                  | No change    |
| Sanjay Agarwalla               | Whole-time Director                | No change    |
| Manogyanathan Parthasarathy    | Non-Executive Independent Director | N/A          |
| Antonisamy Axilium Jayamary    | Non-Executive Independent Director | N/A          |
| Somasundaram Ponsing Mohan Ram | Non-Executive Independent Director | N/A          |

For this purpose, sitting fees paid to Non-Executive Directors have not been considered as remuneration. Further, median is calculated at the Cost to the Company (CTC) of payroll employees as on March 31, 2021.

- 2) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21:**

| <b>Sl. No.</b> | <b>Name of Directors / KMPs and their designation</b> | <b>Remuneration to Directors / KMP for the financial year 2019-20</b> | <b>% increase in Remuneration for the Financial year 2019-2020</b> | <b>Remuneration to Directors / KMP for the financial year 2020-21</b> |
|----------------|---|---|--|---|
| 1              | Lalit Kumar Tulsiyan (Executive Chairman)             | 60,78,000   | NIL  | 57,03,000   |
| 2              | Sanjay Tulsiyan (Managing Director)                   | 60,29,000   | NIL  | 60,29,000   |
| 3              | Sanjay Agarwalla (Whole-time Director)                | 39,29,000   | NIL  | 39,29,000   |
| 4              | Shantha Kumar Rajagopal Iyer Pra (CFO)                | 32,44,000   | NIL  | 30,07,000   |
| 5              | Parvati Soni (CS & Compliance Officer)                | 7,61,040  | -  | 6,93,600  |

- 3) The Percentage increase in the median remuneration of employees in the financial year 2020-21:** 4.00 %
- 4) Number of permanent employees on the rolls of Company:** 556
- 5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Negative%
- 6) The key parameters for any variable component of remuneration availed by the directors:** Nil
- 7) Affirmation that the remuneration is as per the remuneration policy of the company:** It is affirmed that the remuneration is as per the remuneration policy of the Company.



**PARTICULARS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN**

**Information disclosed pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2021**

| Sl. No. | Name of the Employee | Designation of the Employee       | Remuneration Received (in Rs.) | Nature of Employment | Qualifications and Experience of the Employee | Date of Commencement of Employment | Date of Cessation of Employment (if any) | Age of the Employee | The last employment held by such employee before joining the company | % of equity shares held by the employee in the Company | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|----------------------|-----------------------------------|--------------------------------|----------------------|---|------------------------------------|--|---------------------|--|--|---|
| 1       | Lalit Kumar Tulsyan  | Executive Chairman                | 57,03,000                      | Permanent            | B.Com   | 12-07-1986                         | N.A.                                     | 61                  | NA   | 26.98  | Sanjay Tulsyan  |
| 2       | Sanjay Tulsyan       | Managing Director                 | 60,29,000                      | Permanent            | B.Com   | 01-10-1986                         | N.A.                                     | 57                  | NA   | 29.84  | Lalit Kumar Tulsyan   |
| 3       | Sanjay Agarwalla     | Whole-time Director               | 39,29,000                      | Permanent            | B.Com   | 12-07-2011                         | N.A.                                     | 58                  | NA   | 0.09   | -   |
| 4       | Shantha Kumar R. P.  | CFO                               | 30,07,000                      | Permanent            | CA & LLB                                      | 21-04-2015                         | N.A.                                     | 59                  | Heisoff Helicopter Training (P) Ltd                                  | 0  | -   |
| 5       | Jeyakumar Babu A     | CGM (Power Plant)                 | 26,12,328                      | Permanent            | Diploma EEE                                   | 01-05-2010                         | N.A.                                     | 50                  | Drolia Electro Steel (P) Ltd   | 0  | -   |
| 6       | Onkarappa V.N.       | Vice President (Furnace Division) | 24,07,736                      | Permanent            | Diploma Metallurgical                         | 01-07-2014                         | N.A.                                     | 53                  | Novel Tech   | 0  | -   |
| 7       | Eswaramoorthy        | GM                                | 23,00,604                      | Permanent            | M.Com & PGDPM                                 | 03-10-2012                         | N.A.                                     | 62                  | OPG Power Generation (P) Ltd   | 0  | -   |
| 8       | Dinesh Goyal         | CEO                               | 22,56,339                      | Permanent            | Commerce Graduate                             | 21-06-2008                         | N.A.                                     | 63                  | Not Applicable   | 0  | -   |
| 9       | BirBahadur Singh     | Vice President (Rolling Division) | 20,04,040                      | Permanent            | B.Sc. (Physics)                               | 01-09-2009                         | N.A.                                     | 52                  | Mid India Power & Steels Ltd   | 0  | -   |
| 10      | Chandrasekaran S     | Chief General Manager – Marketing | 18,14,000                      | Permanent            | M.A. (Psychology)                             | 01-04-1986                         | N.A.                                     | 66                  | NA   | 0.01   | NA  |

**By Order of the Board of Directors**  
For Tulsyan NEC Limited

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN: 00632823

**Place: Chennai**  
**Date: 13-08-2021**

**Annexure E to the Board's Report**

**Form AOC-1**  
*[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]*  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
**Part "A" Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rupees)

| Sl. No. | Particulars  | As on March 31, 2021                        | As on March 31, 2021                |
|---------|--|---|-------------------------------------|
| 1       | Number of Subsidiary   | One   | Two                                 |
| 2       | Name of the Subsidiary   | Chittrakoot Steel and Power Private Limited | Color Peppers Media Private Limited |
| 3       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                  | Not Applicable                              | Not Applicable                      |
| 4       | Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries. | Not Applicable                              | Not Applicable                      |
| 5       | Share Capital  | 6,48,92,000                                 | 5,00,000                            |
| 6       | Reserve and Surplus  | (22,76,66,660)                              | (1,52,16,253.81)                    |
| 7       | Total assets   | 31,12,89,030                                | 43,52,856.19                        |
| 8       | Total Liabilities  | 31,12,89,030                                | 43,52,856.19                        |
| 9       | Investments  | 2,500                                       | -                                   |
| 10      | Turnover   | 70,55,52,368                                | -                                   |
| 11      | Profit / (Loss) before taxation  | 1,03,92,257                                 | (7,89,753.00)                       |
| 12      | Provision for taxation   | 3,30,36,005                                 | -                                   |
| 13      | Profit / (Loss) after taxation   | (2,26,43,749)                               | (7,89,753.00)                       |
| 14      | Proposed dividend  | NIL   | NIL                                 |
| 15      | Extent of shareholding (in percentage)   | 100   | 100                                 |

**Notes:**

- Names of the Subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**Part "B" Associates and Joint Ventures: Not Applicable**

For and on behalf of the board  
For Tulsyan NEC Limited

Sd/-  
Sanjay Tulsyan  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer  
Place : Chennai  
Date : 13-08-2021

Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN : 00632823

Sd/-  
Parvati Soni  
Company Secretary & Compliance Officer

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
(FRN No. 004915S/ S200036)

Sd/-  
K. Parthasarathy  
Partner  
M.No. 018394



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2021**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule  
No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**TULSYAN NEC LIMITED**  
CIN - L28920TN1947PLC007437  
1st Floor, Apex Plaza, Old No.3,  
New No.77, Nungambakkam High Road,  
Chennai – 600 034.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries, Chennai have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. TULSYAN NEC LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification and scrutiny of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31.03.2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. TULSYAN NEC LIMITED** ("the Company") for the financial year ended on **31.03.2021** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable Regulations/Clauses of the following:

- (i) The Listing Agreement entered into by the Company with BSE Limited under the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
- (ii) Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) – for General Meeting issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. The Company has complied the regulations 17(1) (a), 17(1) (b), 17(2), 18(2) and 33(3) (d) of SEBI LODR with deviations.

**I further report that**

The Board of Directors of the Company is constituted with Executive Directors and Non-Executive cum Independent Directors. The changes in the composition of the Board of Directors was took place during the period under review.

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

The proposals and decisions are generally approved by the Board members unanimously and proceedings are recorded in the Minutes within the statutory time period and recorded as part of the minutes.

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

**I further report that** there was no specific or major event in the company during the audit period.

**Place: Chennai**  
**Date: 13-08-2021**

For **M DAMODARAN & ASSOCIATES LLP**

**Sd/-**  
**M. DAMODARAN**  
**Managing Partner**  
**Membership No.: 5837**  
**COP. No.: 5081**  
**ICSI UDIN No.: F005837C000777113**

*(This report is to be read with my letter of even date which is annexed as **Annexure 1** and forms an integral part of this report)*



To,  
The Members,  
**TULSYAN NEC LIMITED**  
CIN - L28920TN1947PLC007437  
1st Floor, Apex Plaza, Old No.3,  
New No.77, Nungambakkam High Road,  
Chennai – 600 034

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. I have conducted online verification & examination of records, as facilitated by the Company, due to COVID 19 and subsequent lockdown situation for the purpose of issuing this Report.

**Place: Chennai**  
**Date: 13-08-2021**

For **M DAMODARAN & ASSOCIATES LLP**

**Sd/-**  
**M. DAMODARAN**  
**Managing Partner**  
**Membership No.: 5837**  
**COP. No.: 5081**  
**ICSI UDIN No.: F005837C000777113**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company's products are TMT Bars, Sponge Iron, Billets and Ingots in the steel division and in synthetic division it is PP Woven Sacks, FIBC and Woven 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, etc.

The raw materials for Steel Making are M.S. Scrap, Sponge Iron 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 is continuously making efforts for reducing the cost of production to sustain its margins.

#### STEEL INDUSTRY

##### Global Scenario

- In CY 2019, the world crude steel production reached 1869 million tonnes (MT) and showed a growth of 3% over CY 2018.
- China remained world's largest crude steel producer in 2019 (996 MT) followed by India (111 MT), Japan (99 MT) and the USA (88 MT), based on rankings released by the World Steel Association.
- Per capita finished steel consumption in 2019 was 229.3 kg for world and 663 kg for China. The same for India was 74.3 kg in 2019 (Source: JPC). The per capita consumption of total finished steel in India during 2019-20 was 74.7 kg (Source: JPC).

*Note: World Steel Association report, Data Provisional.*

##### Domestic Scenario

- The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during 2018 and 2019, from its 3rd largest status in 2017. The country was also the largest producer of Sponge Iron or DRI in the world and the 2nd largest finished steel consumer in the world after China & USA in 2019, based on rankings released by the World Steel Association.
- In a de-regulated, liberalized economic/market scenario like India the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement.

##### Production

- Steel industry was de-licensed and de-controlled in 1991 & 1992 respectively.
- India was the 2nd largest producer of crude steel in the world in 2019.
- In 2019-20, production of total finished steel (alloy/stainless + non alloy) was 102.62 million tonnes (MT).
- Production of Pig Iron in 2019-20 was 5.42 MT, a decline of 15.5% over last year.
- India was the largest producer of Sponge Iron in the world in 2019. The coal-based route accounted for 82% of total Sponge Iron production (37.10 MT) in the country in 2019-20.

- Data on production of Pig Iron, Sponge Iron and Total Finished Steel (alloy/stainless + non-alloy) are given below for last five years:

| Category                    | 2015-16      | 2016-17       | 2017-18       | 2018-19       | 2019-20       |
|-----------------------------|--------------|---------------|---------------|---------------|---------------|
| Pig Iron                    | 10.24        | 10.34         | 5.73          | 6.41          | 5.42          |
| Sponge Iron                 | 22.43        | 28.76         | 30.51         | 34.71         | 37.1          |
| <b>Total Finished Steel</b> | <b>106.6</b> | <b>120.14</b> | <b>126.85</b> | <b>101.29</b> | <b>102.62</b> |

#### Demand - Availability

- Industry dynamics including demand – availability of iron and steel in the country are largely determined by market forces and gaps in demand- availability are met mostly through imports.
- Interface with consumers exists by way of meeting of the Steel Consumers' Council, which is conducted on regular basis.
- Interface helps in redressing availability problems, complaints related to quality.

#### Steel Prices

- Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.
- As a facilitator, the Government monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment. Currently, GST of 18% is applicable on steel and there is no export duty on steel items.
- A Steel Price Monitoring Committee has been constituted by the Government with the aim to monitor price rationalization, analyze price fluctuations and advise all concerned regarding any irrational price behaviour of steel commodity.
- To avoid any distortion in prices in view of ad-hoc and rising imports, the Government had taken several steps including raising import duty and imposed a gamut of measures including anti-dumping and safeguard duties on a host of applicable iron and steel items. In a further move to curb steel imports, the Indian government banned the production and sale of steel products that does not meet Bureau of Indian Standard (BIS) approval and to check the sale of defective and sub-standard stainless steel products used for making utensils and various kitchen appliances, it issued the Stainless Steel (Quality Control) Order, 2016 for products used in making utensils and kitchen appliances, that will help filter imports of the metal.

#### Imports

- Iron & steel are freely importable.
- Data on import of total finished steel (alloy/stainless + non alloy) is given below for last five years:

| Category | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|----------|---------|---------|---------|---------|---------|
| Qty      | 11.71   | 7.23    | 7.48    | 7.83    | 6.77    |

Source: Joint Plant Committee

#### Exports

- Iron & steel are freely exportable.
- India emerged as a net exporter of total finished steel in 2016-17, 2017-18 and 2019-20
- Data on export of total finished steel (alloy/stainless + non alloy) is given below for last five years:

**Indian steel industry: Export of Total Finished Steel (in million tonnes)**

| Category | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|----------|---------|---------|---------|---------|---------|
| Qty      | 4.08    | 8.24    | 9.62    | 6.36    | 8.36    |

Source: Joint Plant Committee

**Opportunities for growth of Iron and Steel in Private Sector The New Industrial Policy Regime**

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

**The Growth Profile**

- i. **Steel:** The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.
- ii. Crude steel capacity was 142.29 MT in 2019-20, which emerged as the 2nd largest producer of crude steel in the world in 2019, as per data released by the World Steel Association, has to its credit, the capability to produce a variety of grades and that too, of international quality standards.
- iii. **Pig Iron:** India is also an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. The private sector accounted for 89% of total production of pig iron (5.42 MT) in the country in 2019-20.
- iv. **Sponge Iron:** India, world’s largest producer of sponge iron, has a host of coal- based units located in the mineral-rich states of the country. Over the years, the coal- based route has emerged as a key contributor and accounted for 82% of total Sponge Iron production in the country during 2019-20. Production of Sponge Iron making too has increased over the years and stood at 37.10 MT (2019-20).

**POWER:**

Financial year 2020-21 remained a subdued year for India’s power sector. Power demand registered a reduction of 1.2% YOY mainly due to lockdown. The electricity prices in short term market declined sharply, with overall average yearly decline in spot prices of about 6.2%.

The thermal generation sector experienced sub-optimal utilization of installed capacity with aggregate Plant Load Factor (PLF) at 53.37% as against 56% in the previous year, and a large capacity stranded for want of Power Purchase Agreements (PPAs) or non availability of fuel. Additions to renewable generation capacity supplying electricity at lower prices continued to hurt the prospects of thermal generation. This situation was further exacerbated by Discoms unwilling to commit to long term capacity based contracts.

Several reforms have been announced over the years for improving the position of State Discoms. These reforms, after some initial success, have not been able to sustain for various reasons; the financial and operating performance at State Discoms did not show any significant improvement during the year and in fact deteriorated in some of the weak State Discoms. They continue to be plagued with excessive Aggregate Technical & Commercial (AT&C) losses, distorted tariff structures not reflective of cost of supply, poor payment records and disputes with generation companies, under investment in infrastructure and poor customer service. Many of the struggling State Discoms regularly resort to load shedding which in turn hurts not only the consumer but also other stakeholders in the value chain.



The Central Government has recently announced privatisation of electricity distribution in Union Territories and penalising inefficient operations and non-availability of power. These reforms, if implemented with zeal, will go a long way in improving the distribution segment which in turn will also ensure to the benefit of generation and transmission segments.

The year ended with all round massive disruptions caused by COVID-19 pandemic, the pandemic is expected to have deep and lasting impact on the economy, businesses and social setup generally.

As of the date of this report, the situation is evolving with no clear visibility on the extent and timing of impact on business. This will muddy the already poor investment climate in the sector and further slowdown the flow of new investments in the sector. The sector already grappling with several impediments faces the most challenging FY 22 ahead.

#### **DEMAND AND SUPPLY:**

The Demand Supply position improved substantially since last 3 years and currently the availability capacity is equivalent to the demand as may be observed from the table below. Increased supply position has resulted in reduction of the realization per unit and also regulatory restrictions and levies such as Cross subsidy have impacted the margins and the realization.

| Year      | Requirement | Availability | Surplus (+) | Deficits (-) |
|-----------|-------------|--------------|-------------|--------------|
|           | (MU)        | (MU)         | (MU)        | (%)          |
| 2009-2010 | 8,30,594    | 7,46,644     | -83,950     | -10.1        |
| 2010-2011 | 8,61,591    | 7,88,355     | -73,236     | -8.5         |
| 2011-2012 | 9,37,199    | 8,57,886     | -79,313     | -8.5         |
| 2012-2013 | 9,95,557    | 9,08,652     | -86,905     | -8.7         |
| 2013-2014 | 10,20,257   | 9,59,829     | -42,428     | -4.2         |
| 2014-2015 | 10,68,923   | 10,30,785    | -38,138     | -3.6         |
| 2015-2016 | 11,14,408   | 10,90,850    | -23,558     | -2.1         |
| 2016-2017 | 11,42,929   | 11,35,334    | -7,595      | -0.7         |
| 2017-2018 | 12,13,326   | 12,04,697    | -8,629      | -0.7         |
| 2018-2019 | 12,74,595   | 12,67,526    | -7,070      | -0.6         |
| 2019-2020 | 12,91,010   | 12,84,444    | -6,566      | -0.5         |
| 2020-2021 | 12,75,534   | 12,70,663    | -4,871      | -0.4         |

(Source: Ministry of Power and Energy)

#### **II. OPPORTUNITIES AND THREATS**

The present situation offers both an opportunity and threats in respect of profitability in as much as it improves the profitability in steel production benefiting from the lower power costs subject however, to sustainable demand for the steel. With no new investments in the power sector in the last 3/4 years is expected to bring about the demand and improve the operations.

International developments as reported in the media indicate that China cutting production of steel and withdrawing incentives and imposing export duties. This could increase the demand for the Indian Steel and also firm up prices in the country. However, the raw material prices are also likely to keep pace with the changes in the selling prices contributing any higher margins. However, improved the demand could help sustainable operations.

On one hand, the COVID-19 situation added on to the prevailing roadblocks in the form of liquidity crunch, extended monsoons and overall conservatism. On the other, the re-emergence of the country's incumbent leadership, post the general elections, ensures policy continuity and concerted action for the nation's development. The Company is looking forward to the implementation of the National Infrastructure Pipeline, which will go a long way in spurring demand.

The State of Tamil Nadu, which did not increase the power tariff for more than 4 years now may not be able to sustain and thus is likely to increase the industrial tariff anytime soon. Such increase will give an opportunity for the Company to increase the tariff and will lead to improved profitability.

### III. SEGMENT-WISE/ PRODUCT-WISE PERFORMANCE

The production of steel rods was 92057 MT compared to 132227 MT in the previous year which showed a decline of 30% on account of lockdown and closure. The sale of rods during the year was declined from 133692 MT in the previous year to 85603 MT in the current financial year.

The production of power was 3572.70 Lac units compared to 4401.50 Lac units in the previous year registering a decline of 19%.

The production of synthetic products was 6764 MT compared to 7847 MT in the previous year. The sale of synthetic products during the year was 6632 MT compared to 7696 in the previous year registering a growth of 14%.

### IV. OUTLOOK

CY 2021 started with lockdown and recovered a little by second quarter, however was again hit by the hard by the COVID-19 pandemic second wave. The virus spread rapidly across the world, compelling governments to impose national lockdowns to break the chain of transmission, which brought economic activities to a near halt.

Timely actions and significant stimulus measures have somewhat cushioned the blow. Several central banks have also adopted quantitative easing and scaled asset purchases to infuse liquidity. Oil prices have remained stable, and emerging market currencies have strengthened against the dollar, which point to stabilisation.

Further, the Government's vision to achieve a \$5 trillion economy by 2024 entails investments in several steel intensive sectors like infrastructure, housing for all, 100% electrification, piped water for all, etc. Supported by the government stimulus, recovery in construction will be led by infrastructure investment such as railways. The demand in India will rebound by 15 per cent in 2021, it is said. The growth potential for the sector is thus immense and the domestic steel consumption will increase significantly in line with this vision.

Further, present day economic situation of the country poses threats, expected revival will bring in lots of opportunities for growth. With various infrastructure facilities lined up both in private and public sectors including nuclear power and water, across the country, the management envisages robust demand for its products especially steel. The company has emerged stronger in the last five years and is well set to capitalize on growth prospects as they arise.

### V. RISK AND CONCERNS

Risks to the above forecasts remain on the downside, and are likely to be influenced by how the pandemic is contained. Health, economic and trade risks remain prevalent. Administration of vaccines, norms of social distancing, and productivity gains from the emergence of differentiated models will determine the actual outcomes.

Delays 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 spread of Covid-19 and the resultant lockdowns imposed by the authorities will also have impact on power segment of the Company. Foreseeable business impacts are: (a) reduction in demand for electricity; (b) reduced collection efficiency causing non-collection of outstanding dues; (c) incurrence of costs on labour and employees not fully utilised; and (d) regulatory response to the pandemic causing reduction in profits.

The company is conscious of the risks involved and has put in place a mechanism for minimizing and mitigating the same. The process is reviewed periodically.

## VI. INTERNAL CONTROL SYSTEMS AND ITS 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.

## VII. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, the Company has achieved a Sales Turnover of Rs.56651.20 Lacs which was lower by 23.5% over last year's turnover of Rs.73598.85 lakhs. The Comparative performance of major financial parameters during the financial years 2020-21 and 2019-20 is given below:

| Particulars   | 2020-21<br>(Rs. in Lakhs) | 2019-20<br>(Rs. in Lakhs) |
|---|---------------------------|---------------------------|
| Sales Turnover  | 56,651.20                 | 73,598.84                 |
| Other Income  | 13.72                     | 65.69                     |
| Total Income  | 56,664.92                 | 73,664.53                 |
| Profit before Interest, Depreciation, exceptional/abnormal items and Tax (EBIDTA) | 2115.74                   | 2282.04                   |
| Less: Interest  | 20262.63                  | 22372.75                  |
| Less: Depreciation  | 2468.29                   | 2513.75                   |
| Profit before Tax (PBT) before exceptional / abnormal items                       | -20615.18                 | -22604.46                 |
| Less: Exceptional items   | 19693.13                  | 0.00                      |
| Profit before Tax & OCI   | -922.05                   | -22604.46                 |
| Profit After Tax  | -922.05                   | -22604.46                 |
| Networth  | -62420.30                 | -61416.75                 |
| EBIDTA to Net sales (%)   | 3.73%                     | 3.10%                     |
| PAT to Net worth  | -                         | -                         |
| Debtors   | 15648.84                  | 23515.30                  |
| Debtors Turnover (In days)  | 101                       | 117                       |
| Inventory   | 9047.53                   | 9943.88                   |
| Inventory Turnover (In days)  | 58                        | 49                        |
| EBIT  | 1546.24                   | -20090.71                 |
| Interest Coverage Ratio   | 0.10                      | 0.10                      |
| Current Assets  | 29533                     | 36915                     |
| Current Liabilities   | 92776                     | 103326                    |
| Current Ratio   | 0.32                      | 0.36                      |
| Debt  | 65312                     | 63591                     |
| Debt Equity Ratio   | -1.05                     | -1.04                     |
| Operating Profit Margin (%)   | -1.63%                    | -30.71%                   |

The Operating Profit margin of the Company has also decreased during the current year due to decline in volumes.

**VIII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.**

Your Company believes that Human Resources are the driver to its continued success by helping to meet the challenges of providing quality products to the customers across the length and breadth of the country and penetrating key markets abroad. In order to strengthen its human capital base, your Company continues to invest in human resources by retaining and developing its existing talent and also attracting competent and talented manpower across functions.

Your Company maintained cordial and harmonious Industrial relations in all our manufacturing units. Several HR and industrial relations initiatives implemented by the Company have significantly helped in improving the work culture, enhancing productivity and enriching the quality of life of the workforce. All the above initiatives have contributed significantly to achieving and maintaining the market leadership, your Company enjoy today. The total employee strength as on 31st March, 2021 is 556.

**IX. 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.

**Place: Chennai**

**Date: 13-08-2021**

**By Order of the Board of Directors  
For Tulsiyan NEC Limited**

**Sd/-  
Lalit Kumar Tulsiyan  
Executive Chairman  
DIN: 00632823**

## CORPORATE GOVERNANCE REPORT

### Corporate Governance Philosophy

The corporate governance philosophy of the Company believes in and adheres to good corporate governance practices, implements policies and guidelines and develops a culture of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability, ethics and values in all facets of its business operations.

All the employees of Tulsyan NEC Limited (“TNECL” or “the Company”) are committed to a balanced corporate governance system, which provides the framework for achieving the Company’s objectives encompassing practically every sphere of management, from action plans and internal controls to corporate disclosures.

TNECL also believes that sound corporate governance is critical to enhance and retain investor trust. Hence, our business policies are based on ethical conduct, health, safety and a commitment to building long term sustainable relationships with relevant stakeholders. The Company continues to strengthen its governance principles to generate long term value for all its stakeholders on a sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company.

TNECL’s focus is not only to ensure compliance with the requirements as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time, regarding corporate governance, but is also committed to sound corporate governance principles and practice and constantly strives to adopt emerging best corporate governance practices being followed nationwide.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI Listing Regulations, as applicable, is given below.

### Board of Directors

The Board is responsible for providing strategic supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgment and plays a vital role in the oversight of the Company’s affairs.

The Company’s day to day affairs are managed by a competent management team under the overall supervision of the Board. The Board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the Company’s affairs and exercising reasonable business judgment on the affairs of the Company.

#### (a) Composition and Category of Directors

As on March 31, 2021, the Board of Directors comprised of 6 (six) Directors which includes one Chairman (Executive Director), one Managing Director (Executive Director), one Whole-time Director (Executive Director) and three Independent Directors (Non-Executive). The Board periodically evaluates the need for change in its composition and size.

None of the Directors serve as a Director in more than seven listed companies. Further, none of the Directors serves as an Independent Director in more than seven listed companies or three listed companies in case he serves as an Executive Director in any listed company. None of the Directors on the Board are a member of more than 10 committees and a chairperson of more than 5 committees, across all public limited companies in which he/she is a Director. Further, none of our Independent Directors serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an Independent Director.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with Section 149(6) of the Companies Act, 2013. The maximum tenure of independent directors is in compliance with the Companies Act, 2013 and regulation 25(2) of the SEBI Listing Regulations. All the Independent Directors have confirmed that they meet with the criteria of Independence.

The Board confirms that, in its opinion, the independent directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and the Act and are independent of the management.

**(b) Number of meetings of the Board**

During the financial year 2020-21, the Board met four times: September 15, 2020; November 13, 2020; February 12, 2021 and March 31, 2021 respectively.

As per the relaxation given by MCA due to the Covid-19 pandemic, during the year under review, all the Board and Committee Meetings of the Company were held through video conferencing.

**(c) Composition of the Board and Attendance Record of all the Directors during the financial year 2020-21**

| Names of the Directors             | Category                           | Relationship with Other Directors  | No. of Board Meetings attended during FY 2020-21 | Attendance of the Directors in last AGM held on 22/10/2020 | No. of Directorship in other Companies | No. of Committee Membership or Chairmanship in other Companies | Names of other listed entities where the person is a director and the category of directorship | No. of Shares held by the Director |
|------------------------------------|------------------------------------|------------------------------------|--|--|--|--|--|------------------------------------|
| Mr. Lalit Kumar Tulsyan            | Executive Chairman                 | Brother of Mr. Sanjay Tulsyan      | 3  | Yes  | 3                                      | Nil  | Nil  | 4046645                            |
| Mr. Sanjay Tulsyan                 | Managing Director                  | Brother of Mr. Lalit Kumar Tulsyan | 4  | Yes  | 4                                      | Nil  | Nil  | 4475481                            |
| Mr. Sanjay Agarwalla               | Whole-time Director                | -                                  | 4  | Yes  | 3                                      | Nil  | Nil  | 15098                              |
| Mr. Manogyanathan Parthasarathy    | Non-Executive Independent Director | -                                  | 4  | Yes  | Nil                                    | Nil  | Nil  | Nil                                |
| Mrs. Antonisamy Axilium Jayamary   | Non-Executive Independent Director | -                                  | 4  | Yes  | Nil                                    | Nil  | Nil  | Nil                                |
| Mr. Somasundaram Ponsing Mohan Ram | Non-Executive Independent Director | -                                  | 3  | Yes  | Nil                                    | Nil  | Nil  | Nil                                |

**(d) Board Membership Criteria and Selection Process**

The responsibility for identifying and evaluating a suitable candidate for the Board is delegated to the Nomination and Remuneration Committee ("NRC"). While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its committees have the appropriate mix of skills, experience, independence and knowledge for continued effectiveness. For the Board, diversity comprehends plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes.

At the time of induction of a Director, a formal invitation including an appointment letter to join the Board is sent comprising of the role, powers and duties to be performed by the new Director. The Independent Directors annually provide a certificate of Independence, in accordance with the applicable laws, which is taken on record by the Board. All Board members are encouraged to meet and interact with the management. Board Members are invited to key meetings to provide strategic guidance and advice.

**(e) Board Procedure**

The Board and Committee Meetings are pre-scheduled based on the availability of the Director(s) to facilitate planning of their schedule and ensure participation in the meetings. However, in case of urgent matters, subject to regulatory conditions, the Board's approval is taken by passing resolutions by circulation. The Board meets at least once in a quarter to review and approve the quarterly financial results/statements and other agenda items. The Committees of the Board usually meet prior on the same day of the Board meeting. The recommendations of the Committees are placed before the Board for necessary approval/noting.

A detailed agenda is sent to each Director at least 7 days in advance of the Board and Committee meetings. All material information is incorporated in the agenda along with supporting documents. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. The agenda of the Board and Committee meetings is circulated electronically through e-mail.

The Board periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management.

The Board reviews strategy and business plans, annual operating plans and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non compliances, if any. To enable the Board to discharge its responsibilities effectively, the Chairperson provides an overview of the overall performance of the Company at the meeting of the Board of directors. The Board also reviews minutes of meetings of various committees of the Board, significant transactions and arrangements entered into by the subsidiary companies, approval of financial results and statements, etc. as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations, as amended, is made available to the Board.

The Company Secretary records Minutes of the proceedings of each Board and Committee meeting. Draft Minutes are circulated to Board /Committee Members within prescribed timelines as per the Act and Secretarial Standards. Directors communicate their comments (if any) in writing on the draft minutes within seven days from the date of circulation. The Minutes are entered in the Minute Books within 30 days from the conclusion of the Meeting and signed by the Chairperson at the subsequent meeting. The copy of the signed Minutes, certified by the Company Secretary or in his absence by any Director authorised by the Board, are circulated to all Directors within 15 days of its signing.

The guidelines for Board and Committee Meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/ Committee Meetings are promptly communicated to the concerned departments/ divisions. Action Taken Report on decisions/Minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committee for noting.

**(f) Meeting of the Independent Directors**

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors of the Company met once on February 12, 2021 without the presence of Non-Independent Directors and discussed on matters pertaining to review of performance of Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairperson of the Company after taking into account the views of the Executive Directors; assessed the quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to perform their duties effectively and reasonably.

All independent directors were present at the meeting.

The independent directors present elected Mr. Manogyanathan Parthasarathy as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the above matters.

The evaluation of Independent Directors is done by the entire Board of Directors of the Company which includes:

- Performance of such directors; and
- Fulfilment of the Independence criteria and their Independence from the management

**(g) Familiarization Programmes imparted to Independent Directors**

The details of familiarization programmes imparted to Independent Directors of the Company are available on the following web link of the Company:

<http://tulsyanec.in/pdf/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

**(h) Key expertise and attributes of the Board of Directors**

The Board of Directors of the Company comprises of qualified personnel who possess relevant skills, expertise and competence for the effective functioning of the Company. In compliance with the SEBI Listing Regulations, the Board has identified the following key qualifications / skills / expertise / competencies fundamental for the effective functioning of the Company which are taken into consideration while nominating candidates to serve on the Board –

|  |  |
|--|--|
| Financial                                    | Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions |
| Gender, ethnic, national, or other diversity | Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board’s understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide   |
| Global business                              | Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities   |
| Leadership                                   | Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth  |
| Technology                                   | A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models   |
| Board service and governance                 | Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices  |
| Sales and marketing                          | Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation  |



Based on the above-mentioned skill matrix, the skills which are currently available with the Board have been mapped below:

| Board of Directors                 | Areas of Expertise |  |                 |            |            |                              |                     |
|------------------------------------|--------------------|--|-----------------|------------|------------|------------------------------|---------------------|
|                                    | Financial          | Gender, ethnic, national, or other diversity | Global business | Leadership | Technology | Board service and governance | Sales and marketing |
| Mr. Lalit Kumar Tulshyan           | ✓                  | ✓  | ✓               | ✓          | ✓          | ✓                            | ✓                   |
| Mr. Sanjay Tulshyan                | ✓                  | ✓  | ✓               | ✓          | ✓          | ✓                            | ✓                   |
| Mr. Sanjay Agarwalla               | ✓                  | ✓  | ✓               | ✓          | ✓          | ✓                            | ✓                   |
| Mr. Manogyanathan Parthasarathy    | ✓                  | ✓  | ✓               | ✓          | ✓          | ✓                            | -                   |
| Mrs. Antonisamy Axillium Jayamary  | ✓                  | ✓  | ✓               | ✓          | ✓          | ✓                            | -                   |
| Mr. Somasundaram Ponsing Mohan Ram | ✓                  | ✓  | ✓               | ✓          | ✓          | ✓                            | -                   |

**(i) Certificate from a Company Secretary in Practice**

As required under Regulation 34(3) read with Clause 10(i), Part C of Schedule V of the SEBI Listing Regulations, the Company has received a Certificate from Mr. M. Damodaran, Managing Partner in M/s. M. Damodaran & Associates, LLP, Company Secretaries in Practice, Chennai, certifying that none of the directors on the Board of the company have been debarred or disqualified from being appointed or to continue as directors of the Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority. This certificate is annexed as “Annexure-I” to this report.

**(j) Code of Conduct**

As required under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed and declared that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year under review.

**(k) Annual Evaluation of the Performance of the Board, its Committees, the Chairman and the directors**

The criteria for evaluation of the Independent Directors will be attendance, participation in deliberations, understanding the Company’s business and that of the industry and in guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified under Schedule IV of the Companies Act, 2013.

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various committees as per the criteria laid down by the Nomination and Remuneration Committee after taking into consideration the inputs received from the directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, independence, governance, ethics and values, adherence to corporate governance norms, interpersonal relationships, attendance and contribution at meetings etc.

Accordingly, separate Questionnaires for Board & its Committees' Evaluation, Directors' Self-Evaluation, Directors' Peer Evaluation and the Chairman Evaluation for the financial year 2020-21 after taking into consideration of various aspects of the management and governance issues, were circulated amongst the Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and Managing Director was carried out by the Independent Directors. The Board reviewed the evaluation results as collated by the Nomination and Remuneration Committee.

### Remuneration of Directors and Remuneration Policy

On recommendation of the Nomination and Remuneration Committee, the Board has framed a Remuneration Policy for remuneration of the Directors, Key Management Personnel and Senior Management. This policy, inter-alia, provides (a) the criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees.

The policy of the Company is designed to create a high-performance culture and enables the Company to attract, retain and motivate employees to achieve results. The policy is available at the website of the company - [www.tulsyanec.in](http://www.tulsyanec.in).

During the year, there was no pecuniary relationship or transaction with any non-executive director of the Company, apart from their remuneration as directors.

Detailed information of Directors Remuneration / Sitting fees paid during the financial year 2020-2021 is as follows:

| Name of the Director               | Category                           | Total Remuneration | Sitting fees |
|------------------------------------|------------------------------------|--------------------|--------------|
| Mr. Lalit Kumar Tulsyan            | Executive Chairman                 | 57,03,000          | ---          |
| Mr. Sanjay Tulsyan                 | Managing Director                  | 60,29,000          | ---          |
| Mr. Sanjay Agarwalla               | Whole-time Director                | 39,29,000          | ---          |
| Mr. Manogyanathan Parthasarathy    | Non-Executive Independent Director | ---                | 65,000       |
| Mrs. Antonisamy Axilium Jayamary   | Non-Executive Independent Director | ---                | 65,000       |
| Mr. Somasundaram Ponsing Mohan Ram | Non-Executive Independent Director | -                  | 35,000       |

Disclosure with respect to remuneration pursuant to item (iv) of third proviso of section II of Part II of Schedule V to the Companies Act, 2013 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended:

| Sl. No. | Particulars  | Details  |
|---------|--|--|
| 1.      | All elements of remuneration package such as salary, benefits, bonus, stock option, pension, etc, of all the Directors | The information relating to remuneration package such as salary, benefits, bonus, stock option, pension, etc, of all the Directors has been stated in the above table. |
| 2.      | Details of fixed Component and performance linked incentives along with the performance criteria                       | The total remuneration includes all perquisites & benefits. There is no performance linked incentives paid to Directors  |

|    |  |  |
|----|--|--|
| 3. | Service Contract, notice period, severance fees  | Independent Directors are appointed for a period of 5 years and all other directors are appointed on retirement by rotation basis. Notice period, Service Contract and severance fees are such as stated in the Contract of Appointment for all Executive Directors. |
| 4. | Stock option details, if any and whether the same had been issued at a discount as well as the period over which accrued and over which exercisable. | Not Applicable   |

**Whistle Blower Policy/Vigil Mechanism**

Pursuant to section 177(9) of Act, regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has established a whistle blower policy/vigil mechanism.

The whistle blower policy/vigil mechanism provides a route for directors/employees to report, without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Company’s code of conduct and instances of leak of unpublished price sensitive information, which are detrimental to the organisation’s interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice.

The policy is placed on the Company’s website at: <http://tulsyanec.in/pdf/Whistle-Blower-Policy.pdf>

The directors in all cases and employees in appropriate cases have direct access to the chairman of the audit committee. The Company affirms that no employee has been denied access to the audit committee, which is charged with overseeing this policy.

During the year, no complaint was received under the above mechanism.

**Policy for determining ‘material’ subsidiaries**

The Company has formulated a policy for determining “Material” subsidiaries as defined under the SEBI Listing Regulations. This policy is placed on the Company’s Website at:

<http://tulsyanec.in/pdf/Policy%20on%20Material%20Subsidiaries.pdf>

**Disclosure on materially significant related party transactions**

During the financial year under review, no materially significant transactions or arrangements were entered into between the Company and its promoters, management, Directors or their relatives, subsidiaries, etc. that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy on dealing with Related Party Transactions, which specifies the manner of entering into Related Party Transactions. This policy has also been posted on the website of the Company at:

<http://tulsyanec.in/pdf/Related%20Party%20Transactions%20Policy.pdf>.

**Committees of the Board**

The Board has constituted various committees to focus on specific areas and to make informed decisions within their authority. Each committee is directed by its charter which outlines their scope, roles, responsibilities and powers. All decisions and recommendations of the committee are placed before the Board for its approval. The Company’s guidelines relating to Board Meetings are also applicable to committee meetings as far as is practicable. Each committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functions. Senior officers / function heads are invited to present various details called for by the committee at its meeting.

**Committees of the Board are as under:**

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Corporate Social Responsibility Committee

**A. Audit Committee**

**(a) Terms of Reference**

The Company has constituted a qualified independent Audit Committee (“AC”) which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee is responsible for effective supervision of the Company’s financial reporting process by providing direction to the audit function, monitoring the scope and quality of internal and statutory audits and ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Companies Act, 2013. The brief description of the terms of reference of the Committee is given below.

The responsibilities of the committee include review of the quarterly and annual financial statements before submission to Board, review of compliance of internal control system, oversight of the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, etc. The Committee also reviews the adequacy and effectiveness of internal audit function and control systems. The committee meets at least once in a calendar quarter.

During the financial year under review, four (4) meetings of the Audit Committee were held on September 15, 2020; November 13, 2020; February 12, 2021 and March 31, 2021 respectively.

**(b) Composition of the Committee and attendance details**

Composition of the Committee and attendance details of the members, for the year ended March 31, 2021, are given below:

| Sl. No. | Name of the Members                    | Category                           | Position | Number of Meetings              |          |
|---------|--|------------------------------------|----------|---------------------------------|----------|
|         |  |                                    |          | Director was entitled to attend | Attended |
| 1.      | Mr. Manogyanathan Parthasarathy        | Non-Executive Independent Director | Chairman | 4                               | 4        |
| 2.      | Mr. Sanjay Agarwalla                   | Whole-time Director                | Member   | 4                               | 4        |
| 3.      | Mrs. Antonisamy Axilium Jayamary       | Non-Executive Independent Director | Member   | 4                               | 4        |
| 4.      | Mr. Somasundaram Ponsing Mohan Ram (*) | Non-Executive Independent Director | Member   | 3                               | 3        |

During the financial year under review, following changes were made in the constitution of the Committee-

(\*) Mr. Somasundaram Ponsing Mohan Ram, Non-Executive Independent Director, was appointed as Member of the Committee w.e.f. September 19, 2020.

The Company Secretary acts as the Secretary to the Committee. Mr. Manogyanathan Parthasarathy, Chairman of the Audit Committee, had attended the 73rd Annual General Meeting of the Company held on October 22, 2020.

**B. Nomination and Remuneration Committee**
**(i) Terms of Reference**

The Company has a Nomination and Remuneration Committee (“NRC”) constituted pursuant to the provisions of Regulation 19, read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The NRC has been vested with the authority to recommend nominations for Board membership, succession planning for the senior management and the Board, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection of Board Members with respect to competencies, qualifications, experience, track record, integrity, devise appropriate succession plans and determine overall compensation policies of the Company.

The scope of the NRC also includes review of the market practices, decision on the remuneration to the Executive Director(s) and laying down of performance parameters for the Chairperson & Managing Director, the Executive Director(s), Key Managerial Personnel and Senior Management.

In addition to the above, the NRC’s role includes identifying persons who may be appointed to a senior management position in accordance with the criteria laid down, recommending to the Board their appointment and removal.

The NRC also formulates the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board periodically, policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management.

During the financial year under review, the Committee met one (1) time on September 15, 2020.

**(ii) Composition of the Committee and attendance details**

Composition of the Committee and attendance details of the members, for the year ended March 31, 2021, are given below:

| Sl. No. | Name of the Members                | Category                           | Position | Number of Meetings              |          |
|---------|------------------------------------|------------------------------------|----------|---------------------------------|----------|
|         |                                    |                                    |          | Director was entitled to attend | Attended |
| 1.      | Mr. M. Parthasarathy               | Non-Executive Independent Director | Chairman | 1                               | 1        |
| 2.      | Mrs. Antonisamy Axilium Jayamary   | Non-Executive Independent Director | Member   | 1                               | 1        |
| 3.      | Mr. Lalit Kumar Tulshyan (*)       | Executive Chairman                 | Member   | 1                               | 1        |
| 4.      | Mr. Somasundaram Ponsing Mohan Ram | Non-Executive Independent Director | Member   | 0                               | 0        |

During the financial year under review, following changes were made in the constitution of the Committee-

(\*)Mr. Lalit Kumar Tulshyan, Executive Chairman, was elected as the Member of the Committee w.e.f. September 14, 2020 by way of passing of a circular resolution. Subsequently, he was resigned from the Committee w.e.f. September 19, 2020 and in his place Mr. Somasundaram Ponsing Mohan Ram, Non-Executive Independent Director, was appointed as the Member of the Committee w.e.f. September 19, 2020.

The Company Secretary acts as the Secretary to the Committee.

**(iii) Stakeholders’ Relationship Committee**
**(a) Terms of Reference**

The Company has constituted a Stakeholders’ Relationship Committee (“SRC”) pursuant to the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The SRC

is primarily responsible for redressal of the grievances of shareholders / investors / other security holders including complaints related to transfer or transmission of shares, non-receipt of dividends, annual reports and such other grievances as may be raised by the security holders from time to time.

The Committee also reviews:

- Measures taken to ensure the effective exercise of voting rights by the shareholders/investors;
- Measures and initiatives taken to reduce the quantum of unclaimed dividends and ensure timely receipt of dividend/annual report/ notices and other information by Shareholders;
- Service standards adopted by the Company in respect of services rendered by our Registrars and Share Transfer Agent;

During the financial year under review, the Committee met three (3) times on September 15, 2020; November 13, 2020 and February 12, 2021 respectively.

**(b) Composition of the Committee and attendance details**

Composition of the Committee and attendance details of the members, for the year ended March 31, 2021, are given below:

| Sl. No. | Name of the Members              | Category                           | Position | Number of Meetings              |          |
|---------|----------------------------------|------------------------------------|----------|---------------------------------|----------|
|         |                                  |                                    |          | Director was entitled to attend | Attended |
| 1.      | Mr. M. Parthasarathy             | Non-Executive Independent Director | Chairman | 3                               | 3        |
| 2.      | Mrs. Antonisamy Axilium Jayamary | Non-Executive Independent Director | Member   | 3                               | 3        |
| 3.      | Mr. Sanjay Agarwalla             | Whole Time Director                | Member   | 3                               | 3        |

During the financial year under review, no changes were made in the constitution of the Committee.

The Company Secretary acts as the Compliance Officer and as the Secretary to the Committee.

Mr. Manogyanathan Parthasarathy, Chairman of the Committee, had attended the 73rd Annual General Meeting of the Company held on October 22, 2020.

**(c) Name and Designation of the Compliance Officer**

Mrs. Parvati Soni, Company Secretary of the Company is the Compliance Officer of the Company w.e.f. 29th October, 2018.

**(d) Shareholders' Complaints**

During the financial year 2020-21, all complaints received from the shareholders were redressed and no queries on the same were pending for the period under review.

**Investors Complaints attended and resolved during the FY 2020-21**

- number of shareholders' complaints received during the financial year: Nil
- number of complaints not solved to the satisfaction of shareholders: Nil
- number of pending complaints: Nil

## Investor grievances redressal mechanism

SEBI has issued a circular, SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020, laying down the mechanism for redressal of investor complaints by companies and stock exchanges effective from September 01, 2020. This outlines the procedure for handling complaints by stock exchanges as well as standard operating procedure for actions to be taken against listed companies for failure to redress investor grievances.

An investor can raise complaints on non-receipt of bonus shares, of dividend, of duplicate share certificate and delays in dematerialisation/rematerialisation etc. Complaints pertaining to deposits and IEPF matters are not governed by this circular.

### (iv) Corporate Social Responsibility Committee

#### (a) Terms of Reference

The Company has constituted a Corporate Social Responsibility Committee ("CSRC") pursuant to the provisions of Section 135 of the Companies Act, 2013. The CSRC is primarily responsible to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementing a framework in line with the corporate social responsibility policy of the Company.

During the financial year under review, no meeting of the Committee was held.

#### (b) Composition of the Committee and attendance details

Composition of the Committee and attendance details of the members, for the year ended March 31, 2021, are given below:

| Sl. No. | Name of the Members              | Category                           | Position | Number of Meetings              |          |
|---------|----------------------------------|------------------------------------|----------|---------------------------------|----------|
|         |                                  |                                    |          | Director was entitled to attend | Attended |
| 1.      | Mr. Sanjay Agarwalla             | Whole Time Director                | Chairman | 0                               | 0        |
| 2.      | Mrs. Antonisamy Axilium Jayamary | Non-Executive Independent Director | Member   | 0                               | 0        |
| 3.      | Mr. Manogyanathan Parthasarathy  | Non-Executive Independent Director | Member   | 0                               | 0        |

During the financial year under review, no changes were made in the constitution of the Committee-  
The Company Secretary acts as the Secretary to the Committee.

### General Body Meetings

#### I. Annual General Meetings

The date, time location of Annual General Meetings held during the last three years and the special resolutions passed thereat are as follows:

| Year      | Date & Time              | Venue   | Special Resolution(s) Passed |
|-----------|--------------------------|---|------------------------------|
| 2017-2018 | 28.09.2018 at 10.30 a.m. | Naradha Gana Sabha, Mini Hall, 254 T.T.K. Road, Chennai – 600 018 | Nil                          |

|           |                          |  |  |
|-----------|--------------------------|--|--|
| 2018-2019 | 26.09.2019 at 04.00 p.m. | MUSIC ACADEMY MINI HALL, No. 168, TT Krishnamachari Road, Royapettah, Pudupet, Gopalapuram, Chennai-600014, Tamil Nadu | <p>a) Approval for re-appointment of Mr. Lalit Kumar Tulsyan (DIN: 00632823), Managing Director designated as “Executive Chairman” of the Company.</p> <p>b) Approval for re-appointment of Mr. Sanjay Tulsyan (DIN: 00632802) as Managing Director of the Company.</p> <p>c) Approval for re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as Whole-time Director of the Company.</p> |
| 2019-2020 | 22.10.2020 at 11.00 a.m. | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)  | <p>a) Re-appointment of Mrs. Antonisamy Axilium Jayamary (DIN: 07410090) as Non-Executive Independent Woman Director of the Company.</p>   |

During the financial year under review, no Special Resolution was passed by the Company through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

## II. Means of Communication

### (a) Financial Results:

The quarterly, half yearly and annual financial results are normally published in daily newspapers viz., Trinity Mirror (English Language) and Makkal Kural (Vernacular Language) and are also displayed on Company’s website [www.tulsyanec.in](http://www.tulsyanec.in)

### (b) News Releases, Presentations:

Official news/press releases are sent to the Stock Exchange from time to time and are also displayed on the Company’s website [www.tulsyanec.in](http://www.tulsyanec.in).

### (c) Presentations to Institutional Investors/ Analysts:

No presentations were made to institutional investors / analysts.

### (d) Website:

The website of the Company i.e. [www.tulsyanec.in](http://www.tulsyanec.in) contains a separate and dedicated “investors” section to serve shareholder, by giving complete information pertaining to the Board of Directors and its Committees, financial results including subsidiaries financials, stock exchange disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General Meetings, details of Registrar and Transfer Agents, details of unclaimed dividend and IEPF related information amongst others. The Company’s Annual Report along with supporting documents is also available on the website in a user-friendly and downloadable form.

### (e) BSE Listing Centre:

BSE Listing Centre is web-based application designed by BSE for the Corporates for smooth filing of information with the stock exchanges. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are electronically filed on BSE Listing Centre.

### (f) SEBI Complaints Redress System (“SCORES”):

Investor complaints are processed through a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaint and the current status are updated/resolved electronically in the SEBI SCORES system.



### III. General Shareholders Information

#### (a) Company Registration Details

The registered office of the Company is at 1st Floor, Apex Plaza, Old No.3, New No.77, Nungambakkam High Road, Chennai-600034 and it is registered in the State of Tamil Nadu, India. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is L28920TN1947PLC007437.

#### (b) Annual General Meeting

|   |   |
|---|---|
| Date and Time   | September 30, 2021, at 11.30 a.m.   |
| Venue   | AGM will be held through video conferencing (VC) or other audio-visual means (OAVM) *                 |
| Financial Year  | April 1, 2020 – March 31, 2021  |
| E-Voting start and end                                  | Monday, September 27, 2021 (9:00 a.m. IST) and ends on Wednesday, September 29, 2021 (5:00 p.m. IST). |
| Cut Off date  | September 23, 2021  |
| Listed on Stock Exchanges                               | BSE Limited<br>PJ Towers, Dalal Street, Mumbai- 400 001   |
| Stock Code / Symbol                                     | BSE – 513629  |
| International Securities Identification Number ("ISIN") | INE463D01016  |
| Payment of Annual listing fees to Stock Exchanges       | Paid  |

\* MCA vide its circulars dated 8 April 2020, 13 April 2020, 5 May 2020 and 13 January 2021 read with SEBI circulars dated 12 May 2020 and 15 January 2021 has provided an option for Companies to conduct AGM through 'VC or OAVM' and send financial statements (including Board's Report, Auditors Report and other documents to be attached therewith) through email.

Accordingly, as in the previous year, the annual report of the Company for the year 2020-21 along with the notice of AGM are being sent by email to the members and all other persons/entities entitled to receive the same and the 74th AGM will be convened through VC or OAVM. The Company has also made arrangements for those shareholders who have not yet registered their email address to get the same registered by following the procedure prescribed in the notice of AGM. The detailed procedure for participating in the meeting through VC/OAVM is annexed to the AGM notice and is also available at the website of the Company at [www.tulshyanec.in](http://www.tulshyanec.in).

#### (c) Dividend Payment Date

Due to loss, the Company has not declared any interim/final dividend during the financial year.

#### Unclaimed Dividend

The shareholders may note that no further amount of unpaid / unclaimed dividend and corresponding shares are pending with the Company in order to transfer to the IEPF.

**Dividend remitted to IEPF during the financial year 2020-21: Nil**

**Shares transferred to IEPF during the financial year 2020-21: Nil**

#### (d) Market Price data:

The Shares of the Company are suspended from trading in BSE Limited.

**(e) Reasons of Suspension of the Company from Trading:**

Earlier, the Company was suspended from trading due to penal reasons.

Reason of penalty: BSE was levied the penalty due to delay in submission of financial results for the quarter ended 31-12-2013, 30-09-2014 & 31-03-2015 respectively.

Reason for delay in Submission: The late submission of quarterly financial results was a rare phenomenon and it was on account of Corporate Debt Restructuring exercise carried out by the Company with its bankers and this delay was not intentional or deliberate on the part of the Company.

Action taken by the Management: All penalties has been paid to the BSE for delay in submission of financial results and all the revocation norms has been complied with by the Company. During the year under review, the Company has filed an application, for revocation of Suspension, with the BSE and the Management is putting best efforts to uplift the suspension at earliest.

**(f) Registrar to an issue and Share Transfer Agents:**

Cameo Corporate Services Limited (CAMEO)  
Subramanian Building, No.1, Club House Road near Spencers Signal on,  
Anna Salai, Chennai – 600 002, Tamil Nadu  
Phone: 044-2846 0390  
Fax: 044-2846 0129  
Email: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

All physical transfers (to the extent permitted), transmission, transposition, issue of duplicate share certificate(s), etc. as well as requests for dematerialisation/rematerialisation are being processed in periodical cycles at CAMEO. Work related to dematerialisation/rematerialisation is handled by CAMEO through connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

**(g) Share Transfer System:**

SEBI's amended regulation 40 of the SEBI Listing Regulations, 2015, prohibits the transfer of securities (except transmission or transposition of shares) in physical form from April 01, 2019. Accordingly, the Company has sent letters to members holding shares in physical form advising them to dematerialise their holdings.

Further, SEBI through its circular dated September 07, 2020 has fixed March 31, 2021 as the cut-off date for re-lodging of transfer deeds (including request for transfer(s) pending with Company or its share transfer agent as on September 07, 2020). It has also stated that such transferred shares shall be issued only in demat mode. Moreover, SEBI vide its circular dated December 02, 2020 has provided operational guidelines for the transfer and de-materialisation of re-lodged physical shares.

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects.

The Board of directors of the Company has a stakeholders' relationship committee to specifically look into and resolve grievances of security-holders on various matters.

In terms of Regulation 40(9) of the SEBI Listing Regulations, the Company obtains a half-yearly compliance certificate, from a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company and the copy of the compliance certificate is submitted to the Stock Exchange.

**(h) Distribution of Shareholding as on March 31, 2021:**

| Shareholdings in Rs. | Number of Shareholders | Percentage of Shareholders | Share Capital in Rs. | Percentage of Shareholding |
|----------------------|------------------------|----------------------------|----------------------|----------------------------|
| 10 to 5000           | 4325                   | 85.9157                    | 4889230              | 3.2594                     |
| 5001 to 10000        | 282                    | 5.6019                     | 2270900              | 1.5139                     |
| 10001 to 20000       | 169                    | 3.3571                     | 2585250              | 1.7235                     |
| 20001 to 30000       | 75                     | 1.4898                     | 1934310              | 1.2895                     |
| 30001 to 40000       | 21                     | 0.4171                     | 781480               | 0.5209                     |
| 40001 to 50000       | 19                     | 0.3774                     | 911710               | 0.6078                     |
| 50001 to 100000      | 57                     | 1.1323                     | 4269770              | 2.8465                     |
| 100001 & above       | 86                     | 1.7083                     | 132357350            | 88.2382                    |
| Total                | 5034                   | 100.0000                   | 150000000            | 100.0000                   |

**(i) Dematerialization of Shares and Liquidity:**

During 2020-21, 88810 shares were dematerialised versus 120800 shares in 2019-20. No shares were rematerialised during 2020-21 and 2019-20 respectively. 1323642 shares were held in physical mode and 13676358 shares were held in electronic mode as on March 31, 2021.

**(j) Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company does not have any outstanding convertible instruments/ADRs/GDRs/warrants as on date of this report.

**(k) Commodity price risk or foreign exchange risk and hedging activities:**

Foreign Exchange Risks for the Company arise from (a) payment obligations arising from imports of raw materials / capital goods, services availed from overseas service providers and foreign currency loans, (b) export transactions. The details of foreign currency exposure and hedging are disclosed in Notes to Standalone Financial Statements.

**(l) Plant locations:**

|                     |  |
|---------------------|--|
| Steel Division      | D-4, SIPCOT Industrial Complex, Gummidipoondi-601201, Tiruvallur District, Tamil Nadu  |
| Power Division      | (a) Thermal Power plant: No.17, Sithurnatham Village, Gummidipoondi-601201, Tamil Nadu<br>(b) Windmill:<br>(i) Kudimangalam, Udumalpet, Tamil Nadu<br>(ii) Pazhavor, Tirunelveli District, Tamil Nadu<br>(iii) Kavalakurichi, Tirunelveli District, Tamil Nadu |
| Synthetics Division | 7-A, Doddaballapura Industrial Area, Kasba Hobli, Karnataka  |

**(m) Address for correspondence:**

**Registered Office:**

1st Floor, Apex Plaza,  
Old No.3, New No.77, Nungambakkam High Road,  
Chennai -600034, Tamil Nadu

**Phone:** 044-61991060

**Fax:** 044-61991066, **email:** investor@tulsiyanec.in

**Website:** www.tulsiyanec.in

**(n) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**

During the year under review, the Company has not obtained any credit rating.

**IV. Other Disclosures**

**(i) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

During the last three years, no penalties or strictures were imposed on the Company by the Stock Exchange or the Board or any Statutory Authority related to capital markets. However, till the year ended 31.03.2017, the Company has already paid all the earlier penalty amounts imposed by the BSE regarding the non-compliances.

**(ii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all mandatory requirements prescribed by SEBI Listing Regulations and the Company has also complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the Listing Regulations, is as under:

- Modified opinion(s) in audit report: During the financial year under review, there was no audit qualification in your Company's financial statements.
- Reporting of internal auditor: The Internal Audit Report provided by the Internal Auditors are being reviewed by the Audit Committee on a quarterly basis.

The Company has complied with all the applicable corporate governance requirements specified in Regulations 17 to 27 with some deviations and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**(iii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

During the financial year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(iv) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors:**

The details of payment made to the statutory auditors on consolidated basis are available under Note No. 36(a) of the notes to Consolidated Financial Statements.

**(v) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. number of complaints filed during the financial year: NIL
- b. number of complaints disposed of during the financial year: NIL
- c. number of complaints pending as on end of the financial year: NIL

**(vi) Disclosures with respect to demat suspense account/unclaimed suspense account:**

The Company does not have any securities in the demat suspense account/unclaimed suspense account.

**(vii) Code for Prevention of Insider Trading Practices:**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, ('SEBI PIT Regulations') the Company had a Board-approved code of conduct to regulate, monitor and report trading by insiders; and a code of practices and procedures for fair disclosure of unpublished price sensitive Information. The Company has formulated a comprehensive Code for Prevention of Insider Trading for its designated persons, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Directors, officers, designated persons and other connected persons of the Company are governed by the Code. The Code is also posted on the website of the Company at [www.tulsyanec.in](http://www.tulsyanec.in).

**(viii) CEO and CFO certification:**

As required under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Executive Chairman and Chief Financial Officer ("CFO") of the Company have furnished to the Board, the requisite compliance certificate for the financial year ended March 31, 2021.

**(ix) Compliance certificate from the practicing company secretaries regarding compliance of conditions of corporate governance:**

The Company has obtained the certificate from Mr. M. Damodaran, Managing Partner in M/s. M. Damodaran & Associates, LLP, Company Secretaries in Practice, Chennai, regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to the SEBI Listing Regulations. This said certificate is annexed as "Annexure-II" to this report.

**(x) Unclaimed Share Certificates**

In terms of the provisions of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares issued pursuant to the public issue or any other issue which remain unclaimed shall be credited to a demat suspense account with one of the depository participants maintained by the Company for this purpose.

However, during the year under review, no such request was received by the Company.

**By Order of the Board of Directors**  
For Tulsyan NEC Limited  
Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN: 00632823

Place: Chennai  
Date: 13-08-2021

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

**The Members of TULSYAN NEC LIMITED**

1st Floor, Apex Plaza, Old No.3, New No.77,  
Nungambakkam High Road Chennai 600034.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TULSYAN NEC LIMITED having CIN - L28920TN1947PLC007437 and having registered office at 1st Floor, Apex Plaza, Old No.3, New No.77, Nungambakkam High Road, Chennai 600034(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director                  | DIN      | Date of appointment in Company |
|---------|-----------------------------------|----------|--------------------------------|
| 1.      | Mr.Sanjay Tulsyan                 | 00632802 | 01/10/1996                     |
| 2.      | Mr.Lalit Kumar Tulsyan            | 00632823 | 12/07/1996                     |
| 3.      | Mr.Sanjay Agarwalla               | 00632864 | 22/09/2011                     |
| 4.      | Mr.Manogyanathan Parthasarathy    | 08277111 | 13/11/2018                     |
| 5.      | Ms. Antonisamy Axilium Jayamary   | 07410090 | 10/09/2019                     |
| 6.      | Mr. Somasundaram Posing Mohan Ram | 08883633 | 19/09/2020                     |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Chennai**  
**Date: 13-08-2021**

**For M DAMODARAN & ASSOCIATES LLP**

**Sd/-**  
**M. DAMODARAN**  
**Managing Partner**  
**Membership No.: 5837**  
**COP. No.: 5081**  
**ICSI UDIN No.: F005837C000777179**

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members,  
**TULSYAN NEC LIMITED**  
CIN - L28920TN1947PLC007437  
1st Floor, Apex Plaza, Old No.3,  
New No.77, Nungambakkam High Road,  
Chennai – 600 034.

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP have examined the compliance of the conditions of Corporate Governance by M/s. Tulsyan NEC Limited (“the Company”), for the year ended 31st March 2021, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance stipulated in Listing Regulations during the year ended 31st March, 2021 with some deviations.

I 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 LLP**  
Sd/-

**M.DAMODARAN**  
Managing Partner  
FCS No.: 5837  
COP. No.: 5081

**Place: Chennai**  
**Date: 13-08-2021**

**ICSI UDIN No.: F005837C000777135**



**CEO - CFO CERTIFICATION**

*[Pursuant to Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]*

We, Lalit Kumar Tulsyan, Executive Chairman and Shantha Kumar R.P., Chief Financial Officer, responsible for the finance function of the Company, hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2021 and that 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which 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 that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee that during the year-
  - i. there has not been any significant changes in internal control over financial reporting;
  - ii. there has not been any significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements; and
  - iii. there has not been any instances 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.

**By Order of the Board of Directors  
For Tulsyan NEC Limited**

**Place: Chennai  
Date: 13-08-2021**

**Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823**

**Sd/-  
CA Shantha Kumar R P  
Chief Financial Officer**



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members  
TULSYAN NEC LIMITED  
Chennai

**Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of TULSYAN NEC LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion :****1. Going Concern**

We draw attention to the fact that the Company is continuously incurring losses and its net worth is totally eroded on 31.03.2021. During the Financial year 2015-16 the Company's loans and liabilities were restructured under the Corporate Debt Restructuring Scheme providing certain reliefs and concessions. As per the scheme the company's repayment obligations were restructured. The Banks also provided certain reliefs/waivers/sacrifices by reducing the rate of interest. Interest was provided in the books at the lowered rates of interest. However upon the non-adherence to the scheme by the company, the concessions so provided under the scheme were withdrawn by some of the banks with retrospective effect and charged the interest at original rates. Consequent to the withdrawal of concessions, few banks have debited the account of the company for the differential amount of interest and other concessions given as per CDR scheme. The period of withdrawal relates from May 1st 2014 to the date of debit.

The Company had sought waiver of the said debits in the various restructuring proposals submitted to the bank. The charges as debited have been recognized as Finance charges in the period of debit. During the year the company had submitted a Compromise Settlement proposal as detailed below.

**2. Compromise Settlement**

We draw attention to Note No 44 and 52 regarding the Compromise Settlement. The Company has submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. Subsequent to the Balance Sheet date, the Compromise Settlement proposal has been accepted by one of the banks with certain conditions and the application with the other banks/ financial institutions are under negotiation and a decision is yet to be taken by the lenders. The Company is in the process of complying with the conditions of the Compromise Settlement proposal approved and is following up with the other lenders for approving the respective Compromise Settlement proposals submitted. We were informed that the Company's management is confident of complying with the conditions of the Compromise proposal approved and also getting approval for the other pending compromise proposals. Based on the above, the management believes that it will result in significant reduction in the outstanding dues to the lenders, including interest.

Considering the above, the Company has

- (a) reversed the interest charged by the banks during the year under audit
- (b) did not provide for interest where the banks have not charged interest.

In the opinion of the management, in view of the Compromise Settlement already approved by a Bank/under negotiation with the other bankers, there will be no further interest liability on the Company and the above accounting treatment considered will not significantly impact of the financial statements in the current and future periods.

In the absence of any specific confirmation of balances received from the banks/ financial institutions on the final dues of principal and interest, we are unable to comment on the appropriateness of the aforesaid reversal of interest charged during the year and the non-provision of interest in other cases. The impact of the above accounting treatment on the financial statements is not presently determinable. The Company's ability to continue as a Going Concern is dependent on the successful completion of Compromise Settlement obligations.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters.**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis of Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

| S.No | Key Audit Matter  | Auditor's Response  |
|------|---|---|
| 1.   | <p><b>Litigations – Contingencies</b></p> <p>Assessment of litigations and related disclosure of contingent liabilities [Refer to Note 2 (a) to the Standalone financial statements– “Use of estimates and critical accounting judgements– Provisions and contingent liabilities”, Note 44 to the Standalone Financial Statements – “Contingencies”. As at March 31, 2021, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.</p> | <p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood, assessed, and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;</li> <li>• We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;</li> </ul> |

|   |  |
|---|--|
| <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a key audit matter.</p> | <ul style="list-style-type: none"> <li>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations made in the Standalone Financial Statements;</li> <li>• We considered external opinions, where relevant, obtained by management;</li> <li>• We evaluated management’s assessments and assessed the reliability of the management’s past estimates/judgements;</li> <li>• We assessed the adequacy of the Company’s disclosures.</li> </ul> <p>Based on the above work performed, assessment in respect of litigations and related disclosures relating to contingent liabilities/ other significant litigations in the Standalone Financial Statements are considered to be reasonable.</p> |
|---|--|

**Other Matter**

Further to the continuous spreading of the second wave COVID -19 across India, the Tamil Nadu State Government had announced a strict lockdown on May 10, 2021 which was further extended to contain the spread of the virus. This has resulted in restrictions on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, most of the audit procedures were carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

**Emphasis of Matter**

We draw your attention to Note No 3S to the annual Standalone Financial Statement which explains the management’s assessment of the financial and operational impact on the business of the Company due to the lock-down and the conditions relevant to the COVID-19 and its consequential impact of the carrying values of the assets as at 31st March 2021.

Our opinion is not modified in respect of this matter.

**Information other than the financial statements and Auditor’s Report thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based

on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of accounts
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financials controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements – refer note 44 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;

For **M/s CNGSN & ASSOCIATES LLP**  
CHARTERED ACCOUNTANTS  
Firm Registration No: 004915S/S200036

**K Parathasarathy**  
Partner  
Membership No: 018394

Place: Chennai  
Date: 13-08-2021

UDIN: 21018394AAAAGY8913

**Annexure -A to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

- 1) (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets;
- (b) We are informed that the company has formulated a programme for physical verification of all fixed assets over a period of three year which, in our opinion is reasonable considering the size of the company and the nature of its assets. Accordingly, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) According to the information and explanations given to us the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register required to be maintained under section 189 of the Companies Act. Accordingly, clause (iii) of the order is not applicable for the year under consideration
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, reporting under clause 3 (v) of the Order does not arise.
- 6) We have reviewed the cost records maintained by the company as prescribed by the central government under section 148(1) of the companies act 2013 and are of the opinion that prima facie the prescribed cost records made and maintain. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess Goods and Services Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2021 for a period of more than six months from the date they become payable.
- (b) According to the records of the company and the information and explanation given to us the details of disputed Excise, Value Added Tax and Income Tax not deposited are as follows:

| <b>Nature of Dues</b>  | <b>Amount in Lacs.</b> | <b>Period to which it relates</b> | <b>Forum where the Dispute is pending</b> |
|--|------------------------|-----------------------------------|---|
| Excise   | 1.02                   | 2003-04                           | CESTAT                                    |
| Excise   | 25.65                  | 2002-03                           | CESTAT                                    |
| Excise   | 1,636.14               | Up to June 2017                   | CESTAT                                    |
| Excise/Service Tax   | 235.27                 | Apr 2013-Jun 17                   | CESTAT Bangalore                          |
| Classification of FIBC and demand for repayment of duty drawback | 168.18                 | Feb 2010-Sep 2011                 | Ministry of Finance – Secretary           |

| Nature of Dues | Amount in Lacs. | Period to which it relates | Forum where the Dispute is pending |
|----------------|-----------------|----------------------------|------------------------------------|
| VAT            | 0.87            | 2004-09                    | Hon'ble High Court, Madras         |
| VAT            | 506.58          | 2013-14                    | Commercial Tax Department          |
| VAT            | 18.82           | 2012-13                    | Commercial Tax Department          |
| VAT            | 14.22           | 2013-14                    | Commercial Tax Department          |
| TNEB           | 265.54          | 2013-14                    | TNEB                               |

- 8) According to information and explanation given to us, the company has defaulted in certain repayments of principal amount to banks and financial institution.

(Rs in Lacs)

| Particulars | Canara Bank | SBI | Andhra Bank | IOB | Total for the quarter | Cumulative Total | No. of days |
|-------------|-------------|-----|-------------|-----|-----------------------|------------------|-------------|
| 30-06-2016  | 474         | 51  | 53          | 127 | 705                   | 705              | 1,735       |
| 30-09-2016  | 456         | 77  | 84          | 127 | 744                   | 1448             | 1,643       |
| 31-12-2016  | 456         | 77  | 84          | 127 | 744                   | 2192             | 1,551       |
| 31-03-2017  | 456         | 77  | 84          | 127 | 744                   | 2935             | 1,461       |
| 30-06-2017  | 738         | 103 | 166         | 234 | 1240                  | 4175             | 1,370       |
| 30-09-2017  | 738         | 103 | 166         | 234 | 1240                  | 5416             | 1,278       |
| 31-12-2017  | 738         | 103 | 166         | 234 | 1240                  | 6656             | 1,186       |
| 31-03-2018  | 738         | 103 | 166         | 234 | 1240                  | 7896             | 1,096       |
| 30-06-2018  | 892         | 103 | 265         | 359 | 1618                  | 9514             | 1,005       |
| 30-09-2018  | 892         | 103 | 265         | 359 | 1618                  | 11133            | 913         |
| 31-12-2018  | 892         | 103 | 265         | 359 | 1618                  | 12751            | 821         |
| 31-03-2019  | 892         | 103 | 265         | 359 | 1618                  | 14370            | 731         |
| 30-06-2019  | 1055        | 103 | 305         | 416 | 1879                  | 16249            | 640         |
| 30-09-2019  | 1055        | 103 | 305         | 416 | 1879                  | 18128            | 548         |
| 31-12-2019  | 1055        | 103 | 305         | 416 | 1879                  | 20007            | 456         |
| 31-03-2020  | 1055        | 103 | 305         | 416 | 1879                  | 21886            | 365         |
| 30-06-2020  | 996         | 103 | 278         | 378 | 1756                  | 23641            | 274         |
| 30-09-2020  | 996         | 103 | 278         | 378 | 1756                  | 25397            | 182         |
| 31-12-2020  | 996         | 103 | 278         | 378 | 1756                  | 27153            | 90          |
| 31-03-2021  | 996         | 103 | 278         | 378 | 1756                  | 28908            | -           |

- 9) The Company has not raised any money by way of initial public offer or further public offer (including debt Instruments) during the year. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company, or any instances of frauds on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of such cases by the management..



- 11) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, managerial remuneration has been paid / provided for, in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013..
- 12) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order does not arise.
- 13) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards
- 14) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under clause 3 (xiv) of the Order does not arise.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with the directors during the year. Accordingly, reporting under clause 3 (xv) of the Order does not arise.
- 16) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order does not arise

For **M/s CNGSN & ASSOCIATES LLP**  
CHARTERED ACCOUNTANTS  
Firm Registration No: 004915S/S200036

**K Parathasarathy**  
Partner  
Membership No: 018394

Place: Chennai  
Date: 13-08-2021

UDIN: 21018394AAAAGY8913

## Annexure B to The Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory requirements' section of our report to the Members of Tulsyani NEC Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub – Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### Management's Responsibility for Internal financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls over Financial Reporting.

### Meaning of Internal financial Controls over financial Reporting

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

### **Inherent Limitations of Internal financial Controls over financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s CNGSN & ASSOCIATES LLP**  
CHARTERED ACCOUNTANTS  
Firm Registration No: 004915S/S200036

**K Parathasarathy**  
Partner  
Membership No: 018394

Place: Chennai  
Date: 13-08-2021

UDIN: 21018394AAAAGY8913

**TULSYAN NEC LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars                          | Notes | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                        |       |                         |                         |
| <b>Non-current assets</b>            |       |                         |                         |
| Property, plant and equipment        | 4     | 64,950.81               | 67,336.22               |
| Capital work in progress             | 5     | --                      | --                      |
| Financial assets                     |       |                         |                         |
| Investments                          | 6     | 649.30                  | 649.30                  |
| Other financial assets               | 7     | 15.27                   | 23.23                   |
| Other non-current assets             | 8     | 519.42                  | 577.09                  |
| <b>Total non-current assets</b>      |       | <b>66,134.80</b>        | <b>68,585.84</b>        |
| <b>Current assets</b>                |       |                         |                         |
| Inventories                          | 9     | 9,047.53                | 9,943.88                |
| Financial assets                     |       |                         |                         |
| Investments                          | 10    | 0.50                    | 0.50                    |
| Trade receivables                    | 11    | 15,648.84               | 23,515.31               |
| Cash and cash equivalents            | 12    | 602.03                  | 290.06                  |
| Bank balances other than above       | 13    | 307.03                  | 107.03                  |
| Other financial assets               | 14    | 1,198.74                | 1,159.64                |
| Other current assets                 | 15    | 2,728.07                | 1,898.45                |
| <b>Total current assets</b>          |       | <b>29,532.74</b>        | <b>36,914.87</b>        |
| <b>Total Assets</b>                  |       | <b>95,667.54</b>        | <b>105,500.71</b>       |
| <b>EQUITY AND LIABILITIES</b>        |       |                         |                         |
| <b>Equity</b>                        |       |                         |                         |
| Equity share capital                 | 16    | 1,471.38                | 1,471.38                |
| Other equity                         | 17    | (63,891.67)             | (62,888.13)             |
| <b>Total equity</b>                  |       | <b>(62,420.29)</b>      | <b>(61,416.75)</b>      |
| <b>Liabilities</b>                   |       |                         |                         |
| <b>Non-current liabilities</b>       |       |                         |                         |
| Financial liabilities                |       |                         |                         |
| Borrowings                           | 18    | 70,079.71               | 61,907.01               |
| Other financial liabilities          | 19    | 1,323.03                | 1,119.08                |
| Provisions                           | 20    | 576.25                  | 564.90                  |
| Deferred Tax Liabilities (net)       | 21    | --                      | --                      |
| <b>Total non-current liabilities</b> |       | <b>71,978.99</b>        | <b>63,590.99</b>        |
| <b>Current liabilities</b>           |       |                         |                         |
| Financial liabilities                |       |                         |                         |
| Borrowings                           | 22    | 54,526.05               | 53,717.18               |
| Trade payables                       | 23    | 1,339.65                | 7,828.21                |
| Other financial liabilities          | 24    | 274.56                  | 272.87                  |
| Provisions                           | 25    | 102.72                  | 121.33                  |
| Other current liabilities            | 26    | 29,865.86               | 41,386.88               |
| <b>Total current liabilities</b>     |       | <b>86,108.84</b>        | <b>103,326.47</b>       |
| <b>Total liabilities</b>             |       | <b>158,087.83</b>       | <b>166,917.46</b>       |
| <b>Total Equity and Liabilities</b>  |       | <b>95,667.54</b>        | <b>105,500.71</b>       |

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802

Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823

Sd/-  
**Parvati Soni**  
Company Secretary

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394

Place : Chennai.  
Date : 13th August, 2021

**TULSYAN NEC LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars  | Notes | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|-------|-----------------------------------|-----------------------------------|
| <b>Continuing Operations</b>   |       |                                   |                                   |
| <b>A Income</b>  |       |                                   |                                   |
| Revenue from Operations  | 27    | 56,651.20                         | 73,598.84                         |
| Other Income   | 28    | 13.72                             | 65.69                             |
| <b>Total income</b>  |       | <b>56,664.92</b>                  | <b>73,664.53</b>                  |
| <b>B Expenses</b>  |       |                                   |                                   |
| Cost of materials consumed   | 29    | 40,186.14                         | 55,138.16                         |
| Purchases of stock in trade  | 30    | 225.12                            | 366.06                            |
| Changes in inventories of finished goods                                 | 31    | 1,200.20                          | 1,198.19                          |
| Employee benefits expense  | 32    | 2,845.83                          | 3,243.79                          |
| Power & fuel   | 33    | 4,196.14                          | 4,335.78                          |
| Depreciation and amortisation expense                                    | 34    | 2,468.29                          | 2,513.75                          |
| Finance costs  | 35    | 20,262.63                         | 22,372.75                         |
| Other expenses   | 36    | 5,895.75                          | 7,100.51                          |
| <b>Total expenses</b>  |       | <b>77,280.10</b>                  | <b>96,268.99</b>                  |
| <b>C Profit before exceptional items and tax</b>                         |       | <b>(20,615.18)</b>                | <b>(22,604.46)</b>                |
| Exceptional items  | 37    | (19,693.13)                       | --                                |
| <b>D Profit/ (Loss) before tax from continuing operations</b>            |       | <b>(922.05)</b>                   | <b>(22,604.46)</b>                |
| Income tax expense   | 38    | --                                | --                                |
| Current tax  |       | --                                | --                                |
| Deferred tax credit/ (charge)  |       | --                                | --                                |
| Profit/ (Loss) for the year  |       | (922.05)                          | (22,604.46)                       |
| <b>E Other comprehensive income</b>                                      |       |                                   |                                   |
| Items that will be reclassified to profit or loss                        |       |                                   |                                   |
| Remeasurement of post employment benefit obligations                     |       | (81.76)                           | (21.06)                           |
| Income tax relating to these items                                       |       |                                   |                                   |
| Other comprehensive income for the year, net of tax                      |       | (81.76)                           | (21.06)                           |
| Total comprehensive income/ (Loss) for the year                          |       | (1,003.81)                        | (22,625.52)                       |
| Earnings per share   | 39    |                                   |                                   |
| Basic earnings per share   |       | (6.27)                            | (153.63)                          |
| Diluted earnings per share   |       | (6.27)                            | (153.63)                          |
| The accompanying notes form an integral part of the financial statements |       |                                   |                                   |

For and on behalf of the board  
For **Tulsyan NEC Limited**As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802  
Sd/-  
**CA Shantha Kumar RP**  
Chief Financial OfficerSd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823  
Sd/-  
**Parvati Soni**  
Company SecretarySd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394Place : Chennai.  
Date : 13th August, 2021



**TULSYAN NEC LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED MARCH 31, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars   | For the<br>year ended<br>March 31, 2021 | For the year<br>ended<br>March 31, 2020 |
|---|---|---|
| <b>Cash Flow From Operating Activities</b>  |   |   |
| <b>Profit before income tax</b>   | (922.05)                                | (22,604.46)                             |
| Adjustments for   |   |   |
| Depreciation and amortisation expense   | 2,468.29                                | 2,513.75                                |
| (Profit)/ loss on sale of fixed assets  | (0.47)                                  | 1.38                                    |
| Profit on sale of Investments   | -                                       | -                                       |
| Finance cost  | 20,262.63                               | 22,372.75                               |
| Interest Income   | (13.18)                                 | (25.31)                                 |
| Operating Profit before Working Capital Changes   | 21,795.22                               | 2258.11                                 |
| Change in operating assets and liabilities  |   |   |
| (Increase) / Decrease in loans  | -                                       | -                                       |
| (Increase) / Decrease in other financial assets   | (39.09)                                 | (332.22)                                |
| (Increase) / Decrease in inventories  | 896.35                                  | (168.88)                                |
| (Increase) / Decrease in trade receivables  | 7,866.46                                | 990.93                                  |
| (Increase) / Decrease in other assets   | (759.37)                                | 1,552.28                                |
| Increase / (Decrease) in provisions,<br>other financial liabilities and other liabilities                               | (67.37)                                 | (940.06)                                |
| Increase / (Decrease) in trade payables   | (6,488.56)                              | 581.13                                  |
| <b>Cash generated from operations</b>   | 23,203.64                               | 3,941.29                                |
| Less : Income taxes paid (net of refunds)   | (12.58)                                 | (17.95)                                 |
| <b>Net cash from/ (used in) operating activities (A)</b>  | 23,191.06                               | 3,923.34                                |
| Cash Flows From Investing Activities  |   |   |
| Purchase of PPE (including changes in CWIP)   | (87.91)                                 | (361.56)                                |
| Sale proceeds of PPE  | 4.57                                    | 4.07                                    |
| (Investments in)/ Maturity of fixed deposits with banks (net)   | (200.00)                                | (100.00)                                |
| (Purchase)/ disposal proceeds of Investments (net)  | -                                       | -                                       |
| Interest received   | 13.18                                   | 25.31                                   |
| <b>Net cash from/ (used in) investing activities (B)</b>  | (270.16)                                | (432.17)                                |
| Cash Flows From Financing Activities  |   |   |
| Proceeds from issue of equity share capital<br>(net of share application money)   | -                                       | -                                       |
| Proceeds from/ (repayment of) long term borrowings (net)  | 8,172.70                                | 12,323.93                               |
| Proceeds from/ (repayment of) short term borrowings (net)   | 808.87                                  | 2,479.63                                |
| Finance cost  | (31,590.50)                             | (18,343.45)                             |
| <b>Net cash from/ (used in) financing activities (C)</b>  | (22,608.93)                             | (3,539.90)                              |
| <b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>   | 311.97                                  | (48.73)                                 |
| Cash and cash equivalents at the beginning of the financial year  | 290.06                                  | 338.79                                  |
| Cash and cash equivalents at end of the year  | 602.03                                  | 290.06                                  |
| <b>Notes:</b>   |   |   |
| 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements". |   |   |
| 2. Components of cash and cash equivalents  |   |   |
| Balances with banks   |   |   |
| - in current accounts   | 595.82                                  | 279.70                                  |
| Cash on hand  | 6.21                                    | 10.36                                   |
|   | 602.03                                  | 290.06                                  |

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394

Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer

Sd/-  
**Parvati Soni**  
Company Secretary

Place : Chennai.  
Date : 13th August, 2021

**TULSYAN NEC LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| (A) Equity Share Capital                        |         |
|---|---------|
| Balance at the end of March 31, 2020            | 1471.38 |
| Changes in equity share capital during the year | -       |
| Balance at the end of March 31, 2021            | 1471.38 |

**(B) Other Equity**

| Particulars                             | General Reserve | Investment Allowance reserve | Securities Premium Reserve | Other Comprehensive Income | Profit and Loss Account | Total       |
|---|-----------------|------------------------------|----------------------------|----------------------------|-------------------------|-------------|
| Balance as at March 31, 2020            | 2,390.00        | 59.39                        | 11,873.70                  | (0.27)                     | (77,210.95)             | (62,888.13) |
| Additions/ (Deductions) during the year | -               | -                            | -                          | 81.76                      | (81.76)                 | -           |
| Total Comprehensive Income for the year | -               | -                            | -                          | (81.76)                    | (922.05)                | (1,003.54)  |
| Balance as at March 31, 2021            | 2,390.00        | 59.39                        | 11,873.70                  | -                          | (78,214.76)             | (63,891.67) |

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802

Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer

Place : Chennai.  
Date : 13th August, 2021

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823

Sd/-  
**Parvati Soni**  
Company Secretary

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394

For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

**Tulsyan NEC Limited****Notes to Financial Statements for the year ended March 31, 2021****1 Corporate Information**

The company is engaged in the manufacturing of TMT bars, Coal Based Power Plant and Synthetics Woven fabrics and sacks. It has manufacturing plants at Chennai (Gummudipoondi) and Bangalore (Doddaballapura).

**2 Basis of preparation of financial statements****Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on 13th August, 2021.

**2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

**Property, Plant and Equipment (PPE)**

The residual values and estimated useful life of PPEs are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation.

**Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

**Deferred Tax Assets**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### **Impairment of Non-financial assets - PPE**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

### **Defined Benefit Plans and other long term employee benefits**

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### **Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

## **2B Recent accounting pronouncements**

MCA (Ministry of Corporate Affairs) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2021. MCA issued notifications on 24th March 2021 to amend Schedule III to the Companies Act 2013 to enhance the disclosures required to be made by the company in its financials statements. These amendments are applicable to the company for the financial year starting 1st April 2021.

## **3 Significant Accounting Policies**

### **a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle

- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- i) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 6 months as its operating cycle.

#### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### **c) Revenue Recognition**

#### **Sale of goods**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

#### **Sale of services**

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

#### **Power Generation**

Power generated from windmills that are covered under wheeling and banking arrangement with the State Electricity Board/ Electricity Distribution Companies are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue.

#### **Export entitlements**

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### **Interest Income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### **Dividend income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

### **d) Property, plant and equipment and capital work in progress**

#### **Presentation**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

#### **Component Cost**

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

#### **Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **e) Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **f) Inventories**

Raw materials, Components, Stores and Spares and Work-in-Progress are valued at cost. Finished goods are valued at cost or realizable value whichever is less. The basis of determining cost for various categories of inventories are as follows:

- (i) **Raw materials, components, stores and spares:** At lower of weighted average cost and net realizable value.
- (ii) **Work-in-process :** At lower of cost of raw material and component including related overheads and net realizable value.
- (iii) **Finished goods:** At lower of cost and net realizable value. Cost includes raw material components and related overheads.

#### **g) Financial Instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

## Financial assets

### Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Financial instruments (other than equity instruments) at amortised cost

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### Financial Instruments (other than equity instruments) at FVTOCI

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

The financial instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI financial instrument is reported as interest income using the EIR method.

### Financial instruments (other than equity instruments) at FVTPL

The Company classifies all financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

| Classification | Name of the financial asset   |
|----------------|---|
| Amortised cost | Trade receivables, deposits, interest receivable, and other advances recoverable in cash.   |
| FVTOCI         | Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition. |
| FVTPL          | Other investments in equity instruments   |

### Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets other than equity instruments, and that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.
- Financial assets, other than equity instruments that are measured at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Financial instruments, other than equity instruments, measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

| Name of the financial asset | Impairment Testing Methodology   |
|-----------------------------|--|
| Trade Receivables           | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.  |
| Other financial assets      | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

| Classification | Name of the financial liability  |
|----------------|--|
| Amortised cost | Borrowings, trade payables, interest accrued, unclaimed / disputed dividends, security deposits and other financial liabilities not for trading.   |
| FVTPL          | Foreign Exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. The Company does not take forward contract. |

**Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

**Derivative financial instruments**

The Company does not hold any derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.



### Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date. However the company does not deal in any derivate/hedging. Hence the above will not be applicable to the company

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

| S.No | Original classification | Revised classification | Accounting treatment   |
|------|-------------------------|------------------------|--|
| 1    | Amortised cost          | FVTPL                  | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.   |
| 2    | FVTPL                   | Amortised Cost         | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.   |
| 3    | Amortised cost          | FVTOCI                 | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.   |
| 4    | FVTOCI                  | Amortised cost         | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| 5    | FVTPL                   | FVTOCI                 | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.  |
| 6    | FVTOCI                  | FVTPL                  | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.  |

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **h) Foreign currency transactions and translations**

##### **Transactions and balances**

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations wherever it deems necessary that such coverage is appropriate. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

#### **i) Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

#### **k) Taxes**

##### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## **i) Retirement and other employee benefits**

### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**m) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**n) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**o) Provisions, contingent liabilities and contingent asset****Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

**Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

**p) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

**q) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

**r) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

**s) Estimation of uncertainties relating to COVID-19**

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India have taken significant measures to curtail the wide spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company's steel making facilities was suspended from 24.03.2020 to 07.05.2020. Synthetics division was shut down from 25.03.2020 to 13.04.2020. The lockdown had adversely affected the company's sales volume mix and realizations. The second wave of Covid -19 towards the end of the Financial year continue to impact the operations of the Company severely. The company believes that the Covid -19 will impact the Company's business in the short term but does not anticipate material risks in the Long run. In view of the impact of COVID-19, the Company has assessed the carrying amounts of property, plant and equipment, right of-use assets, intangible assets, inventories, trade receivables, investments and other financial assets. In assessing the recoverable value of such assets, the Company has considered various internal and external information such as existing long-term arrangements with customer and vendor partners, long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions. As per the Company's current assessment of recoverability of these assets, no significant impact on carrying amounts of these assets is expected. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements

**TULSYAN NEC LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2021**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**4. Property, plant and equipment**

| Particulars                     | Tangible Assets |                     |                   |                     |          |                  |                |                 |                             |  | Total     |
|---------------------------------|-----------------|---------------------|-------------------|---------------------|----------|------------------|----------------|-----------------|-----------------------------|--|-----------|
|                                 | Land            | Right to use Assets | Factory Buildings | Plant and Machinery | Vehicles | Works Equipments | Lab Equipments | Office Premises | Office and Other Equipments |  |           |
| Deemed Cost as at April 1, 2020 | 11,447.03       | 95.47               | 13335.87          | 62793.18            | 311.63   | 163.82           | 39.87          | 20.69           | 646.99                      |  | 88,854.55 |
| Additions                       | -               | -                   | -                 | 72.41               | -        | 10.07            | -              | -               | 5.43                        |  | 87.91     |
| Disposals                       | -               | -                   | -                 | -                   | (44.61)  | -                | -              | -               | -                           |  | (44.61)   |
| Cost as at March 31, 2021       | 1,447.03        | 95.47               | 13335.87          | 62,865.59           | 267.02   | 173.89           | 39.87          | 20.69           | 652.42                      |  | 88,897.85 |
| Depreciation/Amortisation       |                 |                     |                   |                     |          |                  |                |                 |                             |  |           |
| As at March 31, 2020            | -               | 11.42               | 2,917.14          | 17,709.15           | 263.51   | 60.31            | 15.58          | 13.29           | 527.93                      |  | 21,518.33 |
| Charge for the year             | -               | 0.88                | 455.26            | 1,966.86            | 8.81     | 9.00             | 3.84           | 0.96            | 22.67                       |  | 2,468.28  |
| Disposals                       | -               | -                   | -                 | -                   | (39.57)  | -                | -              | -               | -                           |  | (39.57)   |
| As at March 31, 2021            | -               | 12.30               | 3,372.40          | 19,676.01           | 232.75   | 69.31            | 19.42          | 14.25           | 550.60                      |  | 23,947.04 |
| Net Block                       |                 |                     |                   |                     |          |                  |                |                 |                             |  |           |
| As at March 31, 2020            | 11,447.03       | 84.05               | 10,418.73         | 45,084.03           | 48.12    | 103.51           | 24.29          | 7.40            | 119.06                      |  | 67,336.22 |
| As at March 31, 2021            | 11,447.03       | 83.17               | 9,963.47          | 43,189.58           | 34.27    | 104.58           | 20.45          | 6.44            | 101.82                      |  | 64,950.81 |

**Notes - (Contd)**

| <b>Note No. 5</b>  | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Capital Work-in-progress</b>  |                                 |                                 |
| Capital work in progress   | -                               | -                               |
|  | -                               | -                               |
| <b>Note No. 6</b>  |                                 |                                 |
| <b>Non-current investments</b>   |                                 |                                 |
| Investments in Equity Instruments at FVTPL   |                                 |                                 |
| <b>Unquoted</b>  |                                 |                                 |
| i. Investments in Subsidiaries   |                                 |                                 |
| Chitrakoot Steel & Power P Limited (64,89,200 Equity Shares of Rs.10/- each)                     | <b>648.92</b>                   | 648.92                          |
| Color Peppers Media P Ltd (50,000 Equity Shares of Rs.10/- each)                                 | -                               | -                               |
| ii. Investments in Other Companies   |                                 |                                 |
| Greenko Wind Projects Private Ltd (Erstwhile Vyshali Energy P Ltd (3810 Shares of Rs 10/- each)) | <b>0.38</b>                     | 0.38                            |
| Investments in Debt Instruments at FVTPL   |                                 |                                 |
| <b>Unquoted</b>  | -                               | -                               |
|  | <b>649.30</b>                   | 649.30                          |
| Total non-current investments  |                                 |                                 |
| Aggregate amount of quoted investments   | -                               | -                               |
| Aggregate market value of quoted investments   | -                               | -                               |
| Aggregate cost of unquoted investments   | <b>649.30</b>                   | 649.30                          |
| Aggregate amount of impairment in value of investments   | -                               | -                               |
| <b>Note No. 7</b>  |                                 |                                 |
| <b>Other non-current financial assets</b>  |                                 |                                 |
| (Unsecured, considered good)   |                                 |                                 |
| Deposits   | -                               | -                               |
| Security Deposits  | -                               | -                               |
| Loans and advances to employees  | -                               | -                               |
| Rent and other advances  | -                               | -                               |
| Unamortised finance expense  | <b>15.27</b>                    | 23.23                           |
|  | <b>15.27</b>                    | 23.23                           |
| <b>Note No. 8</b>  |                                 |                                 |
| <b>Other non-current assets</b>  |                                 |                                 |
| (Unsecured, considered good)   |                                 |                                 |
| Advance for fixed assets   |                                 |                                 |
| Advance income-tax and TDS (net of provision for tax)  | <b>475.60</b>                   | 462.01                          |
| MAT Credit Entitlement   | -                               | -                               |
| Advance recoverable in cash or in kind or for value to be received                               | -                               | -                               |
| Advance Fringe Benefit tax   | <b>2.41</b>                     | 2.41                            |
| Advance TCS  | <b>11.53</b>                    | 5.44                            |
| Other non-current assets   | <b>29.88</b>                    | 106.23                          |
|  | <b>519.42</b>                   | 577.09                          |

**Notes - (Contd)**

| <b>Note No. 9</b>  | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Inventories</b><br>(Valued at lower of cost and net realisable value) |                                 |                                 |
| Raw Materials  | <b>4,635.13</b>                 | 4,404.91                        |
| Work-in-progress   | -                               | -                               |
| Finished Goods   | <b>2,807.41</b>                 | 4,007.61                        |
| Stock-in-trade (acquired for trading)                                    | -                               | 0.01                            |
| Goods in Transit   | -                               | 0.21                            |
| Packing materials  | -                               | -                               |
| Stores   | <b>1,604.99</b>                 | 1,531.14                        |
| Loose tools  | -                               | -                               |
| Agricultural produce   | -                               | -                               |
|  | <b>9,047.53</b>                 | 9,943.88                        |
| <b>Inventory comprise of</b>   |                                 |                                 |
| <b>Raw Materials</b>   |                                 |                                 |
| Steel scrap  | <b>2,966.66</b>                 | 600.33                          |
| Ingot, billet and re-rollables   | <b>744.10</b>                   | 436.76                          |
| Coal   | <b>850.76</b>                   | 3,315.80                        |
| PP/HDPE Granules   | <b>73.61</b>                    | 52.02                           |
|  | <b>4,635.13</b>                 | 4,404.91                        |
| <b>Finished Goods</b>  |                                 |                                 |
| TMT Bar  | 1,765.54                        | 2,550.23                        |
| Poly Woven Sacks/ Bags   | 1,026.89                        | 1,315.46                        |
| Power  | 14.98                           | 142.14                          |
|  | <b>2,807.41</b>                 | 4,007.83                        |

| <b>Note No. 10</b>  |             |      |
|---|-------------|------|
| <b>Current Investments</b>  |             |      |
| <b>Investments in Equity Instruments at FVTPL</b>                               |             |      |
| Investments in companies other than subsidiaries, associates and joint ventures |             |      |
| <b>Quoted</b>   |             |      |
| Canara Bank (Formerly Syndicate Bank) (864 Equity Shares of Rs.10 each)         | <b>0.43</b> | 0.43 |
| <b>Unquoted</b>   |             |      |
| Shamrao Vithal Co-op Bank Ltd (50 Shares of Rs.100/- each)                      | <b>0.05</b> | 0.05 |
| <b>Investments in Debt Instruments at FVTPL</b>                                 |             |      |
| <b>Unquoted</b>   |             |      |
| National Savings Certificates   | <b>0.02</b> | 0.02 |
|   | <b>0.50</b> | 0.50 |



**Notes - (Contd)**

| <b>Note No. 11</b>   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Trade receivables</b><br>(Unsecured, considered good)   |                                 |                                 |
| Trade Receivables outstanding for a period less than six months from the date they are due for payment | -                               | -                               |
| Unsecured, considered good   | <b>9,715.73</b>                 | 14,000.71                       |
| Unsecured, considered doubtful   | -                               | -                               |
| Trade Receivables outstanding for a period exceeding six months from the date they are due for payment | -                               | -                               |
| Unsecured, considered good   | <b>6,870.04</b>                 | 10,451.53                       |
| Unsecured, considered doubtful   | -                               | -                               |
|  | <b>16,585.77</b>                | 24,452.24                       |
| <b>Allowance for Expected credit Loss</b>  | <b>(936.93)</b>                 | (936.93)                        |
|  | <b>15,648.84</b>                | 23,515.31                       |

| <b>Note No. 12</b>               |               |        |
|----------------------------------|---------------|--------|
| <b>Cash and cash equivalents</b> |               |        |
| Cash on Hand                     | <b>6.21</b>   | 10.36  |
| Cheque and Demand Drafts on Hand | -             | -      |
| Balances with Banks              |               |        |
| - In Current Account             | <b>595.82</b> | 279.70 |
| - In Collection Account          | -             | -      |
| - In Deposit Account             | -             | -      |
|                                  | <b>602.03</b> | 290.06 |

| <b>Note No. 13</b>           |               |        |
|------------------------------|---------------|--------|
| <b>Other Bank Balances</b>   |               |        |
| In fixed deposits            | <b>7.03</b>   | 7.03   |
| In margin money with banks * | <b>300.00</b> | 100.00 |
| In Earmarked Accounts        | -             | -      |
| - Unpaid Dividend Account    | -             | -      |
| - Unpaid Interest Account    | -             | -      |
|                              | <b>307.03</b> | 107.03 |

\* lien marked against outstanding letters of credit

| <b>Note No. 14</b>  |                 |          |
|---|-----------------|----------|
| <b>Other current financial assets</b><br>(Unsecured, considered good) |                 |          |
| Deposits  | <b>1,198.74</b> | 1,159.64 |
|   | <b>1,198.74</b> | 1,159.64 |

**Notes - (Contd)**

| <b>Note No. 15</b>   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Other current assets</b><br>(Unsecured, considered good)                            |                                 |                                 |
| Income and claims receivable   |                                 |                                 |
| Interest accrued on Deposits   |                                 |                                 |
| Advance recoverable in cash or in kind or for value to be received                     |                                 |                                 |
| Advance for Supplies and expenses  | 962.33                          | 296.84                          |
| Staff advances & Prepaid expenses  | 44.97                           | 49.74                           |
| Advances to Subsidiaries   | 0.51                            | 0.51                            |
| Advances for Fixed Assets  | -                               | -                               |
| Advance Paid   | 987.51                          | 430.35                          |
| Dividend   | -                               | -                               |
| Drawback   | 19.12                           | 19.12                           |
| Excise   | 13.87                           | 13.87                           |
| Import Licence   | 5.22                            | 51.98                           |
| Windmill geeneration compensation receivable   | -                               | -                               |
| Insurance Prepaid  | -                               | -                               |
| Balances with Statutory Authorities:   | 694.54                          | 1,036.04                        |
|  | <b>2,728.07</b>                 | <b>1,898.45</b>                 |
| <b>Note No. 16</b>   |                                 |                                 |
| <b>Capital</b>   |                                 |                                 |
| <b>Authorised Share Capital</b>  |                                 |                                 |
| 60,00,000 Equity shares of Rs. 10/- each   | <b>1,600.00</b>                 | 1,600.00                        |
| 2,00,00,000 6% Non convertible redeemable preference shares of Rs. 10/- each           | <b>2,000.00</b>                 | 2,000.00                        |
|  | <b>3,600.00</b>                 | <b>3,600.00</b>                 |
| <b>Issued &amp; Subscribed Share Capital</b>   |                                 |                                 |
| 1,50,00,000 (previous year 1,50,00,000) Equity shares of Rs. 10/- each                 | <b>1,500.00</b>                 | 1,500.00                        |
|  | <b>1,500.00</b>                 | <b>1,500.00</b>                 |
| <b>Paid up share capital</b>   |                                 |                                 |
| 1,45,06,790 (previous year 1,45,06,790) Equity shares of Rs. 10/- each (fully paid up) | <b>1,450.68</b>                 | 1,450.68                        |
| 1,96,989 (previous year 1,96,989) Equity shares of Rs. 10/- each (Rs. 6/- paid up)     | <b>11.82</b>                    | 11.82                           |
| 2,96,221 (previous year 2,96,221) Equity shares of Rs. 10/- each (Rs. 3/- paid up)     | <b>8.88</b>                     | 8.88                            |
|  | <b>1,471.38</b>                 | <b>1,471.38</b>                 |

**Notes:**

**i. Reconciliation of number of equity shares subscribed**

|   |                          |                          |
|---|--------------------------|--------------------------|
| Balance as at the beginning of the year | <b>15,000,000</b>        | 15,000,000               |
| Add: Issued during the year             | -                        | -                        |
| <b>Balance at the end of the year</b>   | <b><u>15,000,000</u></b> | <b><u>15,000,000</u></b> |

**ii. Shares issued for consideration other than cash**

There are no shares which have been issued for consideration other than cash during the last 5 years.

**iii. Redeemable Preference Shares**

6% Non convertible redeemable preference shares issued by the company are classified as financial liabilities (non-current borrowings) [refer note 18] in accordance with Ind AS.

**iv. Shareholders holding more than 5% of the total share capital**

| Name of the share holder | March 31, 2021     |              | March 31, 2020     |              |
|--------------------------|--------------------|--------------|--------------------|--------------|
|                          | No. of shares held | % of holding | No. of shares held | % of holding |
| Lalit Kumar Tulsyan      | <b>4,046,645</b>   | <b>26.98</b> | <b>4,046,645</b>   | 26.98        |
| Sanjay Tulsyan           | <b>4,475,481</b>   | <b>29.84</b> | <b>4,475,481</b>   | 29.84        |
| Priya Tulsyan            | <b>954,982</b>     | <b>6.37</b>  | <b>954,982</b>     | 6.37         |
| Alka Tulsyan             | <b>751,130</b>     | <b>5.01</b>  | <b>751,130</b>     | 5.01         |

**v. Rights, preferences and restrictions in respect of equity shares issued by the Company**

- a. The company has issued only one class of equity shares having a par value of Rs. 10 each. The equity shares of the company having par value of Rs. 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
- b. All equity shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares. However as far as the share held by the promoters/ promoters group is concerned, the same has been pledged in favour of the lenders as part of CDR compliance (Refer Note 44)
- c. The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.
- d. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. Nil per equity share held (previous year Rs. Nil per equity share held)
- e. In the event of liquidation, the Equity Share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

**Notes - (Contd)**

| Note No. 17                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>Other Equity</b>                          |                         |                         |
| General Reserve                              | 2,390.00                | 2,390.00                |
| Investment Allowance reserve                 | 59.39                   | 59.39                   |
| Securities Premium Reserve                   | 11,873.70               | 11,873.70               |
| Other Comprehensive Income                   | -                       | (0.27)                  |
| Profit and Loss Account                      | (78,214.76)             | (77,210.95)             |
|  | <b>(63,891.67)</b>      | <b>(62,888.13)</b>      |
| <b>a) General reserve</b>                    |                         |                         |
| Balance at the beginning and end of the year | 2,390.00                | 2,390.00                |
| <b>b) Investment Allowance Reserve</b>       |                         |                         |
| Balance at the beginning and end of the year | 59.39                   | 59.39                   |
| <b>c) Securities Premium Reserve</b>         |                         |                         |
| Balance at the beginning of the year         | 11,873.70               | 11,873.70               |
| Additions during the year                    |                         |                         |
| Balance at the end of the year               | 11,873.70               | 11,873.70               |
| <b>d) Other Comprehensive Income</b>         |                         |                         |
| Balance at the beginning of the year         | -                       | -                       |
| Additions during the year                    | (81.76)                 | (21.06)                 |
| Deductions/Adjustments during the year       | 81.76                   | 21.06                   |
| Balance at the end of the year               | -                       | -                       |
| <b>e) Retained earnings</b>                  |                         |                         |
| Balance at the beginning of the year         | (77,210.95)             | (54,585.43)             |
| Net profit for the period                    | (922.05)                | (22,604.46)             |
| Transfer from Other Comprehensive Income     | (81.76)                 | (21.06)                 |
| Ind AS Adjustments                           | -                       | -                       |
| Dividend paid (including tax on dividends)   | -                       | -                       |
| Balance at the end of the year               | <b>(78,214.76)</b>      | <b>(77,210.95)</b>      |

**Notes - (Contd)**

| Note No. 18  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>Non-Current Liabilities - Financial Liabilities: Borrowings</b> |                         |                         |
| <b>Secured</b>   |                         |                         |
| Preference Shares  |                         |                         |
| 6% Non convertible redeemable preference shares                    | <b>884.30</b>           | 884.30                  |
| <b>Term Loans *</b>  |                         |                         |
| From Banks   | <b>100,840.24</b>       | 89,797.56               |
| From Financial Institutions  | -                       | -                       |
| <b>Vehicle Loans</b>   | -                       | -                       |
| <b>Unsecured</b>   |                         |                         |
| From Body Corporate  | -                       | -                       |
| From Directors   | <b>709.50</b>           | 712.50                  |
| From Others  | -                       | -                       |
| Interest Accured & Due   | -                       | -                       |
|  | <b>102,434.04</b>       | 91,394.36               |
| Less: Current maturities of long-term debt (included in note 26)   | <b>(29,277.38)</b>      | (29,487.35)             |
| Interest Liability reversed as per Compromise Agreement            | <b>(3,076.95)</b>       |                         |
|  | <b>70,079.71</b>        | 61,907.01               |

\* refer note 47 for terms and conditions and security details

| Note No. 19  |                 |                 |
|--|-----------------|-----------------|
| <b>Other non current financial liabilities</b>     |                 |                 |
| Premium on redemption of preference shares payable | <b>1,323.03</b> | <b>1,119.08</b> |
| Unamortised rental income                          | -               | -               |
| Unamortised Interest income                        | -               | -               |
|  | <b>1,323.03</b> | <b>1,119.08</b> |

| Note No. 20                     |               |               |
|---------------------------------|---------------|---------------|
| <b>Provisions (Non-current)</b> |               |               |
| Provision for employee benefits |               |               |
| Gratuity                        | <b>484.71</b> | <b>465.88</b> |
| Compensted absence              | <b>91.54</b>  | <b>99.02</b>  |
| (Refer Note 50)                 | <b>576.25</b> | <b>564.90</b> |

| Note No. 21                                  |   |   |
|--|---|---|
| <b>Deferred Tax Liability/ (Asset) - Net</b> | - | - |
|  |   |   |

**Notes - (Contd)**

| Note No. 22  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>Current liabilities - Financial Liabilities: Borrowings *</b> |                         |                         |
| <b>Secured</b>   |                         |                         |
| From banks - Working capital term loans                          | 52,083.84               | 49,186.57               |
| Loans from others  | 1,348.08                | 1,284.05                |
| <b>Unsecured</b>   |                         |                         |
| Loans from financial institutions                                | -                       | -                       |
| Loans from related parties                                       | -                       | -                       |
| Loans from body corporate  | 2,553.74                | 3,246.56                |
| Loans from directors   | -                       | -                       |
| Inter Corporate Deposits   | -                       | -                       |
| Interest Liability reversed as per Compromise Agreement          | (1,459.61)              | -                       |
|  | <b>54,526.05</b>        | 53,717.18               |

\* refer note 47 for terms and conditions and security details

| Note No. 23             |                 |          |
|-------------------------|-----------------|----------|
| <b>Trade payables *</b> |                 |          |
| Supplies and Services   | 1,131.51        | 7,013.76 |
| Expenses and others     | 208.11          | 814.45   |
|                         | <b>1,339.65</b> | 7,828.21 |

\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 43.

| Note No. 24                                |               |        |
|--|---------------|--------|
| <b>Other current financial liabilities</b> |               |        |
| Deposits for power                         | 274.56        | 272.87 |
|  | <b>274.56</b> | 272.87 |

| Note No. 25                                   |               |        |
|---|---------------|--------|
| <b>Provisions (Current)</b>                   |               |        |
| Provision for proposed equity dividend        | -             | -      |
| Provision for tax on proposed equity dividend | -             | -      |
| Provision for Expenses / Tax                  | 102.72        | 121.33 |
| Provision - others                            | -             | -      |
|   | <b>102.72</b> | 121.33 |

**Notes - (Contd)**

| <b>Note No. 26</b>                            | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|---|---------------------------------|---------------------------------|
| <b>Other current liabilities</b>              |                                 |                                 |
| Current maturities of long-term debt          | <b>29,277.38</b>                | 29,487.35                       |
| Interest accrued but not due on secured loans | -                               | -                               |
| Interest Payable                              | -                               | 11541.00                        |
| Statutory Dues Payable                        | <b>184.91</b>                   | 7.08                            |
| Advanced & deposits from customer etc.        | -                               | -                               |
| Employee                                      | -                               | -                               |
| TDS   | <b>28.82</b>                    | 29.48                           |
| Calamity Relief Fund                          | -                               | -                               |
| Other current liabilities                     | <b>130.21</b>                   | 100.42                          |
| Employee Payables                             | <b>244.54</b>                   | 221.55                          |
|   | <b>29,865.86</b>                | 41,386.88                       |

| <b>Note No. 27</b>             |                  |           |
|--------------------------------|------------------|-----------|
| <b>Revenue from Operations</b> |                  |           |
| Domestic sales FG              | <b>51,291.46</b> | 66,323.21 |
| High sea sales                 | -                | -         |
| Export sales                   | <b>3,206.51</b>  | 5,943.44  |
| Excise duty                    | -                | -         |
| Domestic Sales RM              | <b>1,529.53</b>  | 773.49    |
| Processing charges             | <b>623.70</b>    | 558.70    |
|                                | <b>56,651.20</b> | 73,598.84 |

| <b>Note No. 28</b>                                       |                 |          |
|--|-----------------|----------|
| <b>Other Income</b>                                      |                 |          |
| Income from windmills                                    | <b>173.49</b>   | 156.47   |
| Interest   | -               | -        |
| Interest on term deposit                                 | <b>0.33</b>     | 0.15     |
| Other interest income                                    | <b>12.86</b>    | 25.16    |
| Profit on sale of Fixed asset                            | <b>0.47</b>     | -        |
| Conversion charges received                              | -               | -        |
| Compensation for power                                   | -               | 0.49     |
| Profit on sale of Investment                             | -               | -        |
| Duty drawback/Rate difference                            | -               | -        |
| Foreign Exchange Fluctuation                             | -               | -        |
| Miscellaneous Income                                     | <b>0.06</b>     | 39.89    |
| Less: Income from wind mill set-off against Power & Fuel | <b>(173.49)</b> | (156.47) |
|  | <b>13.72</b>    | 65.69    |

**Notes - (Contd)**

(₹ In Lacs)

| <b>Note No. 29</b>                      | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|---|---------------------------------|---------------------------------|
| <b>Cost of Materials Consumed</b>       |                                 |                                 |
| <b>Raw Materials</b>                    |                                 |                                 |
| Opening inventory of raw materials      | 4,404.91                        | 3,272.33                        |
| Raw Materials purchased                 | 38,721.63                       | 52,497.98                       |
| Materials Inward                        | 2,529.42                        | 4,084.13                        |
| Customs Duty                            | 642.49                          | 1,747.27                        |
| Expenses for Import Licence             | -                               | 54.39                           |
| Less: Discount/Licence                  | 256.90                          | 318.04                          |
| Less: Closing Stock                     | 4,635.13                        | 4,404.91                        |
| Captive consumption                     | 3,849.99                        | 4,623.78                        |
|   | <b>37,556.43</b>                | <b>52,309.37</b>                |
| <b>Stores</b>                           |                                 |                                 |
| Opening Stock                           | 1,531.14                        | 1,219.32                        |
| Purchases                               | 2,651.20                        | 3,033.82                        |
| Materials Inward                        | 52.36                           | 106.79                          |
| Less: Closing Stock                     | 1,604.99                        | 1,531.14                        |
|   | <b>2,629.71</b>                 | <b>2,828.79</b>                 |
| <b>Total cost of materials consumed</b> | <b>40,186.14</b>                | <b>55,138.16</b>                |

| <b>Note No. 30</b>                               |               |               |
|--|---------------|---------------|
| <b>Purchase of stock-in-trade - Traded goods</b> |               |               |
| Purchase of stock-in-trade - Traded goods        | 225.12        | 366.06        |
|  | <b>225.12</b> | <b>366.06</b> |

| <b>Note No. 31</b>                              |                 |                 |
|---|-----------------|-----------------|
| <b>Changes in inventories of finished goods</b> |                 |                 |
| Closing balance                                 | 2,807.41        | 4,007.61        |
| Opening balance                                 | 4,007.61        | 5,205.80        |
|   | <b>1,200.20</b> | <b>1,198.19</b> |

| <b>Note No. 32</b>                        |                 |                 |
|---|-----------------|-----------------|
| <b>Employee benefit expenses</b>          |                 |                 |
| Salaries and Wages                        | 2,738.10        | 2,996.65        |
| Welfare Expenses                          | 53.19           | 44.19           |
| Contribution to provident and other funds | 54.54           | 202.95          |
|   | <b>2,845.83</b> | <b>3,243.79</b> |



**Notes - (Contd)**

| <b>Note No. 33</b>      |                 |          |
|-------------------------|-----------------|----------|
| <b>Power &amp; Fuel</b> |                 |          |
| Power & Fuel expense    | <b>4,196.14</b> | 4,335.78 |
|                         | <b>4,196.14</b> | 4,335.78 |

| <b>Note No. 34</b>                            |                 |          |
|---|-----------------|----------|
| <b>Depreciation and amortization expense</b>  |                 |          |
| Depreciation on property, plant and equipment | <b>2,468.29</b> | 2,513.75 |
|   | <b>2,468.29</b> | 2,513.75 |

| <b>Note No. 35</b>   |                  |           |
|----------------------|------------------|-----------|
| <b>Finance costs</b> |                  |           |
| Interest to Bank     | <b>19,693.13</b> | 21,861.28 |
| Other Interest       | <b>569.50</b>    | 511.47    |
|                      | <b>20,262.63</b> | 22,372.75 |

| <b>Note No. 36</b>                 | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|------------------------------------|---------------------------------|---------------------------------|
| <b>Other expenses</b>              |                                 |                                 |
| Power Plant Charges                | <b>2,810.47</b>                 | 3,511.90                        |
| Repairs                            |                                 |                                 |
| Machinery                          | <b>378.35</b>                   | 379.84                          |
| Building                           | <b>45.55</b>                    | 10.71                           |
| Other Manufacturing Expenses       | <b>57.35</b>                    | 82.96                           |
| Processing Charges                 | <b>180.96</b>                   | 1,243.58                        |
| Insurance                          | <b>58.29</b>                    | 55.79                           |
| Rent                               | <b>33.92</b>                    | 51.75                           |
| Loss on sale of fixed assets       | -                               | 1.38                            |
| Rates & Taxes                      | <b>38.42</b>                    | 62.22                           |
| Legal & consultancy charges        | <b>87.63</b>                    | 97.37                           |
| Payment to auditors                | <b>0.55</b>                     | 4.19                            |
| Transport charges                  | <b>322.69</b>                   | 348.27                          |
| Brokerage & commission             | <b>118.51</b>                   | 123.39                          |
| Selling & administration expenses  | <b>949.04</b>                   | 786.16                          |
| Excise duty expenses               | <b>264.13</b>                   | -                               |
| Bank charges                       | <b>59.04</b>                    | 74.27                           |
| Foreign exchange loss (net)        | <b>23.12</b>                    | 110.15                          |
| Provision for Expected credit loss | <b>467.73</b>                   | 156.59                          |
|                                    | <b>5,895.75</b>                 | 7,100.51                        |

**Notes - (Contd)**

| <b>Note No. 36 (a)</b>     |             |      |
|----------------------------|-------------|------|
| <b>Payment to auditors</b> |             |      |
| Statutory Audit fees       | <b>4.00</b> | 4.00 |
| Taxation fee               | <b>1.50</b> | 1.50 |
| Oher Certifications        |             |      |
|                            | <b>5.50</b> | 5.50 |

| <b>Note No. 37</b>                  |                    |   |
|-------------------------------------|--------------------|---|
| <b>Exceptional Items</b>            |                    |   |
| Exceptional Item<br>(Refer Note 52) | <b>(19,693.13)</b> | - |
|                                     | <b>(19,693.13)</b> | - |

| <b>Note No. 38</b>   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Income tax expense</b>  |                                 |                                 |
| <b>(a) Income tax expense</b>  |                                 |                                 |
| <b>Current tax</b>   |                                 |                                 |
| Current tax on profits for the year  | -                               | -                               |
| MAT credit entitlement/reversal  | -                               | -                               |
| Adjustments for current tax of prior periods   | -                               | -                               |
| <b>Total current tax expense</b>   | -                               | -                               |
| <b>Deferred tax</b>  |                                 |                                 |
| Deferred tax adjustments   |                                 |                                 |
| <b>Total deferred tax expense/(benefit)</b>  | -                               | -                               |
| <b>Income tax expense</b>  | -                               | -                               |
| <b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b> |                                 |                                 |
| Profit before tax from continuing operations   | <b>(922.05)</b>                 | (22,604.46)                     |
| <b>c) Income tax recognised in other comprehensive income</b>  |                                 |                                 |
| <b>Deferred tax</b>  |                                 |                                 |
| Remeasurement of defined benefit obligation  | -                               | -                               |
| <b>Total income tax recognised in other comprehensive income</b>                                     | -                               | -                               |

**d) Movement of deferred tax expense during the year ended March 31, 2021**

| Deferred tax (liabilities)/assets in relation to:            | Opening balance | Recognised in profit or loss | Recognised in Other comprehensive income | Closing balance |
|--|-----------------|------------------------------|--|-----------------|
| Property, plant, and equipment and Intangible Assets         | -               | -                            | -  | -               |
| Expenses allowable on payment basis under the Income Tax Act | -               | -                            | -  | -               |
| Remeasurement of financial instruments under Ind AS          | -               | -                            | -  | -               |
| Other temporary differences                                  | -               | -                            | -  | -               |
| MAT Credit entitlement                                       | -               | -                            | -  | -               |
| <b>Total</b>   | -               | -                            | -  | -               |

**e) Movement of deferred tax expense during the year ended March 31, 2021**

| Deferred tax (liabilities)/assets in relation to:            | Opening balance | Recognised in profit or loss | Recognised in Other comprehensive income | Closing balance |
|--|-----------------|------------------------------|--|-----------------|
| Property, plant, and equipment and Intangible Assets         | -               | -                            | -  | -               |
| Expenses allowable on payment basis under the Income Tax Act | -               | -                            | -  | -               |
| Remeasurement of financial instruments under Ind AS          | -               | -                            | -  | -               |
| Other temporary differences                                  | -               | -                            | -  | -               |
| MAT Credit entitlement                                       | -               | -                            | -  | -               |
| <b>Total</b>   | -               | -                            | -  | -               |

**Note No. 39**

**Earnings per share**

|   |                 |             |
|---|-----------------|-------------|
| Profit/ (loss) for the year attributable to owners of the Company | <b>(922.05)</b> | (22,604.46) |
| Weighted average number of ordinary shares outstanding            | <b>14713850</b> | 14713850    |
| Basic earnings per share (Rs)                                     | <b>(6.27)</b>   | (153.63)    |
| Diluted earnings per share (Rs)                                   | <b>(6.27)</b>   | (153.63)    |

**Note No. 40**

**Earnings in foreign currency**

|                      |                 |          |
|----------------------|-----------------|----------|
| FOB value of exports | <b>2,212.04</b> | 2,405.68 |
|                      | <b>2,212.04</b> | 2,405.68 |

**Note No. 40(a)**

**Expenditure in foreign currency**

|  |   |       |
|--|---|-------|
| Exchange in foreign currency for other matters | - | 21.42 |
|  | - | 21.42 |

**Notes - (Contd)**

| <b>Note No. 41</b>          |               |          |
|-----------------------------|---------------|----------|
| <b>CIF value of imports</b> |               |          |
| Raw Materials               | <b>246.84</b> | 3,622.30 |
|                             | <b>246.84</b> | 3,622.30 |

**42. Value of imported and indigenous Raw material, Stores and Coal Consumed during the financial year and the percentage of each to the total consumption**

| <b>Particulars</b>             | <b>Year ended March 31, 2021</b> |                       | <b>Year ended March 31, 2020</b> |                       |
|--------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
|                                | <b>Rs. In Lakhs</b>              | <b>Percentage (%)</b> | <b>Rs. In Lakhs</b>              | <b>Percentage (%)</b> |
| <b>Raw Materials</b>           |                                  |                       |                                  |                       |
| <b>Imported</b>                |                                  |                       |                                  |                       |
| Steel scrap                    | <b>15,544.12</b>                 | <b>51.67</b>          | 13,352.99                        | 31.98                 |
| Ingot, billet and re-rollables | -                                | -                     | -                                | -                     |
| PP/HDPE Granules               | -                                | -                     | -                                | -                     |
| <b>Others</b>                  |                                  |                       |                                  |                       |
| Steel scrap                    | <b>9,823.09</b>                  | <b>32.65</b>          | 13,695.37                        | 32.80                 |
| Ingot, billet and re-rollables | <b>389.69</b>                    | <b>1.30</b>           | 10,456.87                        | 25.03                 |
| PP/HDPE Granules               | <b>4,327.70</b>                  | <b>14.39</b>          | 4,253.41                         | 10.19                 |
| <b>Coal</b>                    |                                  |                       |                                  |                       |
| Imported                       | <b>11,299.85</b>                 | <b>99.81</b>          | 15,152.54                        | 99.86                 |
| Others                         | <b>21.97</b>                     | <b>0.19</b>           | 21.97                            | 0.14                  |
| <b>Stores</b>                  |                                  |                       |                                  |                       |
| Imported                       | <b>27.21</b>                     | <b>1.03</b>           | 51.85                            | 1.83                  |
| Others                         | <b>2,602.50</b>                  | <b>98.97</b>          | 2,776.95                         | 98.17                 |
| <b>Total consumption</b>       | <b>44,036.13</b>                 |                       | 59,761.94                        |                       |

**43. Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under**

| <b>Particulars</b>   | <b>As at March 31, 2021</b> | <b>As at March 31, 2020</b> |
|--|-----------------------------|-----------------------------|
| (a) The principal amount remaining unpaid at the end of the year   | -                           | -                           |
| (b) The delayed payments of principal amount paid beyond the appointed date during the year                | -                           | -                           |
| (c) Interest actually paid under Section 16 of MSMED Act   | -                           | -                           |
| (d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms | -                           | -                           |
| (e) Total interest accrued during the year and remaining unpaid  | -                           | -                           |

\*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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 principal amount and/or interest and accordingly no additional disclosures have been made

Notes - (Contd)

44. Commitments and contingent liabilities

| Nature of Dues   | Amount in Lacs. | Period to which it relates | Forum where the Dispute is pending |
|--|-----------------|----------------------------|------------------------------------|
| Excise   | 1.02            | 2003-04                    | CESTAT                             |
| Excise   | 25.65           | 2002-03                    | CESTAT                             |
| Excise   | 1,636.14        | Upto June 2017             | CESTAT                             |
| Excise/Service Tax   | 235.27          | Apr 2013-Jun 17            | CESTAT Bangalore                   |
| Classification of FIBC and demand for repayment of duty drawback | 168.18          | Feb 2010-Sep 2011          | Ministry of Finance - Secretary    |
| VAT  | 0.87            | 2004-09                    | Hon'ble High Court, Madras         |
| VAT  | 506.58          | 2013-14                    | Commercial Tax Department          |
| VAT  | 18.82           | 2012-13                    | Commercial Tax Department          |
| VAT  | 14.22           | 2013-14                    | Commercial Tax Department          |
| TNEB   | 265.54          | 2013-14                    | TNEB                               |

Notes:

Contingent Liabilities:

1. During the Financial year 2015-16 the Company's loans and liabilities were restructured under the Corporate Debt Restructuring Scheme providing certain reliefs and concessions. As per the scheme the company's repayment obligations were restructured. The Banks also provided certain reliefs/waivers/sacrifices by reducing the rate of interest. Interest was provided in the books at the lowered rates of interest. However the scheme was exited during the year 2017-18 and was communicated by the CDR Cell vide their letter dated 12-09-2017. Consequently the concessions so provided under the scheme were withdrawn by some of the banks with retrospective effect and charged the interest at original rates. Consequent to the withdrawal of concessions, few banks have debited the account of the company for the differential amount of interest and other concessions given as per CDR scheme. The period of withdrawal relates from May 1st 2014 to the date of debit.

**Compromise Settlement**

The Company had submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. Subsequent to the Balance Sheet date, the Compromise Settlement proposal has been accepted by one of the banks with certain conditions and the application with the other banks/ financial institutions are under negotiation and a decision is yet to be taken by the lenders. The Company is in the process of complying with the conditions of the Compromise Settlement proposal approved and is following up with the other lenders for approving the respective Compromise Settlement proposals submitted. Considering the above, the Company has reversed the interest charged by the banks during the year under audit and also did not provide for interest where the banks have not charged interest.

2. The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt Ltd., wholly owned subsidiary of the Company, for Rs. 25 crores
3. The company has received a notice from the office of the Director General of Foreign Trade, Bangalore, asking to show cause as to why penalty upto 5 times of the CIF value of goods imported of a value of Rs.44.34 Crores imposed in respect of 44 Advance licenses for alleged non completion of the export obligations in

respect of those licenses. Post issue of the notice, the company's name was added in the "Denied Entity List". The Company had represented to the said authority that the Export obligation in individual case or when clubbed with other license/licenses in accordance with the Foreign trade Policy and procedures with or without relaxation of the norms as may be applicable has been completed. Export obligations Discharge certificate in respect of a few licences has been received and the balance are pending to be received and are under various stages of consideration at the DGFT. Based on the representation given by the company the name of the company was removed from the Denied Entity List, however company has not received any communication from the DGFT in this regard dropping the show cause notice.

4. The liability in respect of Excise and VAT is subject to the levy of additional interest till the date adjudication from the due date, in case the liability is confirmed by the Appellate Authority. However, no estimation of such interest payable, if any, has been made or has not been provided. Hence, no liability will accrue in respect of the interest, if the order is in favour of the company and in the opinion of the management, the decision will be in the favour of the company
5. Resurgent Power projects Limited (Formerly Enmas GB Power Systems Projects Limited) has demanded payment of Rs.13,25,31,282/- as dues for the Power Project I and II executed by them and has issued a notice under section 9 of the Insolvency and Bankruptcy Code, 2016. In view of the substandard performance of 1st Turbine and delayed implementation of Power Plant 2 the company has debited the 11,78,32,463/- as liquidated damages the payable to the said party as per the books of accounts is nil. Accordingly, the company has disputed the amount and has sought to invoke the arbitration proceedings against the party to settle the matter. The liquidated damages debited to the party has been credited to the cost of the project. Pending these matters no provision has been made against the claim in the books of accounts.

#### **Impairment of Assets:**

6. No provision has been made for the expected credit loss in respect of receivables which are outstanding for a long period and the chances of recovery are uncertain. These dues include dues from customers who have already been referred to NCLT under Insolvency and Bankruptcy Code. The amount outstanding dues where credit loss could be expected is Rs.33.16 Crores.
7. The lease agreement with KIADB in respect of Industrial Land in Sy. No.62, 63/2A of Doddaballapur Industrial Area (Varadanahalli Village) admeasuring 1 Acre 39 Guntas and SY NO.56/1 of Varadanahalli Village Kasaba Hobli, Doddaballapur Taluk, Bangalore District admeasuring 2 acres 22 guntas has expired and is yet to be renewed. Pending renewal, the company continues to hold the possession of the property.
8. In respect of property Land at Sy.No. 61/1, situated at Varadanahalli, Kasaba Hobli, Doddaballapura Taluk measuring 11  $\frac{3}{4}$  guntas and 3 acres 3 guntas, the previous owner(joint owner) of the property (Sy No.61/1) has fraudulently registered a Gift Deed in favour of her Daughter Pavithra, despite having sold the property to the company and the daughter has registered a sale deed in respect of third parties. The company has filed a complaint to the revenue authorities and the police in this regard.
9. The Goa industrial Development Corporation has vide its order dated 20th April 2017 has cancelled the lease of 8890 SFT out of 12700 SFT for non utilization of the land allotted on lease for the industrial purpose. Company has filed a civil suit against the said corporation reclaiming the leased land and the matter is pending with the court. Pending the settlement the company continues with the possession of the property.
10. The company was assessed to Income Tax and an order was passed u/sec 143(3) on 29/12/2019 for AY 2017-18. In completing the captioned assessment a sum of Rs 48,91,37,362/- was added back. The addition was on account of the Company's transactions with Tanishi Commotrades Pvt Limited (sales and other transactions), Subham Trading /Neeraj Trading Company(purchases ) and a sum of Rs 6829701 for delayed remittance of PF/ESI. The Company is hopeful of its success at the appellate forums on the captioned additions. In continuation, the assessments for Assessment Years 2016-17 and 2015-16 were subject to the revisionary proceedings u/s 263 of the Income Tax Act, 1961 and the order was passed on 25-03-2021 setting aside the original assessment order and directing the assessing officer to do the assessment afresh with a direction to examine all the issues other than what was preferred before CIT Appeal and pass orders after giving the assessee due opportunities. The assessee has filed its objections before the Honourable ITAT against the 263 Order.

**Notes - (Contd)**

**45. Operating Segments**

The business of the Company falls under three segments i.e., (a) Steel Division; (b) Synthetic Division; and (c) Power in accordance with Ind AS 108 "Operating Segments" and segment information is given below:

| <b>Particulars</b>   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Segment Revenue</b>                                       |                                 |                                 |
| Steel Division   | <b>36,854.20</b>                | 49,862.86                       |
| Synthetic Division   | <b>7,090.47</b>                 | 7,706.46                        |
| Power  | <b>12,706.53</b>                | 16,029.52                       |
| Revenue from operations (Net)                                | <b>56,651.20</b>                | 73,598.84                       |
| <b>Segment Results</b>                                       |                                 |                                 |
| Profit (+) / Loss (-) before tax and finance cost            |                                 |                                 |
| Steel Division   | <b>3,736.70</b>                 | 1,077.86                        |
| Synthetic Division   | <b>8,964.36</b>                 | (294.64)                        |
| Power  | <b>6,639.52</b>                 | (1014.93)                       |
| Total  | <b>19,340.58</b>                | (231.71)                        |
| Add/ Less : Finance Cost                                     | <b>20,262.63</b>                | 22,372.75                       |
| Profit /(Loss) from continuing operations                    | <b>(922.05)</b>                 | (22,604.46)                     |
| Profit/(Loss) from discontinuing operations                  | -                               | -                               |
| Profit Before Tax  | <b>(922.05)</b>                 | (22,604.46)                     |
| <b>Segment Assets</b>  |                                 |                                 |
| Steel Division   | <b>31,241.40</b>                | 36,740.00                       |
| Synthetic Division   | <b>9,363.70</b>                 | 11,442.22                       |
| Power  | <b>55,062.44</b>                | 57,318.49                       |
| Other unallocable corporate assets                           |                                 |                                 |
| Total assets   | <b>95,667.54</b>                | 1,05,500.71                     |
| <b>Segment Liabilities</b>                                   |                                 |                                 |
| Steel Division   | <b>112,490.72</b>               | 100,596.85                      |
| Synthetic Division   | <b>9,569.01</b>                 | 13,733.10                       |
| Power  | <b>36,028.10</b>                | 52,587.51                       |
| Other unallocable corporate assets                           | -                               | -                               |
| Total liabilities  | <b>158,087.83</b>               | 166,917.46                      |
| <b>Capital Employed (Segment assets-Segment liabilities)</b> |                                 |                                 |
| Steel Division   | <b>(81,249.32)</b>              | (63,856.85)                     |
| Synthetic Division   | <b>(205.31)</b>                 | (2,290.88)                      |
| Power  | <b>19,034.34</b>                | 4,730.98                        |
| Total capital employed in segments                           | <b>(62,420.29)</b>              | (61,416.75)                     |
| Unallocable corporate assets less corporate liabilities      | -                               | -                               |
| Total Capital Employed                                       | <b>(62,420.29)</b>              | (61,416.75)                     |

**Information relating to geographical areas**

**(a) Revenue from external customers**

| <b>Particulars</b> |                  |           |
|--------------------|------------------|-----------|
| India              | <b>53,444.69</b> | 67,655.40 |
| Outside India      | <b>3,206.51</b>  | 5,943.44  |
| <b>Total</b>       | <b>56,651.20</b> | 73,598.84 |

**Notes - (Contd)**
**(b) Non current assets**

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

**(c) Information about major customers**

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Number of external customers each contributing more than 10% of total revenue | -                       | -                       |
| Total revenue from the above customers  | -                       | -                       |
| <b>Total</b>  | <b>-</b>                | <b>-</b>                |

**46. Operating lease arrangements**

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| As Lessor   |                         |                         |
| The Company has not entered into any operating lease arrangements as lessor.  | -                       | -                       |
| As Lessee   |                         |                         |
| The Company has not entered into operating lease arrangements for certain facilities . The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. | -                       | -                       |
| Lease payments recognised in the Statement of Profit and Loss   | -                       | -                       |

**47. Borrowing Details**
**Schedule for long term borrowings from banks and financial institutions:**

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>i. From Banks</b>   |                         |                         |
| <b>a. Term Loans</b>   |                         |                         |
| Andhra Bank  | 15,975.49               | 14,180.64               |
| Canara Bank  | 25,203.19               | 21,345.20               |
| Syndicate Bank   | 6,511.01                | 5,835.57                |
| Indian Overseas Bank   | 9,174.27                | 9,174.27                |
| Shamrao Vithal Co-op Bank Limited                              | -                       | -                       |
| Prudent ARC Limited  | 792.35                  | 833.67                  |
| <b>b. Working Capital Term Loan/ Funded Interest Term Loan</b> |                         |                         |
| Andhra Bank  | 3,787.22                | 3,349.57                |
| Canara Bank  | 21,120.00               | 18,076.78               |
| Syndicate Bank   | 12,072.56               | 10,797.70               |
| State Bank of India  | 3,166.32                | 3,166.32                |
| Indian Overseas Bank   | 3,037.84                | 3,037.84                |
| Shamrao Vithal Co-op Bank Limited                              | -                       | -                       |
| IDBI   | -                       | -                       |
| <b>ii. From Financial Institutions</b>                         | -                       | -                       |
| <b>Total</b>   | <b>100,840.24</b>       | <b>89,797.56</b>        |



**Notes - (Contd)**

**Schedule for short term borrowings:**

| <b>Particulars</b>                 | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|------------------------------------|---------------------------------|---------------------------------|
| <b>Secured</b>                     |                                 |                                 |
| From Banks - Working Capital Loans |                                 |                                 |
| Canara Bank                        | <b>23,890.99</b>                | 21,079.93                       |
| Syndicate Bank                     | <b>12,603.04</b>                | 11,112.58                       |
| State Bank of India                | <b>3,893.77</b>                 | 4,072.29                        |
| Andhra Bank                        | <b>1,109.95</b>                 | 2,046.64                        |
| IDBI Bank Limited                  | <b>5,032.24</b>                 | 5,129.95                        |
| Indian Overseas Bank               | <b>4,953.45</b>                 | 4,759.91                        |
| Andhra Bank LCs devolved           | <b>600.40</b>                   | 985.27                          |
| Loans from others                  | <b>1,348.08</b>                 | 1,284.05                        |
| <b>Unsecured</b>                   | <b>2,553.74</b>                 |                                 |
| Loans from body corporate          |                                 | 3,246.56                        |
| <b>Total Short term borrowings</b> | <b>55,985.66</b>                | 53,717.18                       |

**Terms and conditions of loans**

- i. Term Loan\Working Capital Term Loan\Funded Interest Term Loan\Fresh Term Loan shall have pari-passu first charge on entire fixed assets and Pari-passu second charge on entire current assets (including of slow moving \ non-moving stock and non-current debtors) of the company.
- ii. Working Capital shall have pari-passu first charge on entire current assets and pari-passu second charge on entire fixed assets of the company. Existing exclusive security shall be continued with respective lenders.
- iii. Personal Guarantee of Shri Lalit Kumar Tulsyan and Shri Sanjay Kumar Tulsyan.
- iv. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
- v. Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.
- vi. Vehicles are secured by their Hypothecation.

**48 Financial Instruments**

**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

**Notes - (Contd)**

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

| <b>Categories of Financial Instruments</b> | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|--|-----------------------|-----------------------|
| <b>Financial assets</b>                    |                       |                       |
| <b>a. Measured at amortised cost</b>       |                       |                       |
| Other non-current financial assets         | 15.27                 | 23.23                 |
| Trade receivables                          | 15,648.84             | 23,515.31             |
| Cash and cash equivalents                  | 602.03                | 290.06                |
| Bank balances other than above             | 307.03                | 107.03                |
| Other financial assets                     | 1,198.74              | 1,159.64              |

|   |        |        |
|---|--------|--------|
| <b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b> |        |        |
| Investments   | 649.30 | 649.30 |

| <b>Financial liabilities</b>            |           |           |
|---|-----------|-----------|
| <b>a. Measured at amortised cost</b>    |           |           |
| Long term borrowings                    | 70,079.71 | 61,907.01 |
| Other non-current financial liabilities | 1,323.03  | 1,119.08  |
| Short term borrowings                   | 54,526.05 | 53,717.18 |
| Trade payables                          | 1,339.65  | 7,828.21  |
| Other current financial liabilities     | 274.56    | 272.87    |

**Financial risk management objectives**

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

**Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division.

**Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a treasury division and uses natural hedging principles to mitigate the risks from such exposures.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2021 (all amounts are in equivalent Rs. in lakhs)

| Currency | Liabilities    |                                   |  | Assets         |                                   |                                    | Net overall exposure on the currency - net assets / (net liabilities) |
|----------|----------------|-----------------------------------|--|----------------|-----------------------------------|------------------------------------|---|
|          | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency |   |
| USD      | -              | -                                 | -                                      | 13,28,599.85   | -                                 | 1,328,599.85                       | 1,328,599.85  |
| EUR      | -              | -                                 | -                                      | 43,763.48      | -                                 | 43,763.48                          | 43,763.48   |
| GBP      | -              | -                                 | -                                      | -              | -                                 | -                                  | -   |
| In INR   | -              | -                                 | -                                      | 989.09         | -                                 | 989.09                             | 989.09  |

As on March 31, 2020 (all amounts are in equivalent Rs. in lakhs)

| Currency | Liabilities    |                                   |  | Assets         |                                   |                                    | Net overall exposure on the currency - net assets / (net liabilities) |
|----------|----------------|-----------------------------------|--|----------------|-----------------------------------|------------------------------------|---|
|          | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency |   |
| USD      | -              | -                                 | -                                      | 1,270,496.95   | -                                 | 1,270,496.95                       | 1,270,496.95  |
| EUR      | -              | -                                 | -                                      | 87,373.58      | -                                 | 87,373.58                          | 87,373.58   |
| GBP      | -              | -                                 | -                                      | 753.64         | -                                 | 753.64                             | 753.64  |
| in INR   | -              | -                                 | -                                      | 1,024.14       | -                                 | 1,024.14                           | 1,024.14  |

### Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 87.50 Lakhs for the year (Previous INR 208.08 Lakhs)

### Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### (a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

#### (b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved financial institutions/ counterparty. Investments primarily include bank deposits. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits and restricts the exposure in equity markets. Investments of surplus funds does not arise in the case of the Company

### Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the loan agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

### Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

### Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| March 31, 2021 | Due in 1st year  | Due after 1st Year | Carrying amount   |
|----------------|------------------|--------------------|-------------------|
| Trade payables | 1,339.65         | -                  | 1,339.65          |
| Borrowings     | 29,277.38        | 70,079.71          | 99,357.09         |
|                | <b>30,617.03</b> | <b>70,079.71</b>   | <b>100,696.74</b> |

| March 31, 2020 | Due in 1st year | Due after 1st Year | Carrying amount |
|----------------|-----------------|--------------------|-----------------|
| Trade payables | 7,828.21        | -                  | 7,828.21        |
| Borrowings     | 29,487.35       | 61,907.01          | 91,394.36       |
|                | 37,315.56       | 61,907.01          | 99,222.57       |

|   | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required): | Nil            | Nil            |

### 49. Related party disclosure

| a) List of related parties                         |  |
|--|--|
| <b>Subsidiaries</b>                                | Chitrakoot Steel & Power P Ltd<br>Color Peppers Media P Ltd  |
| <b>Key management personnel</b>                    | Shri Lalit Kumar Tulsyan (Executive Chairman)<br>Shri Sanjay Tulsyan (Managing Director)<br>Shri Sanjay Agarwalla (Whole Time Director)<br>Shri Shanta Kumar RP (Chief Financial Officer)<br>Shmt Parvati Soni (Company Secretary) |
| <b>Companies in which Directors are interested</b> | Tulsyan Smelters Private Ltd<br>Tulsyan Power Private Limited  |

**b) Transactions during the year**

| S.No. | Nature of transactions                       | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|-------|--|------------------------------|------------------------------|
| 1     | <b>Purchase of goods</b>                     |                              |                              |
|       | Chitrakoot Steel & Power P Ltd               | 1,281.76                     | 985.85                       |
|       | Tulsyan Smelters Private Ltd                 | 14,263.87                    | 9,401.69                     |
| 2     | <b>Sale of Goods</b>                         |                              |                              |
|       | Chitrakoot Steel & Power P Ltd               | 193.98                       | 120.89                       |
|       | Tulsyan Smelters Private Ltd                 | 14,887.92                    | 18,616.37                    |
| 3     | <b>Short term borrowings during the year</b> | -                            | -                            |
| 4     | <b>Services Received</b>                     |                              |                              |
|       | Chitrakoot Steel & Power P Ltd               | -                            | 1,054.52                     |
| 5     | <b>Managerial Remuneration</b>               |                              |                              |
|       | Lalit Kumar Tulsyan                          | 57.03                        | 60.78                        |
|       | Sanjay Tulsyan                               | 60.29                        | 60.29                        |
|       | Sanjay Agarwalla                             | 39.29                        | 39.29                        |
|       | Shanta Kumar RP                              | 30.07                        | 32.44                        |
|       | Shmt. Parvati Soni                           | 6.94                         | 7.24                         |

**c) Balances with related parties**

| S.No. | Name of the Related Party      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|-------|--------------------------------|------------------------------|------------------------------|
| 1     | <b>Outstanding Receivables</b> |                              |                              |
|       | Tulsyan Power Ltd              | 0.51                         | 0.51                         |
|       | Color Peppers Media Pvt Ltd    | -                            | -                            |
|       | Chitrakoot Steel & Power P Ltd | 1,578.51                     | 1,229.90                     |
|       | Tulsyan Smelters Private Ltd   | 1,692.27                     | 4,004.55                     |
| 2     | <b>Outstanding Payables</b>    |                              |                              |
|       | Lalit Kumar Tulsyan            | 508.46                       | 511.46                       |
|       | Sanjay Tulsyan                 | 284.92                       | 201.04                       |

**d) Guarantees and Collaterals**

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee in favour of Tulsyan NEC Limited to comply the CDR Terms.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25 Crores.

**50 Retirement benefit plans**

**Defined contribution plans**

In accordance with Indian law, the Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme, which are defined contribution plans, for qualifying employees.

The total expense recognised in profit or loss of Rs. 137.99 lakhs (previous year Rs. 224.93 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**

**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of

continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

|                 |   |
|-----------------|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.      |
| Interest risk   | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.  |
| Longevity risk  | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk     | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.   |

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars                            | March 31, 2021                          | March 31, 2020                          |
|--|---|---|
| Mortality Table                        | Indian Assured Lives Mortality(2006-08) | Indian Assured Lives Mortality(2006-08) |
| Attrition Rate                         | 5.00% p.a.                              | 5.00% p.a.                              |
| Discount Rate                          | 7.13% p.a.                              | 6.84% p.a.                              |
| Rate of increase in compensation level | 5.00% p.a.                              | 5.00% p.a.                              |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

|   | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|---|-----------------------------|-----------------------------|
| <b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b> |                             |                             |
| <b>Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:</b>                     |                             |                             |
| Current service cost  | <b>33.38</b>                | 33.98                       |
| Net interest expense  | <b>31.82</b>                | 30.46                       |
| Return on plan assets (excluding amounts included in net interest expense)  | -                           | -                           |
| Components of defined benefit costs recognised in profit or loss  | <b>64.21</b>                | 64.44                       |
| <b>Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>  |                             |                             |
| Remeasurement on the net defined benefit liability comprising:  |                             |                             |
| Actuarial (gains)/losses recognised during the period   | <b>(45.68)</b>              | 7.81                        |
| Components of defined benefit costs recognised in other comprehensive income                                      | <b>(45.68)</b>              | 7.81                        |
| Total   | <b>18.53</b>                | 72.25                       |

|  | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|--|-----------------------------|-----------------------------|
| <b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b> |                             |                             |
| Present value of defined benefit obligation  | 484.17                      | 466.18                      |
| Fair value of plan assets  | -                           | -                           |
| Net liability arising from defined benefit obligation  | 484.17                      | 466.18                      |
| Non - Funded   | 484.17                      | 466.18                      |
|  | 484.17                      | 466.18                      |

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 20].

|  | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|--|-----------------------------|-----------------------------|
| <b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b> |                             |                             |
| Opening defined benefit obligation   | 466.18                      | 393.93                      |
| Current service cost   | 32.38                       | 33.98                       |
| Interest cost  | 31.82                       | 30.46                       |
| Actuarial (gains)/losses   | (45.68)                     | 7.81                        |
| Closing defined benefit obligation   | 484.71                      | 466.18                      |

### Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### (b) Compensated absences

Company is following the practice of valuing the compensated absence as per Ind AS 19 "Employee Benefits" based on the leave balance outstanding on the employees account on March 31st every year by an independent actuary and has provided the same in the accounts. The payment is done as and when claims are received from the employees or on the date of retirement/ relieving from the service of the company.

### The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars                            | March 31, 2021                          | March 31, 2020                          |
|--|---|---|
| Mortality Table                        | Indian Assured Lives Mortality(2006-08) | Indian Assured Lives Mortality(2006-08) |
| Attrition Rate                         | 5.00% p.a.                              | 5.00% p.a.                              |
| Discount Rate                          | 7.13% p.a.                              | 6.84% p.a.                              |
| Rate of increase in compensation level | 6.00% p.a.                              | 5.00% p.a.                              |



|   | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|---|-----------------------------|-----------------------------|
| <b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b> |                             |                             |
| Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:                            |                             |                             |
| Current service cost  | 21.84                       | 20.12                       |
| Net interest expense  | 6.76                        | 4.73                        |
| Components of defined benefit costs recognised in profit or loss  | 28.60                       | 24.85                       |

|  |         |       |
|--|---------|-------|
| <b>Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>   |         |       |
| Remeasurement on the net defined benefit liability comprising:               |         |       |
| Actuarial (gains)/losses recognised during the period                        | (36.08) | 13.25 |
| Components of defined benefit costs recognised in other comprehensive income | (36.08) | 13.25 |
| Total  | (7.48)  | 38.10 |

|  |       |       |
|--|-------|-------|
| <b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b> |       |       |
| Present value of defined benefit obligation  | 91.54 | 99.02 |
| Net liability arising from defined benefit obligation  | 91.54 | 99.02 |
| Non - Funded   | 91.54 | 99.02 |
|  | 91.54 | 99.02 |

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 20].

|  | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|--|-----------------------------|-----------------------------|
| <b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b> |                             |                             |
| Opening defined benefit obligation   | 99.02                       | 60.92                       |
| Current service cost   | 21.84                       | 20.12                       |
| Interest cost  | 6.76                        | 4.73                        |
| Actuarial (gains)/losses   | (36.08)                     | 13.25                       |
| Closing defined benefit obligation   | 91.54                       | 99.02                       |

**51. Period and amount of continuing default as on the Balance sheet date**

| <b>Due Date</b> | <b>Amount of Default<br/>(Principal)</b> | <b>No of Days Delay</b> | <b>Amount of Default<br/>(Interest)</b> | <b>No of Days Delay</b> |
|-----------------|--|-------------------------|---|-------------------------|
| 30/04/2016      |  |                         | 662.45                                  | 1,796                   |
| 31/05/2016      |  |                         | 1,341.65                                | 1,765                   |
| 30/06/2016      | 704.53                                   | 1,735                   | 2,042.81                                | 1,735                   |
| 31/07/2016      |  |                         | 2,779.81                                | 1,704                   |
| 31/08/2016      |  |                         | 3,559.34                                | 1,673                   |
| 30/09/2016      | 743.53                                   | 1,643                   | 4,359.06                                | 1,643                   |
| 31/10/2016      |  |                         | 5,269.20                                | 1,612                   |
| 30/11/2016      |  |                         | 6,191.62                                | 1,582                   |
| 31/12/2016      | 743.53                                   | 1,551                   | 7,152.50                                | 1,551                   |
| 31/01/2017      |  |                         | 8,016.57                                | 1,520                   |
| 28/02/2017      |  |                         | 8,802.51                                | 1,492                   |
| 31/03/2017      | 743.53                                   | 1,461                   | 9,625.10                                | 1,461                   |
| 30/04/2017      |  |                         | 10,467.10                               | 1,431                   |
| 31/05/2017      |  |                         | 11,331.10                               | 1,400                   |
| 30/06/2017      | 1,240.20                                 | 1,370                   | 13,411.10                               | 1,370                   |
| 31/07/2017      |  |                         | 14,261.10                               | 1,339                   |
| 31/08/2017      |  |                         | 15,111.10                               | 1,308                   |
| 30/09/2017      | 1,240.20                                 | 1,278                   | 17,157.10                               | 1,278                   |
| 31/10/2017      |  |                         | 17,994.10                               | 1,247                   |
| 30/11/2017      |  |                         | 18,803.10                               | 1,217                   |
| 31/12/2017      | 1,240.20                                 | 1,186                   | 20,866.10                               | 1,186                   |
| 31/01/2018      |  |                         | 21,689.10                               | 1,155                   |
| 28/02/2018      |  |                         | 22,433.10                               | 1,127                   |
| 31/03/2018      | 1,240.20                                 | 1,096                   | 24,478.16                               | 1,096                   |
| 30/04/2018      |  |                         | 25,485.16                               | 1,066                   |
| 31/05/2018      |  |                         | 26,534.51                               | 1,035                   |
| 30/06/2018      | 1,618.43                                 | 1,005                   | 27,606.00                               | 1,005                   |
| 31/07/2018      |  |                         | 32,503.16                               | 974                     |
| 31/08/2018      |  |                         | 33,940.34                               | 943                     |
| 30/09/2018      | 1,618.43                                 | 913                     | 36,397.07                               | 913                     |

| Due Date     | Amount of Default<br>(Principal) | No of Days Delay | Amount of Default<br>(Interest) | No of Days Delay |
|--------------|----------------------------------|------------------|---------------------------------|------------------|
| 31/10/2018   |                                  |                  | 37,722.63                       | 882              |
| 30/11/2018   |                                  |                  | 39,045.66                       | 852              |
| 31/12/2018   | 1,618.43                         | 821              | 40,391.75                       | 821              |
| 31/01/2019   |                                  |                  | 41,758.83                       | 790              |
| 28/02/2019   |                                  |                  | 43,015.14                       | 762              |
| 31/03/2019   | 1,618.43                         | 731              | 44,381.75                       | 731              |
| 30/04/2019   |                                  |                  | 45,691.88                       | 701              |
| 31/05/2019   |                                  |                  | 47,010.87                       | 670              |
| 30/06/2019   | 1,879.05                         | 640              | 48,397.63                       | 640              |
| 31/07/2019   |                                  |                  | 49,756.78                       | 609              |
| 31/08/2019   |                                  |                  | 51,150.79                       | 578              |
| 30/09/2019   | 1,879.05                         | 548              | 52,500.96                       | 548              |
| 31/10/2019   |                                  |                  | 53,973.76                       | 517              |
| 30/11/2019   |                                  |                  | 55,421.42                       | 487              |
| 31/12/2019   | 1,879.05                         | 456              | 56,906.80                       | 456              |
| 31/01/2020   |                                  |                  | 58,424.00                       | 425              |
| 29/02/2020   |                                  |                  | 62,813.01                       | 396              |
| 31/03/2020   | 1,879.05                         | 365              | 64,284.53                       | 365              |
| 30/04/2020   |                                  |                  | 64,722.86                       | 335              |
| 31/05/2020   |                                  |                  | 65,179.73                       | 304              |
| 30/06/2020   | 1,755.60                         | 274              | 65,626.90                       | 274              |
| 31/07/2020   |                                  |                  | 66,095.69                       | 243              |
| 31/08/2020   |                                  |                  | 66,568.83                       | 212              |
| 30/09/2020   | 1,755.60                         | 182              | 67,031.63                       | 182              |
| 31/10/2020   |                                  |                  | 67,502.60                       | 151              |
| 30/11/2020   |                                  |                  | 67,963.69                       | 121              |
| 31/12/2020   | 1,755.60                         | 90               | 68,442.68                       | 90               |
| 31/01/2021   |                                  |                  | 68,635.76                       | 59               |
| 28/02/2021   |                                  |                  | 68,811.91                       | 31               |
| 31/03/2021   | 1,755.60                         | -                | 69,008.71                       | -                |
| <b>Total</b> | <b>28,908.24</b>                 |                  | <b>69,008.71</b>                | <b>97,916.95</b> |

**52. The details of the Exceptional Item is as under**

| Particulars of Loan         | Banks           |                 |                 |                 | Rs. In Lakhs     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
|                             | Andhra Bank     | Canara Bank     | Syndicate Bank  | IOB             | Total            |
| FITL1                       | 23.96           | 210.59          | 142.66          | 45.11           | 422.31           |
| FITL2                       | 16.69           | 86.49           | 39.31           | 29.95           | 172.43           |
| FITL3                       | 252.86          | 317.96          | 104.96          | 232.26          | 908.04           |
| WCTL1&2                     | 144.22          | 2,428.17        | 987.93          | 275.48          | 3,835.80         |
| Term Loan                   |                 | 8.62            | 64.14           |                 | 72.76            |
| Term Loan-Balance Equipment | 218.42          | 600.62          |                 | 283.70          | 1,102.74         |
| Term Loan-Power Project     | 506.77          | 1,479.05        | 442.23          | 649.50          | 3,077.56         |
| Term Loan-Power Project II  | 909.59          | 1,382.91        | 143.94          | 600.50          | 3,036.95         |
| Term Loan-Hot CH            | 21.52           | 72.33           |                 | 31.46           | 125.31           |
| Term Loan-Wirerod           | 138.25          | 314.46          | 25.14           | 72.35           | 550.19           |
| OCC                         | 233.65          | 3,673.23        | 1,894.83        | 587.33          | 6,389.05         |
|                             | <b>2,465.93</b> | <b>10,574.4</b> | <b>3,845.12</b> | <b>2,807.64</b> | <b>19,693.13</b> |

**53. Previous Year's figures have been re-grouped wherever necessary to conform to the Current Year's classification**

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802  
Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823  
Sd/-  
**Parvati Soni**  
Company Secretary

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394

Place : Chennai.  
Date : 13th August, 2021

## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
TULSYAN NEC LIMITED  
Chennai

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of **TULSYAN NEC LIMITED** (“the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as “the Consolidated financial information”).

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2021, Consolidated loss, Consolidated Total Comprehensive Income, consolidated changes in equity and its Consolidated cash flows for the year then ended.

#### Basis for Qualified Opinion

##### 1. Going Concern

We draw attention to the fact that the Holding Company is continuously incurring losses and its net worth is totally eroded on 31.03.2021. During the Financial year 2015-16 the Holding Company's loans and liabilities were restructured under the Corporate Debt Restructuring Scheme providing certain reliefs and concessions. As per the scheme the company's repayment obligations were restructured. The Banks also provided certain reliefs/waivers/sacrifices by reducing the rate of interest. Interest was provided in the books at the lowered rates of interest. However upon the non-adherence to the scheme by the Holding company, the concessions so provided under the scheme were withdrawn by some of the banks with retrospective effect and charged the interest at original rates. Consequent to the withdrawal of concessions, few banks have debited the account of the company for the differential amount of interest and other concessions given as per CDR scheme. The period of withdrawal relates from May 1st 2014 to the date of debit.

The Holding Company had sought waiver of the said debits in the various restructuring proposals submitted to the bank. The charges as debited have been recognized as Finance charges in the period of debit. During the year the Holding company had submitted a Compromise Settlement proposal as detailed below.

##### 2. Compromise Settlement

We draw attention to Note No 44 and 52 regarding the Compromise Settlement. The Holding Company has submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. Subsequent to the Balance Sheet date, the Compromise Settlement proposal has been accepted by one of the banks with certain

conditions and the application with the other banks/ financial institutions are under negotiation and a decision is yet to be taken by the lenders. The Holding Company is in the process of complying with the conditions of the Compromise Settlement proposal approved and is following up with the other lenders for approving the respective Compromise Settlement proposals submitted. We were informed that the Holding Company's management is confident of complying with the conditions of the Compromise proposal approved and also getting approval for the other pending compromise proposals. Based on the above, the management believes that it will result in significant reduction in the outstanding dues to the lenders, including interest.

Considering the above, the Holding Company has

- (a) reversed the interest charged by the banks during the year under audit
- (b) did not provide for interest where the banks have not charged interest.

In the opinion of the management of the Holding Company, in view of the Compromise Settlement already approved by a Bank/under negotiation with the other bankers, there will be no further interest liability on the Holding Company and the above accounting treatment considered will not significantly impact the financial statements in the current and future periods.

In the absence any specific confirmation of balances received from the banks/ financial institutions on the final dues of principal and interest, we are unable to comment on the appropriateness of the aforesaid reversal of interest charged during the year and the non-provision of interest in other cases. The impact of the above accounting treatment on the financial statements is not presently determinable. The Holding Company's ability to continue as a Going Concern is dependent on the successful completion of Compromise Settlement obligations.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material Uncertainty related to Going Concern**

Color Peppers Media Private Limited, a subsidiary forming part of the Group, has not been performing well for the last few years and has been incurring persistent losses. We are under the impression that the company may not have operating revenues in the near future. On the basis of understanding the affairs of the company and after following the various audit procedures, we are of the opinion that company's ability to continue as a going concern is doubtful.

#### **Key Audit Matters.**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis of Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

| S.No | Key Audit Matter   | Auditor's Response  |
|------|--|---|
| 1.   | <p><b>Litigations – Contingencies</b></p> <p>Assessment of litigations and related disclosure of contingent liabilities [Refer to Note 2 (a) to the Consolidated financial statements– “Use of estimates and critical accounting judgements – Provisions and contingent liabilities”, Note 44 to the Consolidated Financial Statements – “Contingencies”. As at March 31, 2021, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a key audit matter.</p> | <p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood, assessed, and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;</li> <li>• We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;</li> <li>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations made in the Consolidated Financial Statements;</li> <li>• We considered external opinions, where relevant, obtained by management;</li> <li>• We evaluated management’s assessments and assessed the reliability of the management’s past estimates/judgements;</li> <li>• We assessed the adequacy of the Company’s disclosures.</li> </ul> <p>Based on the above work performed, assessment in respect of litigations and related disclosures relating to contingent liabilities/ other significant litigations in the Consolidated Financial Statements are considered to be reasonable.</p> |

**Other Matters:**

We did not audit the Financial Statements/Financial Information of two subsidiaries whose financial statements / financial information reflect Total assets of Rs 3156.41 lakhs as at 31st March 2021, Total Revenues of Rs 7055.52 lakhs and total net loss after tax of Rs.234.31 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements/Financial Information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial statements , in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our reports in terms of sub sections (3) and (11) of Section 143 of the Act , in so far as it relates to the aforesaid subsidiaries is solely based on the Reports of the other Auditors.

Further to the continuous spreading of the second wave COVID -19 across India, the Tamil Nadu State Government had announced a strict lockdown on May 10, 2021 which was further extended to contain the spread of the virus. This has resulted in restrictions on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, most of the audit procedures were carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the Consolidated financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

### **Emphasis of Matter**

We draw your attention to Note 3(s) to the consolidated financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions. Our opinion is not modified in respect of this matter.

Further attention is drawn to the following:

As per Note No. 2.1 to the financial statements of Color Peppers Media Private Limited, a subsidiary forming part of the Group, it has been stated that there is a possibility that the company may not continue as a going concern.

As per Note no. 6 to the Financial Statements of Color Peppers Media Private Limited, a subsidiary forming part of the Group, the Company had not created a provision for Bad and doubtful debts as they were confident of receiving the same from the concerned party.

As per Note no. 8 to the Financial Statements of Color Peppers Media Private Limited, a subsidiary forming part of the Group, the Company has not written off the advances paid for "Let the world in" Project as it believes that the advance is recoverable. We are of the impression that the amount involved there-in is of a material nature.

As per Note no. 16 to the Financial Statements of Color Peppers Media Private Limited, a subsidiary forming part of the Group, the Company had written off a portion of other advances totaling to Rs 7,35,777/- being the expenses incurred on behalf of a project whose development is uncertain.

Our opinion is not modified in respect of this matter.

### **Information other than the financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated state of affairs (financial position), Consolidated profit or loss (financial performance including other comprehensive income), Consolidated changes in equity and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting



policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company, its Subsidiaries have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or events may cause the Subsidiaries to cease to continue as a Going Concern.
- Evaluate the overall presentation, structure, and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient audit evidence regarding the Financial information of the entities or Business Activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the Consolidated Financial statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements which have been audited by other Auditors such other auditors remain responsible for the

direction, supervision and performance of the Audits carried out by them. We remain solely responsible for our Audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our opinion on the Consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the matters with respect to our Reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

#### **Report on other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Total Comprehensive Income and the Consolidated Cash Flow Statement dealt with by this report agree with relevant books of account maintained for the purpose of preparation of consolidated Financial statements
  - d) In our opinion, the aforesaid consolidated financial statements comply with Accounting Standards specified under Section 133 of the Act
  - e) on the basis of the written representations received from the directors of the Holding Company as on 31st March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Companies , none of the directors of the Group Companies is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - g) With respect to the adequacy of the internal financials' controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A".



- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial position of the Group – refer note 44 to the Consolidated financial statements;
  - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021;

For **M/s CNGSN & ASSOCIATES LLP**  
CHARTERED ACCOUNTANTS  
Firm Registration No: 004915S/S200036

**K Parathasarathy**  
Partner  
Membership No: 018394  
UDIN: 21018394AAAAGZ6384

Place: Chennai  
Date: 13-08-2021

## Annexure A to the Independent Auditor's Report

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub – Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our Audit of the Consolidated Financial statements of the Group as of and for the year ended 31st March 2021, we have audited the Internal Financial Controls over Financial reporting of Tulsyan NEC Limited (hereinafter referred to as the Holding Company) and its subsidiaries as of that date.

#### Management's Responsibility for Internal financial Controls

The Respective Board of Directors of the Holding Company and its Subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting of the Holding Company, and its Subsidiaries. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiaries which are Companies incorporated in India.

#### Meaning of Internal financial Controls over financial Reporting

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

### **Inherent Limitations of Internal financial Controls over financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its Subsidiaries have in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other matters:**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to of its subsidiary companies is based on the corresponding reports of the auditors of such companies incorporated in India.

For **M/s CNGSN & ASSOCIATES LLP**  
CHARTERED ACCOUNTANTS  
Firm Registration No: 004915S/S200036

**K Parathasarathy**  
Partner  
Membership No: 018394  
UDIN: 20018394AAAAGN2253

Place: Chennai  
Date: 13-08-2021



**TULSYAN NEC LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars                          | Notes | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                        |       |                         |                         |
| <b>Non-current assets</b>            |       |                         |                         |
| Property, plant and equipment        | 4     | 65,632.67               | 68,048.29               |
| Capital work in progress             | 5     | -                       | -                       |
| Financial assets                     |       |                         |                         |
| Investments                          | 6     | 0.41                    | 0.41                    |
| Other financial assets               | 7     | 15.27                   | 23.23                   |
| Other non-current assets             | 8     | 655.17                  | 751.56                  |
| <b>Total non-current assets</b>      |       | <b>66,303.52</b>        | <b>68,823.49</b>        |
| <b>Current assets</b>                |       |                         |                         |
| Inventories                          | 9     | 9,358.53                | 10,111.87               |
| Financial assets                     |       |                         |                         |
| Investments                          | 10    | 0.50                    | 0.50                    |
| Trade receivables                    | 11    | 16,773.37               | 23,597.73               |
| Cash and cash equivalents            | 12    | 603.16                  | 290.97                  |
| Bank balances other than above       | 13    | 309.98                  | 109.06                  |
| Other financial assets               | 14    | 1,201.04                | 1,161.94                |
| Other current assets                 | 15    | 2,801.63                | 1,964.70                |
| <b>Total current assets</b>          |       | <b>31,048.21</b>        | <b>37,236.77</b>        |
| <b>Total Assets</b>                  |       | <b>97,351.73</b>        | <b>106,060.26</b>       |
| <b>EQUITY AND LIABILITIES</b>        |       |                         |                         |
| <b>Equity</b>                        |       |                         |                         |
| Equity share capital                 | 16    | 1,471.38                | 1,471.38                |
| Other equity                         | 17    | (66,126.68)             | (64,888.76)             |
| <b>Total Equity</b>                  |       | <b>(64,655.30)</b>      | <b>(63,417.38)</b>      |
| <b>Liabilities</b>                   |       |                         |                         |
| <b>Non-current liabilities</b>       |       |                         |                         |
| Financial liabilities                |       |                         |                         |
| Borrowings                           | 18    | 70,094.72               | 61,917.26               |
| Other financial liabilities          | 19    | 1,323.03                | 1,119.08                |
| Provisions                           | 20    | 576.25                  | 564.90                  |
| Deferred Tax Liabilities (net)       | 21    | (823.31)                | (1,153.67)              |
| <b>Total non-current liabilities</b> |       | <b>71,170.69</b>        | <b>62,447.57</b>        |
| <b>Current liabilities</b>           |       |                         |                         |
| <b>Financial liabilities</b>         |       |                         |                         |
| Borrowings                           | 22    | 56,561.46               | 55,755.92               |
| Trade payables                       | 23    | 3,756.10                | 9,425.16                |
| Other financial liabilities          | 24    | 274.56                  | 272.87                  |
| Provisions                           | 25    | 102.72                  | 121.33                  |
| Other current liabilities            | 26    | 30,141.50               | 41,454.79               |
| <b>Total current liabilities</b>     |       | <b>90,836.34</b>        | <b>107,030.07</b>       |
| <b>Total liabilities</b>             |       | <b>162,007.03</b>       | <b>169,477.64</b>       |
| <b>Total Equity and Liabilities</b>  |       | <b>97,351.73</b>        | <b>106,060.26</b>       |

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802  
Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823  
Sd/-  
**Parvati Soni**  
Company Secretary

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394

Place : Chennai.  
Date : 13th August, 2021



**TULSYAN NEC LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars   | Notes | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|---|-------|--------------------------------------|--------------------------------------|
| <b>Continuing Operations</b>                                  |       |                                      |                                      |
| <b>A Income</b>   |       |                                      |                                      |
| Revenue from Operations                                       | 27    | 62,230.99                            | 75,029.02                            |
| Other Income  | 28    | 15.12                                | 66.20                                |
| <b>Total income</b>   |       | <b>62,246.11</b>                     | <b>75,095.22</b>                     |
| <b>B Expenses</b>   |       |                                      |                                      |
| Cost of materials consumed                                    | 29    | 45,018.76                            | 55,749.34                            |
| Purchases of stock in trade                                   | 30    | 225.12                               | 542.39                               |
| Changes in inventories of finished goods                      | 31    | 1,171.36                             | 1,546.12                             |
| Employee benefits expense                                     | 32    | 2,888.05                             | 3,279.96                             |
| Power & fuel  | 33    | 4,123.85                             | 4,368.10                             |
| Depreciation and amortisation expense                         | 34    | 2,512.26                             | 2,555.85                             |
| Finance costs   | 35    | 20,528.05                            | 22,629.13                            |
| Other expenses  | 36    | 6,297.79                             | 6,463.04                             |
| <b>Total expenses</b>   |       | <b>82,765.24</b>                     | <b>97,133.94</b>                     |
| <b>C Profit before exceptional items and tax</b>              |       | <b>(20,519.13)</b>                   | <b>(22,038.72)</b>                   |
| Exceptional items   | 37    | (19,693.13)                          | -                                    |
| <b>D Profit/ (Loss) before tax from continuing operations</b> |       | <b>(826.00)</b>                      | <b>(22,038.72)</b>                   |
| Income tax expense  | 38    |                                      |                                      |
| Current tax   |       | -                                    | -                                    |
| Deferred tax credit/ (charge)                                 |       | 330.36                               | (117.83)                             |
| Profit/ (Loss) for the year                                   |       | <b>(1,156.36)</b>                    | <b>(21,920.89)</b>                   |
| <b>E Other comprehensive income</b>                           |       |                                      |                                      |
| Items that will be reclassified to profit or loss             |       |                                      |                                      |
| Remeasurement of post employment benefit obligations          |       | (81.76)                              | (21.06)                              |
| Income tax relating to these items                            |       | -                                    | -                                    |
| <b>Other comprehensive income for the year, net of tax</b>    |       | <b>(81.76)</b>                       | <b>(21.06)</b>                       |
| Total comprehensive income/ (Loss) for the year               |       | <b>(1,238.12)</b>                    | <b>(21,941.95)</b>                   |
| <b>Earnings per share</b>                                     | 39    |                                      |                                      |
| Basic earnings per share                                      |       | (7.86)                               | (148.98)                             |
| Diluted earnings per share                                    |       | (7.86)                               | (148.98)                             |

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802

Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823

Sd/-  
**Parvati Soni**  
Company Secretary

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394

As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

Place : Chennai.  
Date : 13th August, 2021

**TULSYAN NEC LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars   | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash Flow From Operating Activities</b>  |                                      |                                      |
| Profit before income tax  | <b>(826.00)</b>                      | (22,038.72)                          |
| Adjustments for   |                                      |                                      |
| Depreciation and amortisation expense   | <b>2,512.26</b>                      | 2,555.85                             |
| (Profit)/ loss on sale of fixed assets  | <b>0.90</b>                          | 1.38                                 |
| Profit on sale of Investments   | -                                    | -                                    |
| Finance cost  | <b>20,528.05</b>                     | 22,629.13                            |
| Interest Income   | <b>(14.58)</b>                       | (25.82)                              |
| Operating Profit before Working Capital Changes   | <b>22,200.63</b>                     | 3,121.84                             |
| Change in operating assets and liabilities  |                                      |                                      |
| (Increase) / Decrease in loans  | -                                    | -                                    |
| (Increase) / Decrease in other financial assets   | <b>(39.09)</b>                       | (268.05)                             |
| (Increase) / Decrease in inventories  | <b>753.34</b>                        | 119.22                               |
| (Increase) / Decrease in trade receivables  | <b>6,824.36</b>                      | 990.93                               |
| (Increase) / Decrease in other assets   | <b>(760.70)</b>                      | 1653.17                              |
| Increase / (Decrease) in provisions, other financial liabilities and other liabilities                                  | <b>161.42</b>                        | (1130.93)                            |
| Increase / (Decrease) in trade payables   | <b>(5669.07)</b>                     | (316.48)                             |
| Cash generated from operations  | <b>23470.89</b>                      | 4,141.00                             |
| Less : Income taxes paid (net of refunds)   | <b>20.17</b>                         | (28.70)                              |
| <b>Net cash from/ (used in) operating activities (A)</b>  | <b>23491.06</b>                      | 4,141.00                             |
| Cash Flows From Investing Activities  |                                      |                                      |
| Purchase of PPE (including changes in CWIP)   | <b>(105.93)</b>                      | (381.46)                             |
| Sale proceeds of PPE  | <b>10.21</b>                         | 4.07                                 |
| (Investments in)/ Maturity of fixed deposits with banks (net)   | <b>(200.93)</b>                      | (97.81)                              |
| (Purchase)/ disposal proceeds of Investments (net)  | -                                    | -                                    |
| Interest received   | <b>14.58</b>                         | 25.82                                |
| <b>Net cash from/ (used in) investing activities (B)</b>  | <b>(282.05)</b>                      | (449.37)                             |
| Cash Flows From Financing Activities  |                                      |                                      |
| Proceeds from issue of equity share capital (net of share application money)  | -                                    | -                                    |
| Proceeds from/ (repayment of) long term borrowings (net)  | <b>8,177.46</b>                      | 12,333.34                            |
| Proceeds from/ (repayment of) short term borrowings (net)   | <b>805.54</b>                        | 2,479.65                             |
| Finance cost  | <b>(31,879.82)</b>                   | (18,554.17)                          |
| <b>Net cash from/ (used in) financing activities (C)</b>  | <b>(22,896.82)</b>                   | (3,741.18)                           |
| <b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>   | <b>312.19</b>                        | (49.55)                              |
| Cash and cash equivalents at the beginning of the financial year  | <b>290.97</b>                        | 340.52                               |
| <b>Cash and cash equivalents at end of the year</b>   | <b>603.16</b>                        | 290.97                               |
| <b>Notes:</b>   |                                      |                                      |
| 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements". |                                      |                                      |
| 2. Components of cash and cash equivalents  |                                      |                                      |
| Balances with banks   |                                      |                                      |
| - in current accounts   | <b>596.22</b>                        | 280.10                               |
| Cash on hand  | <b>6.94</b>                          | 10.87                                |
|   | <b>603.16</b>                        | 290.97                               |

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394

Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer  
Place : Chennai.  
Date : 13th August, 2021

Sd/-  
**Parvati Soni**  
Company Secretary



**TULSYAN NEC LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| (A) Equity Share Capital                        | TNL      | Chitrakoot | Color Peppers | Inter Company | Total    |
|---|----------|------------|---------------|---------------|----------|
| Balance at the end of March 31, 2020            | 1,471.38 | 648.92     | 5.00          | 653.92        | 1,471.38 |
| Changes in equity share capital during the year | -        | -          | -             | -             | -        |
| Balance at the end of March 31, 2021            | 1,471.38 | 648.92     | 5.00          | 653.92        | 1,471.38 |

**(B) Other Equity**

| Particulars                             | General Reserve | Investment Allowance reserve | Securities Premium Reserve | Other Comprehensive Income | Profit and Loss Account | Total              |
|---|-----------------|------------------------------|----------------------------|----------------------------|-------------------------|--------------------|
| <b>Balance as at March 31, 2020</b>     | <b>2,390.00</b> | <b>59.39</b>                 | <b>11,873.70</b>           | <b>(0.22)</b>              | <b>(79,211.63)</b>      | <b>(64,888.76)</b> |
| Additions/ (Deductions) during the year | -               | -                            | -                          | <b>(81.76)</b>             | <b>(1,156.38)</b>       | <b>(1,238.14)</b>  |
| Total Comprehensive Income for the year | -               | -                            | -                          | <b>(81.76)</b>             | <b>(81.76)</b>          | -                  |
| <b>Balance as at March 31, 2021</b>     | <b>2,390.00</b> | <b>59.39</b>                 | <b>11,873.70</b>           | -                          | <b>(80,449.78)</b>      | <b>(66,126.88)</b> |

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802

Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer

Place : Chennai.  
Date : 13th August, 2021

For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S2000396)

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018894

**Tulsiyan NEC Limited****Notes to Financial Statements for the year ended March 31, 2021****1 Corporate Information**

The company is engaged in the manufacturing of TMT bars, Coal Based Power Plant and Synthetics Woven fabrics and sacks. It has manufacturing plants at Chennai (Gummudipoondi) and Bangalore (Doddaballapura). The Company has one Sponge Iron Manufacturing Company called Chitrakoot Steel and Power P Ltd., at Gummudipoondi and one Media Company managing Intellectual Property, name Color Peppers Media P Ltd., in Chennai

**2 Basis of preparation of financial statements****Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on 13th August, 2021.

**2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

**Property, Plant and Equipment (PPE)**

The residual values and estimated useful life of PPEs are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation.

**Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### **Deferred Tax Assets**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### **Impairment of Trade Receivables**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

#### **Impairment of Non-financial assets - PPE**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

#### **Defined Benefit Plans and other long term employee benefits**

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

#### **Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

## **2B Recent accounting pronouncements**

MCA (Ministry of Corporate Affairs) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2021. MCA issued notifications on 24th March 2021 to amend Schedule III to the Companies Act 2013 to enhance the disclosures required to be made by the company in its financial statements. These amendments are applicable to the company for the financial year starting 1st April 2021.

## **3 Significant Accounting Policies**

### **a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 6 months as its operating cycle.

#### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### **c) Revenue Recognition**

#### **Sale of goods**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

#### **Sale of services**

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

#### **Power Generation**

Power generated from windmills that are covered under wheeling and banking arrangement with the State Electricity Board/ Electricity Distribution Companies are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue.

#### **Export entitlements**

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### **Interest Income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### **Dividend income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

### **d) Property, plant and equipment and capital work in progress**

#### **Presentation**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and

equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

#### **Component Cost**

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

#### **Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **e) Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **f) Inventories**

Raw materials, Components, Stores and Spares and Work-in-Progress are valued at cost. Finished goods are valued at cost or realizable value whichever is less. The basis of determining cost for various categories of inventories are as follows:

- (i) Raw materials, components, stores and spares:** At lower of weighted average cost and net realizable value.
- (ii) Work-in-process :** At lower of cost of raw material and component including related overheads and net realizable value.
- (iii) Finished goods:** At lower of cost and net realizable value. Cost includes raw material components and related overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Financial instruments (other than equity instruments) at amortised cost

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### Financial Instruments (other than equity instruments) at FVTOCI

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

The financial instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI financial instrument is reported as interest income using the EIR method.

**Financial instruments (other than equity instruments) at FVTPL**

The Company classifies all financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

| Classification | Name of the financial asset   |
|----------------|---|
| Amortised cost | Trade receivables, deposits, interest receivable, and other advances recoverable in cash.   |
| FVTOCI         | Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition. |
| FVTPL          | Other investments in equity instruments   |

**Derecognition**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets other than equity instruments, and that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.
- b) Financial assets, other than equity instruments that are measured at FVTOCI



- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Financial instruments, other than equity instruments, measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

| Name of the financial asset | Impairment Testing Methodology   |
|-----------------------------|--|
| Trade Receivables           | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.  |
| Other financial assets      | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

| Classification | Name of the financial liability  |
|----------------|--|
| Amortised cost | Borrowings, trade payables, interest accrued, unclaimed / disputed dividends, security deposits and other financial liabilities not for trading.   |
| FVTPL          | Foreign Exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. The Company does not take forward contract. |

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

### Derivative financial instruments

The Company does not hold any derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

### Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date. However the company does not deal in any derivate/hedging. Hence the above will not be applicable to the company

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

| S.No | Original classification | Revised classification | Accounting treatment   |
|------|-------------------------|------------------------|--|
| 1    | Amortised cost          | FVTPL                  | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.   |
| 2    | FVTPL                   | Amortised Cost         | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.   |
| 3    | Amortised cost          | FVTOCI                 | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.   |
| 4    | FVTOCI                  | Amortised cost         | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| 5    | FVTPL                   | FVTOCI                 | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.  |
| 6    | FVTOCI                  | FVTPL                  | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.  |

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## h) Foreign currency transactions and translations

### Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations wherever it deems necessary that such coverage is appropriate. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

## i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

## k) Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## **i) Retirement and other employee benefits**

### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**m) Leases**

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31 2020. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the rightof-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. . The Company's leases comprise of land for which the lease rentals have been paid in advance and is amortized over lease period.

**n) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**o) Provisions, contingent liabilities and contingent asset****Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

### Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

#### p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

#### q) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

#### r) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

#### s) Estimation of uncertainties relating to COVID-19

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India have taken significant measures to curtail the wide spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company's steel making facilities was suspended from 24.03.2020 to 07.05.2020. Synthetics division was shut down from 25.03.2020 to 13.04.2020. The lockdown had adversely affected the company's sales volume mix and realizations. The second wave of Covid -19 towards the end of the Financial year continue to impact the operations of the Company severely. The company believes that the Covid -19 will impact the Company's business in the short term but does not anticipate material risks in the Long run. In view of the impact of COVID-19, the Company has assessed the carrying amounts of property, plant and equipment, right of-use assets, intangible assets, inventories, trade receivables, investments and other financial assets. In assessing the recoverable value of such assets, the Company has considered various internal and external information such as existing long-term arrangements with customer and vendor partners, long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions. As per the Company's current assessment of recoverability of these assets, no significant impact on carrying amounts of these assets is expected. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements

**TULSYAN NEC LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2021**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**4. Property, plant and equipment**

| Particulars                       | Tangible Assets  |                     |                   |                     |               |                  |                |                 |                             |                         |             | Total       |                  |
|-----------------------------------|------------------|---------------------|-------------------|---------------------|---------------|------------------|----------------|-----------------|-----------------------------|-------------------------|-------------|-------------|------------------|
|                                   | Land             | Right to use Assets | Factory Buildings | Plant and Machinery | Vehicles      | Works Equipments | Lab Equipments | Office Premises | Office and Other Equipments | Furnitures and Fixtures | Projector   |             | Computer         |
| <b>Cost as at March 31, 2020</b>  | 11,553.18        | 95.47               | 14,165.69         | 64,113.35           | 360.49        | 202.79           | 50.35          | 20.69           | 684.18                      | 2.00                    | 2.04        | 0.89        | 91,251.11        |
| Additions                         | -                | -                   | -                 | 72.41               | 17.78         | 10.07            | -              | -               | 5.67                        | -                       | -           | -           | 105.93           |
| Disposals                         | -                | -                   | -                 | -                   | (53.97)       | -                | -              | -               | -                           | -                       | -           | -           | (53.97)          |
| <b>Cost as at March 31, 2021</b>  | <b>11,553.18</b> | <b>95.47</b>        | <b>14,165.69</b>  | <b>64,185.76</b>    | <b>324.29</b> | <b>212.86</b>    | <b>50.35</b>   | <b>20.69</b>    | <b>689.84</b>               | <b>2.00</b>             | <b>2.04</b> | <b>0.89</b> | <b>91,303.07</b> |
| <b>Depreciation/ Amortisation</b> |                  |                     |                   |                     |               |                  |                |                 |                             |                         |             |             |                  |
| <b>As at March 31, 2020</b>       | -                | 11.42               | 3,274.96          | 18,942.48           | 276.88        | 94.21            | 23.57          | 13.29           | 561.60                      | 1.82                    | 1.73        | 0.86        | 23,202.82        |
| Charge for the year               | -                | 0.88                | 478.70            | 1,980.58            | 13.14         | 9.67             | 4.45           | 0.96            | 23.74                       | 0.05                    | 0.07        | -           | 2,512.24         |
| Disposals                         | -                | -                   | -                 | -                   | (44.66)       | -                | -              | -               | -                           | -                       | -           | -           | (44.66)          |
| <b>As at March 31, 2021</b>       | <b>-</b>         | <b>12.30</b>        | <b>3,753.66</b>   | <b>20,923.06</b>    | <b>245.36</b> | <b>103.88</b>    | <b>28.02</b>   | <b>14.25</b>    | <b>585.34</b>               | <b>1.87</b>             | <b>1.80</b> | <b>0.86</b> | <b>25,670.39</b> |
| <b>Net Block</b>                  |                  |                     |                   |                     |               |                  |                |                 |                             |                         |             |             |                  |
| As at March 31, 2020              | 11,553.18        | 84.05               | 10,890.73         | 45,170.87           | 83.61         | 108.58           | 26.79          | 7.40            | 122.57                      | 0.18                    | 0.31        | 0.03        | 68,048.29        |
| As at March 31, 2021              | <b>11,553.18</b> | <b>83.17</b>        | <b>10,412.03</b>  | <b>43,262.70</b>    | <b>78.93</b>  | <b>108.98</b>    | <b>22.33</b>   | <b>6.44</b>     | <b>104.50</b>               | <b>0.13</b>             | <b>0.24</b> | <b>0.03</b> | <b>65,632.67</b> |



**Notes - (Contd)**

| <b>Note No. 5</b>  | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Capital Work-in-progress</b>                            |                                 |                                 |
| Capital work in progress                                   | -                               | -                               |
|  | -                               | -                               |
| <b>Note No. 6</b>  |                                 |                                 |
| <b>Non-current investments</b>                             |                                 |                                 |
| <b>Investments in Equity Instruments at FVTPL</b>          |                                 |                                 |
| Unquoted   |                                 |                                 |
| i. Investments in Subsidiaries                             | -                               | -                               |
| ii. Investments in Other Companies                         |                                 |                                 |
| Vyshali Energy P Ltd (3810 Shares of Rs 10/- each)         | <b>0.38</b>                     | 0.38                            |
| <b>Investments in Debt Instruments at FVTPL</b>            |                                 |                                 |
| Unquoted   |                                 |                                 |
| Shamrao Vithal Co-op Bank Ltd (25 Shares of Rs.100/- each) | <b>0.03</b>                     | 0.03                            |
|  | <b>0.41</b>                     | 0.41                            |
| <b>Total non-current investments</b>                       |                                 |                                 |
| Aggregate amount of quoted investments                     | -                               | -                               |
| Aggregate market value of quoted investments               | -                               | -                               |
| Aggregate cost of unquoted investments                     | -                               | -                               |
| Aggregate amount of impairment in value of investments     | -                               | -                               |
| <b>Note No. 7</b>  |                                 |                                 |
| <b>Other non-current financial assets</b>                  |                                 |                                 |
| (Unsecured, considered good)                               |                                 |                                 |
| Unamortised finance expense                                | <b>15.27</b>                    | 23.33                           |
|  | <b>15.27</b>                    | 23.23                           |

**Notes - (Contd)**

| <b>Note No. 8</b>  |               |        |
|--|---------------|--------|
| <b>Other non-current assets</b>                                    |               |        |
| (Unsecured, considered good)                                       |               |        |
| Advance to Suppliers   | <b>29.59</b>  | 36.95  |
| Advance income-tax and TDS (net of provision for tax)              | <b>524.58</b> | 544.75 |
| MAT Credit Entitlement   |               |        |
| Advance recoverable in cash or in kind or for value to be received | <b>38.04</b>  | 38.04  |
| Advance Fringe Benefit tax   | <b>2.41</b>   | 2.41   |
| Advance TCS  | <b>11.53</b>  | 5.44   |
| Other non-current assets   | <b>49.02</b>  | 123.97 |
|  | <b>655.17</b> | 751.56 |

| <b>Note No. 9</b>                                  | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Inventories</b>                                 |                                 |                                 |
| (Valued at lower of cost and net realisable value) |                                 |                                 |
| Raw Materials                                      | <b>4,803.24</b>                 | 4,457.31                        |
| Finished Goods                                     | <b>2,874.13</b>                 | 4,050.77                        |
| Stock-in-trade (acquired for trading)              | -                               | 0.22                            |
| Stores   | <b>1,681.16</b>                 | 1,603.57                        |
|  | <b>9,358.53</b>                 | 10,111.87                       |
| <b>Inventory comprise of</b>                       |                                 |                                 |
| <b>Raw Materials</b>                               |                                 |                                 |
| Steel scrap  | <b>2,966.66</b>                 | 600.33                          |
| Ingot, billet and re-rollables                     | <b>912.21</b>                   | 436.76                          |
| Coal   | <b>850.76</b>                   | 3,315.80                        |
| PP/HDPE Granules                                   | <b>73.61</b>                    | 52.02                           |
| Coal   | -                               | 52.40                           |
| Dolomite   | -                               | -                               |
|  | <b>4,803.24</b>                 | 4,457.31                        |
| <b>Finished Goods</b>                              |                                 |                                 |
| TMT Bar  | <b>1,349.81</b>                 | 2,550.23                        |
| Poly Woven Sacks/ Bags                             | <b>1,315.46</b>                 | 1,315.46                        |
| Power  | <b>142.14</b>                   | 142.14                          |
| Sponge Iron Lumps                                  | <b>65.12</b>                    | 41.07                           |
| Iron Ore Fine - Scrap                              | <b>1.60</b>                     | 2.09                            |
|  | <b>2,874.13</b>                 | 4,050.99                        |

**Notes - (Contd)**

| <b>Note No. 10</b>  |             |      |
|---|-------------|------|
| <b>Current Investments</b>  |             |      |
| <b>Investments in Equity Instruments at FVTPL</b>                               |             |      |
| Investments in companies other than subsidiaries, associates and joint ventures |             |      |
| <b>Quoted</b>   |             |      |
| Canara Bank (Formerly Syndicate Bank) (864 Equity Shares of Rs.10 each)         | <b>0.43</b> | 0.43 |
| <b>Unquoted</b>   |             |      |
| Shamrao Vithal Co-op Bank Ltd (50 Shares of Rs.100/- each)                      | <b>0.05</b> | 0.05 |
| <b>Investments in Debt Instruments at FVTPL</b>                                 |             |      |
| <b>Unquoted</b>   |             |      |
| National Savings Certificates   | <b>0.02</b> | 0.02 |
|   | <b>0.50</b> | 0.50 |

| <b>Note No. 11</b>   |                  |           |
|--|------------------|-----------|
| <b>Trade receivables</b>   |                  |           |
| (Unsecured, considered good)   |                  |           |
| Trade Receivables outstanding for a period less than six months from the date they are due for payment |                  |           |
| Outstanding for a period exceeding six months from the date they are due for payment                   | <b>9,749.46</b>  | 14,122.81 |
| Other debts  | <b>8,017.57</b>  | 10,468.58 |
|  | <b>17,767.03</b> | 24,591.39 |
| Allowance for Expected credit Loss   | <b>(993.66)</b>  | (993.66)  |
|  | <b>16,773.37</b> | 23,597.73 |

| <b>Note No. 12</b>               |               |        |
|----------------------------------|---------------|--------|
| <b>Cash and cash equivalents</b> |               |        |
| Cash on Hand                     | <b>6.94</b>   | 10.87  |
| Cheque and Demand Drafts on Hand |               |        |
| Balances with Banks              |               |        |
| - In Current Account             | <b>596.22</b> | 280.10 |
| - In Collection Account          |               |        |
| - In Deposit Account             | -             | -      |
|                                  | <b>603.16</b> | 290.97 |

**Notes - (Contd)**

| <b>Note No. 13</b>           |               |        |
|------------------------------|---------------|--------|
| <b>Other Bank Balances</b>   |               |        |
| In fixed deposits            | <b>9.98</b>   | 9.06   |
| In margin money with banks * | <b>300.00</b> | 100.00 |
| In Earmarked Accounts        |               |        |
| - Unpaid Dividend Account    |               |        |
| - Unpaid Interest Account    |               |        |
|                              | <b>309.98</b> | 109.06 |

\* lien marked against Bank Guarantee

| <b>Note No. 14</b>                    |                 |          |
|---------------------------------------|-----------------|----------|
| <b>Other current financial assets</b> |                 |          |
| (Unsecured, considered good)          |                 |          |
| Deposits                              | <b>1,201.04</b> | 1,161.94 |
|                                       | <b>1,201.04</b> | 1,161.94 |

| <b>Note No. 15</b>                   |                 |          |
|--------------------------------------|-----------------|----------|
| <b>Other current assets</b>          |                 |          |
| (Unsecured, considered good)         |                 |          |
| Income and claims receivable         | -               | -        |
| Advance for Supplies and expenses    | <b>1,029.09</b> | 350.45   |
| Staff advances & Prepaid expenses    | <b>52.32</b>    | 57.10    |
| Advances to Subsidiaries             | <b>0.51</b>     | 0.51     |
| Advance Paid                         | <b>987.99</b>   | 430.82   |
| CST paid under protest               | <b>98.37</b>    | 98.37    |
| CVD                                  | <b>56.74</b>    | 56.74    |
| Drawback                             | <b>19.12</b>    | 19.12    |
| Excise                               | <b>13.87</b>    | 13.87    |
| Import Licence                       | <b>5.22</b>     | 51.98    |
| Balances with Statutory Authorities: | <b>538.40</b>   | 885.74   |
|                                      | <b>2,801.63</b> | 1,964.70 |

**Notes - (Contd)**

| <b>Note No. 16</b>   |                 |          |
|--|-----------------|----------|
| <b>Capital</b>   |                 |          |
| Authorised Share Capital   |                 |          |
| 1,60,00,000 Equity shares of Rs. 10/- each   | <b>1,600.00</b> | 1,600.00 |
| 2,00,00,000 6% Non convertible redeemable preference shares of Rs. 10/- each           | <b>2,000.00</b> | 2,000.00 |
|  | <b>3,600.00</b> | 3,600.00 |
| Issued & Subscribed Share Capital  |                 |          |
| 1,50,00,000 (previous year 1,50,00,000) Equity shares of Rs. 10/- each                 | <b>1,500.00</b> | 1,500.00 |
|  | <b>1,500.00</b> | 1,500.00 |
| Paid up share capital  |                 |          |
| 1,45,06,790 (previous year 1,45,06,790) Equity shares of Rs. 10/- each (fully paid up) | <b>1,450.68</b> | 1,450.68 |
| 1,96,989 (previous year 1,96,989) Equity shares of Rs. 10/- each (Rs. 6/- paid up)     | <b>11.82</b>    | 11.82    |
| 2,96,221 (previous year 2,96,221) Equity shares of Rs. 10/- each (Rs. 3/- paid up)     | <b>8.88</b>     | 8.88     |
|  | <b>1,471.38</b> | 1,471.38 |

**Notes:**

**i. Reconciliation of number of equity shares subscribed**

|   |                   |            |
|---|-------------------|------------|
| Balance as at the beginning of the year | <b>15,000,000</b> | 15,000,600 |
| Add: Issued during the year             |                   |            |
| Balance at the end of the year          | <b>15,000,000</b> | 15,000,600 |

**ii. Shares issued for consideration other than cash**

There are no shares which have been issued for consideration other than cash during the last 5 years.

**iii. Redeemable Preference Shares**

6% Non convertible redeemable preference shares issued by the company are classified as financial liabilities (non-current borrowings) [refer note 18] in accordance with Ind AS.

**iv. Shareholders holding more than 5% of the total share capital**

| <b>Name of the share holder</b> | <b>March 31, 2021</b>     |                     | <b>March 31, 2020</b>     |                     |
|---------------------------------|---------------------------|---------------------|---------------------------|---------------------|
|                                 | <b>No. of shares held</b> | <b>% of holding</b> | <b>No. of shares held</b> | <b>% of holding</b> |
| Lalit Kumar Tulsyan             | <b>4,046,645</b>          | <b>26.98</b>        | <b>4,046,645</b>          | 26.98               |
| Sanjay Tulsyan                  | <b>4,475,481</b>          | <b>29.84</b>        | <b>4,475,481</b>          | 29.84               |
| Priya Tulsyan                   | <b>954,982</b>            | <b>6.37</b>         | <b>954,982</b>            | 6.37                |
| Alka Tulsyan                    | <b>751,130</b>            | <b>5.01</b>         | <b>751,130</b>            | 5.01                |

**Notes - (Contd)**

**v. Rights, preferences and restrictions in respect of equity shares issued by the Company**

- a. "The company has issued only one class of equity shares having a par value of Rs. 10 each. The equity shares of the company having par value of Rs. 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
- b. All equity shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares. However as far as the share held by the promoters/ promoters group is concerned, the same has been pledged in favour of the lenders as part of CDR compliance (Refer Note 44)
- c. The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.
- d. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs.NIL per equity share held (previous year Rs. Nil per equity share held)
- e. In the event of liquidation, the Equity Share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

| Note No. 17                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| <b>Other Equity</b>                           |                         |                         |
| General Reserve                               | 2,390.00                | 2,390.00                |
| Investment Allowance reserve                  | 59.39                   | 59.39                   |
| Securities Premium Reserve                    | 11,873.70               | 11,873.70               |
| Other Comprehensive Income                    | -                       | (0.22)                  |
| Profit and Loss Account                       | (80,449.77)             | (79,211.63)             |
|   | <b>(66,126.68)</b>      | <b>(64,888.76)</b>      |
| <b>a) General Reserve</b>                     |                         |                         |
| Balance at the beginning and end of the year  | 2,390.00                | 2,390.00                |
| <b>b) Investment Allowance Reserve</b>        |                         |                         |
| Balance at the beginning and end of the year  | 59.39                   | 59.39                   |
| <b>c) Securities Premium Reserve</b>          |                         |                         |
| Balance at the beginning of the year          | 11,873.70               | 11,873.70               |
| Additions during the year                     | -                       | -                       |
| Balance at the end of the year                | 11,873.70               | 11,873.70               |
| <b>d) Other Comprehensive Income</b>          |                         |                         |
| Balance at the beginning of the year          | -                       | -                       |
| Additions during the year                     | (81.76)                 | (21.06)                 |
| Deductions/Adjustments during the year        | 81.06                   | 21.06                   |
| Balance at the end of the year                | -                       | -                       |
| <b>e) Retained earnings</b>                   |                         |                         |
| Balance at the beginning of the year          | (79211.63)              | (57437.14)              |
| Previous year Provision for Taxation Reversed | -                       | 167.46                  |
| Net profit for the period                     | (1156.38)               | (21,920.89)             |
| Transfer from Other Comprehensive Income      | (81.76)                 | (21.60)                 |
| Balance at the end of the year                | <b>(80,449.77)</b>      | <b>(79,211.63)</b>      |

**Notes - (Contd)**

| <b>Note No. 18</b>   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Non-Current Liabilities - Financial Liabilities: Borrowings</b> |                                 |                                 |
| <b>Secured</b>   |                                 |                                 |
| <b>Preference Shares</b>   |                                 |                                 |
| 6% Non convertible redeemable preference shares                    | <b>884.30</b>                   | 884.30                          |
| <b>Term Loans *</b>  |                                 |                                 |
| From Banks   | <b>100,840.24</b>               | 89,797.56                       |
| From Financial Institutions  | -                               | -                               |
| <b>Vehicle Loans</b>   |                                 |                                 |
| HDFC Bank Ltd  | <b>22.99</b>                    | 12.50                           |
| <b>Unsecured</b>   |                                 |                                 |
| From Body Corporate  | -                               | -                               |
| From Directors   | <b>709.50</b>                   | 712.50                          |
| From others  | <b>1.70</b>                     | 1.12                            |
|  | <b>102,458.73</b>               | 91,407.98                       |
| Less: Current maturities of long-term debt (included in note 26)   | <b>(29,287.06)</b>              | (29,490.72)                     |
| Interest Liability reversed as per Compromise Agreement            | <b>(3,076.95)</b>               | -                               |
|  | <b>70,094.72</b>                | 61,917.26                       |

\* refer note 46 for terms and conditions and security details

| <b>Note No. 19</b>                                 |                 |          |
|--|-----------------|----------|
| <b>Other non current financial liabilities</b>     |                 |          |
| Premium on redemption of preference shares payable | <b>1,323.03</b> | 1,119.08 |
| Unamortised rental income                          | -               | -        |
| Unamortised Interest income                        | -               | -        |
|  | <b>1,323.03</b> | 1,119.08 |

| <b>Note No. 20</b>                     |               |        |
|--|---------------|--------|
| <b>Provisions (Non-current)</b>        |               |        |
| <b>Provision for employee benefits</b> |               |        |
| Gratuity                               | <b>484.71</b> | 465.88 |
| Compensted absence                     | <b>91.54</b>  | 99.02  |
| (Refer Note 50)                        | <b>576.25</b> | 564.90 |

| <b>Note No. 21</b>                           |                 |            |
|--|-----------------|------------|
| <b>Deferred Tax Liability/ (Asset) - Net</b> |                 |            |
| Deferred tax liabilities                     | -               | 50.41      |
| Related to Fixed Assets                      | -               | -          |
| Related to Others                            | -               | 50.41      |
| Deferred tax assets                          | -               | -          |
| Related to Fixed Assets                      | -               | -          |
| Related to Others                            | <b>823.81</b>   | 1,204.08   |
|  | <b>823.31</b>   | 1,204.08   |
| Net deferred tax liability/ (asset)          | <b>(823.31)</b> | (1,153.67) |

**Notes - (Contd)**

| Note No. 22  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>Current liabilities - Financial Liabilities: Borrowings *</b> |                         |                         |
| <b>Secured</b>   |                         |                         |
| From banks - Working capital term loans                          | 54,065.48               | 51,171.53               |
| Loan from others   | 1,348.08                | 1,284.05                |
| <b>Unsecured</b>   |                         |                         |
| Loans from body corporate  | 2,553.73                | 3,246.56                |
| Loan from others   | 53.78                   | 53.78                   |
| Inter Corporate Deposits   | -                       | -                       |
| Interest Liability reversed as per Compromise Agreement          | (1,459.61)              |                         |
|  | <b>56,561.46</b>        | 55,755.92               |

\* refer note 47 for terms and conditions and security details

| Note No. 23             |                 |          |
|-------------------------|-----------------|----------|
| <b>Trade payables *</b> |                 |          |
| Supplies and Services   | 3,405.67        | 8,521.14 |
| Expenses and others     | 350.43          | 904.02   |
|                         | <b>3,756.10</b> | 9,425.16 |

\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 43.

| Note No. 24                                |               |        |
|--|---------------|--------|
| <b>Other current financial liabilities</b> |               |        |
| Deposits for power/Steel                   | 274.56        | 272.87 |
|  | <b>274.56</b> | 272.87 |

| Note No. 25                                   |               |        |
|---|---------------|--------|
| <b>Provisions (Current)</b>                   |               |        |
| Provision for proposed equity dividend        | -             | -      |
| Provision for tax on proposed equity dividend | -             | -      |
| Provision for Expenses / Tax                  | 102.72        | 121.33 |
| Provision - others                            | -             | -      |
|   | <b>102.72</b> | 121.33 |



**Notes - (Contd)**

| <b>Note No. 26</b>                            |                  |           |
|---|------------------|-----------|
| <b>Other current liabilities</b>              |                  |           |
| Current maturities of long-term debt          | <b>29,287.06</b> | 29,490.72 |
| Interest accrued but not due on secured loans | -                | -         |
| Interest Payable                              | -                | 11,541.00 |
| Statutory Dues Payable                        | <b>427.66</b>    | 44.05     |
| Advanced & deposits from customer etc.        | -                | 0.68      |
| Employee                                      | -                | -         |
| TDS   | -                | -         |
| Calamity Relief Fund                          | -                | -         |
| Other current liabilities                     | <b>182.24</b>    | 156.79    |
| Employee Payables                             | <b>244.54</b>    | 221.55    |
|   | <b>30,141.50</b> | 41,454.79 |

| <b>Note No. 27</b>             |                  |           |
|--------------------------------|------------------|-----------|
| <b>Revenue from Operations</b> |                  |           |
| Domestic sales FG              | <b>56,779.03</b> | 67,749.31 |
| High sea sales                 | -                | -         |
| Export sales                   | <b>3,206.51</b>  | 5,943.44  |
| Domestic Sales RM              | <b>1,533.56</b>  | 777.57    |
| Domestic Sales - Stores        | <b>88.19</b>     | -         |
| Processing charges             | <b>623.70</b>    | 558.70    |
|                                | <b>62,230.99</b> | 75,029.02 |

| <b>Note No. 28</b>                                       |                 |          |
|--|-----------------|----------|
| <b>Other Income</b>                                      |                 |          |
| Income from windmills                                    | <b>173.49</b>   | 156.47   |
| Interest   |                 |          |
| Interest on term deposit                                 | <b>0.33</b>     | 0.15     |
| Other interest income                                    | <b>14.25</b>    | 25.67    |
| Profit on sale of Fixed asset                            | <b>0.47</b>     | -        |
| Profit on sale of Investment                             | -               | -        |
| Compensation for Power                                   | -               | 0.49     |
| Dividend   | -               | -        |
| Foreign Exchange Fluctuation                             | -               | -        |
| Miscellaneous Income                                     | <b>0.06</b>     | 39.89    |
| Less: Income from wind mill set-off against Power & Fuel | <b>(173.49)</b> | (156.47) |
|  | <b>15.12</b>    | 66.20    |

**Notes - (Contd)**

(₹ In Lacs)

| <b>Note No. 29</b>                      | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|---|---------------------------------|---------------------------------|
| <b>Cost of Materials Consumed</b>       |                                 |                                 |
| <b>Raw Materials</b>                    |                                 |                                 |
| Opening inventory of raw materials      | 4,458.52                        | 3,273.44                        |
| Raw Materials purchased                 | 43,689.68                       | 53,171.29                       |
| Materials Inward                        | 2,529.41                        | 4,084.13                        |
| Customs Duty                            | 642.49                          | 1,747.27                        |
| Expenses for Import Licence             | -                               | 54.39                           |
| Less: Discount/Licence                  | 277.10                          | 327.67                          |
| Less: Closing Stock                     | 4,803.96                        | 4,458.52                        |
| Captive consumption                     | 3,849.99                        | 4,623.78                        |
|   | <b>42,389.05</b>                | <b>52,920.55</b>                |
| <b>Stores</b>                           |                                 |                                 |
| Opening Stock                           | 1,531.14                        | 1,219.32                        |
| Purchases                               | 2,651.20                        | 3,033.82                        |
| Materials Inward                        | 52.36                           | 106.79                          |
| Less: Closing Stock                     | 1,604.99                        | 1,531.14                        |
|   | <b>2,629.71</b>                 | <b>2,828.79</b>                 |
| <b>Total cost of materials consumed</b> | <b>45,018.76</b>                | <b>55,749.34</b>                |

| <b>Note No. 30</b>                               | <b>As at<br/>March 31, 2020</b> | <b>As at<br/>March 31, 2019</b> |
|--|---------------------------------|---------------------------------|
| <b>Purchase of stock-in-trade - Traded goods</b> |                                 |                                 |
| Purchase of stock-in-trade - Traded goods        | 225.12                          | 542.39                          |
|  | <b>225.12</b>                   | <b>542.39</b>                   |

| <b>Note No. 31</b>                              |                 |                 |
|---|-----------------|-----------------|
| <b>Changes in inventories of finished goods</b> |                 |                 |
| Closing balance                                 | 2,873.42        | 4,049.56        |
| Opening balance                                 | 4,044.78        | 5,595.68        |
|   | <b>1,171.36</b> | <b>1,546.12</b> |

| <b>Note No. 32</b>                        |                 |                 |
|---|-----------------|-----------------|
| <b>Employee benefit expenses</b>          |                 |                 |
| Salaries and Wages                        | 2,778.36        | 3,030.68        |
| Contribution to provident and other funds | 54.24           | 45.41           |
| Welfare Expenses                          | 55.45           | 203.87          |
|   | <b>2,888.05</b> | <b>3,279.96</b> |

**Notes - (Contd)**

| <b>Note No. 33</b>      |                 |          |
|-------------------------|-----------------|----------|
| <b>Power &amp; Fuel</b> |                 |          |
| Power & Fuel expense    | <b>4,123.85</b> | 4,368.10 |
|                         | <b>4,123.85</b> | 4,368.10 |

| <b>Note No. 34</b>                            |                 |          |
|---|-----------------|----------|
| <b>Depreciation and amortization expense</b>  |                 |          |
| Depreciation on property, plant and equipment | <b>2,512.26</b> | 2,555.85 |
|   | <b>2,512.26</b> | 2,555.85 |

| <b>Note No. 35</b>    |                  |           |
|-----------------------|------------------|-----------|
| <b>Finance costs</b>  |                  |           |
| Interest              | <b>19,958.55</b> | 22,117.96 |
| Other Finance Charges | <b>569.50</b>    | 511.17    |
|                       | <b>20,528.05</b> | 22,629.13 |

| <b>Note No. 36</b>                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| <b>Other expenses</b>              |                         |                         |
| Power Plant Charges                | <b>2,810.47</b>         | 3,511.90                |
| Repairs                            |                         |                         |
| Machinery                          | <b>385.63</b>           | 389.39                  |
| Building                           | <b>50.10</b>            | 11.38                   |
| Other Manufacturing Expenses       | <b>287.94</b>           | 387.79                  |
| Processing Charges                 | <b>180.96</b>           | 189.06                  |
| Insurance                          | <b>62.07</b>            | 58.03                   |
| Rent                               | <b>33.92</b>            | 51.75                   |
| Loss on sale of fixed assets       | <b>1.37</b>             | 1.38                    |
| Rates & Taxes                      | <b>163.16</b>           | 110.48                  |
| Legal & consultancy charges        | <b>91.56</b>            | 101.30                  |
| Payment to auditors                | <b>1.67</b>             | 5.34                    |
| Transport charges                  | <b>326.64</b>           | 351.24                  |
| Brokerage & commission             | <b>119.37</b>           | 123.39                  |
| Selling & administration expenses  | <b>966.14</b>           | 796.65                  |
| Excise duty expenses               | <b>264.13</b>           | -                       |
| Bank charges                       | <b>61.81</b>            | 79.41                   |
| Foreign exchange loss (net)        | <b>23.12</b>            | 110.15                  |
| Provision for Expected credit loss | <b>467.73</b>           | 184.40                  |
|                                    | <b>6,297.79</b>         | 6,463.04                |

**Notes - (Contd)**

| <b>Note No. 36 (a)</b>     |             |      |
|----------------------------|-------------|------|
| <b>Payment to auditors</b> |             |      |
| Statutory Audit fees       | <b>4.90</b> | 4.90 |
| Taxation fee               | <b>2.49</b> | 2.49 |
|                            | <b>7.39</b> | 7.39 |

| <b>Note No. 37</b>       |                    |   |
|--------------------------|--------------------|---|
| <b>Exceptional Items</b> |                    |   |
| Exceptional Item         | <b>(19,693.13)</b> | - |
|                          | <b>(19,693.13)</b> | - |

| <b>Note No. 38</b>   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Income tax expense</b>  |                                 |                                 |
| <b>(a) Income tax expense</b>  |                                 |                                 |
| <b>Current tax</b>   | -                               | -                               |
| Current tax on profits for the year  |                                 |                                 |
| MAT credit entitlement/reversal  |                                 |                                 |
| Adjustments for current tax of prior periods   |                                 |                                 |
| <b>Total current tax expense</b>   | -                               | -                               |
| <b>Deferred tax</b>  |                                 |                                 |
| Deferred tax adjustments   | <b>(330.36)</b>                 | (117.83)                        |
| <b>Total deferred tax expense/(benefit)</b>  | <b>(330.36)</b>                 | (117.83)                        |
| <b>Income tax expense</b>  | <b>(330.36)</b>                 | (117.83)                        |
| <b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b> |                                 |                                 |
| Profit before tax from continuing operations   | <b>(826.00)</b>                 | (22,038.72)                     |

| <b>Note No. 39</b>  |                   |             |
|---|-------------------|-------------|
| <b>Earnings per share</b>   |                   |             |
| Profit/ (loss) for the year attributable to owners of the Company | <b>(1,156.36)</b> | (21,920.89) |
| Weighted average number of ordinary shares outstanding            | <b>14,713,850</b> | 14,713,850  |
| Basic earnings per share (Rs)                                     | <b>(7.86)</b>     | (148.98)    |
| Diluted earnings per share (Rs)                                   | <b>(7.86)</b>     | (148.98)    |

| <b>Note No. 40</b>                  |                 |          |
|-------------------------------------|-----------------|----------|
| <b>Earnings in foreign currency</b> |                 |          |
| FOB value of exports                | <b>2,212.04</b> | 2,405.68 |
|                                     | <b>2,212.04</b> | 2,405.68 |

| <b>Note No. 40(a)</b>                          |   |       |
|--|---|-------|
| <b>Expenditure in foreign currency</b>         |   |       |
| Exchange in foreign currency for other matters | - | 21.42 |
|  | - | 21.42 |

|                             |               |          |
|-----------------------------|---------------|----------|
| <b>Note No. 41</b>          |               |          |
| <b>CIF value of imports</b> |               |          |
| Raw Materials               | <b>246.84</b> | 3,622.30 |
|                             | <b>246.84</b> | 3,622.30 |

**42. Value of imported and indigenous Raw material, Stores and Coal Consumed during the financial year and the percentage of each to the total consumption**

| Particulars                    | Year ended March 31, 2021 |                | Year ended March 31, 2020 |                |
|--------------------------------|---------------------------|----------------|---------------------------|----------------|
|                                | Rs. In Lakhs              | Percentage (%) | Rs. In Lakhs              | Percentage (%) |
| <b>Raw Materials</b>           |                           |                |                           |                |
| <b>Imported</b>                |                           |                |                           |                |
| Steel scrap                    | <b>15,544.12</b>          | <b>44.78</b>   | 13,352.99                 | 31.91          |
| Ingot, billet and re-rollables | -                         | -              | -                         | -              |
| PP/HDPE Granules               | -                         | -              | -                         | -              |
| <b>Others</b>                  |                           |                |                           |                |
| Steel scrap                    | <b>9,823.09</b>           | <b>28.30</b>   | 13,695.37                 | 32.72          |
| Ingot, billet and re-rollables | <b>389.69</b>             | <b>1.12</b>    | 9,452.27                  | 22.59          |
| PP/HDPE Granules               | <b>4,327.70</b>           | <b>12.47</b>   | 4,253.41                  | 10.16          |
| Iron Ore                       | <b>4,605.08</b>           | <b>13.27</b>   | 1,085.54                  | 2.59           |
| Dolomite                       | <b>24.91</b>              | <b>0.07</b>    | 5.32                      | 0.01           |
| <b>Coal</b>                    |                           |                |                           |                |
| Imported                       | <b>11,299.86</b>          | <b>88.24</b>   | 15,152.54                 | 96.55          |
| Others                         | <b>1,506.37</b>           | <b>11.76</b>   | 541.57                    | 3.45           |
| <b>Stores</b>                  |                           |                |                           |                |
| Imported                       | <b>27.21</b>              | <b>1.03</b>    | 51.85                     | 1.83           |
| Others                         | <b>2,602.50</b>           | <b>98.97</b>   | 2,776.95                  | 98.17          |
| <b>Total consumption</b>       | <b>50,150.52</b>          |                | 60,373.12                 |                |

**43. Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under**

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| (a) The principal amount remaining unpaid at the end of the year   | -                    | -                    |
| (b) The delayed payments of principal amount paid beyond the appointed date during the year                | -                    | -                    |
| (c) Interest actually paid under Section 16 of MSMED Act   | -                    | -                    |
| (d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms | -                    | -                    |
| (e) Total interest accrued during the year and remaining unpaid  | -                    | -                    |

\*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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 principal amount and/or interest and accordingly no additional disclosures have been made

**Notes - (Contd)**

**44. Commitments and contingent liabilities**

| <b>Nature of Dues</b>  | <b>Amount in Lacs.</b> | <b>Period to which it relates</b> | <b>Forum where the Dispute is pending</b> |
|--|------------------------|-----------------------------------|---|
| Excise   | 1.02                   | 2003-04                           | CESTAT                                    |
| Excise   | 25.65                  | 2002-03                           | CESTAT                                    |
| Excise   | 1,636.14               | Upto June 2017                    | CESTAT                                    |
| Excise/Service Tax   | 235.27                 | Apr 2013-Jun 17                   | CESTAT Bangalore                          |
| Excise   | 8.61                   | SVLDR, Chennai                    | 2019-20                                   |
| Classification of FIBC and demand for repayment of duty drawback | 168.18                 | Feb 2010-Sep 2011                 | Ministry of Finance - Secretary           |
| VAT  | 0.87                   | 2004-09                           | Hon'ble High Court, Madras                |
| VAT  | 506.58                 | 2013-14                           | Commercial Tax Department                 |
| VAT  | 18.82                  | 2012-13                           | Commercial Tax Department                 |
| VAT  | 14.22                  | 2013-14                           | Commercial Tax Department                 |
| TNEB   | 265.54                 | 2013-14                           | TNEB                                      |

**Notes:**

**Contingent Liabilities:**

- During the Financial year 2015-16 the Company's loans and liabilities were restructured under the Corporate Debt Restructuring Scheme providing certain reliefs and concessions. As per the scheme the company's repayment obligations were restructured. The Banks also provided certain reliefs/waivers/sacrifices by reducing the rate of interest. Interest was provided in the books at the lowered rates of interest. However the scheme was exited during the year 2017-18 and was communicated by the CDR Cell vide their letter dated 12-09-2017. Consequently the concessions so provided under the scheme were withdrawn by some of the banks with retrospective effect and charged the interest at original rates. Consequent to the withdrawal of concessions, few banks have debited the account of the company for the differential amount of interest and other concessions given as per CDR scheme. The period of withdrawal relates from May 1st 2014 to the date of debit.

**Compromise Settlement**

The Company had submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. Subsequent to the Balance Sheet date, the Compromise Settlement proposal has been accepted by one of the banks with certain conditions and the application with the other banks/ financial institutions are under negotiation and a decision is yet to be taken by the lenders. The Company is in the process of complying with the conditions of the Compromise Settlement proposal approved and is following up with the other lenders for approving the respective Compromise Settlement proposals submitted. Considering the above, the Company has reversed the interest charged by the banks during the year under audit and also did not provide for interest where the banks have not charged interest.

- The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the ShamraoVithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt Ltd., wholly owned subsidiary of the Company, for Rs. 25 crores
- The company has received a notice from the office of the Director General of Foreign Trade, Bangalore, asking to show cause as to why penalty upto 5 times of the CIF value of goods imported of a value of Rs.44.34 Crores imposed in respect of 44 Advance licenses for alleged non completion of the export obligations in respect of those licenses. Post issue of the notice, the company's name was added in the "Denied Entity List". The Company had represented to the said authority that the Export obligation in individual case or

when clubbed with other license/licenses in accordance with the Foreign trade Policy and procedures with or without relaxation of the norms as may be applicable has been completed. Export obligations Discharge certificate in respect of a few licences has been received and the balance are pending to be received and are under various stages of consideration at the DGFT. Based on the representation given by the company the name of the company was removed from the Denied Entity List, however company has not received any communication from the DGFT in this regard dropping the show cause notice.

4. The liability in respect of Excise and VAT is subject to the levy of additional interest till the date adjudication from the due date, in case the liability is confirmed by the Appellate Authority. However, no estimation of such interest payable, if any, has been made or has not been provided. Hence, no liability will accrue in respect of the interest, if the order is in favour of the company and in the opinion of the management, the decision will be in the favour of the company
5. Resurgent Power projects Limited (Formerly Enmas GB Power Systems Projects Limited) has demanded payment of Rs.13,25,31,282/- as dues for the Power Project I and II executed by them and has issued a notice under section 9 of the Insolvency and Bankruptcy Code, 2016. In view of the substandard performance of 1st Turbine and delayed implementation of Power Plant 2 the company has debited the 11,78,32,463/- as liquidated damages the payable to the said party as per the books of accounts is nil. Accordingly, the company has disputed the amount and has sought to invoke the arbitration proceedings against the party to settle the matter. The liquidated damages debited to the party has been credited to the cost of the project. Pending these matters no provision has been made against the claim in the books of accounts.

#### **Impairment of Assets:**

6. No provision has been made for the expected credit loss in respect of receivables which are outstanding for a long period and the chances of recovery are uncertain. These dues include dues from customers who have already been referred to NCLT under Insolvency and Bankruptcy Code. The amount outstanding dues where credit loss could be expected is Rs.33.16 Crores.
7. The lease agreement with KIADB in respect of Industrial Land in Sy. No.62, 63/2A of Doddaballapur Industrial Area (Varadanahalli Village) admeasuring 1 Acre 39 Guntas and SY NO.56/1 of Varadanahalli Village Kasaba Hobli, Doddaballapur Taluk, Bangalore District admeasuring 2 acres 22 guntas has expired and is yet to be renewed. Pending renewal, the company continues to hold the possession of the property.
8. In respect of property Land at Sy.No. 61/1, situated at Varadanahalli, Kasaba Hobli, Doddaballapura Taluk measuring 11  $\frac{3}{4}$  guntas and 3 acres 3 guntas, the previous owner(joint owner) of the property (Sy No.61/1) has fraudulently registered a Gift Deed in favour of her Daughter Pavithra, despite having sold the property to the company and the daughter has registered a sale deed in respect of third parties. The company has filed a complaint to the revenue authorities and the police in this regard.
9. The Goa industrial Development Corporation has vide its order dated 20th April 2017 has cancelled the lease of 8890 SFT out of 12700 SFT for non utilization of the land allotted on lease for the industrial purpose. Company has filed a civil suit against the said corporation reclaiming the leased land and the matter is pending with the court. Pending the settlement the company continues with the possession of the property.
10. The company was assessed to Income Tax and an order was passed u/sec 143(3) on 29/12/2019 for AY 2017-18. In completing the captioned assessment a sum of Rs 48,91,37,362/- was added back. The addition was on account of the Company's transactions with Tanishi Commotrades Pvt Limited (sales and other transactions), Subham Trading /Neeraj Trading Company(purchases ) and a sum of Rs 6829701 for delayed remittance of PF/ESI. The Company is hopeful of its success at the appellate forums on the captioned additions. In continuation, the assessments for Assessment Years 2016-17 and 2015-16 were subject to the revisionary proceedings u/s 263 of the Income Tax Act, 1961 and the order was passed on 25-03-2021 setting aside the original assessment order and directing the assessing officer to do the assessment afresh with a direction to examine all the issues other than what was preferred before CIT Appeal and pass orders after giving the assessee due opportunities. The assessee has filed its objections before the Honourable ITAT against the 263 Order.

**Notes - (Contd)**
**45. Operating Segments**

The business of the Company falls under three segments i.e., (a) Steel Division; (b) Synthetic Division; and (c) Power in accordance with Ind AS 108 "Operating Segments" and segment information is given below:

| <b>Particulars</b>   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| <b>Segment Revenue</b>                                       |                                 |                                 |
| Steel Division   | <b>42433.99</b>                 | 51,293.04                       |
| Synthetic Divison  | <b>7,090.47</b>                 | 7,706.46                        |
| Power  | <b>12,706.53</b>                | 16,029.52                       |
| Media  | -                               | -                               |
| Revenue from operations (Net)                                | <b>62,230.99</b>                | 75,029.02                       |
| <b>Segment Results</b>                                       |                                 |                                 |
| Profit (+) / Loss (-) before tax and finance cost            |                                 |                                 |
| Steel Division   | <b>4,106.07</b>                 | 1,902.96                        |
| Synthetic Divison  | <b>8,964.36</b>                 | (294.64)                        |
| Power  | <b>6,639.52</b>                 | (1,014.93)                      |
| Media  | <b>(7.90)</b>                   | (2.96)                          |
| Total  | <b>19,702.05</b>                | 590.42                          |
| Add/ Less : Finance Cost                                     | <b>20,528.05</b>                | 22,629.13                       |
| Profit/(Loss) from continuing operations                     | <b>(826.00)</b>                 | (22,038.71)                     |
| Profit/(Loss) from discontinuing operations                  |                                 |                                 |
| Profit Before Tax  | <b>(826.00)</b>                 | (22,038.71)                     |
| <b>Segment Assets</b>  |                                 |                                 |
| Steel Division   | <b>32,874.58</b>                | 37,248.54                       |
| Synthetic Divison  | <b>9,363.70</b>                 | 11,442.22                       |
| Power  | <b>55,062.44</b>                | 57,318.49                       |
| Media  | <b>51.01</b>                    | 51.01                           |
| Other unallocable corporate assets                           |                                 |                                 |
| Total assets   | <b>97,351.73</b>                | 106,060.26                      |
| <b>Segment Liabilities</b>                                   |                                 |                                 |
| Steel Division   | <b>116,219.64</b>               | 102,967.18                      |
| Synthetic Divison  | <b>9,9569.01</b>                | 13,733.10                       |
| Power  | <b>36,028.10</b>                | 52,587.51                       |
| Media  | <b>190.28</b>                   | 189.85                          |
| Other unallocable corporate assets                           |                                 |                                 |
| Total liabilities  | <b>162,007.03</b>               | 169,477.64                      |
| <b>Capital Employed (Segment assets-Segment liabilities)</b> |                                 |                                 |
| Steel Division   | <b>(83,345.06)</b>              | (65,718.64)                     |
| Synthetic Divison  | <b>(205.31)</b>                 | (2,290.88)                      |
| Power  | <b>19,034.34</b>                | 4,730.98                        |
| Media  | <b>(139.27)</b>                 | (138.84)                        |
| Total capital employed in segments                           | <b>(64,655.30)</b>              | (63,417.38)                     |
| Unallocable corporate assets less corporate liabilities      |                                 |                                 |
| Total Capital Employed                                       | <b>(64,655.30)</b>              | (63,417.38)                     |

**Information relating to geographical areas**



**Notes - (Contd)**

**(a) Revenue from external customers**

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------|-------------------------|-------------------------|
| India         | 59,024.48               | 69,085.58               |
| Outside India | 3,206.51                | 5,943.44                |
| <b>Total</b>  | <b>62,230.99</b>        | 75,029.02               |

**(b) Non current assets**

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

**(c) Information about major customers**

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Number of external customers each contributing more than 10% of total revenue | -                       | -                       |
| Total revenue from the above customers  | -                       | -                       |
| <b>Total</b>  | <b>-</b>                | <b>-</b>                |

**46. Operating lease arrangements**

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| As Lessor<br>The Company has not entered into any operating lease arrangements as lessor.   |                         |                         |
| As Lessee<br>The Company has not entered into operating lease arrangements for certain facilities . The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.<br>Lease payments recognised in the Statement of Profit and Loss |                         |                         |

**47. Borrowing Details**

**Schedule for long term borrowings from banks and financial institutions:**

| Particulars                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| <b>i. From Banks</b>              |                         |                         |
| <b>a. Term Loans</b>              |                         |                         |
| Andhra Bank                       | 15,975.49               | 14,180.64               |
| Canara Bank                       | 25,203.19               | 21,345.20               |
| Syndicate Bank                    | 6,511.01                | 5,835.57                |
| Indian Overseas Bank              | 9,174.27                | 9,174.27                |
| Shamrao Vithal Co-op Bank Limited | -                       | -                       |
| Prudent ARC Limited               | 792.35                  | 833.67                  |

**Notes - (Contd)**

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>b. Working Capital Term Loan/ Funded Interest Term Loan</b> |                         |                         |
| Andhra Bank  | 3,787.22                | 3,349.57                |
| Canara Bank  | 21,120.00               | 18,076.79               |
| Syndicate Bank   | 12,072.56               | 10,797.70               |
| State Bank of India  | 3,166.32                | 3,166.32                |
| Indian Overseas Bank   | 3,037.84                | 3,037.84                |
| Shamrao Vithal Co-op Bank Limited                              | -                       | -                       |
|  | -                       | -                       |
| <b>ii. From Financial Institutions</b>                         | -                       | -                       |
| <b>Total</b>   | <b>100,840.24</b>       | <b>89,797.56</b>        |

**Schedule for short term borrowings:**

| Particulars                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| <b>Secured</b>                     |                         |                         |
| From Banks - Working Capital Loans |                         |                         |
| Canara Bank                        | 23,890.99               | 21,079.94               |
| Syndicate Bank                     | 12,603.04               | 11,112.58               |
| State Bank of India                | 3,893.77                | 4,072.29                |
| Andhra Bank                        | 1,109.95                | 2,046.64                |
| IDBI Bank Limited                  | 5,032.24                | 5,129.95                |
| Indian Overseas Bank               | 4,953.45                | 4,759.91                |
| Andhra Bank LCs devolved           | 600.40                  | 985.27                  |
| Shamrao Vithal Co-op Bank Limited  | 1,981.64                | 1,984.96                |
| Loans from others                  | 1,348.08                | 1,284.05                |
| <b>Unsecured</b>                   |                         |                         |
| Loans from body corporate          | 2,553.74                | 3,246.56                |
| <b>Total Short term borrowings</b> | <b>57,967.31</b>        | <b>55,702.15</b>        |

**Terms and conditions of loans**

- i. Term Loan\Working Capital Term Loan\Funded Interest Term Loan\Fresh Term Loan shall have pari-passu first charge on entire fixed assets and Pari-passu second charge on entire current assets (including of slow moving \ non-moving stock and non-current debtors) of the company.
- ii. Working Capital shall have pari-passu first charge on entire current assets and pari-passu second charge on entire fixed assets of the company. Existing exclusive security shall be continued with respective lenders.
- iii. Personal Guarantee of Shri Lalit Kumar Tulsyan and Shri Sanjay Kumar Tulsyan.
- iv. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
- v. Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.
- vi. Vehicles are secured by their Hypothecation.

**Notes - (Contd)**
**48. Financial Instruments**
**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

| <b>Categories of Financial Instruments</b>                                  | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|---|-----------------------|-----------------------|
| <b>Financial assets</b>   |                       |                       |
| <b>a. Measured at amortised cost</b>  |                       |                       |
| Other non-current financial assets  | 15.27                 | 23.23                 |
| Trade receivables   | 16,773.37             | 23,597.73             |
| Cash and cash equivalents   | 603.16                | 290.97                |
| Bank balances other than above  | 309.98                | 109.06                |
| Other financial assets  | 1,201.04              | 1,161.94              |
| <b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b> |                       |                       |
| Investments   | 0.41                  | 0.41                  |
| <b>Financial liabilities</b>  |                       |                       |
| <b>a. Measured at amortised cost</b>  |                       |                       |
| Long term borrowings  | 70,094.72             | 61,917.26             |
| Other non-current financial liabilities                                     | 1,323.03              | 1,119.08              |
| Short term borrowings   | 56,561.46             | 55,755.92             |
| Trade payables  | 3,756.10              | 9,425.17              |

**Financial risk management objectives**

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

**Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division.

**Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a treasury division and uses natural hedging principles to mitigate the risks from such exposures.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**As on March 31, 2021 (all amounts are in equivalent Rs. in lakhs)**

| Currency | Liabilities    |                                   |  | Assets         |                                   |                                    | Net overall exposure on the currency - net assets / (net liabilities) |
|----------|----------------|-----------------------------------|--|----------------|-----------------------------------|------------------------------------|---|
|          | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency |   |
| USD      | -              | -                                 | -                                      | 13,28,599.85   | -                                 | 1,328,599.85                       | 1,328,599.85  |
| EUR      | -              | -                                 | -                                      | 43,763.48      | -                                 | 43,763.48                          | 43,763.48   |
| GBP      | -              | -                                 | -                                      | -              | -                                 | -                                  | -   |
| In INR   | -              | -                                 | -                                      | 989.09         | -                                 | 989.09                             | 989.09  |

**As on March 31, 2020 (all amounts are in equivalent Rs. in lakhs)**

| Currency | Liabilities    |                                   |  | Assets         |                                   |                                    | Net overall exposure on the currency - net assets / (net liabilities) |
|----------|----------------|-----------------------------------|--|----------------|-----------------------------------|------------------------------------|---|
|          | Gross exposure | Exposure hedged using derivatives | Net liability exposure on the currency | Gross exposure | Exposure hedged using derivatives | Net asset exposure on the currency |   |
| USD      | -              | -                                 | -                                      | 1,270,496.95   | -                                 | 1,270,496.95                       | 1,270,496.95  |
| EUR      | -              | -                                 | -                                      | 87,373.58      | -                                 | 87,373.58                          | 87,373.58   |
| GBP      | -              | -                                 | -                                      | 753.64         | -                                 | 753.64                             | 753.64  |
| in INR   | -              | -                                 | -                                      | 1,024.14       | -                                 | 1,024.14                           | 1,024.14  |

**Foreign currency sensitivity analysis**

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**Interest rate risk management**

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 87.50 Lakhs for the year (Previous INR 208.08 Lakhs)

### Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### (a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

#### (b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved financial institutions/ counterparty. Investments primarily include bank deposits. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits and restricts the exposure in equity markets. Investments of surplus funds does not arise in the case of the Company

### Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the loan agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

### Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

### Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| March 31, 2021 | Due in 1st year  | Due after 1st Year | Carrying amount   |
|----------------|------------------|--------------------|-------------------|
| Trade payables | 3,756.10         | -                  | 3,756.10          |
| Borrowings     | 29,287.06        | 70,094.72          | 99,381.78         |
|                | <b>33,043.16</b> | <b>70,094.72</b>   | <b>103,137.88</b> |

| March 31, 2020 | Due in 1st year  | Due after 1st Year | Carrying amount   |
|----------------|------------------|--------------------|-------------------|
| Trade payables | 9,425.16         | -                  | 8,194.94          |
| Borrowings     | 29,490.72        | 61,917.26          | 99,381.78         |
|                | <b>38,915.88</b> | <b>61,917.26</b>   | <b>107,576.72</b> |

|   | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required): | Nil            | Nil            |

### 49. Related party disclosure

| a) List of related parties                         |  |
|--|--|
| <b>Subsidiaries</b>                                | Chitrakoot Steel & Power P Ltd<br>Color Peppers Media P Ltd  |
| <b>Key management personnel</b>                    | Shri Lalit Kumar Tulsyan (Executive Chairman)<br>Shri Sanjay Tulsyan (Managing Director)<br>Shri Sanjay Agarwalla (Whole Time Director)<br>Shri Shanta Kumar RP (Chief Financial Officer)<br>Shmt Parvati Soni (Company Secretary) |
| <b>Companies in which Directors are interested</b> | Tulsyan Smelters Private Ltd<br>Tulsyan Power Private Limited  |

### b) Transactions during the year

| S.No. | Nature of transactions         | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|-------|--------------------------------|------------------------------|------------------------------|
| 1     | <b>Purchase of goods</b>       |                              |                              |
|       | Chitrakoot Steel & Power P Ltd | <b>1,281.76</b>              | 985.85                       |
|       | Tulsyan Smelters Private Ltd   | <b>14,263.87</b>             | 9,401.69                     |
| 2     | <b>Sale of Goods</b>           |                              |                              |
|       | Chitrakoot Steel & Power P Ltd | <b>193.98</b>                | 120.89                       |
|       | Tulsyan Smelters Private Ltd   | <b>14,887.92</b>             | 18,616.37                    |

|   |  |              |          |
|---|--|--------------|----------|
| 3 | <b>Short term borrowings during the year</b> | -            | -        |
| 4 | <b>Services Received</b>                     |              |          |
|   | Chitrakoot Steel & Power P Ltd               | -            | 1,054.52 |
| 5 | <b>Managerial Remuneration</b>               |              |          |
|   | Lalit Kumar Tulsyane                         | <b>57.03</b> | 60.78    |
|   | Sanjay Tulsyane                              | <b>60.29</b> | 60.29    |
|   | Sanjay Agarwalla                             | <b>39.29</b> | 39.29    |
|   | Shanta Kumar RP                              | <b>30.07</b> | 32.44    |
|   | Shmt. Parvati Soni                           | <b>6.94</b>  | 7.24     |

**c) Balances with related parties**

| S.No. | Name of the Related Party      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|-------|--------------------------------|------------------------------|------------------------------|
| 1     | <b>Outstanding Receivables</b> |                              |                              |
|       | Tulsyane Power Ltd             | <b>0.51</b>                  | 0.51                         |
|       | Chitrakoot Steel & Power P Ltd | <b>1,578.51</b>              | 1,229.90                     |
|       | Tulsyane Smelters Private Ltd  | <b>1,692.27</b>              | 4,004.55                     |
| 2     | <b>Outstanding Payables</b>    |                              |                              |
|       | Lalit Kumar Tulsyane           | <b>508.46</b>                | 511.46                       |
|       | Sanjay Tulsyane                | <b>284.92</b>                | 201.04                       |

**d) Guarantees and Collaterals**

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee in favour of Tulsyane NEC Limited to comply the CDR Terms.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25 Crores.

**50 Retirement benefit plans**
**Defined contribution plans**

In accordance with Indian law, the Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme, which are defined contribution plans, for qualifying employees.

The total expense recognised in profit or loss of Rs. 137.99 lakhs (previous year Rs. 224.93 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**
**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

|                 |   |
|-----------------|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.      |
| Interest risk   | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.  |
| Longevity risk  | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk     | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.   |

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars                            | March 31, 2021                          | March 31, 2020                          |
|--|---|---|
| Mortality Table                        | Indian Assured Lives Mortality(2006-08) | Indian Assured Lives Mortality(2006-08) |
| Attrition Rate                         | 5.00% p.a.                              | 5.00% p.a.                              |
| Discount Rate                          | 7.13% p.a.                              | 6.84% p.a.                              |
| Rate of increase in compensation level | 5.00% p.a.                              | 5.00% p.a.                              |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

|   | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|---|-----------------------------|-----------------------------|
| <b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b> |                             |                             |
| <b>Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:</b>                     |                             |                             |
| Current service cost  | 33.38                       | 33.98                       |
| Net interest expense  | 31.82                       | 30.46                       |
| Return on plan assets (excluding amounts included in net interest expense)  | -                           | -                           |
| Components of defined benefit costs recognised in profit or loss  | 64.21                       | 64.44                       |
| <b>Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>  |                             |                             |
| Remeasurement on the net defined benefit liability comprising:  |                             |                             |
| Actuarial (gains)/losses recognised during the period   | (45.68)                     | 7.81                        |
| Components of defined benefit costs recognised in other comprehensive income                                      | (45.68)                     | 7.81                        |
| Total   | 18.53                       | 72.25                       |



|  | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|--|-----------------------------|-----------------------------|
| <b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b> |                             |                             |
| Present value of defined benefit obligation  | 484.17                      | 466.18                      |
| Fair value of plan assets  | -                           | -                           |
| Net liability arising from defined benefit obligation  | 484.17                      | 466.18                      |
| Non - Funded   | 484.17                      | 466.18                      |
|  | 484.17                      | 466.18                      |

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 20].

|  | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|--|-----------------------------|-----------------------------|
| <b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b> |                             |                             |
| Opening defined benefit obligation   | 466.18                      | 393.93                      |
| Current service cost   | 32.38                       | 33.98                       |
| Interest cost  | 31.82                       | 30.46                       |
| Actuarial (gains)/losses   | (45.68)                     | 7.81                        |
| Closing defined benefit obligation   | 484.71                      | 466.18                      |

### Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

#### (b) Compensated absences

Company is following the practice of valuing the compensated absence as per Ind AS 19 "Employee Benefits" based on the leave balance outstanding on the employees account on March 31st every year by an independent actuary and has provided the same in the accounts. The payment is done as and when claims are received from the employees or on the date of retirement/ relieving from the service of the company.

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| Particulars                            | March 31, 2021                                 | March 31, 2020                          |
|--|--|---|
| Mortality Table                        | <b>Indian Assured Lives Mortality(2006-08)</b> | Indian Assured Lives Mortality(2006-08) |
| Attrition Rate                         | 5.00% p.a.                                     | 5.00% p.a.                              |
| Discount Rate                          | 6.82% p.a.                                     | 6.82% p.a.                              |
| Rate of increase in compensation level | 5.00% p.a.                                     | 5.00% p.a.                              |

|   | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|---|-----------------------------|-----------------------------|
| <b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b> |                             |                             |
| Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:                            |                             |                             |
| Current service cost  | 21.84                       | 20.12                       |
| Net interest expense  | 6.76                        | 4.73                        |
| Components of defined benefit costs recognised in profit or loss  | 28.60                       | 24.85                       |

|  |         |       |
|--|---------|-------|
| <b>Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>   |         |       |
| Remeasurement on the net defined benefit liability comprising:               |         |       |
| Actuarial (gains)/losses recognised during the period                        | (36.08) | 13.25 |
| Components of defined benefit costs recognised in other comprehensive income | (36.08) | 13.25 |
| Total  | (7.48)  | 38.10 |

|  |       |       |
|--|-------|-------|
| <b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b> |       |       |
| Present value of defined benefit obligation  | 91.54 | 99.02 |
| Net liability arising from defined benefit obligation  | 91.54 | 99.02 |
| Non - Funded   | 91.54 | 99.02 |
|  | 91.54 | 99.02 |

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 20].

|  | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|--|-----------------------------|-----------------------------|
| <b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b> |                             |                             |
| Opening defined benefit obligation   | 99.02                       | 60.92                       |
| Current service cost   | 21.84                       | 20.12                       |
| Interest cost  | 6.76                        | 4.73                        |
| Actuarial (gains)/losses   | (36.08)                     | 13.25                       |
| Closing defined benefit obligation   | 91.54                       | 99.02                       |

**51. Period and amount of continuing default as on the Balance sheet date**

| <b>Due Date</b> | <b>Amount of Default (Principal)</b> | <b>No of Days Delay</b> | <b>Amount of Default (Interest)</b> | <b>No of Days Delay</b> |
|-----------------|--------------------------------------|-------------------------|-------------------------------------|-------------------------|
| 30/04/2016      |                                      |                         | 662.45                              | 1,796                   |
| 31/05/2016      |                                      |                         | 1,341.65                            | 1,765                   |
| 30/06/2016      | 704.53                               | 1,735                   | 2,042.81                            | 1,735                   |
| 31/07/2016      |                                      |                         | 2,779.81                            | 1,704                   |
| 31/08/2016      |                                      |                         | 3,559.34                            | 1,673                   |
| 30/09/2016      | 743.53                               | 1,643                   | 4,359.06                            | 1,643                   |
| 31/10/2016      |                                      |                         | 5,269.20                            | 1,612                   |
| 30/11/2016      |                                      |                         | 6,191.62                            | 1,582                   |
| 31/12/2016      | 743.53                               | 1,551                   | 7,152.50                            | 1,551                   |
| 31/01/2017      |                                      |                         | 8,016.57                            | 1,520                   |
| 28/02/2017      |                                      |                         | 8,802.51                            | 1,492                   |
| 31/03/2017      | 743.53                               | 1,461                   | 9,625.10                            | 1,461                   |
| 30/04/2017      |                                      |                         | 10,467.10                           | 1,431                   |
| 31/05/2017      |                                      |                         | 11,331.10                           | 1,400                   |
| 30/06/2017      | 1,240.20                             | 1,370                   | 13,411.10                           | 1,370                   |
| 31/07/2017      |                                      |                         | 14,261.10                           | 1,339                   |
| 31/08/2017      |                                      |                         | 15,111.10                           | 1,308                   |
| 30/09/2017      | 1,240.20                             | 1,278                   | 17,157.10                           | 1,278                   |
| 31/10/2017      |                                      |                         | 17,994.10                           | 1,247                   |
| 30/11/2017      |                                      |                         | 18,803.10                           | 1,217                   |
| 31/12/2017      | 1,240.20                             | 1,186                   | 20,866.10                           | 1,186                   |
| 31/01/2018      |                                      |                         | 21,689.10                           | 1,155                   |
| 28/02/2018      |                                      |                         | 22,433.10                           | 1,127                   |
| 31/03/2018      | 1,240.20                             | 1,096                   | 24,478.16                           | 1,096                   |
| 30/04/2018      |                                      |                         | 25,485.16                           | 1,066                   |
| 31/05/2018      |                                      |                         | 26,534.51                           | 1,035                   |
| 30/06/2018      | 1,618.43                             | 1,005                   | 27,606.00                           | 1,005                   |
| 31/07/2018      |                                      |                         | 32,503.16                           | 974                     |
| 31/08/2018      |                                      |                         | 33,940.34                           | 943                     |
| 30/09/2018      | 1,618.43                             | 913                     | 36,397.07                           | 913                     |

| Due Date     | Amount of Default<br>(Principal) | No of Days Delay | Amount of Default<br>(Interest) | No of Days Delay |
|--------------|----------------------------------|------------------|---------------------------------|------------------|
| 31/10/2018   |                                  |                  | 37,722.63                       | 882              |
| 30/11/2018   |                                  |                  | 39,045.66                       | 852              |
| 31/12/2018   | 1,618.43                         | 821              | 40,391.75                       | 821              |
| 31/01/2019   |                                  |                  | 41,758.83                       | 790              |
| 28/02/2019   |                                  |                  | 43,015.14                       | 762              |
| 31/03/2019   | 1,618.43                         | 731              | 44,381.75                       | 731              |
| 30/04/2019   |                                  |                  | 45,691.88                       | 701              |
| 31/05/2019   |                                  |                  | 47,010.87                       | 670              |
| 30/06/2019   | 1,879.05                         | 640              | 48,397.63                       | 640              |
| 31/07/2019   |                                  |                  | 49,756.78                       | 609              |
| 31/08/2019   |                                  |                  | 51,150.79                       | 578              |
| 30/09/2019   | 1,879.05                         | 548              | 52,500.96                       | 548              |
| 31/10/2019   |                                  |                  | 53,973.76                       | 517              |
| 30/11/2019   |                                  |                  | 55,421.42                       | 487              |
| 31/12/2019   | 1,879.05                         | 456              | 56,906.80                       | 456              |
| 31/01/2020   |                                  |                  | 58,424.00                       | 425              |
| 29/02/2020   |                                  |                  | 62,813.01                       | 396              |
| 31/03/2020   | 1,879.05                         | 365              | 64,284.53                       | 365              |
| 30/04/2020   |                                  |                  | 64,722.86                       | 335              |
| 31/05/2020   |                                  |                  | 65,179.73                       | 304              |
| 30/06/2020   | 1,755.60                         | 274              | 65,626.90                       | 274              |
| 31/07/2020   |                                  |                  | 66,095.69                       | 243              |
| 31/08/2020   |                                  |                  | 66,568.83                       | 212              |
| 30/09/2020   | 1,755.60                         | 182              | 67,031.63                       | 182              |
| 31/10/2020   |                                  |                  | 67,502.60                       | 151              |
| 30/11/2020   |                                  |                  | 67,963.69                       | 121              |
| 31/12/2020   | 1,755.60                         | 90               | 68,442.68                       | 90               |
| 31/01/2021   |                                  |                  | 68,635.76                       | 59               |
| 28/02/2021   |                                  |                  | 68,811.91                       | 31               |
| 31/03/2021   | 1,755.60                         | -                | 69,008.71                       | -                |
| <b>Total</b> | <b>28,908.24</b>                 |                  | <b>69,008.71</b>                | <b>97,916.95</b> |

**52. The details of the Exceptional Item is as under**

| Particulars of Loan         | Banks           |                 |                 |                 | Rs. In Lakhs     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
|                             | Andhra Bank     | Canara Bank     | Syndicate Bank  | IOB             | Total            |
| FITL1                       | 23.96           | 210.59          | 142.66          | 45.11           | 422.31           |
| FITL2                       | 16.69           | 86.49           | 39.31           | 29.95           | 172.43           |
| FITL3                       | 252.86          | 317.96          | 104.96          | 232.26          | 908.04           |
| WCTL1&2                     | 144.22          | 2,428.17        | 987.93          | 275.48          | 3,835.80         |
| Term Loan                   |                 | 8.62            | 64.14           |                 | 72.76            |
| Term Loan-Balance Equipment | 218.42          | 600.62          |                 | 283.70          | 1,102.74         |
| Term Loan-Power Project     | 506.77          | 1,479.05        | 442.23          | 649.50          | 3,077.56         |
| Term Loan-Power Project II  | 909.59          | 1,382.91        | 143.94          | 600.50          | 3,036.95         |
| Term Loan-Hot CH            | 21.52           | 72.33           |                 | 31.46           | 125.31           |
| Term Loan-Wirerod           | 138.25          | 314.46          | 25.14           | 72.35           | 550.19           |
| OCC                         | 233.65          | 3,673.23        | 1,894.83        | 587.33          | 6,389.05         |
|                             | <b>2,465.93</b> | <b>10,574.4</b> | <b>3,845.12</b> | <b>2,807.64</b> | <b>19,693.13</b> |

**53. Previous Year's figures have been re-grouped wherever necessary to conform to the Current Year's classification**

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**

Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802  
Sd/-  
**CA Shantha Kumar RP**  
Chief Financial Officer

Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823  
Sd/-  
**Parvati Soni**  
Company Secretary

Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111

As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394

Place : Chennai.  
Date : 13th August, 2021



## **TULSYAN** NEC LTD

CIN: L28920TN1947PLC007437

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

Tel: 044-61991060, Fax: 044-61991066

Email : [investor@tulsyannec.in](mailto:investor@tulsyannec.in), Website: [www.tulsyannec.in](http://www.tulsyannec.in)