TULSYAN STEEL
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TULSYAN
SINCE 1947

Date: 02-09-2024

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

Dear Sir/Madam,

Sub: Notice of the 77th Annual General Meeting ("AGM") of Tulsyan NEC Limited ("the Company") and Annual Report for the FY 2023-24

This is further to our letter dated July 26, 2024, intimating that the 77th Annual General Meeting ('AGM') of the Company will be held on Wednesday, September 25, 2024 at 11:30 A.M. (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') in compliance with applicable Circulars issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI').

Pursuant to the provisions of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed herewith the Notice of the 77th AGM along with the Annual Report of the Company for the FY 2023-24. The same also made available on the website of the Company at www.tulsyannec.in.

In compliance with the applicable Circulars issued by MCA and SEBI, the Notice of the 77th AGM along with the Annual Report for the FY 2023-24 are being sent only through electronic mode to those Members whose email IDs are registered with the Company / Depositories.

Request you to kindly take the above intimation on record.

Thanking you,

Yours faithfully,
For **Tulsyan NEC Limited**

Soni

Parvati Soni
Company Secretary & Compliance Officer

Encl: As above.

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

1786 375 7887 An ISO 45001:2018 Certified An ISO 14001:2015 Certified

TULSYAN
SINCE 1947

TULSYAN NEC LIMITED

EMPOWERING THE FUTURE

STEEL, ENERGY AND TECHNOLOGICAL SYNERGY

ANNUAL REPORT | 2023-24

TULSYAN NEC LIMITED

CORPORATE INFORMATION

Board of Directors

Executive Chairman
Lalit Kumar Tulsyan

Managing Director
Sanjay Tulsyan

Whole Time Directors
Sanjay Agarwalla
S Chandrasekaran

Non-executive Independent Directors
Manogyanathan Parthasarathy
Antonisamy Axilium Jayamary
Somasundaram Ponsing Mohan Ram
Ravi Muthusamy
J Sumathi (appointed w.e.f. 25-08-2024)

Board Committees

Audit Committee
Manogyanathan Parthasarathy, Chairman
Antonisamy Axilium Jayamary, Member
Somasundaram Ponsing Mohan Ram, Member
Sanjay Agarwalla, Member
Ravi Muthusamy, Member

Nomination and Remuneration Committee
Manogyanathan Parthasarathy, Chairman
Antonisamy Axilium Jayamary, Member
Somasundaram Ponsing Mohan Ram, Member
Ravi Muthusamy, Member

Stakeholders' Relationship Committee
Manogyanathan Parthasarathy, Chairman
Antonisamy Axilium Jayamary, Member
Sanjay Agarwalla, Member

Corporate Social Responsibility Committee
Sanjay Agarwalla, Chairman
Antonisamy Axilium Jayamary, Member
Manogyanathan Parthasarathy, Member

Chief Financial Officer
Shanthakumar R P

Company Secretary and Compliance Officer
Parvati Soni

Registered Office
Tulsyan NEC Limited
Apex Plaza, 1st Floor, New No. 77,
Old No. 3, Nungambakkam High Road,
Chennai - 600 034
Tel.: 044-6199 1060, Fax : 044-6199 1066
E-mail: investor@tulsyannec.in
Website: www.tulsyannec.in

Steel Division

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

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

Windmill
Pazhavoor, Tirunelveli District, Tamil Nadu

Synthetics Division

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

Statutory Auditors
M/s. CNGSN & Associates LLP
Chartered Accountants,
No. 43, Old No. 22, Swathi Count,
Flat No. C & D Vijayaraghava Road,
T.Nagar, Chennai - 600 017

Cost Auditors
M/s. Murthy & Co. LLP
Cost and Management Accountants
8, 1st Floor, 4th Main, Behind Rameshwara Temple,
Chamarajpet, Bangalore- 560018

Secretarial Auditors
M/s. M Damodaran & Associates LLP
Practicing Company Secretaries,
MDA Towers, New.No.6, Old No.12,
Appavoo Gramani 1st Street,
Mandaveli, Chennai - 600 028

Internal Auditors
M/s. SLSM & Co.
Chartered Accountants,
Flat No. 4, 1st Floor, Swathi BRB Apartments,
New No.19, Old No.10, Bazullah Road,
T. Nagar, Chennai - 600017

REGISTRAR & SHARE TRANSFER AGENT
Cameo Corporate Services Ltd.
"Subramanian Building",
No.1 Club House Road, Chennai - 600002
Tel.: 044-28460390, Email: murali@cameoindia.com

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Dear Members,

Invitation to attend the 77th Annual General Meeting on Wednesday, September 25, 2024

You are cordially invited to attend the 77th Annual General Meeting (AGM) of the Members of Tulsyan NEC Limited ("the Company") to be held on Wednesday, September 25, 2024 at 11:30 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The Notice of the Meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013 read with the related rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to cast their vote by electronic means on all resolutions set forth in the 77th AGM Notice.

Yours truly,
For **Tulsyan NEC Limited**

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Enclosures:
1. Notice of the 77th Annual General Meeting
2. Instructions for participation through VC
3. Instructions for e-voting

NOTICE OF THE 77TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventy Seventh (77th) Annual General Meeting ("AGM") of the Members of Tulsyan NEC Limited will be held on Wednesday, September 25, 2024, at 11.30 a.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

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, 2024, 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(s), 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, 2024 together with the reports of the Board of Directors and the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. **To appoint Mr. Sanjay Tulsyan (DIN: 00632802) as Director, liable to retire by rotation, and being eligible, offers himself for re-appointment.**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sanjay Tulsyan (DIN: 00632802), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. **To consider and approve increase in the remuneration payable to M/s. CNGSN & Co. LLP, Statutory Auditors of the Company.**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 142 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), remuneration payable to M/s. CNGSN & Associates LLP, Chartered Accountants, (Firm ICAI Registration No: 004925S/S200036), Chennai, Statutory Auditors of the Company, be and is hereby increased from Rs. 5,00,000/- p.a. (Rupees Five Lakhs) plus applicable taxes and reimbursement of out-of-pocket expenses to Rs. 7,50,000/- p.a. (Rupees Seven Lakhs Fifty Thousand) plus applicable taxes and reimbursement of out-of-pocket expenses for auditing the books of accounts of the Company from the Financial year 2024-25 till the conclusion of the 79th AGM of the Company;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable, 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 2024-2025.**

   To consider and, if thought fit, to pass, with or without modification(s), 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 amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Murthy & Co. LLP, Cost and Management Accountants (Firm Registration Number with ICMAI: 000648), Bangalore, appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, amounting to Rs.70,000/- (Rupees Seventy Thousand) plus applicable taxes and reimbursement of out-of-pocket expenses, be and is hereby ratified and confirmed;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this resolution."

5. **To regularize the appointment of Mrs. J Sumathi (DIN: 10752449) as an Independent (Non-Executive) Woman Director of the Company.**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulations 16 and 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and subject to Articles of Association of the Company and upon recommendation of Nomination & Remuneration Committee and approval of the board, Mrs. J Sumathi (DIN: 10752449), who was appointed initially as an Additional Director in the capacity of Independent Woman Director of the Company by the Board of Directors through Circular Resolution passed on August 25, 2024 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting and who has submitted her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and being eligible for appointment, and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent (Non-Executive) Woman Director of the Company, not liable to retire by rotation, to hold the office for a term of 5 consecutive years on the Board of the Company with effect from August 25, 2024 upto August 24, 2029 (both days inclusive);

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mrs. J Sumathi (DIN: 10752449) be paid such fees and commission as the Board of Directors of the Company may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

Sd/-

Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Place: Chennai
Date: 25-08-2024

Registered Office:
Tulsyan NEC Limited
Apex Plaza, I Floor, New No.77,
Old No.3, Nungambakkam High Road
Chennai-600034, Tamil Nadu
Email: investor@tulsyannec.in
Website: www.tulsyannec.in
Tel.: 044-6199 1060, Fax: 044-6199 1066

NOTES:

1. The Ministry of Corporate Affairs ('MCA'), Government of India, vide General Circular No. 14/2020 dated April 8, 2020 and Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 09/2023 dated September 25, 2023, ("MCA Circulars"), permitted conduct of Annual General Meeting ('AGM') through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal presence of the Members at the AGM and prescribed the specified procedures to be followed for conducting the AGM through VC/OAVM. Accordingly, in accordance with the MCA Circulars, applicable provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 77th AGM of the Members of the Company will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the meeting shall be Tulsyan NEC Limited, Apex Plaza, I Floor, New No.77, Old No.3, Nungambakkam High Road, Chennai-600034, Tamil Nadu.

2. The Company has appointed Central Depository Services (India) Limited ("CDSL") to provide VC/OAVM facility for the 77th AGM of the Company.

3. Explanatory Statement as required under section 102(1) of the Companies Act, 2013 and other applicable provisions, in respect of items of special business to be transacted at this AGM is annexed hereto.

4. Information required under Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard–2 on General Meetings issued by ICSI, in respect of Director(s) seeking appointment / re-appointment at this AGM is furnished as annexure to this Notice. The Director(s) have furnished consent / declarations for their appointment / re-appointment as required under the Act and rules made thereunder as well as SEBI Listing Regulations.

5. **Proxies:** Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC/OAVM, where physical attendance of Members has been dispensed with, accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for this AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

7. Institutional / Corporate Members are encouraged to attend and vote at the meeting through VC/OAVM. We also request them to send a duly certified copy of the Board Resolution/ Authority Letter etc., authorising their representative to attend the AGM through VC / OAVM and vote through remote e-voting on their behalf, to the Scrutinizer at email kjr@mdassociates.co.in with a copy marked to helpdesk.evoting@cdslindia.com and investor@tulsyannec.in pursuant to Section 113 of the Companies Act, 2013.

8. In case of Joint Holders attending the AGM, only such Joint Holder who is named first in the order of names in the Register of Members will be entitled to vote.

9. Only bona fide members of the Company, whose names appear 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.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

    a) For shares held in electronic form: to their respective Depository Participants (DPs) only. The Company or its RTA cannot act on any request received directly from the Members holding shares in demat mode for changes in any bank mandates or other particulars.

    b) For shares held in physical form: to the Company / Registrar and Share Transfer Agent by sending a request on email at investor@tulsyannec.in or murali@cameoindia.com in Form ISR-1.

11. **Dematerialization of Shareholding:** As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. 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 holding to demat form. Members can contact the Company or our RTA for assistance in this regard.

12. Members may please note that the Securities and Exchange Board of India (SEBI) has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. It may be noted that any service request can be processed only after the folio is KYC Compliant.

13. **Mandatory PAN Submission:** SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company / to our RTA.

14. SEBI has mandated furnishing of PAN, Nomination details and KYC details (i.e., Contact details, bank account details, Specimen signature etc.) by holders of physical securities in prescribed forms. Any service requests or complaints received from the Member, will not be processed by RTA till the aforesaid details / documents are provided to RTA. Accordingly, Members are requested to send requests in the prescribed forms to the RTA of the Company for availing of various investor services as per the SEBI Master Circular dated May 17, 2023.

15. In compliance with SEBI Master Circular dated May 17, 2023, the Company has disseminated the requirements to be complied with by holders of physical securities on its website www.tulsyannec.in. The Company has also directly intimated its security holders about folios which are incomplete with regard to details required under para 19.1 of the master circular. The RTA of the Company has also submitted a report to SEBI on the steps taken towards sensitizing its security holders regarding mandatory furnishing of PAN, KYC and nomination details as detailed in para 19.1 of the master circular.

16. Members holding shares in Electronic (demat) form or in physical mode are requested to quote their DP ID & Client ID or Folio details, respectively, in all correspondences, including dividend matters to the RTA or to the Secretarial Department of the Company.

17. Members who have not registered their email IDs, are requested to register their email IDs with their depository participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid e-mail IDs to our RTA or to the Company for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company.

18. Non-Resident Indian Members are requested to inform our RTA / respective depository participants, immediately of any:

    a) Change in their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

19. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to our RTA, for consolidation into a single folio.

20. Relevant documents referred to in the Notice and the Explanatory Statement 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 25, 2024. Members seeking to inspect such documents may

send their request through an email to the Company at investor@tulsyannec.in.

21. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before September 15, 2024 through email on investor@tulsyannec.in. The same will be replied by the Company suitably.

22. As per the provisions of Section 72 of the Companies Act, 2013 and SEBI Circular, 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 the prescribed Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their DP, in case the shares are held by them in dematerialized form and to our RTA, in case the shares are held in physical form.

23. **IEPF Related Information:** Members are requested to note that as per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the Unpaid Dividend Account, is liable to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Act. Further, as per Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, all the shares in respect of which dividend has remained unpaid/ unclaimed for a period of 7 (seven) consecutive years or more are required to be transferred to demat account of the IEPF Authority. Members may approach the IEPF Authority to claim the unclaimed dividend transferred by the Company to IEPF. Members are entitled to claim the same from IEPF by submitting an application in the prescribed online web-based Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed, to the Nodal Officer of the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules. No claim shall lie against the Company in respect of dividend / shares so transferred.

    Members may further note that all unpaid/unclaimed dividend amount along with shares which were lying with the Company upto and in respect of the financial year ended on 31st March 2012, have already been transferred to the IEPF. The details of the unpaid/unclaimed dividends and shares so transferred to IEPF are uploaded on the Company's website at www.tulsyannec.in and on the website of the Ministry of Corporate Affairs at www.mca.gov.in.

24. Pursuant to Section 101 and Section 136 of the Act, read with the Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company shall serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail IDs either with the Company and / or with the Depository Participants.

25. **Despatch of Annual Report through electronic mode:** In compliance with the MCA Circulars and SEBI Circular dated October 07, 2023, Notice of the AGM along with the Annual Report 2023-24, are being sent only through electronic mode to those Members whose email ids are available with the Company/Depositories/RTA.

26. Members may note that the Notice of the AGM and the Annual Report 2023-24 will also be available on the Company's website at www.tulsyannec.in, on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of the CDSL at www.evotingindia.com.

27. Since this AGM will be held through VC/OAVM, the Route Map is not required to be annexed to the Notice.

28. In line with the measures of "Green Initiatives", the Act provides for sending Notice of the AGM and all other correspondences through electronic mode. Hence, Members who have not registered their email IDs so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., in electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.

29. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020, the Company is pleased to provide the facility of remote e-voting to all the Members as per the applicable provisions relating to e-voting. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting.

30. The Company has fixed Wednesday, September 18, 2024 as Cut-off date for determining the eligibility of Members entitled to vote at the AGM. The remote e-voting shall remain open for a period of 3 days commencing from Sunday, September 22, 2024 (9:00 a.m. IST) and ends on Tuesday, September 24, 2024 (5:00 p.m. IST) (both days inclusive). A person who is not a member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

31. The Register of Members and Share Transfer Books of the Company will remain closed for a period of Seven days starting from September 19, 2024 to September 25, 2024 (both days inclusive) for the purpose of this AGM.

E-VOTING

INSTRUCTIONS TO MEMBERS FOR CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING THE 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 Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 77th 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 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 and after 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 Members (Members 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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 77th AGM has been uploaded on the website of the Company at www.tulsyannec.in. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at www.evotingindia.com.

THE INTRUCTIONS FOR MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual members holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of members holding shares in physical mode and non-individual members in demat mode.

(i) The voting period begins on **Sunday, September 22, 2024 (9:00 a.m. IST) and ends on Tuesday, September 24, 2024 (5:00 p.m. IST)** (both days inclusive). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **September 18, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) 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 members, in respect of all members' resolutions. However, it has been observed that the participation by the public non-institutional members/retail members 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 members.

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.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual members holding shares in demat mode.

(iv) 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 members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of members	Login Method
Individual Members holding securities in Demat mode with **CDSL Depository**	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 users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. .2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Members holding securities in demat mode with **NSDL Depository**	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: https://eservices.nsdl.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 & voting during the meeting. 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 & voting during the meeting.
Individual Members (holding securities in demat mode) login through their **Depository Participants (DP)**	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 & voting during the meeting.

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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) 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.
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 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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.
Dividend Bank Details or Date of Birth (DOB)	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. • 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.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) 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.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **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 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatory 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 at investor@tulsyannec.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 MEMBERS 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. Members 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. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further Members 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. Members 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 **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investor@tulsyannec.in. The Members who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at investor@tulsyannec.in. These queries will be replied to by the company suitably by email.
8. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those Members, 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 Member through the e-voting available during the AGM and if the same Member have not participated in the meeting through VC/OAVM facility, then the votes cast by the Member may be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

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

1. **For Physical Members**- please provide necessary details like Folio No., Name of Member, 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 Members**- please update your email id & mobile no. with your respective **Depository Participant (DP).**
3. **For Individual Demat Members**– 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 or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Davi, Sr. 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 or call toll free no. 1800 22 55 33.

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 Cut-off date i.e. September 18, 2024.
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. 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 shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will, not later than two working days from the conclusion of the AGM, submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing. The results will be announced by the Chairman or any other person authorized by him within two working days of conclusion of the AGM.
5. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website at www.tulsyannec.in and on the website of CDSL www.evotingindia.com. The Company shall simultaneously forward the results to the BSE Limited, where the shares of the Company are listed.

Place: Chennai — **By Order of the Board of Directors**
Date: 25-08-2024 — For **Tulsyan NEC Limited**

Registered Office:
Tulsyan NEC Limited
Apex Plaza, I Floor, New No.77,
Old No.3, Nungambakkam High Road
Chennai-600034, Tamil Nadu
Email: investor@tulsyannec.in
Website: www.tulsyannec.in
Tel.: 044-6199 1060, Fax: 044-6199 1066

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("the Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 and 5 of 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 2024-2025:

The Board of Directors of the Company, on recommendation of the Audit Committee, at its meeting held on May 30, 2024, approved the appointment of M/s. Murthy & Co. LLP, Cost and Management Accountants, (Firm Registration Number with ICMAI: 000648), Bangalore, as Cost Auditors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2025 at a remuneration of Rs. 70,000 plus applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Cost Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, ratification by the Members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025, by passing an Ordinary Resolution.

The Board recommends the Ordinary Resolution as set out under Item No. 4 of the accompanying Notice for approval of the Members.

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

Item No. 5: To regularize the appointment of Mrs. J Sumathi (DIN: 10752449) as an Independent (Non-Executive) Woman Director of the Company:

The Members may note that the Board of Directors, on recommendation of the Nomination and Remuneration Committee and through passing of Circular Resolution dated August 25, 2024, have approved the appointment of Mrs. J Sumathi (DIN: 10752449) as an Additional Director (categorized as an 'Independent Woman Director') of the Company, not liable to retire by rotation, to hold the office for a term of 5 (five) consecutive years on the Board of the Company with effect from August 25, 2024 till August 24, 2029 (both days inclusive), subject to approval of the Members at the ensuing 77th AGM of the Company.

Keeping in view her expertise and knowledge, it will be in the interest of the Company to appoint her as an Independent (Non-Executive) Woman Director on the Board of Tulsyan NEC Limited.

In terms of Regulation 25(8) of the SEBI Listing Regulations, Mrs. J Sumathi (DIN: 10752449) has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Further, Mrs. J Sumathi (DIN: 10752449) has confirmed that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director in terms of Section 152 of the Act, subject to appointment by the Members. Mrs. J Sumathi (DIN: 10752449) has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). She is exempted from passing of the online proficiency self-assessment test conducted by IICA.

In the opinion of the Board, Mrs. J Sumathi (DIN: 10752449) fulfils the conditions specified in the Act, rules made thereunder and the SEBI Listing Regulations for appointment as an Independent Director and that she is independent of the Management. Further, the Board of Directors of the Company is of the opinion that she is a person of integrity and has relevant experience and expertise for appointment as an Independent Woman Director of the Company. The profile of Mrs. J Sumathi (DIN: 10752449) is enclosed to this notice.

The letter of appointment of Mrs. J Sumathi (DIN: 10752449) setting out the terms and conditions of appointment shall be available for inspection by the Members electronically. Members seeking to inspect the same can send an email to investor@tulsyannec.in.

Accordingly, the Board recommends the Special Resolution as set out under Item No. 5 of the accompanying Notice for approval of the Members at the ensuing 77th AGM of the Company.

Except Mrs. J Sumathi (DIN: 10752449) and her relatives, none of the Directors and Key Managerial Personnel or their relatives is in any way interested or concerned, financially or otherwise, in the said resolution.

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard 2, issued by the Institute of Company Secretaries of India, additional details about Mrs. J Sumathi (DIN: 10752449) is as follows;

Name of the Director	J Sumathi
Date of Birth & Age	18-08-1964 (60 Years)
DIN	10752449
Qualification, Experience & Expertise in specific functional areas	Mrs. J Sumathi completed her M.Com. from Meenakshi College, University of Madras. She completed her PGDBA and BGL from Annamalai University, Chidambaram, Tamil Nadu and is also an Associate Member of Institute of Company Secretaries of India since the year 1992. She is having more than 30 Years of experience in the field of legal, governance functions and company secretarial compliance matters.
Brief Profile of Director	Mrs. J Sumathi – Independent Woman Director of Tulsyan NEC Limited, aged 60 years, completed her M.Com. from Meenakshi College, University of Madras. She completed her PGDBA and BGL from Annamalai University, Chidambaram, Tamil Nadu and is also an Associate Member of Institute of Company Secretaries of India since the year 1992. She is having more than 30 Years of experience in the field of legal, governance functions and company secretarial compliance matters. She worked in Indo National Limited as a Senior Secretarial Officer and in Sri Sarbathi Steel Tubes Limited as a Company Secretary. Her last employment was in M M Forgings Limited as a Company Secretary and Key Managerial Personnel, where she worked from August 11, 1999 till March 31, 2023 and thereafter she retired from the Company w.e.f. April 01, 2023.

Terms & Conditions of appointment along with details of remuneration sought to be paid	The appointment of Mrs. J Sumathi as an Independent (Non-Executive) Woman Director of the Company, not liable to retire by rotation, is for a term of 5 (five) consecutive years w.e.f. August 25, 2024 till August 24, 2029 (both days inclusive), subject to approval of the Members at the ensuing 77th AGM of the Company and at such remuneration to be paid by way of sitting fee for attending all the Board / Committee meetings (in which she would be a member) at discretion of the Board of Directors to alter and vary the said terms and conditions and amendments thereto as may be agreed to between the Board of Directors and Mrs. J Sumathi.
Date of first appointment on the Board	August 25, 2024
Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	Not Applicable
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not Applicable
The number of Meetings of the Board attended during the financial year 2023-24	Not Applicable
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Nil
Names of listed entities (including this entity) in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Mrs. J. Sumathi holds the Independent Woman Directorship in Tulsyan NEC Limited and doesn't hold the membership in any Committees of the Board of Tulsyan NEC Limited. She has not resigned from any listed entity in the past three years.
The justification for choosing the appointee for appointment as an Independent Director	In the opinion of the Board, Mrs. J Sumathi fulfils the conditions as specified in the Act, and Rules made hereunder and the SEBI (LODR) Regulations, 2015 for her appointment as an Independent Woman Director of the Company and she is Independent in the opinion of the Management of the Company.
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The Board considers that the association of Mrs. J Sumathi would be of immense benefit to the Company and is desirable to continue to avail her services as an Independent Woman Director.

The appointment of Mrs. J Sumathi as an Independent (Non-Executive) Woman Director of the Company has been approved and recommended by the Board based on the evaluation of her performance and the performance having been found satisfactory.

Additional information as required under clause 1.2.5 of SS - 2 and regulation 36 of SEBI LODR, 2015 in respect of director retiring by rotation & seeking re-appointment as a Director liable to retire by rotation:

Name of the Director	Sanjay Tulsyan
Date of Birth & Age	12-01-1964 (60 Years)
DIN	00632802
Qualification, Experience and Nature of Expertise in specific functional areas	Mr. Sanjay Tulsyan, Managing Director of Tulsyan NEC Ltd, is a B.com Hons graduate. He has over 40 years of experience in Steel Business and is handling the Steel Division and the Power Division of Tulsyan NEC Limited at Chennai.

Brief Profile of Director	**Mr. Sanjay Tulsyan – Managing Director** of Tulsyan NEC Ltd, aged 60 years, is a B.com Hons graduate. He has over 40 years of experience in Steel Business and is handling the Steel Division and the Power Division of Tulsyan NEC Limited at Chennai. He comes from an illustrious family with a business background. His family has been in the steel business for almost five decades. He took over the responsibility of running the business from his father. He was Born in Kolkata and moved to Chennai during the year 1986 to pursue his business interests. He took possession of a sick unit in Ambattur in the name of NATIONAL ENGG CO. LTD. The said company was later amalgamated with Tulsyan Synthetics Pvt. Limited during 1996 and since then the Company was named as TULSYAN NEC LTD. He is one of the largest shareholders of the Company. **Career Achievements:** Though he is a commerce graduate, he has the inclination towards technical aspect of the steel industry right from the induction into the management. His in-depth knowledge of steel and power sector has helped the company's growth over a period of years. He has the unique blend of commerce and technical knowledge which helps him to participate in technical and other commercial activity of the business. Under his leadership the company expanded its production capacity and turnover, had modernized its plant and technology. He was responsible in the Company had the unique distinction of introducing TMT Bars in South India under his leadership. Two New Billet producing units and one Rolling Mill with the state-of-the-Art technology were installed under his leadership and guidance. "TULSYAN" brand of Steel was established under his leadership and today is a well-known brand in the steel market of south India. The Thermal power plant of 70 MW at Chennai was set up under his leadership and guidance. He has nurtured the power unit through its inception to commercial operations. Under the leadership of Mr. Sanjay Tulsyan a sick sponge iron unit with 100 TPD capacity was acquired which has since become a 100% subsidiary of Tulsyan NEC Limited. All the above achievements were due to his keen intellect, knowledge, experience and hard work. The Company under his leadership is continuing to grow rapidly. The company has the major expansion plan in steel and other industry which will be possible with the leadership and guidance of Mr. Sanjay Tulsyan.
Terms & Conditions of appointment along with details of remuneration sought to be paid and the remuneration last drawn by such director	Mr. Sanjay Tulsyan (DIN: 00632802) shall be re-appointed as a Director liable to retire by rotation. He is entitled to the same remuneration as he is drawing in the capacity of Managing Director of the Company which is approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time, within the overall limits as per the Companies Act, 2013 and/ or as approved by the Members from time to time.
Date of first appointment on the Board	01/10/1996
Shareholding in the Company	44,75,481 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Sanjay Tulsyan is the brother of Mr. Lalit Kumar Tulsyan, Executive Chairman of the Company.
The number of Meetings of the Board attended during the financial year 2023-24	Mr. Sanjay Tulsyan have attended all the five Board Meetings held during the FY 2023-24.

Other Directorships, Membership/ Chairmanship of Committees of other Boards	(a) Tulsyan Smelters Private Limited - Director (b) Chitrakoot Steel and Power Private Limited - Director (c) Tulsyan Power Private Limited – Director
Names of listed entities (including this entity) in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Mr. Sanjay Tulsyan holds the directorship in Tulsyan NEC Limited and doesn't hold any membership of Committees of the Board of Tulsyan NEC Limited. Further, he neither holds directorship nor holds any membership of Committees of the Board in any other listed entities and he has not resigned from any listed entity in the past three years.

Place: Chennai
Date: 25-08-2024

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

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Registered Office:
Tulsyan NEC Limited
Apex Plaza, I Floor, New No.77,
Old No.3, Nungambakkam High Road, Chennai-600034, Tamil Nadu.
Email: investor@tulsyannec.in
Website: www.tulsyannec.in
Tel.: 044-6199 1060, Fax: 044-6199 1066

BOARD'S REPORT

Dear Members,

We are pleased to present the Seventy Seventh (77th) Board's Report along with the audited standalone and consolidated financial statements and the Auditor's Report of the Company for the financial year ended March 31, 2024.

FINANCIAL HIGHLIGHTS: **(Rs. In Lakhs)**

Particulars		Standalone		Consolidated	
		FY 2024	FY 2023	FY 2024	FY 2023
Total Revenue		97,352.52	95,260.56	99,459.04	102,383.49
Total Expenses		102,181.04	97,211.05	104,225.55	104,591.05
Profit before tax and exceptional items		(4,828.12)	(1,950.49)	(4,766.51)	(2,207.55)
Exceptional Items		0.00	21,087.13	0.00	(21,087.13)
Tax Expenses	Current Tax	0.00	0.00	0.00	0.00
	Deferred Tax	0.00	5,723.47	(44.04)	5762.38
	Income Tax Earlier Years	188.93	(67.14)	188.93	(67.14)
Profit for the year		(5,017.05)	24,792.98	4,911.40	24,574.82
Other comprehensive income, net		223.73	(16.61)	223.73	(16.61)
Total comprehensive income		(5,240.78)	24,776.37	5,135.13	24,558.21
Earnings per share (EPS)	Basic	(30.31)	149.79	(29.67)	148.48
	Diluted	(30.31)	149.79	(29.67)	148.48

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

The standalone and consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial highlights and the results of the operations, including major developments have been further discussed in detail in the Management Discussion and Analysis Report.

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

During the Financial Year ended March 31, 2024, India continues to be the second largest producer of crude steel. Steel Industry faced free fall in the output prices with not tandem reduction in input costs which resulted unfavourable margins and subdued the demand by the consumers.

Despite such difficulties faced, the turnover of the Company increased to Rs.95,600 Lakhs from Rs.95,046 Lakhs which is 0.6 % increase compared to the turnover of the previous year.

TMT sales increased to 1,40,156 Tons from 1,36,987 Tons registering a growth of 2.3%. Despite achieving higher quantum of sales during the year, the drop in prices affected margin increase in the turnover. Loss after tax during the year is Rs. 5,017 Lakhs as against profit of Rs.24,792.98 Lakhs in the previous year. Previous years' profit was on account of writing back of interest and principal on the term loans and working capital as the company entered into a compromise settlement settled with lenders during the year under review and during the year under review, there was no such write backs and also the operations were not profitable due to drop in steel prices.

FUTURE OUTLOOK:

Steel

Initiative to produce Green Steel

CII- Green Products and Services Council has issued a certificate that "Manufactured by Tulsyan NEC Ltd. at Gummidipoondi, Tamil Nadu, meets the requirements of GreenPro Ecolabel and qualifies as Green Product. This certification is valid till December 2026".


Confederation of Indian Industry

CII-Green Products and Services Council

hereby certifies that

Fe 500

(GPTNL377014)

Manufactured by Tulsyan NEC Ltd. at Gummidipoondi, Tamil Nadu meets the requirements of GreenPro Ecolabel and qualifies as Green Product.

This certification is valid till **December 2026**

Jamshyd N Godrej	A R Unnikrishnan	K S Venkatagiri
Chairman, CII-Godrej GBC	Chairman, CII-Green Products & Services Council	Executive Director, CII-Godrej GBC

Supporting Council and programmes

IGBC

 # Certificate has been granted for Fe 500, Fe 500 D, Fe 500 CRS, Fe 500 D CRS, Fe 550, FE 550 D, Fe 550 D CRS, Fe 600, Fe 600 CRS & Steel Wire Rods

Importance of Green Pro Certification:

Green Pro certification is a mark of sustainability and environmental responsibility, specifically tailored for the Indian context by the Indian Green Building Council (IGBC). For a steel plant, obtaining this certification can bring numerous advantages. Obtaining Green Pro certification for a steel plant offers substantial advantages, including enhanced environmental performance, improved market competitiveness, regulatory compliance, operational efficiency, and cost savings.

Green Pro certification evaluates various parameters, including energy efficiency, water conservation, waste management, materials used, indoor environmental quality, and innovation.

The future potential for scoring under Green Pro certification can be significantly improved through targeted initiative. Upgrading to more energy-efficient machinery and processes, implementing renewable energy sources like solar or wind power, and optimizing energy management systems. Installing advanced water recycling and rainwater harvesting systems, reducing water usage through efficient processes, and treating wastewater for reuse. Enhancing waste segregation and recycling processes, reducing raw material wastage and implementing Zero waste to landfill initiatives.

Benefits of Green Certificate

- Having Green Pro certification can enhance the plant's reputation and marketability. Customers, particularly those with sustainability goals, are more likely to choose products from certified plants.
- Green Pro certification helps in complying with environmental regulations and standards, which are becoming increasingly stringent. Additionally, it can make the plant eligible for government incentives, grants, and subsidies aimed at promoting sustainable practices.
- Sustainable practices help in mitigating risks associated with resource scarcity, regulatory changes, and environmental impacts. This proactive approach can safeguard the plant's operations against future uncertainties.
- Green Pro certification enhances the corporate image and brand value of the steel plant. It demonstrates a commitment to sustainability.

Planned Capital Expenditure:

The company is in the process of implementing a Capex program at an estimated cost of Rs.18 Crores which will debottleneck production processes to enhance the billet production capacity by about 36000 tons per annum. Further, the expenditure is being incurred to increase the power supply voltage of the unit to 110 KVA which will reduce cost of operations. With enhanced own production of billets the company will reduce dependence on the market for the billets and substantial requirement of the company will be met by its own means. This process also enhances the efficiency of Direct billet charging to rolling mill which will saves power costs and also improves profitability. The project is expected to be completed in FY 2024-25.

Investing in a 110kV substation to replace an existing 33kV substation is a significant capital expenditure (Capex) that will bring numerous benefits to our plant, particularly as we are operating an induction furnace. This upgrade can notably enhance the Plant's power supply capacity and operational efficiency. These advantages collectively ensure that our Plant can meet current and future production demands efficiently and sustainably.

Few benefits of this Capex investment

- Increased Maximum Demand Capacity
- Enhanced Melt Rate and Productivity
- Improved Power Quality and Reliability
- Long-term Cost Efficiency
- Scalability for future growth
- Enhanced operational flexibility
- Competitive advantage and
- Environmental benefits.

Future capex plans

Additional furnace and scrap processing yard: Company has on its drawing board the following plans which are expected to improve and benefit the company summary of which is given below:

Additional New Furnace:

- Investing in a new furnace and a steel scrap processing facility following the installation of a 110kV substation can significantly enhance the productivity and efficiency of a steel plant. Here's an analysis of the potential productivity gains and efficiency improvements.
- Increase in Production Capacity; With the new furnace, assuming it has a similar capacity to the upgraded 22-ton furnace, the plant's melting capacity will effectively triple.
- The improved energy infrastructure with the 110kV substation ensures more stable and efficient power delivery, reducing energy losses and operational disruptions.
- Newer furnace technologies often come with better thermal efficiency and energy recovery systems, leading to reduced energy consumption per ton of steel produced.

Steel Scrap Processing Facility

- On-site scrap processing reduces the dependency on external suppliers, ensures a steady supply of processed scrap, and lowers costs.
- Control over the quality of processed scrap ensures better input material for the furnaces, reducing impurities and enhancing the quality of the final product.
- Efficient scrap processing reduces waste and promotes recycling, aligning with sustainability goals and potentially reducing raw material costs.

Other Initiatives

- Face lift to be given to existing plant by upgrading/updating the technological advancement prevailing at present. Steel structures of building to be strengthened and to refurbish plant and machinery to give life for another ten to fifteen years.
- Current focus is on Energy management, to bring expertise and experience together a suite of Industry 4.0 digitalization solutions which can add a great value in helping our plant with predictive and timely alerts with report generation, aiding in proper upkeep and efficient functioning of the plant.
- Installation of smart meters for Energy Monitoring & Management System at HV & LV power distribution for SMS, CCM, Rolling Mill &

Auxiliaries area (31 meters). The system should collect all the data without any human intervention and thus create transparency among the stakeholders.

- In addition, the water resources limited to bore wells in house. Depletion of water table in bores may cause scarcity of water requirement for future projects. Hence to work on rain water harvest, STP and zero water discharge in future.

Increase in Turnover:

With enhanced billet capacity the company will improve its TMT sales which hitherto were a constraint. Steel Marketing team has been strengthened for a better market outreach and also improve the Dealers network.

Introduction of Welded Wire Mesh:

The company has created a facility for manufacture of Welded Wire Mesh and has introduced to the Market. The product aims to expedite all construction processes. The Weld Mesh is strong, long lasting, and rust-resistant and the product consists of rebars (the size and sections can be customized according to the end users' requirement) that are welded together to form a grid-like pattern. The Company offers cold rolled wire mesh from 4.7mm to 12mm, and hot rolled wire mesh from 5.5mm to 16mm. Our weld mesh has a maximum width of 3 meters and maximum length of 8 meters.

As mentioned earlier, the aim is to make the construction process more efficient and effective. The Weld Mesh reduces the construction time as it eliminates activities like cutting, marking, and spacing of bars. A revolutionary solution for the industry is to evolve.

Few advantages are:

- Instant and optimized savings in costs, manual labor, and time.
- Reduction in scrap.
- Odd sections can be provided as per requirement, so there will be steel saving.
- Thinner steel can provide greater strength due to welding.
- Better precision with less manpower.
- Better output.
- Stronger bonding involving the rebar, due to welding.

Impact of Economy and Industry and other factors relating to performance of steel:

Government policies and initiatives affect the working of the sector and the Government policies and the initiatives on the steel sector are as follows:

National Steel Policy 2017:

National Steel Policy (NSP) 2017 aims to increase focus on expansion of MSME sector, improve raw material security, enhance R&D activities, reduce import dependency and cost of production, and thus develop a "technologically advanced and globally competitive steel industry that promotes economic growth" eyeing self-sufficiency in production, developing globally economical steel manufacturing capabilities by facilitating investments and cost efficient productions with adequate availability of raw materials.

With focus on R&D, the technology would be of utmost focus over the next decade and MSME steel plants would be the key drivers to achieve the additional capacity required for the India's consumption led growth and improvement in the overall productivity and quality.

Expected Outcomes of the policy:

The other expected outcomes are as under:

- India to be world leader in energy efficiency and sustainability.
- Cost-effective and quality steel destination.
- Attain global standards in Industrial Safety & Health.
- Substantially reduce the Carbon footprint of the Industry.
- Domestically meet the entire demand of high grade automotive steel, electrical steel, special steel and alloys.

Policy for providing preference to Domestically Manufactured Iron and Steel:

The Government had introduced DMI&SP Policy on 8th May, 2017 to provide preference to domestically produced iron & steel material in Government tenders. Further, to fine tune this objective the Policy was revised on 29th May, 2019 and on 31st December, 2020 respectively.

Steel Import Monitoring System (SIMS) for import data dissemination:

With a view to ensure prior availability of granular data like end-use, IS grade etc. regarding steel import in public domain, before the entry of such imports in India, a Steel Import Monitoring System (SIMS) was notified by DGFT on 5th September, 2019 and became effective from 1st November, 2019. SIMS requires the importer to submit advance information online for import of all steel tariff lines at 8-digit HS Code level wherein they get an automatic registration number for carrying out imports. A token registration fee has been prescribed for this purpose. SIMS initially covered only 284 HS codes of Chapter 72, 73 and 86 but has since been extended to all items under Chapter 72, 73 and 86 of ITC HS codes. SIMS is very useful for the Indian domestic steel industry in responding to the market conditions in a more dynamic manner.

Enhancing the scope of the Quality Control Orders on Steel:

Ministry of Steel gave major thrust to Steel Quality Control Order (SQCO) from 2015 onwards thereby banning substandard/ defective steel products to ensure that only quality steel conforming to the relevant BIS standards is made available to the end users.

Recent Initiatives:

- Production Linked Incentive (PLI) Scheme for Specialty Steel.
- Allocation of 3.3% of GDP toward Infrastructure Development in the last budget.
- India's wish to become a developed nation by 2047 hinges significantly on improving its infrastructure.
- Focus of such expenditure is on the transport and logistics segments.
- Roads & Highways account for the highest share, followed by Railways and Urban Public Transport. The government has set ambitious targets for the transport sector, including development of 2 lakh-km national highway network by 2025 and expanding airports to 220.
- Additionally, plans include operationalizing 23 waterways by 2030 and developing 35 Multi-Modal Logistics Parks (MMLPs).
- Ensuring raw material security for the Steel sector.
- MoU with Russia: A MoU has been signed between Ministry of Steel and the Russian Federation on 14th October, 2021 for cooperation in the field of coking coal, used for steel making. The MoU will benefit the Indian steel sector by diversifying the sources of coking coal which may lead to reduction in input cost for the steel players due to long term commitment of supply of high-quality coking coal to India (up to 40 MT till 2035).
- DRI Making through Coal Gasification in Iron & Steel Making.
- Key initiatives for Atmanirbhar Bharat.

Power Division Performance and Outlook:

The power sector especially the thermal power sector where our company is invested in, is facing big constraints on account high coal prices at which the operations are unviable. However, India's dependence on Thermal power about 50% currently, will keep the sector going in the near future. The market dynamics would reconcile to a sustainable level of costs and revenue of produces and consumers overtime subject however to robust government policies.

Future outlook:

The international coal prices have softened and are quickly reaching back to their original positions. Company estimates that the coal prices would remain stable at the reduced levels and the company can improve its utilisation levels thereupon. Outlook is expected to be favourable.

Synthetic Division – Performance and Outlook:

The Synthetic Division performance was affected due to recession in the international markets due to which the turnover was down by about 40%. The markets have shown improvement recently and the future looks to be good at present as the demand and prices seem to improve.

Impact of the Covid-19 Pandemic:

The Company has overcome the effects of Covid-19 impact and has reached normalcy.

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year:

- The company has not made any application under Insolvency and Bankruptcy code 2016 for resolution during the year under review nor any application for insolvency proceeding has been made against the company.
- The company is a respondent in an application filed by the IRP of Cauvery Power Generation Chennai Private Limited seeking payment of Rs.174.01 Lakhs being the value of coal supplied by the said company to us. Whereas supply so made by the said company was towards amount due to the company. The application is pending with the NCLT and we are confident that the claim is not maintainable and is not a preferential payment.

Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof:

During the financial year under review, there were no such instances where the Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

CREDIT RATINGS

Company has not issued any instruments during the year requiring credit rating. Credit rating exercise was carried out in the previous year for issue of Listed Secured Non-Convertible Debentures and rating issued for the proposed instrument was “ACUITE C”. As the company did not list the debentures, the rating issued has been withdrawn. CARE which had rated the Bank Borrowings of the company in the past has withdrawn the rating on account of the compromise settlement and payment of such settlement.

DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Color Peppers Media Private Limited, Wholly Owned Subsidiary of the Company have been dissolved and struck off from the Registrar of Companies (ROC) w.e.f. December 30, 2023.

Therefore, as on March 31, 2024, the Company have only one wholly owned subsidiary company i.e. Chitrakoot Steel and Power Private Limited.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the Subsidiary in the prescribed **Form AOC-1** is annexed to this Report as **‘Annexure-A’**. The statement also provides the details of the performance of the Subsidiary Company, financial position of the subsidiary and its contribution to the overall performance of the Company during the period under report.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), the audited financial statements, including the consolidated financial statements and related information of the Company and financial statement of the subsidiary company will be available on our website at www.tulsyannec.in.

The Company has also formulated a policy for determining ‘material’ subsidiaries pursuant to the provisions of the SEBI Listing Regulations. The policy is available the website of the Company at www.tulsyannec.in.

A report of the salient features and a summary of the financial performance of the subsidiary is presented as below:

Chitrakoot Steel and Power Private Limited

Chitrakoot Steel and Power Private Limited is a wholly owned subsidiary of Tulsyan NEC Limited. It was incorporated on October 21, 2003 and is engaged in the business of manufacturing of Sponge Iron.

Chitrakoot Steel and Power Private Limited registered a total revenue of Rs. 1,15,23,59,458 and a net profit of Rs. 1,05,60,904 during the FY 23-24 as against a total revenue of Rs. 95,25,67,123 and a net loss of Rs. 2,95,46,942 during the FY 22-23.

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

There has been no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year March 31, 2024 of the Company and the date of this Report.

DIVIDEND

During the financial year, the Company has not recommended or declared any payment as dividend to its shareholders.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND ('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 7 (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 the IEPF Rules, the shares on which dividend has not been paid or claimed by the members for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Further, as per Rule 6(8) of the IEPF Rules, all benefits such as bonus shares, split, consolidation except rights issue, accruing on shares which are transferred to IEPF, shall also be credited to the demat account of the IEPF authority.

The Members may note that there are no further unpaid or unclaimed dividend amounts/shares pending with the Company for transferring to the demat account of the IEPF Authority.

SHARE CAPITAL

During the year under review, there has been no change in the share capital of the Company. The detailed capital structure of the Company as on March 31, 2024 is as follows:

Authorized Share Capital

The Authorized Share Capital of the Company is Rs.36,00,00,000/- (Rupees Thirty Six Crores) divided into 2,60,00,000 Equity Shares of Rs.10/- each and 1,00,00,000 6% Non-Convertible Redeemable Preference Shares of Rs.10/- each.

Issued Share Capital

The Issued Share Capital of the Company is Rs.25,50,96,660/- (Rupees Twenty Five Crores Fifty Lakhs Ninety Six Thousand Six Hundred and Sixty) divided into 16,666,666 Equity Shares of Rs.10/- each and 88,43,000 6% Non-Convertible Redeemable Preference Shares of Rs.10/- each.

Subscribed and Paid-up Share Capital

The Subscribed and Paid-up Share Capital of the Company is Rs.25,39,44,292/- (Rupees Twenty Five Crores Thirty Nine Lakhs Forty Four Thousand Two Hundred and Ninety Two) divided into 16,461,407 Equity Shares of Rs.10/- each, 1,10,444 Equity Shares of Rs.3/- each (Partly Paid-up), 94,815 Equity Shares of Rs.6/- each (Partly paid-up) and 88,43,000 6% Non-Convertible Redeemable Preference Shares of Rs.10/- each.

During the financial year 2022-23, the Company had issued, subscribed and allotted 16,66,666 (Sixteen Lakhs Sixty Six Thousand Six Hundred and Sixty Six) equity shares of face value of Rs. 10 each on preferential basis, at a price of Rs. 36 including a premium of Rs. 26 per Equity Share aggregating upto Rs. 6,00,00,000 (Rupees Six Crores) to India Special Assets Fund III (a scheme of ISAF III) & ISAF III Onshore Fund (a scheme of Edelweiss Credit Opportunities Trust), both advised by Edelweiss Alternative Asset Advisors Limited and both are Category II Alternative Investment Funds ("AIFs"). The Company received the listing approval for such shares from the BSE on August 22, 2024.

TRANSFER TO RESERVES

No amount is proposed to be transferred to reserves for the financial year ended March 31, 2024.

DEPOSITS

During the financial 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. Therefore, disclosure under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

During the financial year under review, the Company has obtained short-term unsecured loan from its Executive Directors and has received a Declaration, pursuant to Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, where the Directors have confirmed that the loan amount so given is from their owned funds.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

In terms of the provisions of the Companies Act, 2013 read with the Rules made thereunder, a detailed report regarding Corporate Social Responsibility is annexed to this Report as **'Annexure-B'**.

The CSR Policy developed and implemented by the Company including the composition of the CSR Committee is uploaded on the Company's website at www.tulsyannec.in.

Profit after tax on Standalone basis computed as per section 198 of the Companies Act, 2013, being negative, the Company is not required to spend any amount on CSR activities.

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.

VIGIL MECHANISM

The Vigil Mechanism / Whistle Blower Policy 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 safeguard 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 the Company is available on the Company's website and can be accessed at www.tulsyannec.in/investors.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report for the financial year under review, is given under separate section and forming part of the 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, implementing effective policies and guidelines and developing a culture of the best management practices and compliance with the law at all levels. Our corporate governance practices strive to foster and attain 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.

A separate section on Corporate Governance as stipulated under Schedule V (C) of the SEBI Listing Regulations forms part of this Report. The Corporate Governance Report along with the requisite certificate from the practising company secretary confirming compliance with the conditions of corporate governance as stipulated under SEBI Listing Regulations forms part of this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no materially significant related party transactions entered between the Company, Directors, Management and their relatives, except for those disclosed in the financial statements. All the contracts/arrangements/transactions entered by the Company with the related parties during FY 2023-24 were in the ordinary course of business and on an arm's length basis, and whenever required the Company has obtained necessary approval as per the related party transaction policy of the Company.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such a contract or arrangement in Form AOC-2 does not form a part of this Report.

The Company has formulated the policy on 'Materiality of Related Party Transactions and on dealing with Related Party Transactions', and the same is available on the website of the Company at: www.tulsyannec.in/investors. The details of related party disclosures forms part of the notes to the Financial Statements provided in this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed to this Report as **'Annexure-C'**.

PARTICULARS OF DIRECTORS AND EMPLOYEES

A statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is annexed to this Report as **'Annexure-D'**.

Further, a statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as none of the employees of the Company are drawing the remuneration in excess of the limits prescribed under the said rules.

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 have been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and made judgements 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) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls based on the internal controls framework established by the Company, which were adequate and are operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's current policy is to have an appropriate mix of Executive, Non-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. A potential board member is also assessed based on independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of the SEBI Listing Regulations, as amended from time to time and on recommendation of the Nomination and Remuneration Committee, the Board had adopted a remuneration policy for Directors, Key Managerial Personnel, Senior Management and other employees. This policy is available on the website of the Company at – www.tulsyannec.in/investors.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have submitted the requisite declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16 and 25(8) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct.

They have further confirmed that they are not aware of any circumstances or situations which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties and that they are independent of the management. Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ('IICA') for a period of one year or five years or life-time till they continue to hold the office of an Independent Director.

In the opinion of the Board, all the Independent Directors have integrity, expertise and experience.

BOARD DIVERSITY

The Company recognises and embraces the importance of a diverse board in contributing to its success. Adequate diversity on the Board is essential to meet the challenges of business globalisation, rapid deployment of technology, greater social responsibility, increasing emphasis on corporate governance and enhanced need for risk management. The Board enables efficient functioning through differences in perspective and skill, and fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge, ethnicity, country of origin and nationality. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board. The policy is available on the website of the Company at www.tulsyannec.in/investors.

BOARD EVALUATION

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, the annual performance evaluation of the Board, Board level Committees and individual directors was conducted during the year, in order to ensure that the Board and Board level Committees are functioning effectively and demonstrating good governance. For the FY 2023-24, the Board had undertaken this exercise through self-evaluation questionnaires.

The evaluation was carried out based on the criteria and framework approved by the Nomination and Remuneration Committee. A detailed disclosure on the parameters and the process of Board evaluation has been provided in the Report on Corporate Governance which forms part of this Annual Report.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

As on March 31, 2024, the Board of Directors comprised of 8 (eight) members, consisting of 4 (four) Executive Directors and 4 (four) Non-Executive Independent Directors including 1 (one) Woman Non-Executive Independent Director. The Board has an appropriate mix of Executive Directors and Non-Executive Independent Directors, which is in compliant with the Companies Act, 2013, the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.

Appointment / Re-appointment

During the year under review, the Board of Directors at its meeting held on June 21, 2023, based upon the recommendation of Nomination and Remuneration Committee, had approved the following appointments / re-appointments and recommended the same for approval of the Members at the 76th AGM of the Company which was held on September 15, 2023:

- Mr. Lalit Kumar Tulsyan (DIN: 00632823), Executive Director, who was liable to retire by rotation and being eligible, was re-appointed as a Director, liable to retire by rotation.
- Mr. Manogyanathan Parthasarathy (DIN: 08277111) was re-appointed as an Independent (Non-Executive) Director of the Company for a second term of five consecutive years w.e.f. November 13, 2023 upto November 12, 2028 (both days inclusive).

- Mr. Ravi Muthusamy (DIN: 08066520) was regularised and appointed as an Independent (Non-Executive) Director of the Company for a term of five consecutive years w.e.f. June 21, 2023 upto June 20, 2028 (both days inclusive).
- Mr. S Chandrasekaran (DIN: 10207445) was regularised and appointed as a Whole Time (Executive) Director of the Company for a term of five consecutive years w.e.f. June 21, 2023 upto June 20, 2028 (both days inclusive).

The Members of the Company at their 76th AGM held on September 15, 2023, have also approved the aforesaid appointments / re-appointments, based upon the recommendation of the Nomination and Remuneration Committee and the Board.

Further, as per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sanjay Tulsyan (DIN: 00632802), Executive Director, is liable to retire by rotation at the ensuing 77th AGM of the Company and being eligible, seeks re-appointment.

The Board of Directors at its meeting held on July 26, 2024, based upon the recommendation of Nomination and Remuneration Committee, have approved the re-appointment of Mr. Sanjay Tulsyan (DIN: 00632802) as an Executive Director of the Company, liable to retire by rotation, subject to approval of the Members at the ensuing 77th AGM of the Company.

Further, the Board of Directors, on recommendation of the Nomination and Remuneration Committee and through passing of Circular Resolution dated August 25, 2024, have approved the appointment of Mrs. J Sumathi (DIN: 10752449) as an Additional Director (categorized as an 'Independent Woman Director') of the Company, not liable to retire by rotation, to hold the office for a term of 5 (five) consecutive years on the Board of the Company with effect from August 25, 2024 till August 24, 2029 (both days inclusive), subject to approval of the members at the ensuing 77th AGM of the Company.

In the opinion of the Board, all the Directors, as well as the Directors proposed to be appointed / re-appointed possess the requisite qualifications, experience, expertise and hold high standards of integrity and relevant proficiency.

None of the Directors of the Company are disqualified as per the provisions of Section 164(1) and (2) of the Companies Act, 2013. The Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

Key Managerial Personnel

There were no changes in the key managerial personnel(s) of the Company during the FY 2023-24. The Key Managerial Personnel(s) of the Company as on March 31, 2024 are:

- Mr. Lalit Kumar Tulsyan, Managing Director (Executive Chairman);
- Mr. Sanjay Tulsyan, Managing Director;
- Mr. Sanjay Agarwalla, Whole Time Director;
- Mr. Shanthakumar R P, Chief Financial Officer; and
- Mrs. Parvati Soni, Company Secretary & Compliance Officer.

COMMITTEES OF THE BOARD

Currently, the Company has 4 (four) Board level Committees: Audit Committee ('AC'), Nomination and Remuneration Committee ('NRC'), Stakeholders' Relationship Committee ('SRC') and Corporate Social Responsibility Committee ('CSR'). The detailed composition of the above committees, as on March 31, 2024, are disclosed in Corporate Governance Report, which forms part of this Annual Report.

MEETINGS OF THE BOARD AND ITS COMMITTEES

The meetings of the Board are scheduled at regular intervals to discuss and decide on matters of business performance, policies, strategies and other matters of significance. The schedule of the meetings is circulated in advance, to ensure proper planning and effective participation. In certain exigencies, decisions of the Board are also accorded through circulation.

During the financial year 2023-24, the Board met 5 (five) times virtually on June 21, 2023; August 12, 2023; November 14, 2023; February 10, 2024; and March 21, 2024 respectively. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board and its Committees are included in the Corporate Governance Report, which forms part of this Annual Report.

AUDITORS

Statutory Auditors

M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai (Firm ICAI Registration No: 004925S/S200036) were re-appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years, to hold office from the conclusion of the 74th AGM held on September 30, 2021 till the conclusion of the 79th AGM of the Company, at such remuneration as may be decided by the Board in consultation with the Statutory Auditors of the Company.

The Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2024 contains the following observations:

Sl. No.	Qualification, Reservation or Adverse Remark or Disclaimer made by the Statutory Auditors	Management's Reply
1	**Basis for Qualified Opinion:** **Balance confirmations and ECL Provisioning:** For the financial year ending 31st March 2024, we have not received confirmation of balances in respect of trade payables and trade receivables except for a few. The management represented that these balances are realizable/settled in the ordinary course of business. In the absence of confirmation of balances, we were unable to determine whether any adjustments by way of Provision for Expected Credit losses/ Write-off / Write-back were necessary at the year end.	Company has sought confirmation of Balances from the Debtors and Creditors and based on the confirmation received suitable entries have been passed if so required. Further the communication given to the Debtors or creditors indicates clearly that if no information is received within the stipulated time the balance as per the companies' books would be deemed to be correct. The management periodically assesses realizability of Debtors and liability in terms of the payables and makes suitable ECL provision. Company would make suitable assessment again and make suitable adjustment for credit losses or write backs.
2	**Emphasis of Matter:** During the financial year ended 31.03.2023, the Company had repaid the entire loans availed from Banks and obtained a no dues certificate from each bank as per the compromise settlement entered into with them. The company has settled all its dues as per the terms of the Compromise Settlement with its bankers and does not expect any additional obligation out of the Compromise Settlement. Further, the Company had obtained a techno-economic due diligence study on the viability of operations and projections for the future on 28.01.2023 from Cormed Management Services Pvt. Ltd. Though the Company has recorded losses for the financial year under audit, the management strongly believes that the Company will be able to implement the recommendation of the techno economic due diligence study report in all aspects and make a complete turnaround. The Company has also prepaid a portion of the loan borrowed, consequent to which it expects a reduction in the interest costs in the upcoming years (Reference is drawn to Note No.6 of the Standalone Financial Statements).	The management of the company has evaluated conditions such as financial, operating and other conditions that determine company's ability to continue its performance and improve the same further. Techno Economic Due dilligence report is the basis on which the company has attracted investment and could raise funds to clear its dues to the Banks, fund its capex and working capital requirement.

The Auditors' Report is enclosed with the financial statements forming part of this Annual Report.

Reporting of Fraud by Auditors

During the year, the statutory auditors have not reported to the Audit Committee any material fraud on the Company by its officers or employees under Section 143(12) of the Companies Act, 2013, the details of which need to be provided in this report.

Cost Auditors

The Cost Records of the Company are maintained in accordance with the provisions of Section 148(1) of the Companies Act, 2013 as specified by the Central Government. The Cost Audit Report, for the financial year ended March 31, 2023, was filed with the Central Government within the prescribed time. The Board, on recommendation of the Audit Committee, had appointed M/s. 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 ended on March 31, 2024. The Cost Auditors have submitted their report to the Company on July 26, 2024 for the FY 2023-24.

The Board at its meeting held on May 30, 2024, on recommendation of the Audit Committee, has appointed M/s. Murthy & Co. LLP, Cost Accountants (Firm Registration Number S200001) as the Cost Auditors to conduct the audit of Company's cost records for the FY 2024-25. 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 Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the Members, the Board recommends the same for approval by Members at the ensuing 77th AGM of the Company.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Rules made thereunder, M/s. M. Damodaran & Associates, LLP, Practicing Company Secretaries, Chennai, were re-appointed to conduct the Secretarial Audit of the Company for the FY 2023-24. The Secretarial Audit Report for the FY 2023-24 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-E'**.

The Secretarial Audit Report for the FY 2023-24 contains the following observations:

Sl. No.	Observations by Secretarial Auditors	Management's Reply
1.	The Company has delayed in submission of the annual audited financial results for the financial year ended 31.03.2023 to the BSE as required under regulation 33(3) of SEBI (LODR). The Company submitted the results on 21.06.2023. The BSE levied fine for the aforesaid delay and the Company has paid the fine amount to the BSE on 03.07.2023.	The delay in submission of annual audited financial results for the financial year ended 31.03.2023 to the BSE was due to the technical issue in transition of the existing accounting software from ERP to SAP during the first year of implementation. The delay was unintentional and subsequently it was complied with.
2.	The Company has not obtained the in-principle approval from the BSE before the issuance of 16,66,666 equity shares on preferential basis as required under Regulation 28(1) of SEBI (LODR). The BSE levied fine for the aforesaid non-compliance and the Company has paid the fine amount to the BSE on 20.06.2023 and have also filed the application for condonation of delay with SEBI for which the reply is still awaited.	The non-compliance was unintentional and caused due to inadvertence. It has occurred without any malafide intention on the part of the Company. Condonation of delay application was submitted to SEBI and BSE. The Company has received the listing approval from BSE on August 22, 2024.
3.	The company has delayed 25 days in filing of listing application with the BSE after allotment of 16,66,666 equity shares on 31.03.2023 as required under Schedule XIX of SEBI ICDR read with SEBI circular - SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019. The Company has submitted the listing application on 16.05.2023, which is still pending with the BSE for approval. The BSE levied the fine for the aforesaid delay and the Company has paid the fine amount to the BSE on 30.09.2023.	The delay was unintentional and caused due to inadvertence. It has occurred without any malafide intention on the part of the Company. The Company has received the listing approval from BSE on August 22, 2024.

Pursuant to the SEBI circular no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Annual Secretarial Compliance Report for the FY 2023-24, issued by Mr. M. Damodaran (M. No. 5837, CP No. 5081), Managing Partner at M/s. M. Damodaran & Associates, LLP, Practicing Company Secretaries, Chennai, was submitted with the BSE, where shares of the Company are listed, within the stipulated timeline.

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

In terms of Section 118(10) of the Companies Act, 2013, the Company has complied with the applicable Secretarial Standards i.e. SS–1, SS-2 and SS-4, relating to the 'Meetings of the Board, 'General Meetings' and 'Report of the Board of Directors' respectively, as specified by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee ('ICC') has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

During the financial year under review, no complaints of sexual harassment were filed and no complaint is pending for closure as per the timelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ANNUAL RETURN

A copy of Annual Return of the company as per the provisions of Sections 134(3)(a) and 92(3) of the Companies Act, 2013, is available on the website of the Company at www.tulsyannec.in.

SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

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

INTERNAL FINANCIAL CONTROL

The Company has proper and adequate system of internal financial controls with reference to the financial statements and which is 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.

ACKNOWLEDGEMENT

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, vendors, executives, staffs and workers at all levels, bankers, financial institutions and other business associates 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**

Place: Chennai
Date: 26-07-2024

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Annexure - A

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries

(Amount in Rupees)

Sl. No.	Particulars	As on March 31, 2024
1	Name of the Subsidiary	Chitrakoot Steel and Power Private Limited
2	The date since when the subsidiary was acquired / incorporated	October 21, 2003
3	Reporting period	April - March
4	Reporting currency	INR
5	Share Capital	6,48,92,000
6	Reserves and Surplus	(23,62,12,159)
7	Total assets	22,70,07,760
8	Total Liabilities	22,70,07,760
9	Investments	2,500
10	Turnover	1,15,18,02,926
11	Profit / (Loss) before taxation	61,56,579
12	Provision for taxation	(44,04,325)
13	Profit / (Loss) after taxation	1,05,60,904
14	Proposed dividend	NIL
15	Extent of shareholding (in percentage)	100

Notes:
1. Names of the Subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Color Peppers Media Private Limited, Wholly Owned Subsidiary, have been dissolved and struck off from the Registrar of Companies w.e.f. December 30, 2023.

Part "B" Associates and Joint Ventures: Not Applicable

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

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/-
K. Parthasarathy
Partner
M. No. 018394

Sd/-
M. Parthasarathy
Independent Director
DIN: 08277111

Sd/-
Shanthakumar R P
Chief Financial Officer

Sd/-
Parvati Soni
Company Secretary

Place: Chennai
Date: 26-07-2024

Annexure-B

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 CSR 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.

   The CSR Policy was framed by the Company on June 30, 2014 and later 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 the 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.tulsyannec.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's average net Profit after tax on Standalone basis was negative.
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.

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

Sd/-
Sanjay Tulsyan
(Managing Director)
DIN: 00632802

Sd/-
Sanjay Agarwalla,
(Whole Time Director and Chairman of CSR Committee)
DIN: 00632864

Place: Chennai
Date: 26-07-2024

Annexure-C

Conservation of energy, technology absorption, foreign exchange earnings and outgo

[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 Professionals / 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 219800868 units of energy during the financial year 2023-2024.

During the year the company started using Rice Husk, Wood Chips, Wood saw dust, and other Bio Fuels which are renewable sources of energy and alternate to Coal. Continuous monitoring of high energy consumption areas/equipment and taking appropriate corrective measures as and when required, resulted in energy saving and reduction in power consumption.

(III) The Capital investment on energy conservation equipments: There was no capital investment on energy conservation equipments during the financial year 2023-2024.

(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

(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 in terms of actual outflows during the year are given in the Notes to Accounts of the financial statements which forms part of this Annual Report.

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

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Place: Chennai
Date: 26-07-2024

Annexure-D

PARTICULARS OF REMUNERATION

[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 2023-24:

Name	Designation	Ratio
Lalit Kumar Tulsyan	Executive Chairman	1:57
Sanjay Tulsyan	Managing Director	1:59
Sanjay Agarwalla	Whole Time Director	1:27
S. Chandrasekaran*	Whole Time Director	1:11
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.
Ravi Muthusamy*	Non-Executive Independent Director	N.A.

Note:

a) Mr. S. Chandrasekaran and Mr. Ravi Muthusamy were appointed as the Whole Time (Executive) Director and Independent (Non-Executive) Director of the Company w.e.f. June 21, 2023, respectively.

b) The remuneration paid to Non-Executive Independent Directors includes sitting fees and is based on the meetings attended by them during the FY 2023-24.

2) The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary, in the financial year 2023-24:

Sl. No.	Name of Directors / KMPs and their designation	Remuneration / Sitting Fees to Directors / KMP for the financial year 2022-2023	Remuneration / Sitting Fees to Directors / KMP for the financial year 2023-2024	% increase in Remuneration for the Financial year 2023-2024
1.	Lalit Kumar Tulsyan (Executive Chairman)	90,29,000	10,529,000	16.61%
2.	Sanjay Tulsyan (Managing Director)	90,78,000	10,529,000	15.98%
3.	Sanjay Agarwalla (Whole Time Director)	39,29,000	48,29,000	22.91%
4.	S. Chandrasekaran (Whole Time Director)	N.A.	21,40,000	N.A.
5.	Manogyanathan Parthasarathy (Non-Executive Independent Director)	72,000	4,00,000	N.A.
6.	Antonisamy Axilium Jayamary (Non-Executive Independent Director)	72,000	4,00,000	N.A.
7.	Somasundaram Ponsing Mohan Ram (Non-Executive Independent Director)	63,000	4,00,000	N.A.
8.	Ravi Muthusamy (Non-Executive Independent Di-rector)	N.A.	3,00,000	N.A.
9.	Shanthakumar R P (Chief Financial Officer)	31,44,000	31,44,000	N.A.
10.	Parvati Soni (Company Secretary and Compliance Officer)	7,78,000	8,68,000	11.57%

3) **The Percentage increase / (decrease) in the median remuneration of employees in the financial year 2023-24:** There was a decrease of (23%) in the median remuneration of employees in the financial year 2023-24.
4) **Number of permanent employees on the rolls of Company:** 630
5) **Average percentile increase / (decrease) 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:** The average decrease in employee remuneration other than managerial personnel was (13%). The increase in managerial remuneration is in line with the measures to attract and retain the best talent.
6) **The key parameters for any variable component of remuneration availed by the directors:** Nil
7) It is hereby affirmed that the remuneration paid for the financial year 2023-24 was as per the Company's Policy on Director's Appointment and Remuneration.

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

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Place: Chennai
Date: 26-07-2024

Annexure-E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED **31.03.2024**

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

To,

The Members,
TULSYAN NEC LIMITED
CIN - L28920TN1947PLC007437
1st Floor, Apex Plaza,Old No.3,
New No.77, Nungambakkam High Road,
Chennai– 600034.

I, Kalaiyarasi Janakiraman, 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 31.03.2024 ('Audit Period') 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 the Company for the financial year ended on 31.03.2024 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (to the extent applicable)

  (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

  (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, dealing with client;

  (f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

  (g) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)]

(vi) Other laws as may be applicable specifically to the company – NIL.

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

  (i) The Listing Agreement entered into by the Company with BSE Limited ('BSE') 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, Circulars, Guidelines, Standards, etc. mentioned above subject to the following observation:

a The Company has delayed in submission of the annual audited financial results for the financial year ended 31.03.2023 to the BSE as required under regulation 33(3) of SEBI (LODR). The Company submitted the results on 21.06.2023. The BSE levied fine for the aforesaid delay and the Company has paid the fine amount to the BSE on 03.07.2023.

b. The Company has not obtained the in-principle approval from the BSE before the issuance of 16,66,666 equity shares on preferential basis as required under Regulation 28(1) of SEBI (LODR). The BSE levied fine for the aforesaid non-compliance and the Company has paid the fine amount to the BSE on 20.06.2023 and have also filed the application for condonation of delay with SEBI for which the reply is still awaited.

c. The company has delayed 25 days in filing of listing application with the BSE after allotment of 16,66,666 equity shares on 31.03.2023 as required under Schedule XIX of SEBI ICDR read with SEBI circular - SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019. The Company has submitted the listing application on 16.05.2023, which is still pending with the BSE for approval. The BSE levied the fine for the aforesaid delay and the Company has paid the fine amount to the BSE on 30.09.2023.

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 that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board & Committee 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. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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 the Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database.

I further report that during the audit period the shareholders of the Company, inter alia, has;

a) passed special resolution at the 76th Annual General Meeting ('AGM') held on 15.09.2023, under section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Regulations 16 and 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), for re-appointment of Mr. Manogyanathan Parthasarathy (DIN: 08277111) as an Independent (Non-Executive) Director of the Company for a second term of 5 (five) consecutive years with effect from 13.11.2023 till 12.11.2028.

b) passed special resolution at the 76th AGM held on 15.09.2023, under section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Regulations 16 and 17 and any other applicable provisions of the SEBI Listing Regulations, for appointment of Mr. Ravi Muthusamy (DIN:08066520) as an Independent (Non-Executive) Director of the Company for a period of 5 (five) consecutive years with effect from 21.06.2023 till 20.06.2028.

c) passed special resolution at the 76th AGM held on 15.09.2023, under section 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, for appointment of Mr. S. Chandrasekaran (DIN: 10207445) as a Whole-time Director of the Company for a period of 5 (five) consecutive years with effect from 21.06.2023 till 20.06.2028.

d) passed special resolution at the 76th AGM held on 15.09.2023, under section 188 and other applicable provisions of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, for approval of the Related Party Transactions with M/s. Tulsyan Smelters Private Limited.

e) passed special resolution at the 76th AGM held on 15.09.2023, under section 188 and other applicable provisions of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, for approval of the Related Party Transactions with M/s. Chitrakoot Steel and Power Private Limited.

For **M DAMODARAN & ASSOCIATES LLP**

Place: Chennai
Date: 26-07-2024

Sd/-
KALAIYARASI JANAKIRAMAN
Partner
Membership No.: 29861
COP. No.: 19385
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN: A029861F000828087

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

Annexure – A

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 records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the audit conducted by me..
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.

Place: Chennai

Date: 26-07-2024

For M DAMODARAN & ASSOCIATES LLP
Sd/
KALAIYARASI JANAKIRAMAN
Partner
Membership No.: 29861
COP. No.: 19385
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN: A029861F000828087

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis Report is operating and financial review of the company and is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of the Financial Year 2023-24. This Report is to be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

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 the 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

- China remained the leader in world crude steel production with an output of 256.550 mt in January-March 2024, registering a decline of 1.9% compared with the same period of 2023. The country accounted for 54.7% of world crude steel production during the period under review.
- India was the 2nd largest producer of crude steel with an output of 32.327 million mt in January-March 2024, showing a yoy growth of 9.7%. The country accounted for 8% of world crude steel production during the period.
- Japan was the 3rd largest producer of crude steel with an output of 21.452 mt in January-March 2024, down by a marginal 0.8% compared with the same period of the previous year. Japan accounted for 4.6% of world crude steel production during the period.
- With crude steel production of 19.936 mt (down 1.6% yoy), the USA was the 4th largest producer of crude steel in January-March 2024.
- Russia's crude steel production stood at 18.680 mt (down 0.2% yoy) in January-March 2024 and the country was the 5th largest producer of crude steel.
- The top 10 countries' cumulative production in January-March 2024 stood at 405.336 mt (up 0.4% yoy) and they accounted for 86.4% of world crude steel production during the period.

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 last four years (2018-2021), 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 in 2021 (provisional), 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.
- The government has also approved a Production-linked Incentive (PLI) Scheme for Specialty Steel. It is expected that the specialty

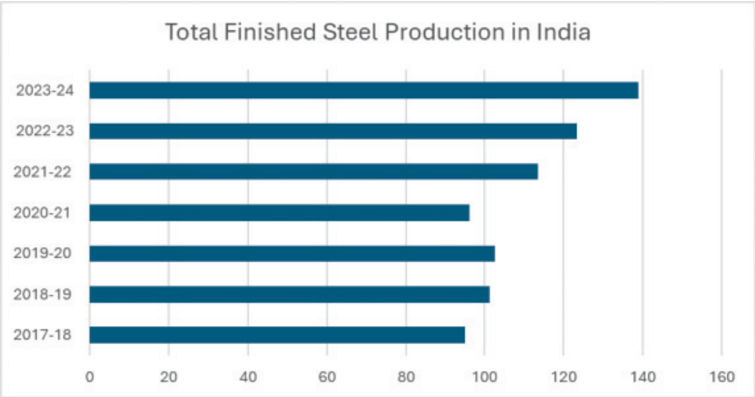
steel production will become 42 million tonnes by the end of 2026-27. This will ensure that approximately 2.5 lakh crores worth of specialty steel will be produced and consumed in the country which would otherwise have been imported. Similarly, the export of specialty steel will become around 5.5 million tonnes as against the current 1.7 million tonnes of specialty steel getting FOREX of Rs. 33,000 crore.

Production

- Steel industry was de-licensed and de-controlled in 1991 & 1992 respectively.
- India is the 2nd largest producer of crude steel in the world in 2023.
- In 2023-24 production of total finished steel (alloy/stainless + non alloy) was 138.825 mt, a growth of 12.7% over last year.
- Production of Pig Iron in 2023-24 was 7.317 mt, a growth of 24.8% over last year.
- India was the largest producer of Sponge Iron in the world in 2021. The coal-based route accounted for 77% of total Sponge Iron production (39.03 mt) in the country in 2021-22 (provisional).
- Data on production of Pig Iron, Sponge Iron and Total Finished Steel (alloy/stainless + non-alloy) are given below for last five years:

Indian steel industry: Production (in million tonnes)							
Category	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Pig Iron	5.73	6.41	5.42	4.88	5.76	5.86	7.32
Sponge Iron	30.51	34.71	37.10	34.38	39.03	43.62	51.50
Total Finished Steel	95.01	101.29	102.62	96.20	113.60	123.19	138.83

Graphical Representation of the Data:



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.

Imports

- Iron & steel are freely importable.
- Overall imports of total finished steel at 8.320 mt, up by 38.2%.
- India was a net importer of total finished steel in April-March 2023-24.
- Volume wise, HR Coil/Strip (3.631 mt, up by 72.2%) was the item most imported (44% share in total finished steel).
- China (2.687 mt) was the largest import market for India (32% share in total).

Exports

- India is a net Exporter of Total Finished Steel.
- Overall exports of total finished steel at 7.487 mt, up by 11.5%.
- Volume wise, HR Coil/Strip (2.894 mt) was the item most exported (39% share in total finished steel)
- Italy (1.672 mt) was the largest export market for India.

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 154.23 mt in 2021-22 (provisional), and India, which was the 2nd largest producer of crude steel in the world in 2021, as per rankings 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 (5.76 mt) in the country in 2021-22 (provisional).

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 77% of total Sponge Iron production in the country during 2021-22 (provisional). Production of Sponge Iron making too has increased over the years and stood at 39.03 mt during 2021-22 (provisional).

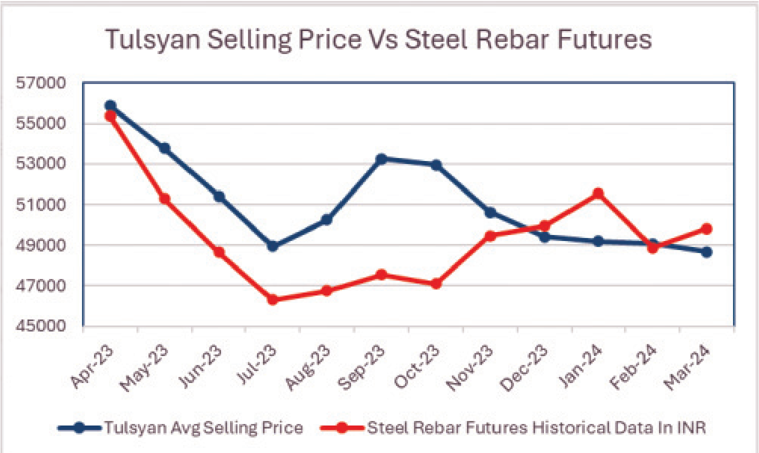
Tulsyan NEC's performance vis-a-vis Indian Steel Industry Performance

Annual	Industry Finished Steel Production (India)	Growth Year Previous Year	Tulsyan NEC TMT Production In MTs	Growth Year Previous Year
2018-19	101.290		1,40,626	
2019-20	102.620	1.31%	1,32,227	(5.97%)
2020-21	96.200	(6.26%)	82,565	(37.56%)
2021-22	113.600	18.09%	1,03,049	24.81%
2022-23	125.320	10.32%	1,37,632	33.56%
2023-24	138.825	10.77%	1,39,851	1.6%

Since last two years the company has fared better than the steel industry. In the year 2021-22 when the industry growth was 18.09%

Tulsyan NEC achieved a growth of 24.81%. In the year 2022-23 when the industry growth was 10.32% Tulsyan NEC achieved a growth of 33.56%. During the Current Financial year the growth was limited to 1.6% due to continuous drop in selling prices.

Tulsyan Selling Prices Vs Steel Rebar Global Futures



Tulsyan NEC operations are in line with the Steel Market local and global.

POWER:

POWER INDUSTRY IN INDIA

Power sector grew at 8.89% year over year in the Financial year 2022-23 and at 6.8% during 2023-24 (Provisional upto Feb 24). Power demand registered a growth of 7.03% YOY (upto Feb 24).

The thermal generation sector experienced sub-optimal utilization of installed capacity with aggregate Plant Load Factor (PLF) at 68.76% as against 64.15% in the previous year. Fuel Availability continues to be a challenge and the prices of coal both domestic and international remained high during the entire year. 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.

As of the date of this report, the situation is evolving with no clear visibility on the extent and timing of impact on business due the erratic and high coal prices. 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 25 ahead.

DEMAND AND SUPPLY:

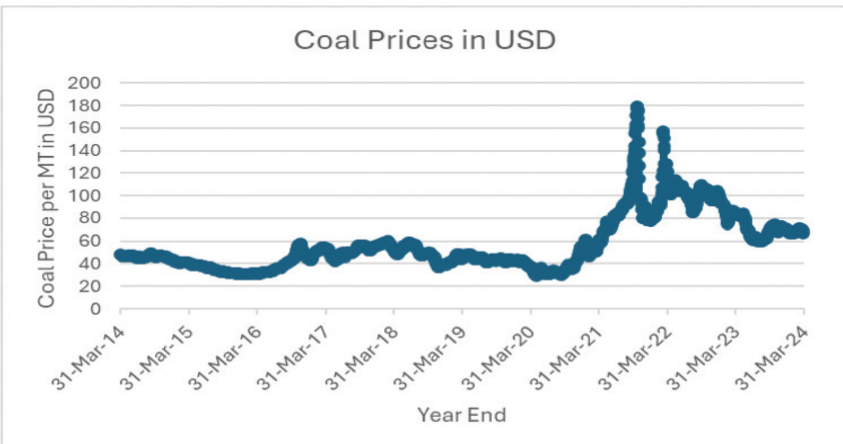
The Demand Supply position improved substantially since last 3 years and currently the availability capacity is equivalent to the demand as may be observed from the table below. Increased supply position has resulted in reduction of the realization per unit and also regulatory restrictions and levies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

Year	Requirement	Availability	Surplus (+)	Deflicts (-)
	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
2021-2022	13,79,812	13,74,024	-5,787	-0.4
2022-2023	15,11,847	15,04,264	-7,583	-0.5
2023-2024	14,87,257	14,83,241	-4,016	-0.3

(Source: Ministry of Power and Energy)

Performance of Power Division

Tulsyan NEC power project performance was in line with the industry and till 2020-21 and thereafter has been negative as it is dependent on Imported coal. While the domestic Thermal power projects benefitted from increase coal production in the country and stable and reasonable prices, the international coal prices skyrocketed in the last 3 years. The Coal prices in USD in the last 10 years is as follows:



Tulsyan NEC power project is dependent on the imported coal and as the costs remain very high with no possibility of increasing the selling prices, the production had to be cut down which affected the performance of the Power division.

The State of Tamil Nadu, had not increased the power tariff for more than 4 years increased the tariff in the month of Oct 2022. Though increase in the energy prices would have helped the company, levy or substantial increase of transmission charges affected the cost of sale of power. Sale of power under group captive arrangement which Tulsyan NEC was mainly into became unviable resulting in lower utilization of capacity/PLF.

II. OPPORTUNITIES AND THREATS

Growth of Renewable Energy Sector and its Impact on the Thermal Power plants.

- India has been promoting development of Renewable Energy generation by offering various incentives and benefits. Such promotional activities have indeed given results and substantial amount of counties energy requirements are being met from solar and wind projects currently.
- In the course of development of these energy sources development or sustainability of Thermal power sector was somewhat ove looked which has resulted in closure or neglect of projects and cessation of incremental investment in the sector.
- Solar power projects generate power during the day while the power requirement is at its peak during the night. Wind power is generated only during the few months of the year and most of the time generation is uneven and especially during the months where hydel power projects produce power.
- Combined effects of these contradictions resulted in a power shortage situation in the country with the prices at the Electricity Exchange reaching above Rs.20 per kilowatt-hour during certain periods.
- Shifting from Fossil fuel-based mobility to Electric mobility is expected to increase the demand for power with which limitation on the resources will have to be met by the Thermal power plants.
- This prompted the Government and the policy makers to realize the importance of continuance of the Thermal power plants and necessity of its continuance.
- Though there are plans afoot to set up Energy Banks/ Storage units of high capacities, the high investment required for such projects and long timelines have created a comfortable operating environment for the Thermal power plant currently which is likely to continue for at least few decades.

In view of this Central Government is now promoting Thermal Power projects and further investment therein.

Threats:

- Government intervention in the pricing at Energy Exchanges: The government has imposed a cap of Rs.10 Per unit for sale of power through Exchanges which is unwarranted and is a retrograde measure in the sustainability of the sector.
- Tendency of the Discoms to increase in transmission costs and related costs by avoiding increase in energy tariffs.
- Volatility in International Coal prices.
- Freebee culture adopted by some of the state government weaken the financial position of the Discoms and their ability to buy the power at the market prices to meet the demand.

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 the other hand, 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.

III. SEGMENT-WISE/ PRODUCT-WISE PERFORMANCE

The production of steel rods was 139851 MT compared to 137632 MT in the previous year which showed an increase of 1.6%.

The production of power was 1763.36 Lac units compared to 2761.89 Lac units in the previous year registering a decline of 36% mainly due to low-capacity utilization due to high and unviable coal prices and the effect of Cyclone.

The production of synthetic products was 5689 MT compared to 7282 MT in the previous year a decline of about 22% over previous year. The reduction in the production was on account of low demand for the products during the period.

Effect of Michaung cyclone on Operations:

Due to Rain and Floods in the month of December the operations of the company were affected fully and partially. Due to rains and flooding the steel unit was shut down for about 3 days. Raw material (Scrap) yard was flooded due to rain and operations were to be halted for safety of equipment and labour. Electrical issues were faced due to cable punctures leading to shutdown of the furnace. Further the dispatches could not be effected as customer sites (project sites) were inundated.

At the power unit due to coal feeder jamming power generation was stopped for 68 hrs. Production loss due to idling was 20.4 Lakh Units. In the aftermath, there were almost 7 trips in next 10 days where we lost another 15 hrs due to grid disturbance and equipment failure. Over and above this, we were not able to maintain the production more than 60% of the plant capacity due to high moisture in the fuels subsequently. Overall, there was a production loss of 47.2 Lakh units.

IV. OUTLOOK

As per Joint Plant committee "India remains a bright spot in the global steel industry and the steel demand in the country is expected to show a healthy growth of 8.2% in 2024 compared to a global growth of 1.7%, according to the latest Short-Range Outlook of World Steel Association. Growth in India's construction sector is driven by government spending on infrastructure and recovery in private investment. Infrastructure investment will also support capital goods sector. Besides, healthy growth momentum is expected to continue in the automotive sector. These, in turn, will push up steel demand in the country, world steel said."

Further, the Government's vision to achieve a $5 trillion economy 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. Delay in infrastructure development, availability of skilled manpower, volatility in global economy are some of the major risks and concerns that have to be addressed. All these have an impact on the operations of the company.

Failure of China's real estate companies' recently and excess supply in real estate over its demand, China being the largest producer of steel could resort to dumping the steel which may cause serious risks to Indian Steel Manufacturers. Unless the Central Government intervenes with anti-dumping measure, such Dumping would threaten the domestic industry significantly.

Further with respect to Power sector, despite the electricity reforms carried out in the last 3 decades, the culture of providing free electricity to consumers as a political dole out has caught on with various state governments. This could significantly affect the financial position of the DISCOMS as well as the State Governments leading into market disruption and financial mismanagement. Not following the electricity policy by the state governments in its letter and spirit would continue to risk the working of the power sector.

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. 95,599.51 Lakhs which was higher by 0.60% over last year's turnover of Rs. 95045.82 Lakhs. The Comparative performance of major financial parameters during the financial years 2023-24 and 2022-23 is given below:

Rs. In Lakhs

Particulars	2023-24	2022-23
Sales Turnover	95600	95046
Other Income	1753	215
Total Income	**97353**	95261
Profit before Interest, Depreciation, exceptional/abnormal items and Tax (EBIDTA)	1555	1737
Less: Interest	3895	1096
Less: Depreciation	2488	2591
Profit before Tax (PBT) before exceptional / abnormal items	(4828)	(1950)
Less: Exceptional items	0	(21087)
Profit before Tax & OCI	(4828)	19137
Profit After Tax	(5017)	24793
Networth	36737	41978
EBIDTA to Net sales (%)	1.6%	1.8%
PAT to Net worth	(14%)	59%
Debtors	10363	9742
Debtors Turnover (In days)	40	37
Inventory	7903	9837
Inventory Turnover (In days)	30	38
EBIT	(2340)	640
Interest Coverage Ratio	0.40	1.58
Current Assets	22971	28151
Current Liabilities	22724	23038
Current Ratio	1.01	1.22
Debt	23865	25770
Debt Equity Ratio	0.65	0.61
Operating Profit Margin (%)	(5.05%)	(2.05%)

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, 2024 is 630.

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.

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

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Place: Chennai
Date: 26-07-2024

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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 corporate governance structure of the Company comprises the Board, as the apex decision making body and the Executive Leadership Team, comprising experts from various functions with rich knowledge and experience in the industry for providing strategic guidance and directions in running and managing the Company. The Board of Directors ('the Board') are elected by the shareholders to oversee the Company's overall functioning. The Board is responsible for providing strategic guidance & supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in the oversight of the Company's affairs. To sum up, the Board's key purpose is to ensure the Company's prosperity by collectively directing the company's affairs, while meeting the appropriate interests of its shareholders and relevant stakeholders.

The Company's day-to-day affairs are managed by the Executive Leadership 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 judgement on the affairs of the Company.

(a) Composition and Category of the Board

Our Board represents an appropriate mix of Executive Directors and Non-Executive Independent Directors, which is in compliant with the Companies Act, 2013 ('the Act') and the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.

The Board periodically evaluates the need for change in its composition and size. As on March 31, 2024, the Board comprised of 8 (eight) members, consisting of 4 (four) Executive Directors and 4 (four) Non-Executive Independent Directors. Out of the total members, 1 (one) member is an Independent Woman Director.

None of the Director serve as a Director in more than 7 (seven) listed companies. Further, none of the Director serves as an Independent Director in more than 7 (seven) listed companies or 3 (three) listed companies in case he/she serves as an Executive Director in any listed company.

None of the Directors of the Company are a member of more than 10 (ten) Committees and Chairperson of more than 5 (five) 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 of the Company is an Independent Director.

Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. They have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have also submitted their declaration under compliance with the provision of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ("IICA") for a period of 1 (one) year or 5 (five) years or life time till they continue to hold the office of an Independent Director. The Independent Directors which are not exempted have appeared and passed the Online Proficiency Self-Assessment Test conducted by the IICA.

The Composition of the members on the Board, including the directorships held by them in other listed companies and their committee memberships/chairmanships in other public companies, and other required details for the FY 23-24 are listed in the table below:

Name and DIN of the Directors	Category	Attendance of the Directors in the last AGM held on 15/09/2023	Total No. of Directorships in other Companies	Total No. of Committee Membership or Chairmanship in other Companies	Names of other listed entities including this listed entity where the person is a director and the category of directorship	No. of Shares held by the Director
Lalit Kumar Tulsyan DIN: 00632823	Promoter & Managing Director cum Executive Chairman	Yes	3	Nil	1 Promoter & Managing Director cum Executive Chairman	40,46,645
Sanjay Tulsyan DIN: 00632802	Promoter & Managing Director	Yes	3	Nil	1 Promoter & Managing Director	44,75,481
Sanjay Agarwalla DIN: 00632864	Whole Time Director	Yes	2	Nil	1 Whole Time Director	15,098
S. Chandrasekaran* (DIN: 10207445)	Whole Time Director	Yes	Nil	Nil	1 Whole Time Director	2,000
Manogyanathan Parthasarathy DIN: 08277111	Non-Executive Independent Director	Yes	Nil	Nil	1 Non-Executive Independent Director	Nil
Antonisamy Axilium Jayamary DIN: 07410090	Non-Executive Independent Director	Yes	Nil	Nil	1 Non-Executive Independent Director	Nil
Somasundaram Ponsing Mohan Ram DIN: 08883633	Non-Executive Independent Director	Yes	Nil	Nil	1 Non-Executive Independent Director	Nil
Ravi Muthusamy* (DIN: 08066520)	Non-Executive Independent Director	Yes	1	Nil	2 a) Tulsyan NEC Limited - Non-Executive Independent Director b) Swelect Energy Systems Limited - Non-Executive - Independent Director	Nil

Note:

1. Mr. Lalit Kumar Tulsyan and Mr. Sanjay Tulsyan are related to each other as Brothers.

2. During the Financial Year under review, the Board, with approval of the Shareholders at the 76th AGM of the Company, appointed Mr. S. Chandrasekaran as a Whole Time Director and Mr. Ravi Muthusamy as an Independent Director w.e.f. June 21, 2023 for a term of 5 consecutive years respectively.

3. As required under Regulation 26(1)(b) of the SEBI Listing Regulations, Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Tulsyan NEC Limited.

(b) Number of meetings of the Board

During the financial year 2023-24, the Board met 5 (five) times virtually on June 21, 2023; August 12, 2023; November 14, 2023; February 10, 2024; and March 21, 2024 respectively.

The Board met at least once in every calendar quarter and the gap between 2 (two) meetings did not exceed 120 (one hundred and twenty) days.

Attendance details of the Directors in the Board Meetings held during the FY 2023-24 are given below:

Sl. No.	Name of the Directors	Category	Number of Board Meetings	
			Director was entitled to attend	Attended
1.	Lalit Kumar Tulsyan	Promoter & Executive Chairman	5	5
2.	Sanjay Tulsyan	Promoter & Managing Director	5	5
3.	Sanjay Agarwalla	Whole Time Director	5	5
4	S. Chandrasekaran	Whole Time Director	4	4
5.	Manogyanathan Parthasarathy	Non-Executive Independent Director	5	5
6.	Antonisamy Axilium Jayamary	Non-Executive Independent Director	5	5
7.	Somasundaram Ponsing Mohan Ram	Non-Executive Independent Director	5	5
8.	Ravi Muthusamy	Non-Executive Independent Director	4	4

(c) Board Membership Criteria and Selection Process

The responsibility for identifying and evaluating a suitable candidate for the Board is discharged by the Nomination and Remuneration Committee ("NRC") as mandated under Section 178 of the Act read with Regulation 19 of the SEBI Listing Regulations. During the candidate selection process, the NRC reviews and evaluates the Board's composition and diversity of the Board / Committee to ensure that it possesses the requisite blend of skills, experience, independence, and knowledge to sustain effectiveness. Diversity, from the NRC's perspective, encompasses a broad spectrum of factors including but not limited to perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. These attributes extend to encompass professional experience, functional expertise, educational and professional backgrounds.

Annually, the Independent Directors furnish a Certificate of Independence, in accordance with the relevant laws, which is duly taken on record by the Board. Encouraging collaboration and communication, all Board members are urged to engage and interact with the management. Furthermore, Board Members are actively invited to pivotal meetings to contribute to strategic insights and guidance.

(d) 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. There was no situation / matter where the Board has not accepted recommendation of the Committee.

The Board/Committee Agenda and related notes are made available to the Directors, at least 7 (seven) days in advance of the meetings, electronically through e-mail. 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 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 major legal issues, if any, minutes of meetings of various committees of the Board and subsidiary companies, significant transactions and arrangements entered into by the subsidiary companies, approval of financial results and statements, transactions pertaining to purchase or disposal of properties, major accounting provisions and write-offs, material defaults, if any, and any other information as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, as amended.

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, on the draft minutes in writing, within 7 (seven) days from the date of circulation. The Minutes are entered in the Minute Books within 30 (thirty) days from the conclusion of the Meeting and signed by the Chairperson. The copy of the signed Minutes are made available to all the Directors.

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 its Committees thereof. Important decisions taken at Board/Committee Meetings are promptly communicated to the concerned departments/ divisions. Action Taken Report on decisions or the Minutes of the previous meeting(s) is placed at the subsequent meeting of the Board/Committee for acknowledgement and review. This practice not only ensures that actions are implemented in a timely manner but also provides a mechanism for ongoing assessment and improvement.

(e) 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 10, 2024 without the presence of Non-Independent Directors and Members of the management. They had discussed and reviewed the below –

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company after taking into account the views of the Executive Directors;
- 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.

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.

(f) Details of Familiarization Programmes imparted to Independent Directors

The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise.

To uphold governance standards, Independent Directors were kept abreast of all regulatory and policy changes, along with their associated roles, rights, and responsibilities. Moreover, as part of the induction program, Directors engaged in meaningful interactions with members of the senior management team, fostering a collaborative environment and facilitating a smooth integration into the Company's culture and operations.

The Company through its Managing Director / Leadership Team makes presentations regularly to the Board/Audit Committee/such other Committees, as may be required, covering, inter-alia, business environmental scan, the business strategies, operations review, quarterly and annual results, budgets, review of Internal Audit reports, statutory compliances, risk management and operations of subsidiaries, etc. Such presentations and documents provides an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality and risk management and such other areas as may arise from time to time.

The Company also encourages the Directors to visit the plant / branch offices of the Company to feel the experiences and also directly interact with the concerned operations team personnel.

The details of familiarization policy and the details of programs imparted to Independent Directors of the Company are available on the following web link of the Company: www.tulsyannec.in/investors.

(g) Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, the Board, as per the criteria laid down by the Nomination and Remuneration Committee, had carried out the annual performance evaluation for the performance of the Chairperson, Board and its Committees, Executive Directors and Non-executive Independent Directors through peer evaluation, excluding the director being evaluated.

Accordingly, for the financial year 2023-24, the Board had undertaken this exercise through self-evaluation questionnaires. These questionnaires focused on critical aspects such as –

- Board dynamics and other aspects towards Board effectiveness
- Board Composition, Quality and Culture
- Board Meeting & Procedures
- Execution & performance of specific duties
- Board & Management relations
- Succession Planning
- Committee effectiveness
- Evaluation of the Chairperson, Executive and Non-Executive Independent Directors.

The feedback-cum-assessment of individual Directors, the Board and its Committees, were compiled and the performance evaluation report was discussed by Independent Directors and the Board / Committees for the FY 2023-24. In order to further uphold the effectiveness of the Board's governance, an overview of the suggestions as drawn from the evaluation exercise was deliberated and recommended for implementation in due course of time, by the Board.

(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 by the Nomination and Remuneration Committee while recommending appointment / re-appointment of any candidate to the Board of the Company.

The skills which are currently available with the Board have been mapped below:

Board of Directors	Areas of Expertise						
	Financial Management	Gender, ethnic, national, or other diversity	Global business	Leadership	Technology	Board service and governance including Risk Management	Sales and marketing
Lalit Kumar Tulsyan	✓	✓	✓	✓	✓	✓	✓
Sanjay Tulsyan	✓	✓	✓	✓	✓	✓	✓
Sanjay Agarwalla	✓	✓	✓	✓	✓	✓	✓
S. Chandrasekaran	✓	✓	✓	✓	✓	✓	✓
Manogyanathan Parthasarathy	✓	✓	✓	✓	✓	✓	-
Antonisamy Axilium Jayamary	✓	✓	✓	✓	✓	✓	-
Somasundaram Ponsing Mohan Ram	✓	✓	✓	✓	✓	✓	-
Ravi Muthusamy	✓	✓	✓	✓	✓	✓	-

(i) Role of Company Secretary

The Company Secretary is the Compliance Officer and plays a key role in ensuring that effective board procedures are followed and reviewed periodically. The Company Secretary is primarily responsible to ensure compliance with the provisions of the Act and provisions of all other laws applicable to the Company. The Company Secretary ensures that all relevant information, details and documents are made available to the Board of Directors for effective decision-making at the meetings. The Company Secretary is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

COMMITTEES OF THE BOARD

The Board has constituted various committees to focus on specific areas and to make well-informed decisions within their designated scope. Each committee is directed by its charter which outlines their scope, roles, responsibilities and authorities. All decisions and recommendations originating from these Committees are subsequently placed before the Board for its approval, ensuring alignment with the Company's overarching objectives.

The Company's guidelines pertaining to the Board Meetings are extended to the Committee Meetings to the fullest extent feasible, ensuring consistency and adherence to best practices. Moreover, each Committee possesses the authority to engage external professionals, advisors and legal counsels as deemed necessary to augment their functions and decision-making processes.

To facilitate comprehensive discussions and informed decisions, senior officers and functional heads are invited to present relevant details by the Committee at its meeting. This collaborative approach ensures that the Committees have access to pertinent information and expertise, ultimately enhancing their effectiveness in fulfilling their mandates.

The Company Secretary of the Company acts as the Secretary to all Committees of the Board as detailed below:

A. Audit Committee

(a) Brief description of Terms of Reference:

The Board has constituted an 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's role flows directly from the board's oversight function and delegation to various committees. It acts as an oversight body for transparent, effective anti-fraud and risk management mechanisms, and efficient Internal Audit and External Audit functions 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 the Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and provisions of Section 177 of the Act. The brief description of the terms of reference of the Committee is given below:

The terms of reference and responsibilities of the committee include review of the quarterly, half-yearly and annual financial statements before submission to Board, review of compliance of internal control system, approval or any subsequent modification of transactions with related parties, oversight of the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, recommendation for appointment, remuneration and terms of appointment of auditors of the Company 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, 4 (four) meetings of the Audit Committee were held virtually on June 21, 2023; August 12, 2023; November 14, 2023 and February 10, 2024 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, 2024, are given below:

Sl. No.	Name of the Members	Category	Position	Number of Meetings	
				Director was entitled to attend	Attended
1.	Manogyanathan Parthasarathy	Non-Executive Independent Director	Chairman	4	4
2.	Sanjay Agarwalla	Whole Time Director	Member	4	4
3.	Antonisamy Axilium Jayamary	Non-Executive Independent Director	Member	4	4
4.	Somasundaram Ponsing Mohan Ram	Non-Executive Independent Director	Member	4	4
5.	Ravi Muthusamy	Non-Executive Independent Director	Member	3	3

During the financial year under review, Mr. Ravi Muthusamy was appointed as the Member of the Audit Committee w.e.f. June 21, 2023 Apart from this, there were no other changes in the composition of the Committee.

The members of the Committee possess sound knowledge of accounts, finance, audit, governance and legal matters. Senior staffs from the Finance & Accounts Department and representatives of the Statutory and Internal Auditors, attends the Audit Committee meetings, whenever required.

B. Stakeholders' Relationship Committee

(a) Brief description of 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 whilst reviewing measures and initiatives taken to reduce the quantum of unclaimed dividends, ensure timely receipt of dividend / annual report / notices and other information by shareholders, ensures effective exercise of voting rights by the shareholders / investors and redress such other grievances as may be raised by the security holders from time to time.

It also ensures that service standards adopted by the Company in respect of services rendered by our Registrars and Share Transfer Agent are met and takes note of the Internal Annual Audit Report and observations along with action taken in this regard. During the financial year under review, one (1) meeting of the SRC was held on June 21, 2023.

(b) Composition of the Committee and attendance details:

Composition of the Committee and attendance details of the Members, for the year ended March 31, 2024, are given below:

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

During the financial year under review, there were no changes in the composition of the Committee.

Mrs. Parvati Soni, Company Secretary of the Company acts as the Compliance Officer of the Company.

The table below encompasses the details of the complaints received and disposed off during the year ended March 31, 2024:

- Received during the year: 2
- Disposed off during the year: 2
- Not solved to the satisfaction of shareholders: Nil
- Remaining unsolved at the end of the year: Nil

The quarterly statement on investor complaints received and disposed of are filed with Stock Exchange within 21 (twenty-one) days from the end of each quarter and the statement filed is also placed before the subsequent meeting of the Board of Directors.

Further, with regards to the unpaid or unclaimed dividend, the Company has already sent out reminders to the shareholders to claim their unpaid or unclaimed dividends which are transferred to Investor Education and Protection Fund ('IEPF').

In terms of the SEBI Master Circular dated March 16, 2023 issued in supersession to Circular dated November 3, 2021 and Circular dated December 14, 2021, the Company had sent out communications to holders of physical securities to furnish their PAN, KYC details and Nomination as per the prescribed conditions embedded in the circular.

C. Corporate Social Responsibility Committee

(a) Brief description of 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.

The terms of reference of the CSRC are in line with the provisions of Section 135 of the Companies Act, 2013, which inter alia includes the following:

- Identifying the areas of CSR activities, its implementation and monitoring;
- Formulate and amend the CSR Policy, from time to time;
- Adoption of Annual Action Plan or modification thereof;
- Oversee Company's CSR program, strategy, initiatives, execution and disclosures;
- Reporting progress of various initiatives with respect to CSR.

  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, 2024, are given below:

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

During the financial year under review, there were no changes in the composition of the Committee.

D. Nomination and Remuneration Committee

a) Brief description of 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, Executive Directors, Key Managerial Personnels 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. The Committee on a periodical basis, recommends to the Board, policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management. The Policy on Director's Appointment and Remuneration is available on our website at: www.tulsyannec.in/investors.

The NRC has undertaken the exercise to evaluate the performance of individual Directors. Feedback is sought by way of structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution & performance of specific duties, obligations and governances. Performance evaluation is carried out based on the responses received from all the Directors.

The performance evaluation of Independent Directors is based on various criteria including Qualification & Experience, Leadership, Governance, Commitment, Contribution, Expertise, Independence, Integrity, Attendance, Responsibility, among others.

During the financial year under review, one (1) meeting of the NRC was held on June 21, 2023.

(b) Composition of the Committee and attendance details:

Composition of the Committee and attendance details of the Members, for the year ended March 31, 2024, are given below:

Sl. No.	Name of the Members	Category	Position	Number of Meetings	
				Director was entitled to attend	Attended
1.	Manogyanathan Parthasarathy	Non-Executive Independent Director	Chairman	1	1
2.	Antonisamy Axilium Jayamary	Non-Executive Independent Director	Member	1	1
3.	Somasundaram Ponsing Mohan Ram	Non-Executive Independent Director	Member	1	1
4.	Ravi Muthusamy	Non-Executive Independent Director	Member	-	-

During the financial year under review, Mr. Ravi Muthusamy was appointed as the Member of the Committee w.e.f. June 21, 2023. Apart from this, there were no changes in the composition of the Committee.

PARTICULARS OF SENIOR MANAGEMENT PERSONNEL

Pursuant to the Regulation 16(1)(d) of SEBI (LODR) Regulations as amended, following persons are considered under the Senior

Management Personnels of the Company:

1) Mr. Shanthakumar R P, CFO (KMP)

2) Mrs. Uma Ramaswamy, GM (Finance)

3) Mrs. Parvati Soni, Company Secretary & Compliance Officer (KMP)

4) Mr. Dinesh Goyal, CEO

5) Mr. Eswaramoorthy, GM

6) Mr. Jeyakumar Babu A, CGM (Power Plant)

7) Mr. G. Nagesh, President (Operation)

REMUNERATION TO DIRECTORS AND REMUNERATION POLICY

The Company has a well-defined policy for remuneration of the Directors, Key Managerial Personnel and Senior Management. 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 on the Company's website at www.tulsyannec.in/investors.

During the year under review, there was no pecuniary relationship or transactions of the Non-Executive cum Independent Directors vis-a-vis the Company, which has potential conflict with the interest of the organisation at large. The criteria of making payment to non-executive directors are available in the aforesaid Policy and can be accessed from the company's website at www.tulsyannec.in/investors.

An independent director shall not be entitled to any stock option and will receive sitting fee for attending meetings of the Board or Committee thereof (subject to certain limits prescribed under the Companies Act, 2013 and the relevant Rules made thereunder), reimbursement of expenses for participation in the Board and other meetings and profit related commission, if any, and as may be approved by the Members.

While deciding on the remuneration for Directors, the Board and the Nomination and Remuneration Committee consider the performance of the Company, the current trends in the industry, the qualifications of the appointee(s), their experience, past performance and other relevant factors. The Board and the NRC regularly tracks the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

At the time of appointment or re-appointment of the Managing Director / Whole Time Director, they shall be paid such remuneration as may be mutually agreed between the Company and the Director and as recommended by the NRC and approved by the Board within the overall limits as prescribed under the Companies Act, 2013 subject to approval of the Members of the Company in General Meeting.

Detailed information of Directors Remuneration / Sitting fees paid for the financial year ended March 31, 2024 are given below:

Name of the Director	Category	Total Remuneration	Sitting fees
Lalit Kumar Tulsyan	Executive Chairman	10,529,000	-
Sanjay Tulsyan	Managing Director	10,529,000	-
Sanjay Agarwalla	Whole-time Director	48,29,000	-
S. Chandrasekaran	Whole-time Director	21,40,000	-
Manogyanathan Parthasarathy	Non-Executive Independent Director	-	4,00,000
Antonisamy Axilium Jayamary	Non-Executive Independent Director	-	4,00,000
Somasundaram Ponsing Mohan Ram	Non-Executive Independent Director	-	4,00,000
Ravi Muthusamy	Non-Executive Independent Director	-	3,00,000

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 & other benefits. No performance linked incentives was paid to Directors.
3.	Service Contract, notice period, severance fees	Independent Directors are generally appointed for a term of 5 (five) consecutive years and all other executive 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

GENERAL BODY MEETINGS

I. Annual General Meetings

The date, time, location of Annual General Meetings held during the last 3 (three) years and the special resolutions passed thereat are as follows:

Year	Date & Time	Venue	Special Resolution(s) Passed
2020-2021	September 30, 2021 at 11.30 a.m.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	Nil
2021-2022	September 30, 2022 at 11.30 a.m.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	a) Re-appointment of Mr. Lalit Kumar Tulsyan (DIN: 00632823) as a Managing Director (Executive Chairman) of the Company. b) Re-appointment of Mr. Sanjay Tulsyan (DIN: 00632802) as a Managing Director of the Company. c) Re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as a Whole Time Director of the Company.
2022-2023	September 15, 2023 at 11.30 a.m.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	a) Re-appointment of Mr. Manogyanathan Parthasarathy (DIN: 08277111), as an Independent (Non-Executive) Director of the Company for a second term of 5 (five) consecutive years with effect from 13.11.2023 till 12.11.2028. b) Appointment of Mr. Ravi Muthusamy (DIN: 08066520) as an Independent (Non-Executive) Director of the Company for a period of 5 (five) consecutive years with effect from 21.06.2023 till 20.06.2028. c) Appointment of Mr. S. Chandrasekaran (DIN: 10207445) as a Whole Time Director of the Company for a period of 5 (five) consecutive years with effect from 21.06.2023 till 20.06.2028. d) Approval of the Related Party Transactions with M/s. Tulsyan Smelters Private Limited. e) Approval of the Related Party Transactions with M/s. Chitrakoot Steel and Power Private Limited.

Note: *The AGMs held on September 30, 2021; September 30, 2022; and September 15, 2023, respectively, were in compliance with the applicable provisions of the Companies Act, 2013, General Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13,* *2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 2/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022, issued by Ministry of Corporate Affairs ('MCA'). The deemed venue for the meeting was registered office of the Company at Tulsyan NEC Limited, 1st Floor, Apex Plaza, Old No.3, New No.77, Nungambakkam High Road, Chennai-600034, Tamil Nadu, India.*

During the financial year under review, no Special Resolution was passed by the Company through Postal Ballot. None of the business requiring passing of a Special Resolution have been proposed to be conducted 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 the Company's website at www.tulsyannec.in.

(b) **News Releases, Presentations**: Official news/press releases are disclosed to the Stock Exchange i.e. the BSE Limited from time to time and are also displayed on the Company's website at www.tulsyannec.in.

(c) **Presentations to Institutional Investors / Analysts:** No presentations were made to institutional investors / analysts during the year under review.

(d) **Website:** The website of the Company i.e. www.tulsyannec.in contains a separate and dedicated "Investors" section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, annual reports along with supporting documents, 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, contact details of Registrar and Share Transfer Agents, details of unclaimed or unpaid dividend and Investor Education and Protection Fund ('IEPF') related information, amongst others. These are made available on the website in a user-friendly and downloadable form.

(e) **BSE Listing Centre:** BSE Listing Centre is a web-based application designed by BSE for the smooth filing of information by the Corporates, with the stock exchange. All periodical compliance filings like shareholding pattern, corporate governance report, press releases, financial results and other disclosures under SEBI Listing Regulations 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.

GENERAL SHAREHOLDERS INFORMATION

(a) Company Registration Details: The registered office of the Company is Tulsyan NEC Limited, 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:

Day, Date and Time	Wednesday, September 25, 2024, at 11.30 a.m. (IST)
Venue*	The 77th AGM will be held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)
Financial Year	April 01, 2023 – March 31, 2024
E-Voting start and end	Sunday, September 22, 2024 (9:00 a.m. IST) and ends on Tuesday, September 24, 2024 (5:00 p.m. IST).
Cut Off date (e-voting)	September 18, 2024
Listed on Stock Exchanges	BSE Limited PJ Towers, Dalal Street, Mumbai- 400 001
Stock Code	BSE – 513629
International Securities Identification Number ("ISIN")	INE463D01016
Payment of Annual listing fees to the Stock Exchange	Paid

** In terms of the MCA Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020, dated May 05, 2020 and other relevant circulars, the latest one being General Circular no. 09/2023 dated September 25, 2023 ("MCA Circulars"), the 77th AGM of the Company shall be held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed to the AGM Notice and available at the website of the Company at www.tulsyannec.in.*

(c) **Dividend Payment Date:** The Company has not declared any interim/final dividend during the financial year under review.

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 2023-24: Nil

Shares transferred to IEPF during the financial year 2023-24: Nil

(d) **Market Price data during 2023-24:** The monthly high/low share prices and volume of equity shares of the Company from April 01, 2023 to March 31, 2024 are given below:

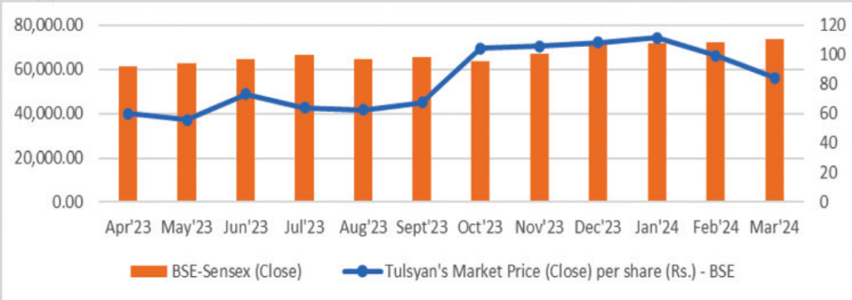
BSE Limited

Month	High Price (in Rs.)	Low Price (in Rs.)	Volume of Equity Shares
April 2023	64.99	54.89	3,14,704
May 2023	62.24	49.31	2,04,944
June 2023	73.42	55.55	4,35,056
July 2023	79.79	63.76	1,35,247
August 2023	64.84	56.77	1,43,350
September 2023	67.31	57.08	1,84,888
October 2023	120.23	70.67	5,14,187
November 2023	107.55	88.15	1,56,215
December 2023	116.45	95.95	93,140
January 2024	114.35	92.55	1,80,666
February 2024	125.75	95.15	1,51,335
March 2024	103.50	78.01	57,083

(e) **Performance in comparison to broad-based indices:** The chart below depicts the performance of the Company's share price in comparison to broad-based indices, such as BSE Sensex. The Management cautions that the stock movement shown in the graph below should not be considered indicative of potential future stock price performance:

Month	Tulsyan's Market Price (Close) per share (Rs.) - BSE	BSE-Sensex (Close)
April 2023	60	61,112.44
May 2023	55.52	62,622.24
June 2023	73.09	64,718.56
July 2023	63.76	66,527.67
August 2023	62.33	64,831.41
September 2023	67.31	65,828.41
October 2023	104.27	63,874.93
November 2023	105.7	66,988.44
December 2023	108.4	72,240.26
January 2024	111.7	71,752.11
February 2024	99.45	72,500.30
March 2024	84.21	73,651.35

Performance of Tulsyan share price in comparison to BSE-Sensex



(f) Registrar to an Issue and Share Transfer Agents:

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

(g) Share Transfer System: The Company has Stakeholders Relationship Committee to review and resolve the complaints by shareholders which may arise from time to time and the status of such complaints or requests is placed before the Board. The Company has complied with the requirements as specified in Regulation 40 of SEBI Listing Regulations for effecting transfer of securities of the Company.

In terms of Regulation 40(9) of the SEBI Listing Regulations, the Company obtains an annual 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.

SEBI, effective from April 1, 2019, barred physical transfer of shares of the listed companies and mandated transfers only in dematerialised form. However, shareholders are not barred from holding shares in physical form. SEBI vide its notification dated January 24, 2022 further notified that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Shareholders holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios. The Shareholders may contact the RTA at murali@cameoindia.com in this regard.

(h) Distribution of Shareholding as on March 31, 2024:

Shareholdings in Rs.	Total Number of Equity Shareholders	Percentage of Total Equity Shareholders	Equity Share Capital in Rs.	Percentage of Total Equity Share Capital
10 to 5000	4313	87.1841	45,92,750	3.0618
5001 to 10000	264	5.3365	21,26,240	1.4174
10001 to 20000	131	2.6480	19,80,640	1.3204
20001 to 30000	56	1.1319	14,85,870	0.9905
30001 to 40000	20	0.4042	7,21,590	0.4810
40001 to 50000	24	0.4851	11,45,750	0.7638
50001 to 100000	53	1.0713	36,94,460	2.4629
100001 & above	86	1.7384	13,42,52,700	89.5018
Total	**4947**	**100.0000**	**15,00,00,000**	**100.0000**

***Note**: The Company issued and allotted 16,66,666 equity shares on a preferential basis to 11,50,000 equity shares to India Special Assets Fund III (a scheme of ISAF III) and 5,16,666 equity shares to ISAF III Onshore Fund (a scheme of Edelweiss Credit Opportunities Trust), respectively, on March 31, 2023. The Company has received the listing approval from BSE on August 22, 2024.*

(i) Dematerialization of Shares and Liquidity: As on March 31, 2024, 91.87% of the equity shares were in electronic form. Trading in equity shares of the Company is permitted only in dematerialized form. The Company's equity shares are actively traded on the BSE Limited.

Further, as mandated by the Securities and Exchange Board of India ("SEBI"), existing Members of the Company, who hold securities in physical form and intend to transfer their securities, can do so only in dematerialised form. Hence, shareholders who hold shares in physical form are requested to dematerialise their shares to ensure such shares are freely transferable.

(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 has not issued any convertible instruments/ADRs/GDRs/ warrants as on the 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, Gummudipoondi-601201, Tiruvallur District, Tamil Nadu.
Power Division	(a) Thermal Power plant: No.17, Sithurnatham Village, Gummidipoondi-601201, Tamil Nadu. (b) Windmill: Pazhavoor, Tirunelveli District, Tamil Nadu.
Synthetics Division	7-A, Doddaballapura Industrial Area, Kasba Hobli, Karnataka.

(m) Address for correspondence:

Registered Office:
Tulsyan NEC Limited,
Apex Plaza, 1st Floor, Old No.3, New No.77, Nungambakkam High Road, Chennai - 600034, Tamil Nadu
Phone: 044-61991060
Fax: 044-61991066, email: investor@tulsyannec.in
Website: www.tulsyannec.in

(n) Credit Ratings:

Company has not issued any instruments during the year requiring credit rating. Credit rating exercise was carried in the previous year for issue of Listed Secured Non-Convertible Debentures and rating issued for the proposed instrument was "ACUITE C". As the company did not list the debentures, the rating issued has been withdrawn. CARE which had rated the Bank Borrowings of the company in the past has withdrawn the rating on account of the compromise settlement and payment of such settlement.

OTHER DISCLOSURES

(a) Materially Significant Related Party Transactions:

During the financial year under review, no materially significant related party 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 materiality of Related Party Transactions and on dealing with such Transactions, which specifies the manner of entering into Related Party Transactions. This policy has also been hosted on the website of the Company at: www.tulsyannec.in/investors.

(b) Whistle Blower Policy/Vigil Mechanism:

The Vigil Mechanism / Whistle Blower Policy 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 safeguard 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 the Company is available on the Company's website at www.tulsyannec.in/investors and can be accessed therein.

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 personnel have been denied access to the audit committee.

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

(c) 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 also placed on the Company's Website at: www.tulsyannec.in/investors.

(d) Details of Material Subsidiaries of the Company:

The Company does not have any material subsidiary as on the date of this report.

(e) 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:

Financial Year	Details of Non-Compliance / delay	Fine Imposed by the BSE Limited	Action taken by the Company
2021-2022	Nil	Nil	Nil
2022-2023	Delay in submission of the quarterly financial results for the quarter ended 31.12.2022 to the BSE Limited	Fine amount of Rs.64,900/- (Rs. 55,000 plus GST @ 18%) was levied by the BSE Limited on March 14, 2023	The delay in submission of the quarterly financial results was due to certain unavoidable circumstances i.e. transition of the Company's ERP to SAP ERP. The Company, thereafter, submitted the results to the BSE on 25.02.2023. The delay was unintentional and subsequently it was complied with. The Company has paid the fine amount levied to the BSE within the due date.
2023-2024	a) Delay in submission of the annual audited financial results for the financial year ended 31.03.2023 to the BSE Limited.	Fine amount of Rs. 1,29,800/- was levied by the BSE Limited on June 30, 2023	The delay in submission of annual audited financial results for the financial year ended 31.03.2023 to the BSE was due to the technical issue in transition of the existing accounting software from ERP to SAP during the first year of implementation. The delay was unintentional and subsequently it was complied with. The Company has paid the fine amount levied to the BSE within the due date.
	b) Non-submission of in-principle listing application to the BSE before the issuance of 16,66,666 equity shares on a preferential basis.	Fine amount of Rs. 59,000/- was levied by the BSE Limited on June 15, 2023	The non-compliance was unintentional and caused due to inadvertence. It has occurred without any malafide intention on the part of the Company. Condonation of delay application was submitted to SEBI and BSE. The Company has received the listing approval from BSE on August 22, 2024. The Company has paid the fine amount levied to the BSE within the due date.
	c) Delay of 25 days in filing of listing application with the BSE after allotment of 16,66,666 equity shares on March 31, 2023.	Fine amount of Rs. 5,90,000/- was levied by the BSE Limited on September 26, 2023	The delay was unintentional and caused due to inadvertence. It has occurred without any malafide intention on the part of the Company. The Company has received the listing approval from BSE on August 22, 2024. The Company has paid the fine amount levied to the BSE within the due date.

(f) Details of compliance with mandatory and discretionary requirements:

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

- Modified opinion(s) in audit report: During the financial year under review, there was modified opinion in your Company's audit report and the Company has given required disclosure in the prescribed format to the BSE on such modified opinion.
- Reporting of Internal Auditors: The Internal Audit Report provided by the Internal Auditors are being reviewed by the Audit Committee on a quarterly basis.

Further, the Company has complied with the requirements of corporate governance specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

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

The Company had allotted 16,66,666 equity shares on March 31, 2023, at a face value of Rs. 10 each on a preferential basis, at a price of Rs. 36 including a premium of Rs. 26 per Equity Share aggregating to Rs. 6,00,00,000 to India Special Assets Fund III (a scheme of ISAF III) & ISAF III Onshore Fund (a scheme of Edelweiss Credit Opportunities Trust), both advised by Edelweiss Alternative Asset Advisors Limited and both are Category II Alternative Investment Funds ("AIFs").

As on March 31, 2024, out of the funds raised through Preferential allotment, an amount of Rs. 267.75 lakhs have been utilized for capital expenditure.

The Company has not raised any funds through qualified institutions placement.

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

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 which forms part of this Annual Report.

(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) 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

(k) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount':

The details of loans and advances in the nature of loans to firms / companies in which directors are interested are available in the notes to Financial Statements which forms part of this Annual Report.

(l) 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.

(m) Code of Conduct:

The Code of Conduct ('the Code') for Board Members and Senior Management Personnel as adopted by the Board, is a comprehensive Code applicable to Directors and Senior Management Personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and Senior Management Personnel. A copy of the Code is available on the website of the Company at www.tulsyannec.in/investors . The Code has been circulated to Directors and Senior Management Personnel and its compliance is affirmed by them annually. It is hereby declared that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management.

(n) Code of Conduct for Prevention of Insider Trading:

The Company has formulated a comprehensive Code of Conduct 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.tulsyannec.in/investors.

(o) Disclosure by Senior Management Personnel:

The Senior Management of your Company have made disclosures to the Board confirming that there are no material, financial and commercial transactions where they have personal interest that may have a potential conflict of interest with the Company at large.

(p) CEO and CFO Certification:

As required under Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Executive Chairman and the Chief Financial Officer of the Company have furnished to the Board, the requisite Compliance Certificate for the financial year ended March 31, 2024, which forms part of this Annual Report.

(q) Compliance Certificate regarding compliance of conditions of Corporate Governance:

The Company has obtained a certificate from Mr. M. Damodaran, Managing Partner in M/s. M. Damodaran & Associates, LLP, Company Secretaries in Practice, Chennai, regarding compliance with conditions of Corporate Governance and is annexed as **"Annexure-II"** to this Report.

(r) Agreement on compensation of profit sharing in connection with dealings in securities of the Company:

During the financial year under review, no employee including Key Managerial Personnel or Director or Promoter of the Company had entered into any agreement, either for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company.

(s) Disclosure of Certain Types of Agreements Binding Listed Entities:

The Company has not received any intimation/notification concerning agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

(t) Declaration on Code of Conduct:

Tulsyan NEC Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Conduct and Ethics" which is applicable to all directors and employees, amongst others.

I hereby confirm that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics with respect to the financial year 2023-24.

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

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Place: Chennai
Date: 26-07-2024

Annexure-I

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 - 600 034 (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 2024** have been debarred or disqualified from being appointed or continuing as Directors of the Company 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. SanjayTulsyan	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 Ponsing Mohan Ram	08883633	19/09/2020
7.	Mr.Ravi Muthusamy	08066520	21/06/2023
8.	Mr.Subramanian Chandrasekaran	10207445	21/06/2023

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.

For **M DAMODARAN & ASSOCIATES LLP**

Sd/-
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN : F005837F000828087

Place: Chennai
Date: 26-07-2024

Annexure-II

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 2024**, 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, 2024.

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
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN: F005837F000828120

Place: Chennai
Date: 26-07-2024

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 Shanthakumar 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, 2024 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**

	Sd/-	**Sd/-**
Place: Chennai	**Lalit Kumar Tulsyan**	**Shanthakumar R P**
Date: 26-07-2024	**Executive Chairman**	**Chief Financial Officer**
	DIN: 00632823	

INDEPENDENT AUDITOR'S REPORT

To
The Members
TULSYAN NEC LIMITED
Chennai

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified 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 2024, 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 material accounting policy information 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, 2024, net loss, (changes in equity) and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Balance confirmations and ECL Provisioning:

For the financial year ending 31st March 2024, we have not received confirmation of balances in respect of trade payables and trade receivables except for a few. The management represented that these balances are realizable/settled in the ordinary course of business. In the absence of confirmation of balances, we were unable to determine whether any adjustments by way of Provision for Expected Credit losses/ Write-off / Write-back were necessary at the year end.

Emphasis of Matter:

During the financial year ended 31.03.2023, the Company had repaid the entire loans availed from Banks and obtained a no dues certificate from each bank as per the compromise settlement entered into with them. The company has settled all its dues as per the terms of the Compromise Settlement with its bankers and does not expect any additional obligation out of the Compromise Settlement.

Further, the Company had obtained a techno-economic due diligence study on the viability of operations and projections for the future on 28.01.2023 from Cormed Management Services Pvt. Ltd. Though the Company has recorded losses for the financial year under audit, the management strongly believes that the Company will be able to implement the recommendation of the techno economic due diligence study report in all aspects and make a complete turnaround.

The Company has also prepaid a portion of the loan borrowed, consequent to which it expects a reduction in the interest costs in the upcoming years (Reference is drawn to Note No.6 of the Standalone Financial Statements).

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

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.	***Litigations – Contingencies*** 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, 2024, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. 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.	***Principal Audit Procedures*** Our audit procedures included the following: • We understood, assessed, and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee; • 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;; • We considered external opinions, where relevant, obtained by management; • We evaluated management's assessments and assessed the reliability of the management's past estimates/judgements; • We assessed the adequacy of the Company's disclosures 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.

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), net 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, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure B, 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 and subject to our Qualified Opinion Paragraph 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, except that reporting under Rule 11(g) is separately commented upon in paragraph (i)(v).

   c) The standalone financial statements dealt with by this report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

   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 2024 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses and 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) The modification relating to maintenance of accounts and other matters connected therewith are as stated in paragraph (b on reporting under Sec. 143(3)(b) and para (i)(6) below on reporting under Rule 11(g).

   i) 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 does not have any long-term contracts including derivative contracts for which there are no material foreseeable losses.

      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 2024;

iv. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

a. directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

b. provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) contain any material misstatement.

v. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules,2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

j) The company has not declared or paid any dividend during the year.

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

Sd/-
K Parathasarathy
Partner
Membership No: 018394
UDIN: 24018394BKASBU3155

Place: Chennai
Date: 30th May, 2024

Annexure -A to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory requirements' section of our report to the Members of Tulsyan 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 2024, 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

Sd/-
K Parathasarathy
Partner
Membership No: 018394
UDIN: 24018394BKASBU3155

Place: Chennai
Date: 30th May, 2024

Annexure B to The Independent Auditor's 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, 2024:

i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment;

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) We are informed that the company has formulated a programme for physical verification of all Property, Plant and equipment 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 Property, Plant and equipment 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.

(d) The Company has not revalued the Property, Plant and equipment or Intangible assets during the year.

(e) According to information and explanation given to us, no proceeding has been initiated or are pending against the company for holding any Benami property under the Benami Transactions (prohibitions) Act,1988(45 of 1988) and rules made thereunder.

ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies noticed were less than 10% for each class of inventory.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

iii) According to the information and explanations given to us, during the year, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loan, secured or unsecured to companies, firms, limited liability partnerships or other parties. Accordingly, clause (iii) of the order is not applicable for the year under consideration.

iv) In our opinion, and based on the information and explanations provided to us, the company has not granted any loans, provided any guarantees or securities, or made any investments during the year to parties covered under sections 185 and 186 of the Companies Act, 2013. Accordingly, compliance with sections 185 and 186 of the Act, in respect of granting loans, providing guarantees and securities, and making investments, is not applicable to the company.

v) 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 (v) of the Order does not arise.

vi) 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.

vii (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, though there have been slight delays in a few cases of Income-Tax, Employees State Insurance, Professional Tax.

Undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable are as given below:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	32,91,366	May 2023 to March 2024
Karnataka Tax on Profession, Trade, Callings and Employment Act, 1976	Provident Fund	7,600	Aug 2023

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:

Name of the Statute	Nature of Due	Amount in Lakh	Period to which it relates/Due Date	From whom the Dispute is pending
The Central Excise Act, 1944	Excise	892.48	Up to June 2017	CESTAT Chennai
The Goods and Services Act, 2017	GST	1,169.33	July 2018 - Mar 2023	Commissionerate, GST, Chennai
The Central Excise Act, 1944	Excise/Service Tax	235.27	April 2013 - June 2017	CESTAT Bangalore
	Cancellation of FIBC and demand for repayment of Duty Drawback	168.18	February 2010 to September 2011	Ministry of Finance - Secretary
	TNEB	2,312.85	2004-14	TANGEDCO
Income Tax Act, 1961	Income-tax	-	AY 2017-18	CIT (Appeal)
Income Tax Act, 1961	Income-tax	47.11	AY 2011-12	CIT (Appeal)
Income Tax Act, 1961	Income-tax	-	AY 2019-20	CIT (Appeal)

viii) According to the information and explanations given by the management, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

(b) According to the information and explanations given to us, we report that the company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(c According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been utilized for long term purposes. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the order is not applicable.

x) (a) Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause (x) of the Order is not applicable to the Company.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi) (a) In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No Whistle-blower complaints have been received during the year.

xii) The Company is not a Nidhi Company and accordingly, paragraph (xii) of the order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. The details of transactions during the year have been disclosed in Note 49 of the Standalone Financial statements as required by the applicable accounting standards

xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit Reports of the company for the period under audit.

xv) According to the information and explanations given to us in our opinion during the year, the company has not entered into non cash transactions with directors or persons connected with its Directors and hence provisions of Section 192 of the Companies Act 2013 are not applicable to the company.

xvi) (a) According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

(b) According to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, Clause (xvi)(b) of the Order is not applicable.

(c) According to information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence Clause (xvi)(c) does not apply

(d) According to information and explanation given to us the Company does not have any CIC, accordingly the requirements of Clause (xvi)(d) is not applicable.

xvii) The Company has incurred cash losses amounting to Rs.2,340.25 Lakhs in the current financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.

xviii) There has been no resignation of Statutory Auditors during the year and accordingly this clause is not applicable.

xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) According to the information and explanation given to us, the provisions of section 135 are applicable to the company. However, the requirement to create provision or transfer funds as per Schedule VII does not arise owing to the calculation under Section 198 of the Companies Act, 2013.

xxi) Reporting under this clause will be applicable only in Independent Auditor's report of Consolidated Ind AS Financial Statements.

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

Sd/-
K Parathasarathy
Partner
Membership No: 018394
UDIN: 24018394BKASBU3155

Place: Chennai
Date: 30th May, 2024

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016) (Rs in Lacs)				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total income	97,352.92	97,352.92
	2	Total Expenditure	1,02,181.04	1,02,181.04
	3	Net Profit/(Loss)	(5,017.05)	(5,017.05)
	4	Earnings Per Share	(30.31)	(30.31)
	5	Total Assets	83,966.57	83,966.57
	6	Total Liabilities	83,966.57	83,966.57
	7	Net Worth	36,737.32	36,737.32
	8	Any other financial item(s) (as felt appropriate by the management)	0	0

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

For the financial year ending 31st March 2024, we have not received confirmation of balances in respect of trade payables and trade receivables except for a few. The management represented that these balances are realizable/ settled in the ordinary course of business. In the absence of confirmation of balances, we were unable to determine whether any adjustments by way of Provision for Expected Credit losses/ Write-off / Write-back were necessary at the year end.

b. Type of Audit Qualification: (Qualified Opinion / Disclaimer of Opinion / Adverse Opinion)

Qualified Opinion

c. Frequency of qualification: (Whether appeared first time / repetitive / since how long continuing)

Appeared for the first time

d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:

Not quantified by the Auditor

e. For Audit Qualification(s) where the impact is not quantified by the Auditor:

(i) Management's estimation on the impact of audit qualification:

Management has not made an estimate of the impact.

(ii) If management is unable to estimate the impact, reasons for the same:

Company has sought confirmation of Balances from the Debtors and Creditors and based on the confirmation received suitable entries have been passed if so required. Further the communication given to the Debtors or creditors indicates clearly that if no information is received within the stipulated time the balance as per the companies' books would be deemed to be correct.

(iii) Auditors' Comments on (i) or (ii) above:

Management should take considerable efforts to estimate the impact of qualification.

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/-
M. Parthasarathy
Independent Director and
Audit Committee Chairman
DIN : 08277111

Sd/-
Shanthakumar R P
Chief Financial Officer

Sd/-
K Parthasarathy
Partner
M.No. 018394

Place : Chennai.
Date : 30th May, 2024

TULSYAN NEC LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2024

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

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	54,090.93	56,409.05
Intangible assets	4	60.06	78.84
Capital work in progress	5	237.32	--
Financial assets			
Investments	6	648.92	648.92
Other financial assets	7	--	--
Deferred Tax Assets	7.1	5723.47	5723.47
Other non-current assets	8	234.95	416.96
Total non-current assets		**60,995.65**	63,277.24
Current assets			
Inventories	9	7,902.68	9,836.72
Financial assets			
Investments	10	5.16	2.53
Trade receivables	11	10,363.20	9,742.08
Cash and cash equivalents	12	115.31	1,270.03
Bank balances other than above	13	2.44	7.03
Other financial assets	14	2,993.84	1,034.88
Other current assets	15	1,588.29	2,202.04
Assest Held for Sale	15 (a)	--	4,055.70
Total current assets		**22,970.92**	28,151.01
Total Assets		**83,966.57**	91,428.25
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,655.14	1,655.14
Other equity	17	35,082.18	40,322.97
Total equity		**36,737.32**	41,977.11
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	21,904.02	24,026.04
Other financial liabilities	19	1,960.87	1,743.54
Provisions	20	640.01	642.69
Deferred Tax Liabilities (net)	21	-	-
Total non-current liabilities		**24,504.90**	26,412.27
Current liabilities			
Financial liabilities			
Borrowings	22	9,539.70	11,586.83
Trade payables	23	12,255.69	8,857.47
Other financial liabilities	24	214.15	269.27
Provisions	25	16.80	812.10
Other current liabilities	26	698.01	1,512.20
Total current liabilities		**22,724.35**	23,037.87
Total liabilities		**47,229.25**	49,450.14
Total Equity and Liabilities		**83,966.57**	91,428.25

The accompanying notes form an integral part of the financial statements

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

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

Sd/-
Sanjay Tulsyan
Managing Director
DIN: 00632802

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN : 00632823

Sd/-
M. Parthasarathy
Director
DIN : 08277111

Place : Chennai.
Date : 30th May, 2024

Sd/-
CA Shantha Kumar RP
Chief Financial Officer

Sd/-
Parvati Soni
Company Secretary

TULSYAN NEC LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

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

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
	Continuing Operations			
A	**Income**			
	Income from Operations	27	95,599.52	95,045.82
	Other Income	28	1,753.40	214.74
	Total income		**97,352.92**	**95,260.56**
B	**Expenses**			
	Cost of materials consumed	29	83,748.79	77,241.06
	Purchases of stock in trade	30	2.51	7.84
	Changes in inventories of finished goods	31	(24.32)	(358.44)
	Employee benefits expense	32	2,272.13	3,185.18
	Power & fuel	33	5,159.02	7,681.66
	Depreciation and amortisation expense	34	2,487.85	2,590.75
	Finance costs	35	3,895.34	1,096.46
	Other expenses	36	4,639.72	5,766.52
	Total expenses		**102,181.04**	**97,211.05**
C	**Profit before exceptional items and tax**		**(4,828.12)**	**(1,950.49)**
	Exceptional items	37	--	(21,087.13)
D	**Profit/ (Loss) before tax from continuing operations**		**(4,828.12)**	**19,136.64**
	Income tax expense	38		
	Current tax		--	--
	Deferred tax credit/ (charge)		--	5,723.47
	Income tax Earlier Years		(188.93)	(67.14)
	Profit/ (Loss) for the year		**(5,017.05)**	**24,792.98**
E	**Other comprehensive income**			
	Items that will be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(223.73)	(16.61)
	Income tax relating to these items			
	Other comprehensive income for the year, net of tax		**(223.73)**	**(16.61)**
	Total comprehensive income/ (Loss) for the year		**(5,240.78)**	**24,776.37**
	Earnings per share	39		
	Basic earnings per share		(30.31)	149.79
	Diluted earnings per share		(30.31)	149.79

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

Place : Chennai.
Date : 30th May, 2024

Sd/-
CA Shantha Kumar RP
Chief Financial Officer

Sd/-
Parvati Soni
Company Secretary

TULSYAN NEC LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit before income tax	(4,828.12)	19,136.64
Adjustments for		
Depreciation and amortisation expense	2,487.85	2,590.75
(Profit)/ loss on sale of fixed assets	(1,708.78)	(68.35)
Profit on sale of Investments	2.63	0.49
Finance cost	3,895.34	1,096.46
Interest Income	(7.78)	(62.56)
Operating Profit before Working Capital Changes	(158.86)	22,693.43
Change in operating assets and liabilities		
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other financial assets	(1,958.96)	233.86
(Increase) / Decrease in inventories	1,934.04	(1,976.14)
(Increase) / Decrease in trade receivables	(621.12)	4,890.55
(Increase) / Decrease in other assets	557.28	1,067.55
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	(1,891.02)	1,670.53
Increase / (Decrease) in trade payables	3,398.21	4,868.16
Cash generated from operations	1,259.58	33,447.94
Less : Income taxes paid (net of refunds)	(141.99)	165.55
Net cash from/ (used in) operating activities (A)	**1,117.59**	**33,613.49**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(404.23)	(403.08)
Sale proceeds of PPE	5,748.48	25.20
(Investments in)/ Maturity of fixed deposits with banks (net)	4.59	400.00
(Purchase)/ disposal proceeds of Investments (net)	--	0.38
Interest received	7.78	62.56
Net cash from/ (used in) investing activities (B)	**5,356.62**	**85.06**
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital (net of share application money)	--	684.01
Proceeds from/ (repayment of) long term borrowings (net)	(2,122.02)	9,115.48
Proceeds from/ (repayment of) short term borrowings (net)	(2,047.14)	(35,201.89)
Finance cost	(3,459.77)	(7,298.36)
Net cash from/ (used in) financing activities (C)	**(7,628.93)**	**(32,700.76)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	**(1,154.72)**	**997.79**
Cash and cash equivalents at the beginning of the financial year	1,270.03	272.24
Cash and cash equivalents at end of the year	**115.31**	**1270.03**

Notes:

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	109.40	1260.39
Cash on hand	5.91	9.64
	115.31	**1270.03**

The accompanying notes form an integral part of the financial statements

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

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

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 : 30th May, 2024

TULSYAN NEC LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

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

(A) Equity Share Capital	
Balance at the end of March 31, 2022	**1,471.39**
Changes in equity share capital during the year	183.75
Balance at the end of March 31, 2023	**1,655.14**
Changes in equity share capital during the year	--
Balance at the end of March 31, 2024	**1655.14**

(B) Other Equity

Particulars	General Reserve	Capital Reserve	Investment Allowance reserve	Securities Premium Reserve	Other Com-prehensive Income	Profit and Loss Account	Total
Balance as at April 1, 2022	2,390.00	-	59.39	11,873.70	(56.37)	779.61	15,046.33
Additions/ (Deductions) during the year	-	-	-	500.26	(16.61)	-	483.65
Total Comprehensive Income for the year	-	-	-	-	-	24,792.98	24,792.98
Balance as at March 31, 2023	**2,390.00**	-	**59.39**	**12,373.96**	**(72.98)**	**25,572.59**	**40,322.96**
Additions/ (Deductions) during the year	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(223.73)	(5,017.05)	(5,240.78)
Balance as at March 31, 2024	**2,390.00**	**-**	**59.39**	**12,373.96**	**(296.71)**	**20,555.54**	**35,082.18**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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 : 30tht May, 2024

Tulsyan NEC Limited

Notes to Financial Statements for the year ended March 31, 2024

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.

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 Lakh (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on 30th May, 2024.

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.

Intangible assets and amortization

Recognition and measurement

Intangible assets are recognized when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. Intangible Assets are amortized over a period of five years.

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. MCA issued notifications on 31st March 2023. These amendments are applicable to the company for the financial year starting 1st April 2023.

3. Material Accounting Policy Information

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 reassessing 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. Once the asset is depreciated to its residual value, it is carried on in 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 drivative 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.

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 whereever it deems necessary that such coverage is approriate. 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.

l) 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.

TULSYAN NEC LIMITED
Notes to Financial Statements for the year ended March 31, 2024
(All amounts are in lakh of Indian Rupees, unless otherwise stated)

4. Property, plant and equipment

Particulars	Tangible Assets								Intangible Asset	
	Land	Right to use Assets	Factory Buildings	Plant and Machinery	Vehicles	Works Equipments	Lab Equipments	Office Premises	Office and Other Equipments	Computer Software	Total
Deemed Cost as at April 1, 2022	11,447.03	95.47	13,335.87	63,049.09	196.64	183.42	41.62	20.69	561.59	141.60	**89,073.02**
Additions				275.40		5.55			69.05	53.08	403.08
Disposals/Discarded				(1,455.85)							(1,455.85)
Asset held for Sale	(4,055.70)										(4,055.70)
Cost as at April 1, 2023	**7,391.33**	**95.47**	**13,335.87**	**61,868.64**	**196.64**	**188.97**	**41.62**	**20.69**	**630.64**	**194.68**	**83,964.55**
Additions	3.62		-	141.85	15.14				6.30		166.91
Disposals/Discarded	(13.71)			(2,249.14)	(61.54)			(0.05)		(96.89)	(2,421.33)
Asset held for Sale											
Cost as at March 31, 2024	**7,381.24**	**95.47**	**13,335.87**	**59,761.35**	**150.24**	**188.97**	**41.62**	**20.69**	**636.94**	**97.79**	**81,710.13**
Depreciation/Amortisation											
As at March 31, 2022	-	13.18	3,827.66	21,592.89	172.13	79.01	23.35	15.78	469.39	105.20	26,298.59
Charge for the year	-	0.88	520.04	2,011.52	3.83	10.47	3.95	0.42	29.00	10.64	2,590.75
Disposals/Discarded				(1,412.70)							(1,412.70)
Reversal											-
As at March 31, 2023	**-**	**14.06**	**4,347.70**	**22,191.71**	**175.96**	**89.48**	**27.30**	**16.20**	**498.39**	**115.84**	**27,476.64**
Charge for the year	-	0.88	528.66	1,887.21	2.47	10.79	3.95	0.42	34.67	18.79	2,487.84
Disposals/Discarded				(2,249.14)	(59.30)					(96.89)	(2,405.33)
Reversal											-
As at March 31, 2024	-	**14.94**	**4,876.36**	**21,829.78**	**119.13**	**100.27**	**31.25**	**16.62**	**533.06**	**37.73**	**27,559.15**
Net Block											
As at March 31, 2023	7,391.33	81.41	8,988.17	39,676.93	20.68	99.49	14.32	4.49	132.25	78.84	56,487.91
As at March 31, 2024	**7,381.24**	**80.53**	**8,459.51**	**37,931.57**	**31.11**	**88.70**	**10.37**	**4.02**	**103.88**	**60.06**	**54,150.99**

Notes :

1. The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company. In respect of assets given as collateral for loans taken from banks, the title deeds are in the custody of the respective banks.
2. The Company has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.
3. The Company has not revalued its intangible asset, since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38

Notes - (Contd)

Note No. 5	**As at March 31, 2024**	As at March 31, 2023
Capital Work-in-progress		
Capital work in progress	237.32	-
	237.32	-

Note No. 6		
Non-current investments		
Investments in Equity Instruments at FVTPL		
Unquoted		
i. Investments in Subsidiaries		
Chitrakoot Steel & Power P Limited (64,89,200 Equity Shares of Rs.10/- each)	**648.92**	648.92
ii. Investments in Other Companies	**-**	-
Investments in Debt Instruments at FVTPL	**-**	-
Unquoted	**-**	-
	648.92	648.92
Total non-current investments		
Aggregate amount of quoted investments	**-**	-
Aggregate market value of quoted investments	**-**	-
Aggregate cost of unquoted investments	**648.92**	648.92
Aggregate amount of impairment in value of investments	**-**	-

Note No. 7		
Other non-current financial assets		
(Unsecured, considered good)		
Unamortised finance expense	**-**	-
Other non- current financial assets	-	-

Note No. 7.1		
Deferred Tax Assets		
Expenses allowable for tax purposes when paid		
Voluntary retirement scheme payment to be allowed		
On account of forward of losses	**5,723.47**	5,723.47
	5,723.47	5,723.47

Note No. 8		
Other non-current assets		
(Unsecured, considered good)		
Advance for fixed assets		
Advance income-tax and TDS (net of provision for tax) *(Refer Note 58)*	**86.82**	322.67
Advance Fringe Benefit tax	**-**	-
Advance TCS	**114.74**	63.87
Other non-current assets	**33.39**	30.42
	234.95	416.96

Notes - (Contd)

Note No. 9	As at March 31, 2024	As at March 31, 2023
Inventories		
(Valued at lower of cost and net realisable value)		
Raw Materials	2,204.15	4,296.97
Finished Goods	3,504.72	3,480.40
Goods in Transit	-	-
Stores	2,193.81	2,059.35
	7,902.68	9,836.72

Note No. 10		
Current Investments		
Investments in Equity Instruments at FVTPL		
Investments in companies other than subsidiaries, associates and joint ventures		
Quoted		
Canara Bank (Formerly Syndicate Bank) (864 Equity Shares of Rs.10 each)	5.09	2.46
Unquoted		
Shamrao Vithal Co-op Bank Ltd (50 Shares of Rs.100/- each)	0.05	0.05
Investments in Debt Instruments at FVTPL		
Unquoted		
National Savings Certificates	0.02	0.02
	5.16	2.53

Note No. 11		
Trade receivables		
(Unsecured, considered good)		
Trade Receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	3,824.71	4,324.76
Unsecured, considered doubtful	-	-
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Unsecured, considered good	6,538.49	7,402.81
Unsecured, considered doubtful	-	-
	10,363.20	11,727.57
Allowance for Expected credit Loss	-	(1,985.49)
	10,363.20	9,742.08

Notes - (Contd)

Disclosure Of Ratios By Companies as per new Schedule III Amendment
Annexure to Note 11

Trade Receivables ageing Schedule	Outstanding for the following periods from due date of Payment					
	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 years	3 years and above	Total
(i) Undisputed Trade Receivables Considered Good	2,114.03	2,407.84	587.10	167.59	3,132.55	8,409.10
(ii) Undisputed Trade Receivables Considered Doubtful	-	-	-	-	66.73	66.73
(iii) Disputed Trade Receivables Considered Good	95.46	17.18	22.62	-	1,752.10	1,887.36
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
	2,209.48	**2,425.02**	**609.71**	**167.59**	**4,951.38**	**10,363.19**

Note No. 12	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on Hand	**5.91**	9.64
Balances with Banks		
- In Current Account	**109.40**	1,260.39
	115.31	1,270.03

Note No. 13		
Other Bank Balances		
In fixed deposits	**2.44**	7.03
In margin money with banks	**-**	-
	2.44	7.03

Note No. 14		
Other current financial assets		
(Unsecured, considered good)		
Deposits	**2,993.84**	1,034.88
	2,993.84	1,034.88

Notes - (Contd)

Note No. 15	As at March 31, 2024	As at March 31, 2023
Other current assets		
(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	**4.76**	4.76
Staff advances & Prepaid expenses	**31.68**	25.06
Special Premium Accrued - NCD *(Refer Note 52)*	**600.00**	600.00
Advance Paid	**502.76**	958.58
Drawback	**19.12**	19.12
Excise	**13.87**	13.87
Balances with Statutory Authorities	**416.10**	580.65
	1,588.29	2,202.04

Note No. 15 (a)	-	4,055.70

Note No. 16		
Capital		
Authorised Share Capital		
2,60,00,000 (2,60,00,000) Equity shares of Rs. 10/- each	**2,600.00**	2,600.00
1,00,00,000 (1,00,00,000) 6% Non convertible redeemable preference shares of Rs. 10/- each	**1,000.00**	1,000.00
	3,600.00	3,600.00
Issued & Subscribed Share Capital		
1,66,66,666 (previous year 1,66,66,666) Equity shares of Rs. 10/- each	**1,666.67**	1,666.67
	1,666.67	1,666.67
Paid up share capital		
1,64,61,407 (previous year 1,64,61,407) Equity shares of Rs. 10/- each (fully paid up)	**1,646.15**	1,646.15
94,815 (previous year 94,815) Equity shares of Rs. 10/- each (Rs. 6/- paid up)	**5.69**	5.69
1,10,444 (previous year 1,10,444) Equity shares of Rs. 10/- each (Rs. 3/- paid up)	**3.30**	3.30
	1,655.14	1,655.14

Notes:

i. **Reconciliation of number of equity shares subscribed**

Balance as at the beginning of the year	**16,666,666**	15,000,000
Add: Issued during the year	**-**	1,666,666
Balance at the end of the year	**16,666,666**	16,666,666

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. **Shares held by promoters at the end of the year**

Name of the share holder	No. of Shares	% Total Shares	% Change During The Year
SANJAY TULSYAN	4,475,481	26.85	NIL
LALIT KUMAR TULSYAN	4,046,645	24.28	NIL
PRIYA TULSYAN	954,982	5.73	NIL

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 compiliance. Subsequently on Compromise Settlement, the Pledge of Shares are being released from Lenders and are being pledged to Debenture Trustees (Refer Note 47)

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 March 31, 2024**	As at March 31, 2023
Other Equity		
General Reserve	**2,390.00**	2,390.00
Investment Allowance reserve	**59.39**	59.39
Securities Premium Reserve	**12,373.96**	12,373.96
Other Comprehensive Income	**(296.71)**	(72.98)
Profit and Loss Account	**20,555.54**	25,572.59
	35,082.18	40,322.97
a) General reserve		
Balance at the beginning and end of the year	**2,390.00**	2,390.00
b) Investment Allowance Reserve		
Balance at the beginning and end of the year	**59.39**	59.39
c) Securities Premium Reserve		
Balance at the beginning of the year	**12,373.96**	11,873.70
Additions during the year	**-**	500.26
Balance at the end of the year	**12,373.96**	12,373.96
d) Other Comprehensive Income		
Balance at the beginning of the year	**(72.98)**	(56.37)
Additions during the year	**(223.73)**	(16.61)
Deductions/Adjustments during the year	**-**	-
Balance at the end of the year	**(296.71)**	(72.98)
e) Capital Reserve	**-**	-
f) Retained earnings		
Balance at the beginning of the year	**25,572.59**	779.37
Net profit for the period	**(5,017.05)**	24,793.22
Balance at the end of the year	**20,555.54**	25,572.59

Notes - (Contd)

Note No. 18	**As at March 31, 2024**	As at March 31, 2023
Non-Current Liabilities - Financial Liabilities: Borrowings		
Secured		
Preference Shares		
6% Non convertible redeemable preference shares	**884.30**	884.30
Term Loans *		
From Banks	**-**	-
NCD Debentures *(Refer Note 52)*	**22,436.82**	27,386.83
Vehicle Loans	**-**	-
Unsecured		
From Directors	**1,272.90**	704.91
	24,594.02	28,976.04
Less: Current maturities of long-term debt *(included in note 22)*	**(2,690.00)**	(4,950.00)
	21,904.02	24,026.04

* *refer note 47* for terms and conditions and security details

Note No. 19		
Other non current financial liabilities		
Premium on redemption of preference shares payable	**1,960.87**	1,743.54
Unamortised rental income	**-**	-
Unamortised Interest income	**-**	-
	1,960.87	1,743.54

Note No. 20		
Provisions (Non-current)		
Provision for employee benefits		
Gratuity	**592.84**	583.89
Compensted absence	**47.17**	58.80
(Refer Note 50)	**640.01**	642.69

Note No. 21		
Deferred Tax Liability/ (Asset) - Net	**-**	-

Notes - (Contd)

Note No. 22	As at March 31, 2024	As at March 31, 2023
Current liabilities - Financial Liabilities: Borrowings *		
Secured		
From banks - Working capital term loans	-	-
Current maturities of long-term debt	2,690.00	4,950.00
Loans from others	1,443.68	1,268.14
Unsecured		
Loans from body corporate	5,406.02	5,368.69
	9,539.70	11,586.83

* refer note 47 for terms and conditions and security details

Note No. 23		
Trade payables *		
Supplies and Services	11,700.69	7,490.80
Expenses and others	-	811.67
Creditors for Capital Exp	555.00	555.00
	12,255.69	8,857.47

* 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.*

Annexure to Note 23

Trade Payables Ageing Schedule	Outstanding for the following periods from due date of Payment				
	6 Months to 1 Year	1 to 2 Years	2 to 3 years	3 years and above	Total
(i) MSME	1,977.80	0.42	3.30	-	1,981.52
(ii) Others	3,960.19	5,669.14	158.23	483.59	10,271.15
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	2.29	0.63	-	0.09	3.01
	5,940.28	**5,670.19**	**161.53**	**483.69**	**12,255.69**

Note No. 24		
Other current financial liabilities		
Deposits for power	214.15	269.27
	214.15	269.27

Note No. 25		
Provisions (Current)		
Provision for Expenses / Tax	16.80	812.10
	16.80	812.10

Notes - (Contd)

Note No. 26	**As at March 31, 2024**	As at March 31, 2023
Other current liabilities		
Interest Payable	**-**	-
Statutory Dues Payable	**97.77**	309.82
Other current liabilities	**382.18**	1,023.14
Employee Payables	**218.06**	179.50
	698.01	1,512.46

Note No. 27	**Year ended March 31, 2024**	Year ended March 31, 2023
Income from Operations		
Domestic sales FG	**89,818.10**	88,875.10
High sea sales	**-**	-
Export sales	**2,315.42**	3,197.36
Power Revenue	**-**	8.91
Domestic Sales RM	**3,447.36**	2,921.05
Processing charges	**18.64**	32.77
Sale of Export Scrips	**-**	10.63
	95,599.52	95,045.82

Note No. 28		
Other Income		
Income from windmills	**172.28**	164.47
Interest		
Interest on term deposit	**2.78**	1.80
Other interest income	**5.00**	60.77
Corporate Guarantee Commission	**1.00**	-
Profit on sale of Fixed asset	**1,709.09**	68.35
Compensation for power	**17.31**	81.88
Remeasurement of Investment	**2.63**	0.49
Foreign Exchange Fluctuation	**1.26**	-
Miscellenous Income	**14.33**	1.45
Less: Income from wind mill set-off against Power & Fuel	**(172.28)**	(164.47)
	1,753.40	214.74

Notes - (Contd) (₹ In Lacs)

Note No. 29	Year ended March 31, 2024	Year ended March 31, 2023
Cost of Materials Consumed		
Raw Materials		
Opening inventory of raw materials	**4,296.97**	2,775.85
Raw Materials purchased	**74,049.53**	80,606.49
Inter Unit Transfer	**2,250.13**	-
Materials Inward	**1,104.65**	2,452.00
Customs Duty	**-**	0.80
Less: Discount/Licence/Provision Written Back	**858.77**	2,327.29
Less: Closing Stock	**2,204.14**	4,296.97
Captive consumption	**-**	5,342.45
	78,638.38	73,868.43
Stores		
Opening Stock	**2,059.35**	1,819.96
Purchases	**5,242.88**	3,523.13
Materials Inward	**1.99**	88.89
Less : Closing Stock	**2,193.81**	2,059.35
	5,110.41	3,372.63
Total cost of materials consumed	**83,748.79**	77,241.06

Note No. 30		
Purchase of stock-in-trade - Traded goods		
Purchase of stock-in-trade - Traded goods	**2.51**	7.84
	2.51	7.84

Note No. 31		
Changes in inventories of finished goods		
Closing balance	**3,504.72**	3,480.40
Opening balance	**3,480.40**	3,121.96
	(24.32)	(358.44)

Note No. 32		
Employee benefit expenses		
Salaries and Wages	**2374.22**	2,977.49
Welfare Expenses	**47.08**	54.25
Contribution to provident and other funds	**(149.17)**	153.44
	2,272.13	3,185.18

Notes - (Contd)

Note No. 33	**Year ended March 31, 2024**	Year ended March 31, 2023
Power & Fuel		
Power & Fuel expense	**5,159.02**	7,681.66
	5,159.02	7,681.66

Note No. 34		
Depreciation and amortization expense		
Depreciation on property, plant and equipment	**2,487.85**	2,590.75
	2,487.85	2,590.75

Note No. 35		
Finance costs		
Interest to Bank	**-**	-
Other Interest	**3,895.34**	865.71
Service Charges for Finance	**-**	230.75
	3,895.34	1,096.46

Note No. 36	**Year ended March 31, 2024**	Year ended March 31, 2023
Other expenses		
Power Plant Charges	**1,406.95**	2,181.30
Repairs		
Machinery	**247.80**	391.95
Building	**4.48**	10.56
Other Manufacturing Expenses	**955.46**	58.66
Processing Charges	**53.09**	95.64
Insurance	**31.34**	34.34
Rent	**53.07**	50.54
Loss on sale of fixed assets	**0.31**	-
Rates & Taxes	**31.43**	201.05
Legal & consultancy charges	**141.78**	88.99
Payment to auditors	**5.00**	5.00
Transport charges	**395.58**	122.32
Brokerage & commission	**51.45**	17.06
Selling & administration expenses	**1,257.53**	492.54
Bank charges	**1.99**	9.74
Foreign exchange loss (net)	**1.27**	15.75
Provision for Expected credit loss	**1.19**	1,991.08
	4,639.72	5,766.52

Notes - (Contd)

Note No. 36 (a)	Year ended March 31, 2024	Year ended March 31, 2023
Payment to auditors		
Statutory Audit fees	**5.00**	5.00
Taxation fee	**2.00**	2.00
Other Certifications		
	7.00	7.00

Note No. 37		
Exceptional Items		
Exceptional Item	-	(21,087.13)
	-	(21,087.13)

Note No. 38	Year ended March 31, 2024	Year ended March 31, 2023
Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
MAT credit entitlement/reversal	-	-
Adjustments for current tax of prior periods	**(188.93)**	(67.14)
Total current tax expense	**(188.93)**	(67.14)
Deferred tax		
Deferred tax adjustments	-	5,723.47
Total deferred tax expense/(benefit)	-	5,723.47
Income tax expense	**(188.93)**	5,656.34
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	**5,017.05**	24,792.98
c) Income tax recognised in other comprehensive income Derferred tax		
Remeasurement of defined benefit obligation	**223.73**	16.61
Total income tax recognised in other comprehensive income	**223.73**	16.61

d) Movement of deferred tax expense during the year ended March 31, 2024

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	-	-	-	-
Total	-	-	-	-

e) Movement of deferred tax expense during the year ended March 31, 2024

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	-	-	-	-
Total	-	-	-	-

Note No. 39	Year ended March 31, 2024	Year ended March 31, 2023
Earnings per share		
Profit/ (loss) for the year attributable to owners of the Company	**(5,017.05)**	24,792.98
Weighted average number of ordinary shares outstanding	**1,655.14**	1,655.14
Basic earnings per share (Rs)	**(30.31)**	149.79
Diluted earnings per share (Rs)	**(30.31)**	149.79

Note No. 40		
Earnings in foreign currency		
FOB value of exports	**1,859.82**	1,946.91
	1,859.82	1,946.91

Note No. 40(a)		
Expenditure in foreign currency		
Exchange in foreign currency for other matters	**2.03**	0.19
	2.03	0.19

Notes - (Contd)

Note No. 41	**Year ended March 31, 2024**	Year ended March 31, 2023
CIF value of imports		
Raw Materials	**29.79**	-
	29.79	-

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, 2024**		Year ended March 31, 2023	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials				
Imported				
Steel scrap*	**23,010.07**	**35.62**	24,368.60	35.25
Ingot, billet and re-rollables	**-**	**-**	-	-
PP/HDPE Granules	**-**	**-**	-	-
Others				
Steel scrap	**20,571.33**	**31.85**	21,169.05	30.62
Ingot, billet and re-rollables	**18,595.42**	**28.79**	20,126.17	29.12
PP/HDPE Granules	**2,416.36**	**3.74**	3,460.95	5.01
Coal				
Imported	**11,795.06**	**100.00**	10,086.11	100
Others	**-**	**-**	-	-
Stores				
Imported	**29.79**	**3.90**	4.52	0.13
Others	**734.46**	**96.10**	3,368.12	99.87
Add Inter Unit Transfers	**6,596.28**			
Total consumption	**83,748.79**		82,583.52	

* Raw Materials purchased on High Sea Basis also considered as Import Purchases

43. Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

Particulars	**Year ended March 31, 2024**	Year ended March 31, 2023
(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	892.48	Upto June 2017	CESTAT Chennai
GST	1,169.33	July'2018 - Mar'2023	Commissionarate, GST, Chennai
Excise/Service Tax	235.27	April 2013 - June 2017	CESTAT Bangalore
Cancellation of FIBC and demand for repayment of Duty Drawback	168.18	February 2010 to September 2011	Ministry of Finance - Secretary
TNEB	2,312.85	2004-14	TANGEDCO

Notes:

Contingent Liabilities:

1. 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

2. 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 Crore 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. Out of 44 Licences for which the notice was issued, Export obligations Discharge certificate has been received in respect of 42 Licences the CIF Value of which is Rs.44.20 Crore leaving 2 licences with a CIF Value of Rs.0.14 Crore pending. Export obligation in respect of the said 2 licences have indeed been completed and the company is hopeful of obtaining the Export obligations Discharge certificate in the course of time. 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.

3. 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

4. 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:

1. 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.13.97 Crores.

2. 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.

3. 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.

4. a) 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 has also preferred an appeal with CIT(A) for the same..

b) The Company has filed its Return of income for AY 2011-12 u/s 139(1) admitting a total income of Rs. 86020730. The case was selected for scrutiny and AO completed regular assessment by his order u/s 143(3) dated 27.03.2014 determining a Total income of Rs. 90984403. Company has preferred an appeal with CIT(A) for the same.

c) The Company filed its original return of income for AY 2019-20 on 27.09.2019 declaring Nil income and claiming a loss of Rs. 2500679502. Subsequently, order u/s 153C was issued by AO dated 26.04.2024 against which appeal has been preferred by the Company before CIT(A)

The Company is hopeful of its success at the appellate forums on the captioned additions.

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:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Segment Revenue		
Steel Division	76,112.94	82,786.19
Synthetic Divison	3,305.58	5,058.97
Power	16,181.00	7,200.66
Revenue from operations (Net)	**95,599.52**	95,045.82
Segment Results		
Profit (+) / Loss (-) before tax and finance cost		
Steel Division	293.27	1422.52
Synthetic Divison	(598.18)	(163.61)
Power	(627.87)	(2112.96)
Total	**(932.78)**	(854.04)
Add/ Less : Finance Cost	**3,895.34**	1,096.46
Profit /(Loss) from continuing operations	**(4,828.12)**	(1,950.50)
Profit/(Loss) from discontinuing operations	-	-
Profit Before Tax	**(4,828.12)**	(1,950.50)
Segment Assets		
Steel Division	36,749.58	32,445.29
Synthetic Divison	8,911.79	10,135.46
Power	38,305.20	48,847.50
Other unallocable corporate assets		
Total assets	**83,966.57**	91,428.25
Segment Liabilities		
Steel Division	10,446.73	1,352.35
Synthetic Divison	9,487.06	10,670.11
Power	27,295.45	37,427.95
Other unallocable corporate assets		
Total liabilities	**47,229.24**	49,450.41
Capital Employed (Segment assets-Segment liabilities)		
Steel Division	26,302.85	31,092.94
Synthetic Divison	(575.27)	(534.65)
Power	11,009.74	11,419.55
Total capital employed in segments	36,737.33	41,977.85
Unallocable corporate assets less corporate liabilities	-	-
Total Capital Employed	**36,737.32**	41,977.84

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
India	**93,811.93**	93,098.91
Outside India	**1,787.59**	1,946.91
Total	**95,599.52**	95,045.82

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	Year Ended March 31, 2024	Year Ended March 31, 2023
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-
Total	-	-

46. Operating lease arrangements

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
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 March 31, 2024	As at March 31, 2023
i. From Banks		
a. Term Loans	-	-
b. Working Capital Term Loan/ Funded Interest Term Loan	-	-
ii. From Financial Institutions	-	-
Non Convertible Debentures	22,436.82	27,386.83
Total	22,436.82	27,386.83

Schedule for short term borrowings:

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
From Banks - Working Capital Loans	-	-
Loans from others	1,443.69	1,268.14
Unsecured		
Loans from body corporate	5,406.02	5,368.69
Total Short term borrowings	6,849.70	6,636.82

Notes - (Contd)

Terms and conditions of Secured Non Convertible Debentures / Loans * (Previous years)

1. Exclusive hypothecation of the present and future current assets of the Company
2. Exclusive charge on the land, manufacturing plant and other fixed assets of the Company (including all non-core assets)
3. Pledge of shares of the Company held by promoters and promoters' group (currently holding 63.40% of total shareholding).
4. Personal Guarantee of Promoters Sri Lalit Kumar Tulsyan and Sri Sanjay Tulsyan
5. Corporate Guarantees of Tulsyan Smelters Limited, Chitrakoot Steel & Power Private Limited

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.

Categories of Financial Instruments	March 31, 2024	March 31, 2023
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	-	-
Trade receivables	10,363.20	9,742.08
Cash and cash equivalents	115.31	1,270.03
Bank balances other than above	2.44	7.03
Other financial assets	2,993.84	1,034.88
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Investments	648.92	648.92
Financial liabilities		
a. Measured at amortised cost		
Long term borrowings	21,904.02	24,026.04
Other non-current financial liabilities	1,960.87	1,743.54
Short term borrowings	9,539.70	11,586.83
Trade payables	12,255.69	8,857.47
Other current financial liabilities	214.15	269.27

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, 2024 (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	-	-	-	1,128,377.56	-	1,128,377.56	1,128,377.56
EUR	-	-	-	-	-	-	-
GBP				-	-	-	-
In INR	-	-	-	835.44	-	835.44	835.44

As on March 31, 2023 (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	-	-	-	1,184,379.98	-	1,184,379.98	1,184,379.98
EUR	-	-	-	43,763.48	-	43,763.48	43,763.48
GBP	-	-	-	-	-	-	-
in INR	-	-	-	887.15	-	887.15	887.15

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.

Company has no floating rate liabilities and thus does not have the risk of increase or decrease in the rate of interest. The Secured Non Convertible Debentures issued during the year carry a Fixed Rate of Interest and thus no risk of Decrease or increase cost of funds.

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, 2024	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	5,940.28	6,315.40	12,255.69
Borrowings	2,690.00	21,904.01	24,594.01
	8,630.28	**28,219.42**	**36,849.70**

March 31, 2023	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	5,393.59	3,463.88	8,857.47
Borrowings	4,950.00	24,026.04	28,976.04
	10,343.59	**27,489.92**	**37,833.51**

	March 31, 2024	March 31, 2023
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	
Subsidiaries	Chitrakoot Steel & Power P Ltd
Key management personnel	Shri Lalit Kumar Tulsyan (Executive Chairman) Shri Sanjay Tulsyan (Managing Director) Shri Sanjay Agarwalla (Whole Time Director) Shri S. Chandrasekaran (Whole Time Director) Shri Shantha Kumar RP (Chief Financial Officer) Shmt Parvati Soni (Company Secretary)
Companies in which Directors are interested	Tulsyan Smelters Private Ltd Tulsyan Power Private Limited

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
1	**Purchase of goods**		
	Chitrakoot Steel & Power P Ltd	**8,243.03**	2,039.36
	Tulsyan Smelters Private Ltd	**11,626.63**	18,444.79
2	**Sale of Goods**		
	Chitrakoot Steel & Power P Ltd	**1,174.45**	363.38
	Tulsyan Smelters Private Ltd	**27,102.19**	50,345.68
3	**Short term borrowings during the year**	**-**	-
4	**Services Received**		
	Chitrakoot Steel & Power P Ltd	**5.00**	-
	Tulsyan Smelters Private Ltd	**5.00**	-
5	**Managerial Remuneration**		
	Lalit Kumar Tulsyan	**105.29**	90.29
	Sanjay Tulsyan	**105.29**	90.78
	Sanjay Agarwalla	**48.29**	39.29
	S. Chandrasekaran	**21.40**	
	Shantha Kumar RP	**31.44**	31.44
	Alka Tulsyan	**17.93**	17.93
	Aditya Bhartia	**17.99**	13.56
	Parvati Soni	**8.68**	7.78

c) Balances with related parties

S.No.	Name of the Related Party	Year ended March 31, 2024	Year ended March 31, 2023
1	**Outstanding Receivables**		
	Tulsyan Power Ltd	**0.51**	0.51
	Color Peppers Media Pvt Ltd	**-**	503.36
	Tulsyan Smelters Private Ltd	**-**	855.42
2	**Outstanding Payables**		
	Chitrakoot Steel & Power P Ltd	**1,201.04**	-
	Tulsyan Smelters Private Ltd	**1,378.77**	-
	Lalit Kumar Tulsyan	**1,071.67**	503.69
	Sanjay Tulsyan	**201.04**	201.04
	Alka Tulsyan	**152.86**	44.91
	Lalit Kumar Tulsyan (HUF)	**0.18**	228.65

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. (67.69) lakh (previous year Rs. 146.86 lakh) 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, 2024**	**March 31, 2023**
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	7.26% p.a.	7.55% p.a.
Rate of increase in compensation level	6.00% p.a.	6.00% 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, 2024 Rs. Lakh	March 31, 2023 Rs. Lakh
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	**30.61**	34.18
Net interest expense	**35.98**	35.04
Benefits paid	**(67.95)**	(82.64)
Return on plan assets (excluding amounts included in net interest expense)		
Components of defined benefit costs recognised in profit or loss	**(1.36)**	(13.42)
Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	**(134.27)**	4.45
Components of defined benefit costs recognised in other comprehensive income	**(134.27)**	4.45
Total	**(135.63)**	(8.97)

	March 31, 2024	March 31, 2023
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	**376.79**	512.42
Fair value of plan assets	**-**	-
Net liability arising from defined benefit obligation	**376.79**	512.42
Non - Funded	**376.79**	512.42
	376.79	512.42

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) *[Refer note 20].*

	March 31, 2024 Rs. Lakh	March 31, 2023 Rs. Lakh
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	**512.42**	521.39
Current service cost	**30.61**	34.18
Interest cost	**35.98**	35.04
Actuarial (gains)/losses	**(134.27)**	4.45
Benefits paid	**(67.95)**	(82.64)
Closing defined benefit obligation	**376.79**	512.42

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, 2024**	March 31, 2023
Mortality Table	**Indian Assured Lives**	Indian Assured Lives Mortality(2006-08)
Attrition Rate	**5.00% p.a.**	5.00% p.a.
Discount Rate	**7.17% p.a.**	7.50% p.a.
Rate of increase in compensation level	**6.00% p.a.**	6.00% p.a.

	March 31, 2024 Rs. Lakh	March 31, 2023 Rs. Lakh
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	**6.77**	29.22
Net interest expense	**8.04**	5.20
Benefits Paid	**(8.97)**	(20.58)
Components of defined benefit costs recognised in profit or loss	**5.84**	13.84

Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	**(88.94)**	12.16
Components of defined benefit costs recognised in other comprehensive income	**(88.94)**	12.16
Total	**(83.10)**	26.00

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	**47.18**	130.28
Net liability arising from defined benefit obligation	**47.18**	130.28
Non - Funded	**47.18**	130.28
	47.18	130.28

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [*Refer note 20].*

	March 31, 2024	March 31, 2023
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	**130.28**	104.28
Current service cost	**6.77**	29.22
Interest cost	**8.04**	5.20
Actuarial (gains)/losses	**(88.94)**	12.15
Benefits Paid	**(8.97)**	(20.58)
Closing defined benefit obligation	**47.18**	130.28

51 : OTHER STATUTORY INFORMATION

(i) There are no proceedings initiated or pending against the Group as at March 31, 2024, under Prohibition of Benami Property Transaction Act, 1988 (As amended in 2016)

ii) The Group do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Group is not declared a wilful defaulter by any bank or financial institutions or vendor.

(ix) Title deeds of all immovable properties were held in the name of the Group.

52 Note on Issue of Securities/ Borrowing and Creation of Charges:

During the year 2022-23, the company has issued 2690 Secured Non-convertible Debentures of Rs.10 Lacs each to Alternate investment Funds amounting to Rs.269 Crores. The debentures so issued are secured by Exclusive hypothecation of the present and future current assets of the Company and Exclusive charge on the land, manufacturing plant and other fixed assets of the Company (including all non-core assets) Pledge of promoters shares and further secured by the personal guarantee of the promoters. The Charges in favour of the debenture trustee is being registered with the registrar of companies during FY 2023-24. The brief particulars of these debentures are as follows:

Sr. No.	Particulars	Reference
i.	**Date of passing of board resolution;**	16-Mar-2023
ii.	**Date of passing of resolution in the general meeting, authorizing the offer of securities;**	23-Mar-2023
iii	**Kinds of securities offered**	2,690 unlisted, secured, unrated, redeemable, non-convertible Debentures of face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each aggregating to INR 269,00,00,000 (Indian Rupees Two Hundred and Sixty Nine Crores), on a private placement basis
iv	**Price at which the security Was offered including the premium, if any, along with justification of the price;**	Issued at Face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each Debenture
v	**The class or classes of persons to whom the allotment is be made;**	Category II Alternative Investment Funds ("AIFs")
vi	**Amount which the Company raised by way of offer of securities;**	INR 269,00,00,000 (Indian Rupees Two Hundred and Sixty Nine Crores)
vii	**Terms of raising of securities:**	
	(a) duration; if applicable	a) Duration: 5 (five) years
	(b) rate of dividend;	b) Rate of Dividend: Not Applicable
	(c) rate of interest;	c) Rate of Interest: Coupon 14% p.a.p.m IRR 22%
	(d) mode of payment; and	d) Special Premium – Rs.6 Crores
	(e) Repayment.	e) Upfront Interest 0.5%
		f) Repayment: Structured Repayment

viii	**Purposes and objects of the issue;**	To repay all the existing facilities and capital expenditure for the enhancement of the project of the Company
ix.	**Principle terms of assets charged as security, if applicable;**	1. Exclusive hypothecation of the present and future current assets of the Company
		2. Exclusive charge on the land, manufacturing plant and other fixed assets of the Company (including all non-core assets)
		3. Pledge of shares of the Company held by promoters and promoters' group (currently holding 70.45% of total shareholding).
		4. Personal Guarantee of Promoters
		5. Corporate Guarantees of Tulsyan Smelters Limited, Chitrakoot Steel & Power Private Limited
x	**Debenture Trustee for the issue**	Vistra ITCL (India) Limited
		Address IL&FS Financial Center, Plot No. C–22, G Block, 6th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400051
		Email: ITCLComplianceofficer@vistra.com

In line with the prescribed IND AS 32,107 and 109 which deals with Financial Instruments, an entity shall measure a financial liability at its fair value minus transaction costs that are directly attributable to issuing of the financial liability. The transaction cost of Rs. 1,37,50,000/- has been adjusted against the proceeds of Rs.2,69,00,00,000/- and the same has not been charged to the Profit and Loss account. The workings for the same are as under:

Transaction cost for the NCD	137.50
Fair Value of NCD as disclosed in the financial statement	26,762.50
Total	26,900.00

	India Special Assets Fund III (a scheme of ISAF III)	ISAF III Onshore Fund	Total
Initial recognition at fair value	18,465.13	8,297.37	26,762.50
Special Premium A/c	414.00	186.00	600.00
Interest expense as per IND AS	45.89	20.62	66.51
Instalment paid	(3444.43)	(1547.76)	(4992.19)
	15,480.59	6,956.23	22,436.82

53 Note on Color Peppers Media P Limited

During the year, Color Peppers Media Pvt. Ltd., a subsidiary of Tulsyan NEC Ltd. has made an application pursuant to the provisions of Section 248 of the Companies Act, 2013 to have its name struck off. The company has filed an affidavit in Form STK-8, which is the statement of account showing NIL balances.

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the struck off company
Color Peppers Media Pvt Ltd	Investments in Securities	Nil	Subsidiary Company

The Company has been struck off from the Register of MCA`

54 Corporate Social Reponsibility

In accordance with the provisions of section 135 of the Companies Act, 2013, CSR is applicable to the company as it had made a net profit exceeding Rs. 5 crores for the financial year ended 31-03-2023. At least 2% of the average net profits of the three immediately preceding financial years should be spent towards CSR. The CSR net profit shall be calculated in accordance with the provisions of Section 198 of the Act. Section 198 of the Act excludes capital profits, accordingly the capital profit component consequent to the OTS settlement has been excluded in estimating the CSR quantum. The calculation of CSR for the financial year ended 31-3-2024 is as under:

Year Ended 31st Mar ------>	**2021**	**2022**	**2023**
Profit after Tax	(1003.81)	78937.77	24776.37
Provision for Taxation	-	-	5656.33
Profit before tax	(1003.81)	78937.77	19120.04
Add			
- Depreciation / impairment as per books	2468.29	2416.44	2590.75
- Amortisation of expenses relating to raising / repayment of loans	-	-	-
- Provision for dimunition in value of investment	-	-	-
	1464.48	81354.21	21710.79
Deduct			
- Depreciaton as per section 350 of the Companies Act 1956	2468.29	2416.44	2590.75
- Capital profit on sale of fixed asset and investment	0.47	1.20	68.35
- Expenses relating to raising / repayment of loan	-	-	-
- Income of Capital In Nature		36143.37	14873.59
(I) the excess of expenditure over income, which had arisen in computing the net profits in accordance with this section in any year which begins at or after the commencement of this Act, in so far as such excess has not been deducted in any subsequent year preceding the year in respect of which the net profits have to be ascertained;		42793.20	4178.15
Net Profit	(1004.28)	0.00	(0.05)
Average		(334.78)	

55. 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

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

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

Sd/- **Sanjay Tulsyan** Managing Director DIN: 00632802	Sd/- **Lalit Kumar Tulsyan** Executive Chairman DIN : 00632823	Sd/- **M. Parthasarathy** Director DIN: 08277111
Sd/- **CA Shantha Kumar RP** Chief Financial Officer	Sd/- **Parvati Soni** Company Secretary	

Place : Chennai.
Date : 30th May, 2024

Disclosure Of Ratios By Companies as per new Schedule III Amendment

S.No.	Ratio	Formula	CY	PY	Variation	Reasons for Changes
1	Current Ratio	Current Assets/Current Li-abilities	1.01	1.22	(0.17)	Reduction on current ratio is on account of sale of assets held for sale.
2	Debt - Equity Ratio	Total Debt/Total Equity	0.86	0.85	0.01	Change not significant
3	Debt Service Coverage Ratio	Net Operating Income/Total Debt Service	(0.07)	0.61	(1.12)	Reduction is due to losses incurred during the year
4	Return on Equity	Net Income/Avg Shareholder's Equity	(0.13)	0.46	(1.29)	Profit before Exceptional items and Taxes negative.
5	Inventory Turnover Ratio	Cost of Goods Sold/Avg Inventory	2.36	2.18	0.09	Improved turnover is on account of reduction of Inventory holding
6	Trade Recievable Turnover Ratio	Annual Credit Sales/Avg Trade Recievables	2.38	1.95	0.22	Improvement is due to increased turnover and lower credit offerred
7	Trade Payable Turn-over Ratio	Annual Credit Purchases/Avg Trade Payables	1.88	3.27	(0.42)	Increased due to higher credit availed
8	Net Capital Turnover Ratio	Annual Net Sales/Working Capital	387.72	18.59	19.86	Reduction due to losses incurred
9	Net Profit Ratio	Net Profit/ Net Sales	(0.05)	0.26	(1.20)	Negative Due to lesser margin and increase in Cost of Goods
10	Return on Capital Employed	EBIT/(Total Assets - Current Liabilities)	(0.13)	0.46	(1.29)	Negative Due to lesser margin and increase in Cost of Goods
11	Return on investment	Return From Investment/Cost of Investment				Dividend Received Rs. 300 only from Shamrao Vital Co-op Bank.

INDEPENDENT AUDITOR'S REPORT

To
The Members
TULSYAN NEC LIMITED
Chennai

Report on the Audit of the Consolidated Ind AS Financial Statements

Qualified 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 2024, 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 material accounting policy information 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, 2024, Consolidated loss, Consolidated Total Comprehensive loss, consolidated changes in equity and its Consolidated cash flows for the year then ended.

Basis for Qualified Opinion:

Balance confirmations and ECL Provisioning:

For the financial year ending 31st March 2024, we have not received confirmation of balances in respect of trade payables and trade receivables except for a few. The management represented that these balances are realizable/settled in the ordinary course of business. In the absence of confirmation of balances, we were unable to determine whether any adjustments by way of Provision for Expected Credit losses/ Write-off / Write-back were necessary at the year end.

Emphasis of Matter:

During the financial year ended 31.03.2023, the Company had repaid the entire loans availed from Banks and obtained a no dues certificate from each bank as per the compromise settlement entered into with them. The company has settled all its dues as per the terms of the Compromise Settlement with its bankers and does not expect any additional obligation out of the Compromise Settlement.

Further, the Company had obtained a techno-economic due diligence study on the viability of operations and projections for the future on 28.01.2023 from Cormed Management Services Pvt. Ltd. Though the Company has recorded losses for the financial year under audit, the management strongly believes that the Company will be able to implement the recommendation of the techno economic due diligence study report in all aspects and make a complete turnaround.

The Company has also prepaid a portion of the loan borrowed, consequent to which it expects a reduction in the interest costs in the upcoming years (Reference is drawn to Note No.6 of the Standalone Financial Statements).

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

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 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.	**Litigations – Contingencies** 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, 2024, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. 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.	**Principal Audit Procedures** Our audit procedures included the following: • We understood, assessed, and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee; • 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; • We considered external opinions, where relevant, obtained by management; • We evaluated management's assessments and assessed the reliability of the management's past estimates/judgements; • We assessed the adequacy of the Company's disclosures. 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

Other Matters:

We did not audit the Financial Statements/Financial Information of a subsidiary whose financial statements / financial information reflect Total assets of Rs. 2,270.10 lakhs as at 31st March 2024, Total Revenues of Rs. 11,523.59 lakhs and Total Net Profit after tax of Rs. 105.63 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 holding the Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary 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 subsidiary is solely based on the Report of the other Auditor.

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.

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 net 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 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

As required by Section 143 (3) of the Act, based on our audit and subject to our Qualified Opinion Paragraph 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 by the Company so far as it appears from our examination of those books and the reports of the other auditors, except that reporting under Rule 11(g) is separately commented upon in paragraph (i)(iv).

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Total Comprehensive Loss 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 the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2024 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 2024 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 Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A".

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 Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) The modification relating to maintenance of accounts and other matters connected therewith are as stated in paragraph (b) on reporting under Sec. 143(3)(b) and para (i)(iv) below on reporting under Rule 11(g).

i) 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 does not have any long-term contracts including derivative contracts for which there are no material foreseeable losses.

   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 2024;

   iv. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

   Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

   Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules,2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

   As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

j) According to the information and explanations given to us, and based on the CARO report issued by the auditor of the subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO report by the component auditor and provided to us, we report that the auditor of such company have not reported any qualifications or adverse remarks in their CARO report.

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

Sd/-
K Parathasarathy
Partner
Membership No: 018394
UDIN: 24018394BKASBV1298

Place: Chennai
Date: 30th May, 2024

Annexure A 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 Tulsyan 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")

In conjunction with our Audit of the Consolidated Financial statements of the Group as of and for the year ended 31st March 2024, 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 unauthorized 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 2024, 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

Sd/-
K Parathasarathy
Partner
Membership No: 018394
UDIN: 24018394BKASBV1298

Place: Chennai
Date: 30th May, 2024

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016) (Rs in Lacs)				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total income	99,459.04	99,459.04
	2	Total Expenditure	1,04,225.55	1,04,225.55
	3	Net Profit/(Loss)	(4,911.4)	(4,911.4)
	4	Earnings Per Share	(29.67)	(29.67)
	5	Total Assets	85,587.75	85,587.75
	6	Total Liabilities	85,587.75	85,587.75
	7	Net Worth	34,375.24	34,375.24
	8	Any other financial item(s) (as felt appropriate by the management)	0	0

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

For the financial year ending 31st March 2024, we have not received confirmation of balances in respect of trade payables and trade receivables except for a few. The management represented that these balances are realizable/ settled in the ordinary course of business. In the absence of confirmation of balances, we were unable to determine whether any adjustments by way of Provision for Expected Credit losses/ Write-off / Write-back were necessary at the year end.

b. Type of Audit Qualification: (Qualified Opinion / Disclaimer of Opinion / Adverse Opinion)

Qualified Opinion

c. Frequency of qualification: (Whether appeared first time / repetitive / since how long continuing)

Appeared for the first time

d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:

Not quantified by the Auditor

e. For Audit Qualification(s) where the impact is not quantified by the Auditor:

(i) Management's estimation on the impact of audit qualification:

Management has not made an estimate of the impact.

(ii) If management is unable to estimate the impact, reasons for the same:

Company has sought confirmation of Balances from the Debtors and Creditors and based on the confirmation received suitable entries have been passed if so required. Further the communication given to the Debtors or creditors indicates clearly that if no information is received within the stipulated time the balance as per the companies' books would be deemed to be correct.

(iii) Auditors' Comments on (i) or (ii) above:

Management should take considerable efforts to estimate the impact of qualification.

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/-
M. Parthasarathy
Independent Director and
Audit Committee Chairman
DIN : 08277111

Sd/-
Shanthakumar R P
Chief Financial Officer

Sd/-
K Parthasarathy
Partner
M.No. 018394

Place : Chennai.
Date : 30th May, 2024

TULSYAN NEC LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024
(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	**54,801.95**	57,211.38
Intangible assets	4	**157.44**	79.61
Capital work in progress	5	**237.32**	-
Financial assets			
Investments	6	**0.03**	0.03
Other financial assets	7	**-**	-
Deffered Tax Asset	7.1	**6,522.52**	6,478.48
Other non-current assets	8	**344.47**	509.92
Total non-current assets		**62,063.73**	64,279.42
Current assets			
Inventories	9	**8,149.13**	10,215.89
Financial assets			
Investments	10	**5.16**	2.53
Trade receivables	11	**10,630.57**	10,229.26
Cash and cash equivalents	12	**120.32**	1,270.05
Bank balances other than above	13	**2.44**	9.53
Other financial assets	14	**2,993.84**	1,036.88
Other current assets	15	**1,622.56**	2,226.86
Assest held for Sale	15 (a)	**-**	4,055.70
Total current assets		**23,524.02**	29,046.70
Total Assets		**85,587.75**	93,326.12
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	**1,655.14**	1,655.14
Other equity	17	**32,720.06**	37,855.26
Total Equity		**34,375.20**	39,510.40
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	**21,999.20**	24,090.44
Other financial liabilities	19	**1,960.87**	1,743.54
Provisions	20	**640.01**	642.69
Deferred Tax Liabilities (net)	21	**-**	-
Total non-current liabilities		**24,600.08**	26,476.67
Current liabilities			
Financial liabilities			
Borrowings	22	**11,498.78**	13,644.95
Trade payables	23	**12,448.34**	9,107.85
Other financial liabilities	24	**214.15**	269.27
Provisions	25	**16.77**	812.10
Other current liabilities	26	**2,434.43**	3,504.88
Total current liabilities		**26,612.47**	27,339.05
Total liabilities		**51,212.55**	53,815.72
Total Equity and Liabilities		**85,587.75**	93,326.12

The accompanying notes form an integral part of the financial statements

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

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

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 : 30th May, 2024

TULSYAN NEC LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

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

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
	Continuing Operations			
A	**Income**			
	Revenue from Operations	27	**97,700.08**	102,168.21
	Other Income	28	**1,758.96**	215.28
	Total income		**99,459.04**	102,383.49
B	**Expenses**			
	Cost of materials consumed	29	**85,064.15**	83,515.40
	Purchases of stock in trade	30	**2.51**	268.89
	Changes in inventories of finished goods	31	**(84.45)**	(374.42)
	Employee benefits expense	32	**2,315.98**	3,227.94
	Power & fuel	33	**5,202.13**	7,711.64
	Depreciation and amortisation expense	34	**2,542.90**	2,642.86
	Finance costs	35	**4,173.34**	1,410.45
	Other expenses	36	**5,008.99**	6,188.29
	Total expenses		**104,225.55**	104,591.05
C	**Profit before exceptional items and tax**		**(4,766.51)**	(2,207.56)
	Exceptional items	37	**-**	(21,087.13)
D	**Profit/ (Loss) before tax from continuing operations**		**(4,766.51)**	18,879.58
	Income tax expense	38		
	Current tax		-	-
	Deferred tax credit/ (charge)		44.04	5,762.38
	Income tax earlier years		**(188.93)**	(67.14)
	Profit/ (Loss) for the year		**(4,911.40)**	24,574.82
E	**Other comprehensive income**			
	Items that will be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		**(223.73)**	(16.61)
	Income tax relating to these items		-	-
	Other comprehensive income for the year, net of tax		**(223.73)**	(16.61)
	Total comprehensive income/ (Loss) for the year		**(5,135.13)**	24,558.20
	Earnings per share	39		
	Basic earnings per share		**(29.67)**	148.48
	Diluted earnings per share		**(29.67)**	148.48

The accompanying notes form an integral part of the financial statements

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

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

Sd/-
Sanjay Tulsyan
Managing Director
DIN: 00632802

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN : 00632823

Sd/-
M. Parthasarathy
Director
DIN: 08277111

Sd/-
CA Shantha Kumar RP
Chief Financial Officer

Sd/-
Parvati Soni
Company Secretary

Place : Chennai.
Date : 30th May, 2024

TULSYAN NEC LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit before income tax	(4,766.51)	18,879.58
Adjustments for		
Depreciation and amortisation expense	2,542.90	2,642.86
(Profit)/ loss on sale of fixed assets	(1,707.25)	(68.35)
Profit on sale of Investments	2.63	0.49
Finance cost	4,173.35	1,410.46
Interest Income	(8.34)	(63.10)
Operating Profit before Working Capital Changes	236.76	22,801.94
Change in operating assets and liabilities		
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other financial assets	(1956.96)	233.86
(Increase) / Decrease in inventories	2066.76	(1906.24)
(Increase) / Decrease in trade receivables	(401.31)	5415.56
(Increase) / Decrease in other assets	546.46	1077.63
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	(2147.30)	3430.08
Increase / (Decrease) in trade payables	3340.49	2826.04
Cash generated from operations	1684.91	33878.87
Less : Income taxes paid (net of refunds)	(154.56)	164.18
Net cash from/ (used in) operating activities (A)	1530.35	34043.05
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(471.00)	(504.87)
Sale proceeds of PPE	5,740.53	25.20
(Investments in)/ Maturity of fixed deposits with banks (net)	7.09	400.00
(Purchase)/ disposal proceeds of Investments (net)	-	0.38
Interest received	8.34	63.10
Net cash from/ (used in) investing activities (B)	5,284.96	(16.19)
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital (net of share application money)	-	684.01
Proceeds from/ (repayment of) long term borrowings (net)	(2,091.24)	9,087.87
Proceeds from/ (repayment of) short term borrowings (net)	(2,146.16)	(35,189.36)
Finance cost	(3,727.62)	(7,612.42)
Net cash from/ (used in) financing activities (C)	(7,965.02)	(33,029.90)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,149.72)	996.92
Cash and cash equivalents at the beginning of the financial year	1,270.04	273.13
Cash and cash equivalents at end of the year	120.32	1,270.05

Notes:

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	114.41	1,260.41
Cash on hand	5.91	9.64
	120.32	1,270.05

The accompanying notes form an integral part of the financial statements

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

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

Sd/-
Sanjay Tulsyan
Managing Director
DIN: 00632802

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN : 00632823

Sd/-
M. Parthasarathy
Director
DIN: 08277111

Sd/-
CA Shantha Kumar RP
Chief Financial Officer

Sd/-
Parvati Soni
Company Secretary

Place : Chennai.
Date : 30th May, 2024

TULSYAN NEC LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(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, 2022	1,471.39	648.92	5.00	653.92	1,471.39
Changes in equity share capital during the year	183.75	-	(5.00)	5.00	183.75
Balance at the end of March 31, 2023	1,655.14	648.92	-	648.92	1,655.14
Changes in equity share capital during the year	-	-	-	-	-
Balance at the end of March 31, 2024	1,655.14	648.92	-	648.92	1,655.14

(B) Other Equity

Particulars	General Reserve	Capital Reserve	Investment Allowance reserve	Securities Premium Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at March 31,2022	2,390.00	-	59.39	11,873.70	(56.37)	(1,392.38)	12,874.58
Additions/ (Deductions) during the year	-	-	-	500.26	-	-	500.26
Total Comprehensive Income for the year	-	-	-	-	(16.61)	24,497.01	24,480.40
Balance as at March 31, 2023	2,390.00	-	59.39	12,373.96	(72.98)	23,104.63	37,855.24
Additions/ (Deductions) during the year	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(223.73)	(4,911.47)	(5,135.20)
Balance as at March 31, 2024	2,390.00		59.39	12,373.96	(296.71)	18,193.16	32,720.04

The accompanying notes form an integral part of the financial statements

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

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

Sd/-
Sanjay Tulsyan
Managing Director
DIN: 00632802

Sd/-
Lalit Kumar Tulsyan
Executive Chairman
DIN : 00632823

Sd/-
M. Parthasarathy
Director
DIN: 08277111

Sd/-
CA Shantha Kumar RP
Chief Financial Officer

Sd/-
Parvati Soni
Company Secretary

Place : Chennai.
Date : 30th May, 2024

Tulsyan NEC Limited

Notes to Financial Statements for the year ended March 31, 2024

1. Corporate Information

The Group 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 Group has one Sponge Iron Manufacturing Company called Chitrakoot Steel and Power P Ltd., at Gummudipoondi.

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.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Group'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 30th May, 2024."

2A. Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Group 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)

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. Once the asset is depreciated to its residual value, it is carried on in its residual value.

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.

Intangible assets and amortization

Recognition and measurement

Intangible assets are recognized when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets.

Intangible Assets are amortized over a period of five years.

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. MCA issued notification on 31st March 2023. These amendments are applicable to the Group for the financial year starting 1st April 2023.

3. Material Accounting Policy Information

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 Group 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 Group.

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 Group 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 Group 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 Group'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 Group 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 Group 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 Group, 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 Group 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 Group'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 Group 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 Group 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. Once the asset is depreciated to its residual value, it is carried on in 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 Group 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 Group 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group 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 Group 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 Group'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 Group 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 Group does not deal in any derivate/hedging. Hence the above will not be applicable to the Group

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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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 Group enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations whereever it deems necessary that such coverage is approriate. 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.

l) 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 Group 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 Group 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 Group 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 Group 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 Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. As a lessee, the Group 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 Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate. The Group 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 Group recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. . The Group'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 Group 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 Group 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.

TULSYAN NEC LIMITED
Notes to Financial Statements for the year ended March 31, 2024
(All amounts are in lakh of Indian Rupees, unless otherwise stated)

4. Property, plant and equipment

Particulars	Tangible Assets								Intangible Assets	
	Land	Right to use Assets	Factory Buildings	Plant and Machinery	Vehicles	Works Equipments	Lab Equipments	Office Premises	Office and Other Equipments	Software	Total
Deemed Cost as at March 31, 2022	11,553.18	95.47	14,165.69	64,487.87	253.91	204.30	52.10	20.69	597.42	144.05	91,574.69
Additions	-		12.83	356.57	7.05	5.55	-	-	69.09	53.78	504.87
Disposals/Discarded	-		-	(1,455.85)	-	-	-	-	-	-	(1,455.85)
Asset held for Sale	(4,055.70)										(4,055.70)
Cost as at March 31, 2023	**7,497.48**	**95.47**	**14,178.52**	**63,388.59**	**260.97**	**209.85**	**52.10**	**20.69**	**666.51**	**197.83**	**86,568.01**
Additions	3.62	-	-	141.85	29.29	52.30	-	-	6.62	-	233.68
Disposals/Discarded	(13.71)	-	-	(2,249.14)	(73.16)	-	-	(0.05)	-	(96.89)	(2,432.95)
Asset held for Sale	-			-		-	-	-	-		-
Cost as at March 31, 2024	**7,487.39**	**95.47**	**14,178.52**	**61,281.30**	**217.10**	**262.15**	**52.10**	**20.64**	**673.13**	**197.83**	**84,368.74**
Depreciation/Amortisation											
As at March 31, 2022	-	13.18	4,232.36	22,855.91	190.71	96.53	32.56	15.78	502.32	107.48	28,046.83
Charge for the year	-	0.88	543.48	2,028.49	10.49	13.29	4.56	0.42	30.51	10.74	2,642.86
Disposals/discarded	-	-	-	(1,412.70)	-	-	-	-	-	-	(1,412.70)
As at March 31, 2023	**-**	**14.06**	**4,775.84**	**23,471.70**	**201.20**	**109.82**	**37.12**	**16.20**	**532.83**	**118.22**	**29,276.99**
Charge for the year	-	0.88	552.10	1,909.01	9.28	11.46	4.56	0.42	36.12	19.07	2,542.90
Disposals/discarded	-	-	-	(2,249.14)	(64.50)	-	-	-	-	(96.89)	(2,410.53)
As at March 31, 2024	**-**	**14.94**	**5,327.94**	**23,131.57**	**145.98**	**121.28**	**41.68**	**16.62**	**568.95**	**40.39**	**29,409.36**
Net Block											
As at March 31, 2023	7,497.48	81.41	9,402.68	39,916.89	59.76	100.03	14.98	4.49	133.67	79.61	57,291.02
As at March 31, 2024	**7,487.39**	**80.53**	**8,850.58**	**38,149.73**	**71.11**	**140.87**	**10.42**	**4.02**	**104.17**	**60.55**	**54,959.38**

Notes :

1 The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

2 The Company has not revalued its property, plant and equipment (including right-of-use asset) during the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3 The Company has not revalued its intangible asset, since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

Notes - (Contd)

Note No. 5	**As at March 31, 2024**	As at March 31, 2023
Capital Work-in-progress		
Capital work in progress	237.32	-
	237.32	-

Note No. 6		
Non-current investments		
Investments in Equity Instruments at FVTPL		
Unquoted		
i. Investments in Subsidiaries	**-**	-
Chitrakoot Steel & Power P Limited (64,89,200 Equity Shares of Rs.10/- each)	**-**	-
ii. Investments in Other Companies		
Investments in Debt Instruments at FVTPL	**-**	-
Unquoted		
Shamrao Vithal Co-op Bank Ltd (25 Shares of Rs.100/- each)	**0.03**	0.03
	0.03	0.03
Total non-current investments		
Aggregate amount of quoted investments	**-**	-
Aggregate market value of quoted investments	**-**	-
Aggregate cost of unquoted investments	**0.03**	0.03
Aggregate amount of impairment in value of investments	**-**	-

Note No. 7		
Other non-current financial assets		
(Unsecured, considered good)		
Unamortised finance expense		
Other non- current financial assets	**-**	8.95
	-	8.95

Note No. 7.1		
Deferred Tax Assets		
Expenses allowable for tax purposes when paid		
Voluntary retirement scheme payment to be allowed		
On account of forward of losses	**6,522.52**	6,478.48
	6,522.52	6,478.48

Notes - (Contd)

Note No. 8	As at March 31, 2024	As at March 31, 2023
Other non-current assets		
(Unsecured, considered good)		
Advance to Suppliers	-	-
Advance income-tax and TDS (net of provision for tax)	137.26	360.54
MAT Credit Entitlement	37.57	38.04
Advance recoverable in cash or in kind or for value to be received		
Advance TCS	114.74	63.87
Other non-current assets	54.90	47.47
	344.47	509.92

Note No. 9		
Inventories		
(Valued at lower of cost and net realisable value)		
Raw Materials	2,262.86	4,432.09
Finished Goods	3,634.28	3,657.87
Stock-in-trade (acquired for trading)	-	-
Stores	2,251.99	2,125.93
	8,149.13	10,215.89

Note No. 10		
Current Investments		
Investments in Equity Instruments at FVTPL		
Investments in companies other than subsidiaries, associates and joint ventures		
Quoted		
Canara Bank (Formerly Syndicate Bank) (864 Equity Shares of Rs.10 each)	5.09	2.46
Unquoted	-	-
Shamrao Vithal Co-op Bank Ltd (50 Shares of Rs.100/- each)	0.05	0.05
Investments in Debt Instruments at FVTPL		
Unquoted	-	-
National Savings Certificates	0.02	0.02
	5.16	2.53

Note No. 11	As at March 31, 2024	As at March 31, 2023
Trade receivables		
(Unsecured, considered good)		
Trade Receivables outstanding for a period less than six months from the date they are due for payment	4,148.80	4,868.69
Outstanding for a period exceeding six months from the date they are due for payment Other debts	6,538.50	7,402.79
	10,687.30	12,271.48
Allowance for Expected credit Loss	(56.73)	(2,042.22)
	10,630.57	10,229.26

Notes - (Contd)

Disclosure Of Ratios By Companies as per new Schedule III Amendment

Annexure to Note 11

Trade Receivables ageing Schedule	Outstanding for the following periods from due date of Payment					
	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 years	3 years and above	Total
(i) Undisputed Trade Receivables Considered Good	2,381.39	2,407.84	587.10	167.59	3,132.55	8,676.46
(ii) Undisputed Trade Receivables Considered Doubtful	-	-	-	-	66.73	66.73
(iii) Disputed Trade Receivables Considered Good	95.46	17.18	22.62	-	1,752.10	1,887.36
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	56.73	56.73
	2,476.84	**2,425.02**	**609.71**	**167.59**	**5,008.11**	**10,687.28**

Note No. 12		
Cash and cash equivalents		
Cash on Hand	**5.91**	9.64
Cheque and Demand Drafts on Hand		
Balances with Banks		
- In Current Account	**114.41**	1,260.41
- In Collection Account	**-**	-
- In Deposit Account	**-**	-
	120.32	1,270.05

Note No. 13	**As at March 31, 2024**	As at March 31, 2023
Other Bank Balances		
In fixed deposits	**2.44**	9.53
In margin money with banks	**-**	-
In Earmarked Accounts		
- Unpaid Dividend Account		
- Unpaid Interest Account		
	2.44	9.53

Notes - (Contd)

Note No. 14		
Other current financial assets		
(Unsecured, considered good)		
Deposits	**2,993.84**	1,036.88
	2,993.84	1,036.88

Note No. 15		
Other current assets		
(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	**14.45**	17.83
Staff advances & Prepaid expenses	**58.05**	36.65
Special Premium Accrued - NCD *(Refer Note 52)*	**600.00**	600.00
Advance Paid	**502.76**	958.58
Drawback	**19.12**	19.12
Excise	**13.87**	13.87
Balances with Statutory Authorities	**414.31**	508.81
	1,622.56	2,226.86

Note No. 15 (a)		
Asset Held for Sale	**-**	**4,005.70**

Note No. 16	**As at March 31, 2024**	As at March 31, 2023
Capital		
Authorised Share Capital		
2,60,00,000 (2,60,00,000) Equity shares of Rs. 10/- each	**2,600.00**	2,600.00
1,00,00,000 (1,00,00,000) 6% Non convertible redeemable preference shares of Rs. 10/- each	**1,000.00**	1,000.00
	3,600.00	3,600.00
Issued & Subscribed Share Capital		
1,66,66,666 (previous year 1,66,66,666) Equity shares of Rs. 10/- each	**1,666.67**	1,666.67
	1,666.67	1,666.67
Paid up share capital		
1,64,61,407 (previous year 1,64,61,407) Equity shares of Rs. 10/- each (fully paid up)	**1,646.15**	1,646.15
94,815 (previous year 94,815) Equity shares of Rs. 10/- each (Rs. 6/- paid up)	**5.69**	5.69
1,10,444 (previous year 1,10,444) Equity shares of Rs. 10/- each (Rs. 3/- paid up)	**3.30**	3.30
	1,655.14	1,655.14

Notes - (Contd)

Notes:

i. Reconciliation of number of equity shares subscribed

Balance as at the beginning of the year	**1,66,66,666**	15,000,000
Add: Issued during the year	**-**	16,66,666
Balance at the end of the year	**1,66,66,666**	1,66,66,666

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. Shares held by promoters at the end of the year

Name of the share holder	No. of Shares	% Total Shares	% Change During The Year
SANJAY TULSYAN	4,475,481	26.85	NIL
LALIT KUMAR TULSYAN	4,046,645	24.28	NIL
PRIYA TULSYAN	954,982	5.73	NIL

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 compiliance. Subsequently on Compromise Settlement, the Pledge of Shares are being released from Lenders and are being pledged to Debenture Trustees *(Refer Note 47)*

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 March 31, 2024	As at March 31, 2023
Other Equity		
General Reserve	2,390.00	2,390.00
Investment Allowance reserve	59.39	59.39
Securities Premium Reserve	12,373.96	12,373.96
Other Comprehensive Income	(296.71)	(72.98)
Capital Reserve	-	-
Profit and Loss Account	18,193.42	23,104.89
	32,720.06	37,855.26
a) General Reserve		
Balance at the beginning and end of the year	2,390.00	2,390.00
b) Investment Allowance Reserve		
Balance at the beginning and end of the year	59.39	59.39
c) Securities Premium Reserve		
Balance at the beginning of the year	12,373.96	11,873.70
Additions during the year	-	500.26
Balance at the end of the year	12,373.96	12,373.96
d) Other Comprehensive Income		
Balance at the beginning of the year	(72.98)	(56.37)
Additions during the year	(223.73)	(16.61)
Deductions/Adjustments during the year		
Balance at the end of the year	(296.71)	(72.98)
e) Capital Reserve	-	-
f) Retained Earnings		
Balance at the beginning of the year	23104.89	(1392.12)
Previous year Provision for Taxation Revereseed	-	-
Net profit for the period	(4,911.47)	24,497.01
Balance at the end of the year	18,193.42	23,104.89

Notes - (Contd)

Note No. 18	As at March 31, 2024	As at March 31, 2023
Non-Current Liabilities - Financial Liabilities: Borrowings		
Secured		
Preference Shares		
6% Non convertible redeemable preference shares	**884.30**	884.30
Term Loans *	**-**	-
From Banks	**34.19**	61.87
Non Convertible Debentures *(Refer Note 52)*	**22,436.82**	27,386.83
Vehicle Loans		
HDFC Bank Ltd	**86.78**	10.36
Unsecured		
From Body Corporate	**-**	-
From Directors	**1,272.90**	704.91
From others	**-**	-
	24,714.99	29,048.27
Less: Current maturities of long-term debt *(included in note 22)*	**(2,715.79)**	(4,957.83)
	21,999.20	24,090.44

* (*refer note 47)* for terms and conditions and security details

Note No. 19		
Other non current financial liabilities		
Premium on redemption of preference shares payable	**1,960.87**	1,743.54
Unamortised rental income	**-**	-
Unamortised Interest income		
	-	-

Note No. 20		
Provisions (Non-current)		
Provision for employee benefits		
Gratuity	**592.84**	583.89
Compensted absence	**47.17**	58.80
(Refer Note 50)	**640.01**	642.69

Note No. 21		
Deferred Tax Liability/ (Asset) - Net		
Deferred tax liabilities		
Related to Fixed Assets	**-**	-
Related to Others	**-**	-
	-	-
Deferred tax assets		
Related to Fixed Assets	**-**	-
Related to Others	**-**	-
	-	-
Net deferred tax liability/ (asset)	**-**	-

Notes - (Contd)

Note No. 22	As at March 31, 2024	As at March 31, 2023
Current liabilities - Financial Liabilities: Borrowings *		
Secured		
From banks - Working capital term loans	**1,879.51**	1,996.51
Current maturities of long-term debt	**2,715.79**	4,957.83
Loan from others	**1,443.68**	1,268.14
Unsecured		
Loans from body corporate	**5,406.02**	5,368.69
Loan from others	**53.78**	53.78
Inter Corporate Deposits	**-**	-
	11,498.78	13,644.95

* (*refer note 47)* for terms and conditions and security details

Note No. 23		
Trade payables *		
Supplies and Services	**11,893.34**	7,741.19
Expenses and others	**-**	811.66
For Project	**555.00**	555.00
	12,448.34	9,107.85

* 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. (*Refer Note 43).*

Annexure to Note 23

Trade Payables Ageing Schedule	Outstanding for the following periods from due date of Payment				
	6 Months to 1 Year	1 to 2 Years	2 to 3 years	3 years and above	Total
(i) MSME	1,990.65	0.42	3.30	-	1,994.37
(ii) Others	5,341.04	5,669.14	158.23	483.59	11,652.00
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	2.29	0.63	-	0.09	3.01
	7,333.98	**5,670.19**	**161.53**	**483.69**	**13,649.38**
Less : Inter Company					**(1,201.04)**
					12,448.34

Note No. 24		
Other current financial liabilities		
Deposits for power/Steel	**214.15**	269.27
	214.15	269.27

Notes - (Contd)

Note No. 25	As at March 31, 2024	As at March 31, 2023
Provisions (Current)		
Provision for proposed equity dividend	-	-
Provision for tax on proposed equity dividend	-	-
Provision for Expenses / Tax	16.77	812.10
Provision - others	-	-
	16.77	812.10

Note No. 26		
Other current liabilities		
Interest accrued but not due on secured loans	-	-
Interest Payable	-	-
Statutory Dues Payable	199.17	389.46
Advanced & deposits from customer etc.	1,576.03	1,854.12
Other current liabilities	441.14	1,081.80
Employee Payables	218.09	179.50
	2,434.43	3,504.88

Note No. 27	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Operations		
Domestic sales FG	90,245.28	95,760.97
High sea sales	-	-
Export sales	2,315.42	3,197.36
Power Revenue	-	8.91
Domestic Sales RM	4,706.09	2,921.05
Domestic Sales - Stores	414.65	269.29
Processing charges	18.64	10.63
	97,700.08	102,168.21

Notes - (Contd)

Note No. 28	For the year ended March 31, 2024	For the year ended March 31, 2023
Other Income		
Income from windmills	172.28	164.47
Interest		
Interest on term deposit	2.78	1.80
Other interest income	5.56	61.31
Corporate Guarantee Commission	6.00	-
Profit on sale of Fixed asset	1,709.09	68.35
Profit on sale of Investment	2.63	0.49
Compensation for Power	17.31	81.88
Foreign Exchange Fluctuation	1.26	-
Miscellenous Income	14.33	1.45
Less: Income from wind mill set-off against Power & Fuel	(172.28)	(164.47)
	1,758.96	215.28

Note No. 29		
Cost of Materials Consumed		
Raw Materials		
Opening inventory of raw materials	4,548.42	3,105.90
Raw Materials purchased	74,468.17	86,456.72
Inter Unit Transfer	2,250.10	
Materials Inward	1,687.32	2,807.79
Customs Duty/Coal Cess	133.25	0.80
Less: Discount/Licence/Provision Written back	862.37	2,337.54
Less: Closing Stock	2,271.16	4,548.42
Captive consumption		5,342.45
	79,953.73	80,142.79
Stores		
Opening Stock	2,059.35	1,819.96
Purchases	5,242.88	3,523.13
Materials Inward	2.00	88.89
Less: Closing Stock	2,193.81	2,059.35
	5,110.42	3,372.61
Total cost of materials consumed	85,064.15	83,515.40

Notes - (Contd)

Note No. 30	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of stock-in-trade - Traded goods		
Purchase of stock-in-trade - Traded goods	**2.51**	268.89
	2.51	268.89

Note No. 31		
Changes in inventories of finished goods		
Closing balance	**3,625.98**	3,541.53
Opening balance	**3,541.53**	3,167.11
	(84.45)	(374.42)

Note No. 32		
Employee benefit expenses		
Salaries and Wages	**2,416.57**	3,018.07
Contribution to provident and other funds	**47.53**	55.23
Welfare Expenses	**(148.12)**	154.64
	2,315.98	3,227.94

Note No. 33		
Power & Fuel		
Power & Fuel expense	**5,202.13**	7,711.64
	5,202.13	7,711.64

Note No. 34		
Depreciation and amortization expense		
Depreciation on property, plant and equipment	**2,542.90**	2,642.86
	2,542.90	2,642.86

Note No. 35		
Finance costs		
Interest	**272.58**	256.08
Other Finance Charges	**3,900.76**	923.62
Service Charges for Finance	**-**	230.75
	4,173.34	1,410.45

Notes - (Contd)

Note No. 36	For the year ended March 31, 2024	For the year ended March 31, 2023
Other expenses		
Power Plant Charges	1,406.95	2,181.30
Repairs		
Machinery	266.93	399.41
Building	6.70	10.56
Other Manufacturing Expenses	1,261.54	319.18
Processing Charges	53.09	95.64
Insurance	32.72	37.18
Rent	57.16	54.38
Loss on sale of fixed assets	1.84	-
Rates & Taxes	39.88	316.55
Legal & consultancy charges	145.08	89.32
Payment to auditors	5.78	5.24
Transport charges	395.58	122.32
Brokerage & commission	51.45	17.06
Selling & administration expenses	1,279.84	503.72
Bank charges	1.99	29.60
Foreign exchange loss	1.27	15.75
Provision for Expected credit loss	1.19	1,991.08
	5,008.99	6,188.29

Note No. 36 (a)		
Payment to auditors		
Statutory Audit fees	5.90	4.90
Taxation fee	2.99	2.49
	8.89	7.39

Note No. 37		
Exceptional Items		
Exceptional Item	-	(21,087.13)
	-	(21,087.13)

Notes - (Contd)

Note No. 38	Year Ended March 31, 2024	Year Ended March 31, 2023
Income tax expense		
(a) Income tax expense		
Current tax	-	-
Current tax on profits for the year	(188.93)	(67.14)
MAT credit entitlement/reversal		
Adjustments for current tax of prior periods		
Total current tax expense	(188.93)	(67.14)
Deferred tax		
Deferred tax adjustments	44.04	5,762.38
Total deferred tax expense/(benefit)	44.04	5,762.38
Income tax expense	(144.88)	5,695.24
b) **The income tax expense for the year can be reconciled to the accounting profit as follows:**		
Profit before tax from continuing operations	(4,911.40)	24,574.82

Note No. 39		
Earnings per share		
Profit/ (loss) for the year attributable to owners of the Company	(4,911.40)	24,574.82
Weighted average number of ordinary shares outstanding	16,551,429	16,551,429
Basic earnings per share (Rs)	(29.67)	148.48
Diluted earnings per share (Rs)	(29.67)	148.48

Note No. 40		
Earnings in foreign currency		
FOB value of exports	1,859.82	1,946.91
	1,859.82	1,946.91

Note No. 40(a)		
Expenditure in foreign currency		
Exchange in foreign currency for other matters	2.03	0.19
	2.03	0.19

Note No. 41		
CIF value of imports		
Raw Materials	29.79	-
	29.79	-

Notes - (Contd)

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, 2024		Year ended March 31, 2023	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials				
Imported				
Steel scrap*	23,010.07	32.76	24,368.60	33.24
Ingot, billet and re-rollables	-	-	-	-
PP/HDPE Granules	-	-	-	-
Others		-		-
Steel scrap	20,571.33	29.28	21,169.05	28.87
Ingot, billet and re-rollables	18,595.42	26.47	20,126.17	27.45
PP/HDPE Granules	2,416.36	3.44	3,460.95	4.72
Iron Ore	5,624.07	8.01	4,152.65	5.66
Dolomite	28.34	0.04	38.95	0.05
Coal				
Imported	11,795.06	79.21	5,823.76	40.90
Others	3,096.25	20.79	8,414.92	59.10
Stores		-		-
Imported	29.79	3.90	4.52	0.13
Others	734.46	96.10	3,368.12	99.87
Add Inter unit Transfers	6,596.28			
Total consumption	92,497.44		90,927.67	

* Raw Materials purchased on High Sea Basis also considered as Import Purchases

43. Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

Particulars	As at March 31, 2024	As at March 31, 2023
(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	892.48	Upto June 2017	CESTAT Chennai
GST	1,169.33	July'2018 - March 2023	Commissionarate, GST, Chennai
Excise/Service Tax	235.27	April 2013 - June 2017	CESTAT Bangalore
Cancellation of FIBC and demand for repayment of Duty Drawback	168.18	February 2010 to September 2011	Ministry of Finance - Secretary
TNEB	2,312.85	2004-14	TANGEDCO
Excise	63.35	2013-14, 2014-15	SVLDR,Chennai

Notes:

Contingent Liabilities:

1. 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

2. 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. Out of 44 Licences for which the notice was issued, Export obligations Discharge certificate has been received in respect of 42 Licences the CIF Value of which is Rs.44.20 Crore leaving 2 licences with a CIF Value of Rs.0.14 Crores pending. Export obligation in respect of the said 2 licences have indeed been completed and the company is hopeful of obtaining the Export obligations Discharge certificate in the course of time. 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.

3. 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.

4. 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:

1. 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.13.97 Crores.

2. 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.

3. 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.

4.a) 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 has also preferred an appeal for the same.

b) The Company has filed its Return of income for AY 2011-12 u/s 139(1) admitting a total income of Rs. 86020730. The case was selected for scrutiny and AO completed regular assessment by his order u/s 143(3) dated 27.03.2014 determining a Total income of Rs. 90984403. Company has preferred an appeal with CIT(A) for the same.

c) The Company filed its original return of income for AY 2019-20 on 27.09.2019 declaring Nil income and claiming a loss of Rs. 2500679502. Subsequently, order u/s 153C was issued by AO dated 26.04.2024 against which appeal has been preferred by the Company before CIT(A).

The Company is hopeful of its success at the appellate forums on the captioned additions.

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:

Particulars	As at March 31, 2024	As at March 31, 2023
Segment Revenue		
Steel Division	**78,213.50**	89,908.58
Synthetic Divison	**3,305.58**	5,068.97
Power	**16,181.00**	7,200.66
Revenue from operations (Net)	**97,700.08**	102,168.21
Segment Results		
Profit (+) / Loss (-) before tax and finance cost		
Steel Division	**632.88**	1,479.47
Synthetic Divison	**(598.18)**	(163.61)
Power	**(627.87)**	(2,112.96)
Total	**(593.17)**	(797.10)
Add/ Less : Finance Cost	**4,173.34**	1410.45
Profit /(Loss) from continuing operations	**(4,766.51)**	(2,207.55)
Profit/(Loss) from discontinuing operations		
Profit Before Tax	**(4,766.51)**	(2,207.55)
Segment Assets		
Steel Division	**38,370.76**	34,343,16
Synthetic Divison	**8,911.79**	10,135.46
Power	**38,305.20**	48,847.50
Other unallocable corporate assets		
Total assets	**85,587.75**	93,326.12
Segment Liabilities		
Steel Division	**14,429.99**	5,717.93
Synthetic Divison	**9,487.06**	10,670.11
Power	**27,295.45**	37,427.95
Other unallocable corporate assets		
Total liabilities	**51,212.55**	53,815.99
Capital Employed (Segment assets-Segment liabilities)		
Steel Division	**23,940.77**	28,625.24
Synthetic Divison	**(575.27)**	(534.64)
Power	**11,009.74**	11,419.55
Total capital employed in segments	**34,375.24**	39,510.13
Unallocable corporate assets less corporate liabilities		
Total Capital Employed	**34,375.24**	39,510.13

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
India	95,912.48	100,221.30
Outside India	1,787.59	1,946.91
Total	97,700.08	102,168.21

(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 March 31, 2024	As at March 31, 2023
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-
Total	-	-

46. Operating lease arrangements

Particulars	As at March 31, 2024	As at March 31, 2023
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 March 31, 2024	As at March 31, 2023
i. From Banks		
a. Term Loans	-	-
b. Working Capital Term Loan/ Funded Interest Term Loan	-	-
ii. From Financial Institutions	-	-
Non Convertible Debentures	22,436.82	27,386.83
Total	24,316.33	27,386.83

Notes - (Contd)

Schedule for short term borrowings:

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
From Banks - Working Capital Loans	-	-
Shamrao Vithal Co-op Bank Limited	1,879.51	1,996.51
Loans from others	1,443.69	1,321.92
Unsecured		
Loans from body corporate	5,459.80	5,368.69
Total Short term borrowings	**8,783.00**	8,687.12

Terms and conditions of loans

Terms and conditions of Secured Non Convertible Debentures / Loans * (Previous years)

1. Exclusive hypothecation of the present and future current assets of the Company
2. Exclusive charge on the land, manufacturing plant and other fixed assets of the Company (including all non-core assets)
3. Pledge of shares of the Company held by promoters and promoters' group (currently holding 63.40% of total shareholding).
4. Personal Guarantee of Promoters Sri Lalit Kumar Tulsyan and Sri Sanjay Tulsyan
5. Corporate Guarantees of Tulsyan Smelters Limited, Chitrakoot Steel & Power Private Limited

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.

Categories of Financial Instruments	March 31, 2024	March 31, 2023
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	-	-
Trade receivables	10,630.57	10,229.26
Cash and cash equivalents	120.32	1,270.05
Bank balances other than above	2.44	9.53
Other financial assets	2,993.84	1,036.88
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Investments	0.03	0.03
Financial liabilities		
a. Measured at amortised cost		
Long term borrowings	21,999.20	24,090.44
Other non-current financial liabilities	1,960.87	1,743.54
Short term borrowings	11,498.78	13,644.95
Trade payables	12,448.34	9,107.85

Notes - (Contd)

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, 2024 (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	-	-	-	1,128,377.56	-	1,128,377.56	1,128,377.56
EUR	-	-	-	-	-	-	-
GBP				-	-	-	-
In INR	-	-	-	835.44	-	835.44	835.44

As on March 31, 2023 (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	-	-	-	1,184,379.98	-	1,184,379.98	1,184,379.98
EUR	-	-	-	43,763.48	-	43,763.48	43,763.48
GBP	-	-	-	-	-	-	-
in INR	-	-	-	887.15	-	887.15	887.15

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.

Company has no floating rate liabilities and thus does not have the risk of increase or decrease in the rate of interest. The Secured Non Convertible Debentures issued during the year carry a Fixed Rate of Interest and thus no risk of Decrease or increase cost of funds.

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, 2024	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	7,333.98	5,114.36	12,448.34
Borrowings	2,715.79	21,999.20	24,714.99
	10,049.77	**27,113.56**	**37,163.33**

March 31, 2023	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	6,083.89	3,023.96	9,107.85
Borrowings	4,957.83	24,090.44	29,048.27
	11,041.72	27,114.40	38,156.12

	March 31, 2024	March 31, 2023
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	
Subsidiaries	Chitrakoot Steel & Power P Ltd
Key management personnel	Shri Lalit Kumar Tulsyan (Executive Chairman) Shri Sanjay Tulsyan (Managing Director) Shri Sanjay Agarwalla (Whole Time Director) Shri S. Chandrasekaran (Whole Time Director) Shri Shantha Kumar RP (Chief Financial Officer) Shmt Parvati Soni (Company Secretary)
Companies in which Directors are interested	Tulsyan Smelters Private Ltd Tulsyan Power Private Limited

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
1	**Purchase of goods**		
	Chitrakoot Steel & Power P Ltd	**8,243.03**	2,039.36
	Tulsyan Smelters Private Ltd	**11,626.63**	18,444.79
2	**Sale of Goods**		
	Chitrakoot Steel & Power P Ltd	**1,174.45**	363.38
	Tulsyan Smelters Private Ltd	**27,102.19**	50,345.68
3	**Short term borrowings during the year**	**-**	-
4	**Services Received**		
	Chitrakoot Steel & Power P Ltd	**5.00**	-
	Tulsyan Smelters Private Ltd	**5.00**	-
5	**Managerial Remuneration**		
	Lalit Kumar Tulsyan	**105.29**	90.29
	Sanjay Tulsyan	**105.29**	90.78
	Sanjay Agarwalla	**48.29**	39.29
	S. Chandrasekaran	**21.40**	-
	Shantha Kumar RP	**31.44**	31.44
	Alka Tulsyan	**17.93**	17.93
	Aditya Bhartia	**17.99**	13.56
	Shmt. Parvati Soni	**8.68**	7.78

c) Balances with related parties

S.No.	Name of the Related Party	Year ended March 31, 2024	Year ended March 31, 2023
1	**Outstanding Receivables**		
	Tulsyan Power Private Ltd	**0.51**	0.51
	Chitrakoot Steel & Power P Ltd	**-**	503.36
	Tulsyan Smelters Private Ltd	**-**	855.42
2	**Outstanding Payables**		
	Chitrakoot Steel & Power P Ltd	**1,201.04**	-
	Tulsyan Smelters Private Ltd	**1,378.77**	-
	Lalit Kumar Tulsyan	**1,071.67**	503.69
	Sanjay Tulsyan	**201.04**	201.04
	Alka Tulsyan	**152.86**	44.91
	Lalit Kumar Tulsyan (HUF)	**0.18**	0.18

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. (67.89) lakh (previous year Rs. 146.86 lakh) 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, 2024	March 31, 2023
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	7.26% p.a.	7.55% p.a.
Rate of increase in compensation level	6.00% p.a.	6.00% 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, 2024 Rs. Lakh	March 31, 2023 Rs. Lakh
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	30.61	34.18
Net interest expense	35.98	35.04
Benefits Paid	(67.95)	(82.64)
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	(1.36)	13.42
Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(134.27)	4.45
Components of defined benefit costs recognised in other comprehensive income	(134.27)	4.45
Total	(135.63)	8.97

	March 31, 2024 Rs. Lakh	March 31, 2023 Rs. Lakh
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	376.79	512.42
Fair value of plan assets	-	
Net liability arising from defined benefit obligation	376.79	512.42
Non - Funded	376.79	512.42
	376.79	512.42

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) *[Refer note 20]*.

	March 31, 2024 Rs. Lakh	March 31, 2023 Rs. Lakh
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	512.42	521.39
Current service cost	30.61	34.18
Interest cost	35.98	35.04
Actuarial (gains)/losses	(134.27)	4.45
Benefits Paid	(67.95)	(82.64)
Closing defined benefit obligation	376.79	512.42

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, 2024	March 31, 2023
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	**7.17% p.a.**	7.50% p.a.
Rate of increase in compensation level	**6.00% p.a.**	6.00% p.a.

	March 31, 2024 Rs. Lakh	March 31, 2023 Rs. Lakh
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	**6.77**	29.22
Net interest expense	**8.04**	5.20
Benefits Paid	**(8.97)**	(20.58)
Components of defined benefit costs recognised in profit or loss	**5.84**	13.84

Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	**(88.94)**	12.15
Components of defined benefit costs recognised in other comprehensive income	**(88.94)**	12.15
Total	**(83.10)**	26.00

The amount included in the balance sheet arising from the Company’s obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	**47.18**	130.28
Net liability arising from defined benefit obligation	**47.18**	130.28
Non - Funded	**47.18**	130.28
	47.18	130.28

The above provisions are reflected under ‘Provision for employee benefits- leave encashment’ (long-term provisions) *[Refer note 20]*.

	March 31, 2024 Rs. Lakh	March 31, 2023 Rs. Lakh
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	**130.28**	104.28
Current service cost	**6.77**	29.22
Interest cost	**8.04**	5.20
Actuarial (gains)/losses	**(88.94)**	12.15
Benefits Paid	**(8.97)**	(20.58)
Closing defined benefit obligation	**47.18**	130.28

51 : OTHER STATUTORY INFORMATION

(i) There are no proceedings initiated or pending against the Group as at March 31, 2024, under Prohibition of Benami Property Transaction Act, 1988 (As amended in 2016)

(ii) The Group do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Group is not declared a wilful defaulter by any bank or financial institutions or vendor.

(ix) Title deeds of all immovable properties were held in the name of the Group.

52 Note on Issue of Securities/ Borrowing and Creation of Charges:

During the year 2022-23 the company has issued 2690 Secured Non-convertible Debentures of Rs.10 Lacs each to Alternate investment Funds amounting to Rs.269 Crores. The debentures so issued are secured by Exclusive hypothecation of the present and future current assets of the Company and Exclusive charge on the land, manufacturing plant and other fixed assets of the Company (including all non-core assets) Pledge of promoters shares and further secured by the personal guarantee of the promoters. The Charges in favour of the debenture trustee is being registered with the registrar of companies during FY 2023-24. The brief particulars of these debentures are as follows:

Sr. No.	Particulars	Reference
i.	**Date of passing of board resolution;**	16-Mar-2023
ii.	**Date of passing of resolution in the general meeting, authorizing the offer of securities;**	23-Mar-2023
iii	**Kinds of securities offered**	2,690 unlisted, secured, unrated, redeemable, non-convertible Debentures of face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each aggregating to INR 269,00,00,000 (Indian Rupees Two Hundred and Sixty Nine Crores), on a private placement basis
iv	**Price at which the security Was offered including the premium, if any, along with justification of the price;**	Issued at Face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each Debenture
v	**The class or classes of persons to whom the allotment is be made;**	Category II Alternative Investment Funds (**"AIFs"**)
vi	**Amount which the Company raised by way of offer of securities;**	INR 269,00,00,000 (Indian Rupees Two Hundred and Sixty Nine Crores)
vii	**Terms of raising of securities:**	
	(a) duration; if applicable	a) Duration: 5 (five) years
	(b) rate of dividend;	b) Rate of Dividend: Not Applicable
	(c) rate of interest;	c) Rate of Interest: Coupon 14% p.a.p.m IRR 22%
	(d) mode of payment; and	d) Special Premium – Rs.6 Crores
	(e) Repayment.	e) Upfront Interest 0.5%
		f) Repayment: Structured Repayment
viii	**Purposes and objects of the issue;**	To repay all the existing facilities and capital expenditure for the enhancement of the project of the Company
ix.	**Principle terms of assets charged as security, if applicable;**	1. Exclusive hypothecation of the present and future current assets of the Company
		2. Exclusive charge on the land, manufacturing plant and other fixed assets of the Company (including all non-core assets)
		3. Pledge of shares of the Company held by promoters and promoters' group (currently holding 70.45% of total shareholding).
		4. Personal Guarantee of Promoters
		5. Corporate Guarantees of Tulsyan Smelters Limited, Chitrakoot Steel & Power Private Limited
x	**Debenture Trustee for the issue**	Vistra ITCL (India) Limited
		Address IL&FS Financial Center, Plot No. C–22, G Block, 6th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400051
		Email: ITCLComplianceofficer@vistra.com

In line with the prescribed IND AS 32,107 and 109 which deals with Financial Instruments, an entity shall measure a financial liability at its fair value minus transaction costs that are directly attributable to issuing of the financial liability. The transaction cost of Rs. 1,37,50,000/- has been adjusted against the proceeds of Rs.2,69,00,00,000/- and the same has not been charged to the Profit and Loss account. The workings for the same are as under:

Transaction cost for the NCD	137.50
Fair Value of NCD as disclosed in the financial statement	26,762.50
Total	**26,900.00**

	India Special Assets Fund III (a scheme of ISAF III)	ISAF III Onshore Fund	Total
Initial recognition at fair value	18465.13	8,297.37	26762.50
Special Premium A/c	414.00	186.00	600.00
Interest expense as per IND AS	45.89	20.62	66.51
Instalment paid	(3444.43)	(1547.76)	(4992.19)
	15,480.59	**6,956.23**	**22,436.82**

53 Note on Color Peppers Media P Limited

During the year, Color Peppers Media Pvt. Ltd., a subsidiary of Tulsyan NEC Ltd. has made an application pursuant to the provisions of Section 248 of the Companies Act, 2013 to have its name struck off. The company has filed an affidavit in Form STK-8, which is the statement of account showing NIL balances.

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the struck off company
Color Peppers Media Pvt Ltd	Investments in Securities	Nil	Subsidiary Company

The Company has been struck off from the Register of MCA

54 Corporate Social Reponsibility

In accordance with the provisions of section 135 of the Companies Act, 2013, CSR is applicable to the company as it had made a net profit exceeding Rs. 5 crores for the financial year ended 31-03-2023. At least 2% of the average net profits of the three immediately preceding financial years should be spent towards CSR. The CSR net profit shall be calculated in accordance with the provisions of Section 198 of the Act. Section 198 of the Act excludes capital profits, accordingly the capital profit component consequent to the OTS settlement has been excluded in estimating the CSR quantum. The calculation of CSR for the financial year ended 31-3-2024 is as under:

Year Ended 31st Mar ------>	**2021**	**2022**	**2023**
Profit after Tax	(1003.81)	78937.77	24776.37
Provision for Taxation	-	-	5656.33
Profit before tax	(1003.81)	78937.77	19120.04
Add			
- Depreciation / impairment as per books	2468.29	2416.44	2590.75
- Amortisation of expenses relating to raising / repayment of loans	-	-	-
- Provision for dimunition in value of investment	-	-	-
	1464.48	81354.21	21710.79
Deduct			
- Depreciaton as per section 350 of the Companies Act 1956	2468.29	2416.44	2590.75
- Capital profit on sale of fixed asset and investment	0.47	1.20	68.35
- Expenses relating to raising / repayment of loan	-	-	-
- Income of Capital In Nature		36143.37	14873.59
(I) the excess of expenditure over income, which had arisen in computing the net profits in accordance with this section in any year which begins at or after the commencement of this Act, in so far as such excess has not been deducted in any subsequent year preceding the year in respect of which the net profits have to be ascertained;		42793.20	4178.15
Net Profit	**(1004.28)**	-	(0.05)
Average		(334.78)	

55. 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

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

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

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 : 30th May, 2024

Disclosure Of Ratios By Companies as per new Schedule III Amendment

S.No.	Ratio	Formula	CY	PY	Variation	Reasons for Changes
1	Current Ratio	Current Assets/Current Liabilities	0.88	1.06	(17%)	Reduction on current ratio is on account of sale of assets held for sale.
2	Debt - Equity Ratio	Total Debt/Total Equity	0.97	0.96	2%	Change not significant
3	Debt Service Coverage Ratio	Net Operating Income/ Total Debt Service	(0.07)	0.57	(112%)	Reduction is due to losses incurred during the year
4	Return on Equity	Net Income/Avg Shareholder's Equity	(0.14)	0.48	(129%)	Profit before Exceptional items and Taxes negative.
5	Inventory Turnover Ratio	Cost of Goods Sold/ Avg Inventory	2.32	2.26	2%	Improved turnover is on account of reduction of Inventory holding
6	Trade Recievable Turnover Ratio	Annual Credit Sales/ Avg Trade Recievables	2.34	1.97	19%	Improvement is due to increased turnover and lower credit offerred
7	Trade Payable Turnover Ratio	Annual Credit Purchases/ Avg Trade Payables	1.85	1.92	(4%)	Increased due to higher credit availed
8	Net Capital Turnover Ratio	Annual Net Sales/ Working Capital	(31.63)	59.83	(153%)	Reduction due to losses incurred
9	Net Profit Ratio	Net Profit/ Net Sales	(0.05)	0.24	(121%)	Negative Due to lesser margin and increase in Cost of Goods
10	Return on Capital Employed	EBIT/(Total Assets - Current Liabilities)	(0.08)	0.29	(128%)	Negative Due to lesser margin and increase in Cost of Goods
11	Return on investment	Return From Investment/ Cost of Investment				Dividend Received Rs. 300 only from Shamrao Vital Co-op Bank.

NOTES:

TULSYAN NEC LTD

CIN : L28920TN1947PLC007437

Registered Office :

Apex Plaza, 1st Floor, New No.77, Old No. 3, Nungambakkam High Road, Chennai - 600 034

Tel : 044-6199 1060, Fax : 044-6199 1066 | E-mail : investor@tulsyannec.in

Website : www.tulsyannec.in