

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

Dear Sir/Madam,

**Sub: Notice of the 72<sup>nd</sup> Annual General Meeting (AGM) of the Company and Annual Report for the financial year 2018-19**

Pursuant to the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Notice of the 72<sup>nd</sup> Annual General Meeting (AGM) of the Company and Annual Report for the financial year 2018-19. The same will also be made available on the website of the Company: [www.tulsyannec.in](http://www.tulsyannec.in)

This is for your information and record.

Thanking you,

Yours faithfully,  
**For Tulsyann NEC Limited**



**Sanjay Agarwalla**  
Whole Time Director  
(DIN: 00632864)

*Encl: As above.*



## **CAMEO CORPORATE SERVICES LIMITED**

Ref: CAM/NEC/EMAIL/2019

3rd September 2019

The Company Secretary,  
Tulsyan nec Limited,  
Apex Plaza, I floor,  
New No.77, Old No: 3,  
Nungambakkam High Road,  
Chennai – 600 034.

Dear Sir,

Sub: Sending of Annual Report with Notice-2019 through Email- Reg.

As per your request for sending Postal Ballot Report through Email to the shareholders of your company for participating in the Green Initiative introduced by the Ministry of Corporate Affairs (MCA), we have sent Email to the shareholders on 03.09.2019. The details of Email sent/returned is given below:

<b>Description</b>	<b>No.of Holders</b>
<b>Total Email Sent on 03.09.19</b>	2199
<b>Email returned undelivered</b>	
<b>Invalid Email</b>	---
<b>Emails sent successfully</b>	2199

**Consequent to the consent received from the shareholders for receiving Green initiative mail for the year 2015 by electronic form (ie Email), we hereby confirm that we have sent Email to the above mentioned 2199 shareholders on 03.09.2019.**

**This is for your kind information.**

Thanking you,  
Yours faithfully,  
For CAMEO CORPORATE SERVICES LIMITED

P. Muralidharan  
Assistant Manager

# TULSYAN NEC LTD

Strength of Steel, Flexibility of Plastic



ANNUAL REPORT  
**2018-19**



# TULSYAN NEC LIMITED

CIN : L28920TN1947PLC007437

## Board of Directors

**Lalit Kumar Tulsyannec**  
(Executive Chairman)

**Sanjay Tulsyannec**  
(Managing Director)

**Sanjay Agarwalla**  
(Whole-time Director)

**Chakkolath Ramachandran**  
(Non-executive Independent Director)

**Manogyanathan Parthasarathy**  
(Non-executive Independent Director)  
(Appointed with effect from 13.11.2018)

**Preeti Garg**  
(Non-executive Independent Director)

**Shantha Kumar RP**  
(Chief Financial Officer)

**Parvati Soni**  
(Company Secretary)  
(Appointed with effect from 29.10.2018)

## Registered Office

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

## Administrative Office

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

## Bankers

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

## Auditors

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

## Registrar & Share Transfer Agents

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

## Steel Division

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

## Power Plant:

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

## Windmill

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

## Synthetics Division

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

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## NOTICE

NOTICE is hereby given that the Seventy Second (72nd) Annual General Meeting (AGM) of the Members of Tulsyan NEC Limited will be held as scheduled below:

<b>Day</b>	Thursday
<b>Date</b>	26 <sup>th</sup> September, 2019
<b>Time</b>	04.00 P.M.
<b>Place</b>	“MUSIC ACADEMY MINI HALL”, No. 168, TT Krishnamachari Road, Royapettah, Pudupet, Gopalapuram, Chennai-600014, Tamil Nadu

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.**

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

“**RESOLVED THAT** the audited standalone Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and the Auditors thereon and the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the report of the auditors thereon be and are hereby received, considered and adopted.”

- To appoint a director in place of Mr. Sanjay Agarwalla (DIN: 00632864), Whole Time Director, who retires by rotation and being eligible offers himself for reappointment.**

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

“**RESOLVED THAT** Mr. Sanjay Agarwalla (DIN: 00632864), Whole Time Director of the Company, who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”

### SPECIAL BUSINESS:

- To ratify the remuneration payable to M/s. Murthy & Co. LLP, Cost Auditors of the Company, for the financial year 2019-2020.**

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

“**RESOLVED THAT** the remuneration of Rs.70,000/- (Rupees Seventy Thousand only) in addition to reimbursement of travel and out of pocket expenses, shall be paid to M/s. Murthy & Co. LLP, Practicing Cost Accountants, (Firm Registration Number: S200001) who were appointed as the Cost Auditors of the Company for the financial year 2019-2020 as recommended by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 14th August, 2019 in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the same be and is hereby ratified.”

- To regularize the appointment of Mr. Manogyanathan Parthasarathy (DIN: 08277111), Independent Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 read with rules made there under (including any statutory modification or re-enactment thereof for the time being in force) and Schedule IV to the Companies Act, 2013, Mr. Manogyanathan Parthasarathy (DIN: 08277111), who was appointed as an Additional Director (Non-Executive & Independent) of the Company by the Board of Directors with effect from 13th November, 2018 and who holds the office as such till the date of the ensuing 72nd Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided under section 149(6) of the Act and who is not debarred from holding the office of director by virtue of any SEBI order or any other such authority and who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director (Non-Executive) of the Company to hold the office as such for a term of 5 (five) consecutive years



commencing from the date of appointment and shall not be liable to retire by rotation;

**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 considered necessary in connection with the aforesaid resolution including filing of relevant forms with the Registrar of Companies, Chennai."

**5. To approve the re-appointment of Mr. Lalit Kumar Tulsiyan (DIN: 00632823), Managing Director designated as "Executive Chairman" of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the necessary approvals if any required, on the basis of recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the shareholders of the Company be and is hereby accorded for re-appointment of Mr. Lalit Kumar Tulsiyan (DIN: 00632823) as Managing Director of the Company designated as "Executive Chairman" for a further period of 3 (three) years w.e.f. 12th July, 2019 with existing terms and conditions (including remuneration) and with liberty to 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 Mr. Lalit Kumar Tulsiyan (DIN: 00632823) or as may be varied by the Company in General Meeting as and when required;

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Company, be and are hereby authorized to take all such steps as may be necessary, proper and expedient and to do all such acts, deeds and things as may be considered necessary in connection with the aforesaid resolution including filing of relevant forms with the Registrar of Companies, Chennai in order to give effect to the aforesaid resolution."

**6. To approve re-appointment of Mr. Sanjay Tulsiyan (DIN: 00632802) as Managing Director of the Company.**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a

**Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the necessary approvals if any required, on the basis of recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the shareholders of the Company be and is hereby accorded for re-appointment of Mr. Sanjay Tulsiyan (DIN: 00632802) as Managing Director of the Company for a further period of 3 (three) years w.e.f. 01st October, 2019 with existing terms and conditions (including remuneration) and with liberty to 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 Mr. Sanjay Tulsiyan (DIN: 00632802) or as may be varied by the Company in General Meeting as and when required;

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Company, be and are hereby authorized to take all such steps as may be necessary, proper and expedient and to do all such acts, deeds and things as may be considered necessary in connection with the aforesaid resolution including filing of relevant forms with the Registrar of Companies, Chennai in order to give effect to the aforesaid resolution."

**7. To approve re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as Whole-time Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the necessary approvals if any required, on the basis of recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the shareholders of the Company be and is hereby accorded for re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as Whole-time Director of the Company for a further period of 3 (three) years w.e.f. 22nd September, 2019 with existing terms and conditions

(including remuneration) and with liberty to 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 Mr. Sanjay Agarwalla (DIN: 00632864) or as may be varied by the Company in General Meeting as and when required;

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Company, be and are hereby authorized to take all such steps as may be necessary, proper and expedient and to do all such acts, deeds and things as may be considered necessary in connection with the aforesaid resolution including filing of relevant forms with the Registrar of Companies, Chennai in order to give effect to the aforesaid resolution.”

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

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

**Place: Chennai**

**Date: 14-08-2019**

**Registered Office:**

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

**NOTES:**

1. The statement setting out material facts as required under Section 102(1) of the Companies Act, 2013, in respect of Special Business mentioned in the above notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE ANY MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CAN APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED

AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY IN NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ALL ALTERATIONS/CORRECTIONS MADE IN THE FORM OF PROXY SHOULD BE INITIALED BY THE MEMBER. THE PROXY HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE ANNUAL GENERAL MEETING.

3. As per Secretarial Standards-2 (SS-2), Attendance Slip and a Proxy Form are attached with this Report respectively.
4. As per Secretarial Standards-2 (SS-2), Route Map for easy access to location of the venue of the Meeting is attached with this Report.
5. As per Section 113 of the Companies Act, 2013, Corporate Members intending to send their representatives to attend the meeting are requested to send the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed for a period of Seven days starting from September 20, 2019 to September 26, 2019 (both days inclusive) for the purpose of the Annual General Meeting.
7. Members desirous of obtaining any information as regards to accounts and operation of the Company are requested to write to the Company at least 7 days before the meeting to enable the Company to keep the required information ready at the ensuing Annual General Meeting.
8. In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of the Directors seeking reappointment at the AGM are enclosed to this Notice.
9. Members holding shares in physical form are requested to notify change of address immediately to the Company or its Registrar and Share Transfer Agent i.e. Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai-600002. Members holding shares in electronic form are requested to advise change of addresses to their Depository Participants.
10. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permit the Companies to send soft copies of the annual reports to all those shareholders who have registered their e-mail addresses with the Company/depository



participants. To support this green initiative, the shareholders holding shares both in physical/demat form are requested to register/update their e-mail address with the Company/depository participants. Accordingly, the Annual Report for the financial year ended 31st March, 2019, notice for the Annual General Meeting etc., are being sent in electronic mode to those shareholders who have registered their e-mail addresses with the Company/depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

11. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents as mentioned above, or to the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remain unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act and the applicable rules thereunder.
12. The shares of the company have been activated for dematerialization with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) vide ISIN INE463D01016. Members wishing to dematerialize their shares may approach any Depository Participant (DP).
13. In case of Joint Holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. The Company has paid the Listing Fees for the Year 2019-20 to the Stock Exchange where equity shares of the Company are listed.
15. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
16. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
17. The resolution(s) passed by the Members through e-voting is / are deemed to have been passed at the AGM.
18. Members may also note that the Notice of the 72nd AGM and the Annual Report 2018-19 will be available on the Company's website at [www.tulshyanec.in](http://www.tulshyanec.in)
19. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and pursuant to Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members a facility to exercise their right to vote at the 72nd Annual General Meeting (AGM) by electronic means and the business may be transacted through the e-voting services. For this purpose, the Company has tied up with CDSL for providing e-voting services through CDSL's e-voting platform.

In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in the e-voting process for the resolutions placed by the Company on the e-voting system.
20. The Instruction for shareholders for voting electronically is as under:-
  - (i) The e-voting period begins on Monday, the 23rd September, 2019 at 9.00 A.M. and ends on Wednesday, the 25th September, 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, 16th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log in to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (v) Now enter your USER ID
    - a. For CDSL: 16 digit beneficiary ID,
    - b. For NSDL: 8 character DP ID followed by 8 Digits Client ID,



c. Members holding shares in physical Form should enter Folio Number registered with the Company.

(vi) Next enter the image verification as displayed and Click on Login.

(vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

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

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

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

(xii) Click on the EVSN of "Tulsyani NEC Limited" on which you choose to vote.

(xiii) 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.

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

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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

(xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### 21. General Instructions:

- (i) Members can opt for only one mode of voting i.e. either physically voting at the AGM or e-voting. In case a member has cast multiple votes, then voting done by e-voting will be considered as valid.
- (ii) The facility for voting, either through electronic voting system or polling paper or ballot shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the meeting.

#### **Explanatory Statement in respect of the Special Business**

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

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

#### **Item No.3: To ratify the remuneration payable to M/s. Murthy & Co. LLP, Cost Auditors of the Company, for the financial year 2019-2020**

##### **a) Meaning, Scope & Implication of the items of the business:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 14th August, 2019, has re-appointed M/s. Murthy & Co. LLP, Cost Auditors (Firm Registration Number: S200001), as Cost Auditors of the Company, in terms of Section 148 of the Companies Act, 2013 and has fixed a sum of Rs.70,000/- (Rupees Seventy Thousand only) as

- (iii) The members who have cast their vote by remote e-voting to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (iv) Mr. M Damodaran, Practicing Company Secretary (Membership No. 5837 and C P No. 5081), Chennai, has been appointed as the Scrutinizer to Scrutinize the remote e-voting process and voting at the ensuing Annual General Meeting in a fair and transparent manner.
- (v) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the results of the voting forthwith.
- (vi) After all the items of the Notice have been discussed, the Chairman will order a poll in respect of all the Items. Poll will be conducted and supervised by the Scrutinizer appointed for e-voting as above. After the conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of e-voting will be announced by the Company on its website: [www.tulsyanec.in](http://www.tulsyanec.in) upon receipt of consolidated scrutinizer's report.

remuneration payable to the Cost Auditors for the financial year 2019-2020.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Board recommends the ordinary resolution as set out under Item No.3 of the accompanying Notice for approval of the shareholders.

##### **b) Interest of Director, Key Managerial Personnel and their relatives:**

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out under Item No.3 of the accompanying Notice.

**c) Inspection of Documents:**

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

**Item No.4: To regularize the appointment of Mr. Manogyanathan Parthasarathy (DIN: 08277111), Independent Director of the Company****a) Meaning, Scope & Implication of the items of the business:**

Mr. Manogyanathan Parthasarathy is a Non-Executive Independent Director of the Company. He is also the Member of Audit Committee and Nomination & Remuneration Committee of the Board. He joined the Board of the Company on 13th November, 2018.

On recommendation of the Nomination and Remuneration Committee, Mr. Manogyanathan Parthasarathy was appointed as an Additional Director (Non-Executive & Independent) by the Board at its meeting held on 13th November, 2018 pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (LODR) Regulations, 2015, as amended from time to time, to hold the office as such till the conclusion of the ensuing Annual General Meeting of the Company and subject to the approval of the members at the ensuing General Meeting, for appointment as an Independent Director to hold the office for a term of up to five consecutive years from the date of appointment. His tenure will get expired at the ensuing Annual General Meeting of the Company.

Nomination and Remuneration Committee at its meeting held on 13th February, 2019 evaluated the performance of all the Independent Directors including Mr. Manogyanathan Parthasarathy and concluded that his performance was satisfactory.

Mr. Manogyanathan Parthasarathy fulfils all the requirements of an Independent Director specified under the Companies Act, 2013 read with rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received from Mr. Manogyanathan Parthasarathy -

- i) consent in writing to act as Director in Form DIR-2 pursuant to section 152(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014;
- ii) declaration in Form DIR-8 pursuant to Section 164(2) read with rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013; and
- iii) declaration as per section 149(7) of the Companies Act, 2013 confirming criteria of independence as provided under section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director. Accordingly, the Board recommends the ordinary resolution as set out under Item No.4 of the accompanying Notice for approval of the shareholders.

**b) Interest of Director, Key Managerial Personnel and their relatives:**

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

**c) Inspection of Documents:**

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

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

Name of the Director	Manogyanathan Parthasarathy
Age	64 Years
DIN	08277111
Qualification	M.Sc, CAIIB, CTFC
Experience	He was working as an Assistant professor of Mathematics in Sir Thiyagaraja College, Washermenpet, Chennai. He was superannuated from Indian Overseas Bank on 31.05.2015 as Assistant General Manager with PAN India service of 36 years of unblemished track record. Presently, he is engaged with Agricultural Cooperative Staff Training Institute (Apex body of TNSC Bank) as a full time contract Faculty.
Terms & Conditions of Re-appointment	Appointed for a term of 5 (five) consecutive years commencing from 13th November, 2018 and shall not be liable to retire by rotation;
Date of first appointment on the Board	13/11/2018
Shareholding in the Company	N.A.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	N.A.
The number of Meetings of the Board attended during the year	1
Other Directorships, Membership / Chairmanship of Committees of other Boards	NIL

**Item No.5: To approve re-appointment of Mr. Lalit Kumar Tulsyani (DIN: 00632823), Managing Director designated as “Executive Chairman” of the Company**

**a) Meaning, Scope & Implication of the items of the business:**

The members at their 69th Annual General Meeting of the Company held on 26th September, 2016 had approved the re-appointment of Mr. Lalit Kumar Tulsyani as Managing Director of the Company designated as “Executive Chairman” for a period of three years effective from 12-07-2016 and pursuant to which his present term is expired on 11-07-2019. Therefore, on recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 25th May, 2019 had approved the re-appointment of Mr. Lalit Kumar Tulsyani for a further period of three years w.e.f. 12-07-2019 with existing terms and conditions (including remuneration) subject to approval of the members of the Company. Accordingly, the Board recommends the special resolution as set out under Item No.5 of the accompanying Notice for approval of the shareholders.

**Statement as per item (iv) of third proviso of section II of Part II of Schedule V to the Companies Act, 2013:**

**I. General Information**

Nature of industry	The Company is engaged in the business of Manufacturing of Steel, Synthetic and power generation.
Date or expected date of commencement of commercial production	11-04-1947 (Date of Incorporation)
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

Financial performance based on the given indicators	Standalone: The Company has achieved total revenue of Rs. 84,255.64 Lakhs during the FY 2018-19 as compared to Rs. 72,514.91 Lakhs during the FY 2017-2018. The Company has posted profit before tax of Rs. (22,259.28) Lakhs for the FY 2018-19 as compared to profit before tax of Rs. (15,753.54) Lakhs for the FY 2017-2018.
Foreign Investments or Collaborations, if any	Not Applicable

## II. Information about the Appointee

Background Details	Mr. Lalit Kumar Tulshyan has done B.Com and he is having an overall experience of 38 years in Corporate Management and Finance
Past Remuneration	Rs. 60.78 lakhs p.a. (paid during financial year 2017-18)
Recognition or Awards	None
Job Profile and his Suitability	Mr. Lalit Kumar Tulshyan has done B.Com and he is having an overall experience of 38 years in Corporate Management and Finance
Remuneration Proposed	Same as existing
Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of Origin)	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and involvement of Mr. Lalit Kumar Tulshyan in the Company, the proposed remuneration to the appointee is reasonable and in line with the remuneration levels in the industry.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Except Mr. Lalit Kumar Tulshyan, being appointee and his brother Mr. Sanjay Tulshyan, Managing Director, none of the Directors and KMP are interested in his appointment

## III. Other Information

Reasons of loss or inadequate profits	The heavy interest cost and continuous decline in price of steel, affecting revenue of the Company
Steps taken or proposed to be taken for improvement	The Company has undertaken cost cutting initiative and expanding business in new areas to increase revenue and improve overall profitability
Expected increase in productivity and profits in measurable terms	The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed financial position of the Company will further improve in near future

### b) Interest of Director, Key Managerial Personnel and their relatives:

Except Mr. Lalit Kumar Tulshyan, being the appointee and Mr. Sanjay Tulshyan, Managing Director (Brother of Mr. Lalit Kumar Tulshyan) and his 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.

### c) Inspection of Documents:

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

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

Name of the Director	Lalit Kumar Tulsyani		
Age	59 Years		
DIN	00632823		
Qualification	B.Com		
Experience	Business Management		
Terms & Conditions of Re-appointment	Re-appointed for a further period of 3 (three) years w.e.f. 12 <sup>th</sup> July, 2019 with existing terms and conditions (including remuneration) and with liberty to 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 Mr. Lalit Kumar Tulsyani or as may be varied by the Company in General Meeting as and when required		
Date of first appointment on the Board	12/07/1996		
Shareholding in the Company	40,46,645		
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the elder brother of Mr. Sanjay Tulsyani, Managing Director of the Company		
The number of Meetings of the Board attended during the year	6		
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<b>Other Directorship</b>	<b>Other Committee Membership</b>	<b>Other Committee Chairmanship</b>
	Tulsyani Smelters Private Limited	-	-
	Chitrakoot Steel and Power Private Limited	-	-
	Tulsyani Power Limited	-	-

**Item No.6: To approve re-appointment of Mr. Sanjay Tulsyani (DIN: 00632802) as Managing Director of the Company**

**a) Meaning, Scope & Implication of the items of the business:**

The members at their 69th Annual General Meeting of the Company held on 26th September, 2016 had approved the re-appointment of Mr. Sanjay Tulsyani as Managing Director of the Company for a period of three years effective from 01-10-2016 and pursuant to which his present term will be expiring on 30-09-2019. Therefore, on recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 25th May, 2019 had approved the re-appointment of Mr. Sanjay Tulsyani for a further period of three years w.e.f. 01-10-2019 with existing terms and conditions (including remuneration) subject to approval of the members of the Company. Accordingly, the Board recommends the special resolution as set out under Item No.6 of the accompanying Notice for approval of the shareholders.



**Statement as per item (iv) of third proviso of section II of Part II of Schedule V to the Companies Act, 2013:**

**I. General Information**

Nature of industry	The Company is engaged in the business of Manufacturing of Steel, Synthetic and power generation.
Date or expected date of commencement of commercial production	11-04-1947 (Date of Incorporation)
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on the given indicators	Standalone: The Company has achieved total revenue of Rs. 84,255.64 Lakhs during the FY 2018-19 as compared to Rs. 72,514.91 Lakhs during the FY 2017-2018. The Company has posted profit before tax of Rs. (22,259.28) Lakhs for the FY 2018-19 as compared to profit before tax of Rs. (15,753.54) Lakhs for the FY 2017-2018.
Foreign Investments or Collaborations, if any	Not Applicable

**II. Information about the Appointee**

Background Details	Mr. Sanjay TulSYan has done B.Com (Hons) and he is having an overall experience of 33 years in Finance, Marketing and Operation
Past Remuneration	Rs. 60.72 lakhs p.a. (paid during financial year 2017-18)
Recognition or Awards	None
Job Profile and his Suitability	Mr. Sanjay TulSYan has done B.Com (Hons) and he is having an overall experience of 33 years in Finance, Marketing and Operation
Remuneration Proposed	Same as existing
Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of Origin)	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and involvement of Mr. Sanjay TulSYan in the Company, the proposed remuneration to the appointee is reasonable and in line with the remuneration levels in the industry.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Except Mr. Sanjay TulSYan, being appointee and his brother Mr. Lalit Kumar TulSYan, Executive Chairman, none of the Directors and KMP are interested in his appointment

**III. Other Information**

Reasons of loss or inadequate profits	The heavy interest cost and continuous decline in price of steel, affecting revenue of the Company
Steps taken or proposed to be taken for improvement	The Company has undertaken cost cutting initiative and expanding business in new areas to increase revenue and improve overall profitability
Expected increase in productivity and profits in measurable terms	The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed financial position of the Company will further improve in near future

**b) Interest of Director, Key Managerial Personnel and their relatives:**

Except Mr. Sanjay TulSYan, being the appointee and Mr. Lalit Kumar TulSYan, Executive Chairman (Brother of Mr. Sanjay TulSYan) and his 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.

**C) Inspection of Documents:**

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



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

Name of the Director	Sanjay Tulsyani		
Age	55 Years		
DIN	00632802		
Qualification	B.Com		
Experience	Business Management		
Terms & Conditions of Re-appointment	Re-appointed for a further period of 3 (three) years w.e.f. 01 <sup>st</sup> October, 2019 with existing terms and conditions (including remuneration) and with liberty to 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 Mr. Sanjay Tulsyani or as may be varied by the Company in General Meeting as and when required		
Date of first appointment on the Board	01/10/1996		
Shareholding in the Company	44,75,481		
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the younger brother of Mr. Lalit Kumar Tulsyani, Executive Chairman of the Company		
The number of Meetings of the Board attended during the year	6		
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<b>Other Directorship</b>	<b>Other Committee Membership</b>	<b>Other Committee Chairmanship</b>
	Tulsyani Smelters Private Limited	-	-
	Chitrakoot Steel and Power Private Limited	-	-
	Tulsyani Power Limited	-	-
	Color Peppers Media Private Limited	-	-

**Item No.7: To approve re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as Whole-time Director of the Company**

**a) Meaning, Scope & Implication of the items of the business:**

The members at their 69th Annual General Meeting of the Company held on 26th September, 2016 had approved the re-appointment of Mr. Sanjay Agarwalla as Whole-time Director of the Company for a period of three years effective from 22-09-2016 and pursuant to which his present term will be expiring on 21-09-2019. Therefore, on recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 25th May, 2019 had approved the re-appointment of Mr. Sanjay Agarwalla for a further period of three years w.e.f. 22-09-2019 with existing terms and conditions (including remuneration) subject to approval of the members of the Company. Accordingly, the Board recommends the special resolution as set out under Item No.7 of the accompanying Notice for approval of the shareholders.



**Statement as per item (iv) of third proviso of section II of Part II of Schedule V to the Companies Act, 2013:**
**I. General Information**

Nature of industry	The Company is engaged in the business of Manufacturing of Steel, Synthetic and power generation.
Date or expected date of commencement of commercial production	11-04-1947 (Date of Incorporation)
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on the given indicators	Standalone: The Company has achieved total revenue of Rs. 84,255.64 Lakhs during the FY 2018-19 as compared to Rs. 72,514.91 Lakhs during the FY 2017-2018. The Company has posted profit before tax of Rs. (22,259.28) Lakhs for the FY 2018-19 as compared to profit before tax of Rs. (15,753.54) Lakhs for the FY 2017-2018.
Foreign Investments or Collaborations, if any	Not Applicable

**II. Information about the Appointee**

Background Details	Mr. Sanjay Agarwalla has done B.Com (Hons) and he is having an overall experience of 28 years in Finance and Marketing
Past Remuneration	Rs. 39 lakhs p.a. (paid during financial year 2017-18)
Recognition or Awards	None
Job Profile and his Suitability	Mr. Sanjay Agarwalla has done B.Com (Hons) and he is having an overall experience of 28 years in Finance and Marketing
Remuneration Proposed	Same as existing
Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of Origin)	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and involvement of Mr. Sanjay Agarwalla in the Company, the proposed remuneration to the appointee is reasonable and in line with the remuneration levels in the industry.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Except remuneration, Mr. Sanjay Agarwalla doesn't have any pecuniary relationship, directly or indirectly, with the company or relationship with its managerial personnel

**III. Other Information**

Reasons of loss or inadequate profits	The heavy interest cost and Continuous decline in Price of steel, affecting revenue of the Company
Steps taken or proposed to be taken for improvement	The Company has undertaken cost cutting initiative and expanding business in new areas to increase revenue and improve overall profitability
Expected increase in productivity and profits in measurable terms	The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed financial position of the Company will further improve in near future

**b) Interest of Director, Key Managerial Personnel and their relatives:**

Except Mr. Sanjay Agarwalla, being the appointee and his 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.

**c) Inspection of Documents:**

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

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

Name of the Director	Sanjay Agarwalla		
Age	56 Years		
DIN	00632864		
Qualification	B.Com		
Experience	Business Management		
Terms & Conditions of Re-appointment	Re-appointed for a further period of 3 (three) years w.e.f. 22 <sup>nd</sup> September, 2019 with existing terms and conditions (including remuneration) and with liberty to 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 Mr. Sanjay Agarwalla or as may be varied by the Company in General Meeting as and when required		
Date of first appointment on the Board	22/09/2011		
Shareholding in the Company	43,515		
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL		
The number of Meetings of the Board attended during the year	6		
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<b>Other Directorship</b>	<b>Other Committee Membership</b>	<b>Other Committee Chairmanship</b>
	Color Peppers Media Private Limited	-	-
	Chitrakoot Steel and Power Private Limited	-	-
	Tulsyán Power Limited	-	-

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

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

**Place: Chennai  
Date: 14-08-2019  
Registered Office:  
Apex Plaza, I Floor, New No.77,  
Old No.3, Nungambakkam High Road  
Chennai-600034, Tamil Nadu**

**BOARD'S REPORT**
**Dear Members,**

Your Directors take immense pleasure in presenting 72nd Board's Report of your Company along with the Balance Sheet, Statement of Profit and Loss and Statement of Cash Flow for the financial year ended March 31, 2019.

**FINANCIAL SUMMARY:**

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

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	FY 2019	FY 2018	FY 2019	FY 2018
Total Revenue	84,911.64	72,951.06	84,341.77	72,507.52
Total Expenses	1,06,930.16	72,432.66	1,05,756.74	72,193.26
Profit before tax including exceptional items	(22,259.28)	(15,753.55)	(21,666.30)	(16,255.61)
Tax Expenses				
Current Tax	-	-	167.46	-
Deferred Tax	-	-	45.41	2,219.41
Profit After tax	(22,259.28)	(15,753.55)	(21,879.17)	(16,111.59)
Proposed Dividend and tax thereon	-	-	-	-
Transfer to General Reserve	-	-	-	-
Earnings per share				
Basic	(151.28)	(107.15)	(145.86)	(70.08)
Diluted	(151.28)	(107.15)	(145.86)	(70.08)

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

During the year under review, demand for companies' products showed an improvement and thus the sales and other receipts increased by 16%, YOY to Rs. 84911.64 lakhs and Loss after tax increased from Rs. 15753.55 lakhs to Rs.22259.28 Lakhs mainly due to finance cost.

The production of finished Steel in the country during the year witnessed a growth of 3.7% (Previous year 3.1%) over previous year and the import of finished steel registered an increase of 4.68%. Per capita finished Steel consumption in India was 70.90 kg in 2018. The company's steel production increased by over 8.84% over previous years production in terms of quantity and the growth was comparable to that of the industry.

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

- Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 envisages 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5 per cent and imposed measures including anti-dumping and safeguard duties on iron and steel items.

The II operations of the power plant improved during the year with demand and supply situation in Tamil Nadu improved to the company was able to improve capacity utilisation by 19% as compared to previous year. The operations of the Synthetic division showed improvement of about 21% over previous year.

During the year, SVC Co-operative Bank Limited vide their assignment agreement dated 19.01.2019 had assigned their financial assistance provided to the Company, along with all the underlying securities, rights title and interest in respect thereof to M/s. Prudent ARC limited, under Sec 5 of SARFAESI Act 2002.

#### **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:**

The Company has not changed its nature of business in any manner during the financial year under review.

#### **SHIFTING OF REGISTERED OFFICE OF THE COMPANY:**

The Registered Office of the Company has been shifted from its present address –“61, Sembudoss Street, Chennai-600001, Tamil Nadu” to the new address - “1st Floor, Apex Plaza, Old No.3, New No.77, Nungambakkam High Road, Chennai-600034, Tamil Nadu” w.e.f. 02nd April, 2019.

#### **DIVIDEND:**

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

#### **SHARE CAPITAL:**

The detailed capital structure of the Company as on 31-3-2019 is as follows:

- a. Authorized Share Capital:** The Authorized Share Capital of the Company is Rs. 36,00,00,000/- (Rupees Thirty Six Crores only) divided into 1,60,00,000 Equity Shares of Rs. 10/- each and 2,00,00,000 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- each.
- b. Issued and Subscribed Share Capital:** The Issued & Subscribed Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity Shares of Rs. 10/- each.

- c. Paid-up Share Capital:** The Paid-up Share Capital of the Company is Rs. 23,54,55,281/- (Rupees Twenty Three Crores Fifty Four Lakhs Fifty Five Thousand Two Hundred and Eighty One only) divided into 1,45,06,790 Equity Shares of Rs. 10/- each, 1,96,989 Equity Shares of Rs. 6/- each (Partly Paid-up), 2,96,221 Equity Shares of Rs. 3/- each (Partly paid-up) and 88,43,000 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- each.

#### **TRANSFER TO RESERVES:**

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

#### **DEPOSITS:**

During the year under review, the Company did not raise any funds which could be classified within the ambit of the term “Deposits” under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and Circulars as amended from time to time.

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

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

#### **INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:**

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

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

**MATERIAL CHANGES AND COMMITMENTS:**

There were no significant material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report.

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

As required under section 135 of the Companies Act, 2013, the CSR Policy was formulated by the CSR Committee and thereafter approved by the Board.

During the last three financial years, the Company's average net Profit after tax on Standalone basis is negative and hence the Company is not required to spend any amount on CSR activities. The Annual Report on Corporate Social Responsibility (CSR) Activities is enclosed as '**Annexure-A**' to this Report.

**GREEN INITIATIVES:**

Soft copies of the Annual Report 2018-2019 along with the Notice of 72nd Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, hard copies of the Annual Report 2018-2019 along with the Notice of 72nd Annual General Meeting are sent to them in the permitted mode. Members requiring hard copies of the Annual Report can send a request to the Company. Further, the soft copy of the Annual Report is also available on our website ([www.tulshyannec.in](http://www.tulshyannec.in))

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In terms of provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as Listing Regulations) the Management Discussion and Analysis Report is given under separate section and forming part of the annual report.

**CORPORATE GOVERNANCE REPORT:**

In accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with the Practicing Company Secretary Certificate confirming compliance is given under separate section and forming part of the annual report.

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

None of the transactions with the related parties were in conflict with the Company's interest. The Company's major related party transactions are generally with its subsidiary companies.

During the year under review, the contracts or arrangements with related parties referred to under section 188 of Companies Act, 2013 were on arm's length basis and in the ordinary course of business. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are disclosed herein as an '**Annexure-B**' to this Report.

**RISK MANAGEMENT POLICY:**

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

**WHISTLE BLOWER POLICY:**

In terms of the provisions of section 177(9) of the Companies Act, 2013 and rules framed thereunder, the Company has framed a Whistle Blower Policy / Vigil Mechanism with an objective of encouraging the employees of the Company to raise any concern about Company's operations and working environment. It provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of any code of conduct or policy in force.

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

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

**PARTICULARS OF EMPLOYEES:**

The information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 in respect of Directors and Employees of your Company is set out in 'Annexure-D' to this report.

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

The Company doesn't have any Joint Venture and Associate Companies. Further, pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of Subsidiaries in the prescribed Form AOC-1 is provided under 'Annexure-E' to this Report. The statement also provides the details of the performance of the Subsidiary Companies, financial positions of each of the subsidiaries and their contribution to the overall performance of the Company during the period under report.

**EXTRACT OF ANNUAL RETURN:**

An extract of Annual Return in Form No.MGT-9 as required under Section 92 of the Companies Act,

2013 for the financial year ended March 31, 2019 is annexed hereto as an 'Annexure-F' and forms part of this report.

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

No such significant and material orders have been passed by any regulators/ courts/ tribunals against the Company which will impact the going concern status and Company's operation in future.

**AUDITORS:**

**a. Statutory Auditors & their Report**

M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, having LLP Identity Number: AAC-9402, having Firm ICAI Registration No: 004925S/S200036 was appointed as Statutory Auditors of the Company at the 70th AGM till the 74th Annual General Meeting.

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

Sl. No.	Auditor's Qualification	Management's Reply
1.	<p>The Company is continuously incurring losses and its net worth is totally eroded as on 31.03.2019. During the Financial Year 2015-16, the Company's loans and liabilities were restructured under the 'Corporate Debt Restructuring' Scheme. As per the said Scheme, the company's repayment obligations were deferred/ restructured. The banks also provided certain reliefs / waivers / sacrifices by reducing the rate of interest. Interest was provided in the books at the lowered rates of interest. However the bankers had withdrawn the concession with retrospective effect and charged the interest at original rates. Consequent to withdrawal of concessions, few banks have debited the account of the company for the differential amount of interest and other concessions given as per the CDR Scheme. The period of withdrawal relate from 1st May 2014 to the date of debit. The company has sought waiver of the said debits in the restructuring proposal submitted to the Bank which is pending with the bankers. Pending acceptance of the waiver sought, the charges as debited has been recognized as finance charges during the year. Based on information and explanation given to us, the company is also in the process of restructuring its borrowings from banks and finalising alternative business plans which are expected to result in profits in the near future. The Company's ability to continue as a Going Concern is depended upon the successful implementation of the same. The above indicates a significant uncertainty and doubt about the company's ability to continue as a Going Concern.</p>	<p>The company has shown improved performance in sale of steel during the year as compared to the previous year and with the steel sector showing sign of recovery and buoyancy the Turnover and profitability would increase further during the Current FY. With respect to the power division the sales during the last few months have shown improvement with increase in the demand. Together the performance from current FY is expected to be better than what was witnessed in the last few years. Despite the losses incurred and unfavourable business circumstances, the company is able to achieve reasonable levels of Capacity utilization and is in a position to meet all its operational expenses from out of operations and is up to-date with all obligations except the interest to the Banks. The company has made a resolution proposal to the Banks which is under their consideration. Therefore all the uncertainties have been reasonably addressed with definite plan and proposal and therefore the Board firmly believes that the company would be able to continue as a going concern.</p>





Sl. No.	Auditor's Qualification	Management's Reply
2.	There has been an inspection during January 2019 by GST officials during which the said officials have pointed out that on purchases to the tune of Rs.61.64 crores involving GST of Rs.11.10 crores, the parties/supplier have not remitted the GST collected on such purchases, and the company had to pay the said amount to the GST Department as transpired from the books of accounts. The company has debited the amounts so paid to the account of the vendor and have accordingly recovered Rs.6.24 Crores and the balance is to be recovered in due course.	The Company has paid the GST amount as demanded and will be recovering the same from the vendor. In view of this, there won't be any liability on the Company in this regard. The Company is in total compliance of GST Law in this regard.

#### b. Reporting Of Frauds By Auditors

During the year under review, the Statutory Auditors has not reported any instances of fraud committed against the Company by its officers or employees, to the Audit Committee, under Section 143(12) of the Companies Act, 2013, the details of which would have been required to be mentioned in the Board's Report.

#### c. Cost Auditors

The Board of Directors, on recommendation of the Audit Committee, has approved the re-appointment of Messrs Murthy & Co. LLP, Cost Auditors of the Company for the financial year ending 31st March, 2020, under section 148 of the Companies Act, 2013, and recommends ratification of his remuneration by the shareholders at the ensuing Annual General Meeting of the Company. Further,

maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

#### d. Secretarial Auditors

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has engaged the services of M/s. M. Damodaran & Associates, a firm of Company Secretaries in practice, Chennai, to conduct the Secretarial Audit of the Company for the 12 months period ended on 31st March, 2019. The Secretarial Audit Report in Form MR-3 is attached as '**Annexure-G**', to this Report. The Secretarial Audit Report contains some observations as mentioned below:

Observations by Secretarial Auditors	Our Reply
The composition of the Board and Nomination & Remuneration Committee of the Company was not in compliance with Regulation 17(1) (a), Regulation 17(1) (b) and Regulation 19(1) (b) of SEBI (LODR) Regulations, 2015. However, subsequently, the Board has appointed Mr. M. Parthasarathy, Independent Director (Non-Executive) w.e.f. 13.11.2018 and thereafter, the composition of the Board and the Committee is in compliance with Regulation 17(1) (a), Regulation 17(1) (b) and Regulation 19(1) (b) of SEBI (LODR) Regulations, 2015.	This has been subsequently complied with
There was a delay in submission of the financial results by the Company to the BSE for the quarter and financial year ended on 31st March, 2018 pursuant to Regulation 33(3) of SEBI (LODR) Regulations, 2015. The said results were submitted to the BSE on 08th August, 2018.	The delay was unintentional

#### e. Secretarial Standards

The Company has complied with all the applicable Secretarial Standards issued by the ICSI.

#### 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:

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

##### **a. Change in Board Constitution**

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

- (i) At the 71st AGM held on 28th September, 2018, Mr. Sanjay Tulshyan, Managing Director of the Company, who was retired from his office by rotation and being eligible offered himself for re-appointment, was re-appointed as a Director of the Company and is liable to retire by rotation.
- (ii) Mr. Manogyanathan Parthasarathy has been appointed as an Additional Director (Non-Executive and Independent) of the Company w.e.f. 13th November, 2018 and his tenure shall expire at the ensuing Annual General Meeting and being eligible his appointment as Independent Director (Non-Executive) of the Company has been recommended to the shareholders at the ensuing Annual General Meeting for approval.
- (iii) The Board, upon recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 13th February, 2019, has re-appointed Mr. Chakkolath Ramachandran (DIN: 00050893),

who has attained the age of 80 years, as a Non-Executive Independent Director of the Company to hold the office for a second term of five (5) consecutive years w.e.f. from April 1, 2019 via approval of the shareholders through Postal Ballot results dated 27th March, 2019.

##### **b. Change in Key Managerial Personnel**

Mr. Rakhhal Panigrahi, Company Secretary and Compliance officer of the Company has been resigned from the service of the Company w.e.f. 29th October, 2018 and in his place Mrs. Parvati Soni has been appointed as the Company Secretary cum Compliance officer and KMP of the Company by the Board of Directors with immediate effect.

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

The Remuneration policy for the Directors/KMP and other Senior Management Personnel is given under 'Annexure-H' to this Report.

##### **d. Declaration by Independent Directors**

The Independent Directors on the Company's Board have given their respective declarations that they meet the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Chapter IV of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

##### **e. Familiarization Programme for Independent Directors**

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

##### **f. Performance Evaluation**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Schedule IV of the Act and also in line with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors of the Company met on 13th February 2019 without the attendance of Non Independent Directors and Members of the Management and reviewed the performance of Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson.

The Board has adopted a formal mechanism for evaluating its performance as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning



such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

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

The details of the meetings of the Board and its committees held during the financial year 2018-2019 are given in the Corporate Governance Report which forms part of the Annual Report.

#### **INTERNAL COMPLAINTS COMMITTEE:**

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

The Company has constituted an Internal Complaints Committee to prevent and prohibit any form of sexual harassment at workplace and provide redressal for woman employees as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, the members of Internal Complaints Committee met on 13th November 2018 and noted that there was no event affecting any of the women employees on account of any sexual harassment at the work place.

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

During the year under review, the Company has transferred a sum of Rs. 1,76,580/- unclaimed/unpaid final dividend amount pertaining to the Financial Year 2010-11 to the Investor Education and Protection Fund (IEPF) in compliance with applicable provisions of the Companies Act, 2013. Further the unclaimed/unpaid dividend amount pertaining to the Financial Year 2011-12 will be credited to the IEPF on 02nd November, 2019 and the corresponding shares on which dividend was unclaimed or unpaid for seven consecutive years will also be transferred to IEPF as per the procedures set out in the Rules.

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

Our Company's shares are suspended from trading w.e.f. 29th November, 2016. All the revocation norms has been complied with by the Company. However, there should not be any difference between the Listed Capital and Issued Capital of the Company as per SEBI norms on revocation of suspension and in order to comply with this, the Management is taking all necessary steps and actions to uplift the suspension at earliest.

#### **APPRECIATION:**

Your Directors wish to extend their sincerest appreciation to the investors, bankers, customers, suppliers, executives, staffs and workers at all levels for their continuous co-operation and assistance. Your Directors express their sincere gratitude to all the Regulatory Authorities such as the SEBI, Stock Exchanges and other Central & State Government authorities and agencies, Registrars for their guidance and support.

Your Directors place on record their sincere appreciation for the continued support from shareholders, customers, suppliers, banks and financial institutions and other business associates.

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

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

**Place: Chennai  
Date: 14-08-2019  
Registered Office:  
Apex Plaza, I Floor, New No.77,  
Old No.3, Nungambakkam High Road  
Chennai-600034, Tamil Nadu**

**Annexure A to the Board's Report**
**ANNUAL REPORT ON CSR ACTIVITIES**

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

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Board of Directors of the Company has prepared the CSR policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the details of such Policy is available on the website of the Company at the following link- Web link: <a href="http://tulsyannec.co.in/pdf/CSR%20Policy.pdf">http://tulsyannec.co.in/pdf/CSR%20Policy.pdf</a>
2	The Composition of the CSR Committee	a) Mr. Sanjay Agarwalla, Executive Director - Member b) Mr. C. Ramachandran, Non-Executive Independent Director – Member c) Mrs. Preeti Garg, Non-Executive Independent Director - Member
3	Average Net profit of the Company for the last three financial years	The Company has suffered loss in the last three consecutive financial years.
4	Prescribed CSR expenditure (2% of the amount as in item 3 above)	Nil
5	Details of CSR spent during the financial year 2018-2019	
	(a) Total amount to be spent for the financial year 2018-2019	Nil
	(b) Amount unspent, if any	Not Applicable
	(c) Manner in which the amount spent during the financial year	Not Applicable
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objective and policy of the Company	The implementation and monitoring of CSR Policy, is in compliance with CSR objective and policy of the Company

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

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

**Place: Chennai**  
**Date: 14-08-2019**

**Annexure B to the Board's Report**
**Form AOC-2**

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

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

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transactions	NIL
c)	Duration of the contracts/arrangements/transactions	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at arm's length basis:

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

Sl. No.	Particulars	Details
e)	Justification for entering into such contracts or arrangements or transactions	Best interest of the Company and shareholders
f)	Date of approval by the Board	<b>Tulsyan Smelters Private Limited</b> - 13 <sup>th</sup> February, 2019
		<b>Chittrakoot Steel and Power Private Limited</b> - 14 <sup>th</sup> August, 2018
g)	Amount paid as advances, if any	Nil
h)	Date on which the special / Ordinary resolution was passed in General meeting as required under first proviso to section 188	<b>Tulsyan Smelters Private Limited</b> - 27 <sup>th</sup> March, 2019
		<b>Chittrakoot Steel and Power Private Limited</b> - 28 <sup>th</sup> September, 2016

\*The Board, upon recommendation of the Audit Committee, has extended the amount and tenure of the contract of Related Party Transaction with Tulsyan Smelters Private Limited from 01-04-2019 to 31-03-2022 (for 3 years) via approval of the shareholders through Postal Ballot results dated 27<sup>th</sup> March, 2019.

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

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

**Place: Chennai**  
**Date: 14-08-2019**

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

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

**(A) CONSERVATION OF ENERGY:****(I) The Steps taken or impact on conservation of energy:**

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

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

The company produced 409292000 units of energy during the financial year 2018-2019.

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

There is no capital investment during the financial year 2018-2019.

**(B) TECHNOLOGY ABSORPTION****(I) The efforts made towards technology absorption:** Not Applicable**(II) The benefits derived like product improvement, cost reduction, product development or import substitution:** Not Applicable**(III) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Not Applicable

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

**(IV) The expenditure incurred on Research and Development:** Not Applicable**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

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

**Place: Chennai  
Date: 14-08-2019**

**Annexure D to the Board's Report**
**Information disclosed pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**
**1) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19:**

Name	Designation	Ratio
Lalit Kumar Tulsyani	Chairman	No change
Sanjay Tulsyani	Managing Director	No change
Sanjay Agarwalla	Whole-time Director	No change
C. Ramachandran	Non-Executive Independent Director	N/A
M. Parthasarathy *	Non-Executive Independent Director	N/A
Preeti Garg	Non-Executive Independent Director	N/A

\* Mr. M. Parthasarathy was appointed as Non-Executive Independent Director in the Board of the Company w.e.f. 13th November, 2018.

For this purpose, sitting fees paid to Non-Executive Directors have not been considered as remuneration. Further, median is calculated at the Cost to the Company (CTC) of payroll employees as on March 31, 2019.

**2) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19:**

Sl. No.	Name of Directors / KMP and designations	Remuneration to Directors / KMP for the financial year 2017-2018	% increase in Remuneration for the Financial year 2018-2019	Remuneration to Directors / KMP for the financial year 2018-2019
1	Lalit Kumar Tulsyani (Executive Chairman)	60,78,000	NIL	60,78,000
2	Sanjay Tulsyani (Managing Director)	60,72,000	NIL	60,72,000
3	Sanjay Agarwalla (Whole-time Director)	39,00,000	NIL	39,00,000
4	Shantha Kumar Rajagopal Iyer Pra (CFO)	31,44,000	3.18%	32,44,000
5	P. Laxmidhar Prusty * (Company Secretary)	3,55,812	N.A.	N.A.
6	Rakhal Panigrahi @ (Company Secretary)	4,35,948	-	3,13,600
7	Parvati Soni # (Company Secretary)	N.A.	-	2,62,858

\* Mr. P. Laxmidhar Prusty, was resigned from the office of Company Secretary of the Company w.e.f. 28-09-2017.

@ Mr. Rakhal Panigrahi was resigned from the office of Company Secretary of the Company w.e.f. 29-10-2018.

# Mrs. Parvati Soni was appointed as the Company Secretary of the Company w.e.f. 29-10-2018.

**3) The Percentage increase in the median remuneration of employees in the financial year 2018-19: 9.7%**
**4) Number of permanent employees on the rolls of Company: 698**
**5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 5.46%**
**6) The key parameters for any variable component of remuneration availed by the directors: NIL**
**7) Affirmation that the remuneration is as per the remuneration policy of the company: It is affirmed that the remuneration is as per the remuneration policy of the Company.**

**PARTICULARS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN  
Information disclosed pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and  
Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March 2019**

Sl. No.	Name of the Employee	Designation of the Employee	Remuneration Received (in Rs.)	Nature of Employment	Qualifications and Experience of the Employee	Date of Commencement of Employment	Date of Cessation of Employment (if any)	Age of the Employee	The last employment held by such employee before joining the company	% of equity shares held by the employee in the Company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Lalit Kumar Tulsyan	Executive Chairman	60,78,000	Permanent	B.Com	12-07-1996	N.A.	59	NA	26.98	Sanjay Tulsyan
2	Sanjay Tulsyan	Managing Director	60,72,000	Permanent	B.Com	01-10-1996	N.A.	55	NA	29.84	Lalit Kumar Tulsyan
3	Sanjay Agarwalla	Whole-time Director	39,00,000	Permanent	B.Com	12-07-2011	N.A.	56	NA	0.29	-
4	Shantha Kumar R. P.	CFO	32,44,000	Permanent	CA & LLB	21-04-2015	N.A.	57	Hatsoff Helicopter Training (P) Ltd	0	-
5	Jeyakumar Babu A	CGM (Power Plant)	23,46,800	Permanent	Diploma EEE	01-05-2010	N.A.	48	Drolia Electro Steel (P) Ltd	0	-
6	Onkarappa V. N.	Vice President (Furnace Division)	22,91,000	Permanent	Diploma Metrological	01-07-2014	N.A.	51	Novel Tech	0	-
7	Dinesh Goyal	CEO	21,26,360	Permanent	Commerce Graduate	21-06-2008	N.A.	61	Not Applicable	0	-
8	Eswaramoorthy	GM	20,79,000	Permanent	M.Com & PGDPM	03-10-2012	N.A.	60	OPG Power Generation (P) Ltd	0	-
9	Alka Tulsyan	VP-Admin	18,00,400	Permanent	B.Sc.	01-04-2012	N.A.	57	N.A.	5.01	Lalit Kumar Tulsyan
10	Bir Bahadur Singh	Vice President (Rolling Division)	18,00,000	Permanent	B.Sc. (Physics)	01-09-2009	N.A.	50	Mid India Power & Steels Ltd	0	-

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

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

**Place: Chennai  
Date: 14-08-2019**

**Annexure E to the Board's Report**
**Form AOC-1**

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

**Part "A" Subsidiaries**

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

Sl. No.	Particulars	As on March 31, 2019	As on March 31, 2019
1	Number of Subsidiary	One	Two
2	Name of the Subsidiary	Chitrakoot Steel and Power Private Limited	Color Peppers Media Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
4	Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries.	Not Applicable	Not Applicable
5	Share Capital	64,89,200 equity shares of Rs. 10/- each aggregating to Rs. 6,48,92,000/-	50,000 equity shares of Rs. 10/- each aggregating to Rs. 500,000/-
6	Reserve and Surplus	(29,04,19,207)	(1,41,30,349.41)
7	Total assets	25,18,02,304	53,54,184.59
8	Total Liabilities	25,18,02,304	53,54,184.59
9	Investments	2500	-
10	Turnover	18,87,26,874	-
11	Profit before taxation	6,16,60,359	(12,05,740.00)
12	Provision for taxation	2,12,86,353	-
13	Profit after taxation	4,03,74,006	(12,05,740.00)
14	Proposed dividend	NIL	NIL
15	Extent of shareholding (in percentage)	100	100

**Notes:**

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

**Part "B" Associates and Joint Ventures: Not Applicable**
**For and on behalf of the board  
For Tulsyan NEC Limited**

Sd/-  
Sanjay Tulsyan  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Place : Chennai  
Date : 14-08-2019

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

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823

Sd/-  
Parvati Soni  
Company Secretary

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394



**Annexure F to the Board's Report**
**Form No. MGT-9**
**Extract of Annual Return as on the Financial Year ended on 31.03.2019**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

CIN	L28920TN1947PLC007437
Registration Date	11-04-1947
Name of the Company	Tulshyan NEC Limited
Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
Address of the Registered office & contact details	Apex Plaza, I Floor, New No. 77, Old No. 3, Nungambakkam High Road, Chennai - 600 034 Tel.: 044-6199 1060, Fax : 044-6199 1066 E-mail: investor@tulshyanec.in Website: <a href="http://www.tulshyanec.in">www.tulshyanec.in</a>
Whether Listed Company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited "Subramanian Building", V Floor No. 1, Club House Road Chennai - 600 002, India Ph: 044 - 2846 0390 Fax :044 - 2846 0129

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company:

Sl. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Steel	24105	72.02
2	Synthetic	22203	18.91
3	Power	35102	9.07

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Chitrakoot Steel & Power Private Limited	U28999TN2003PTC051803	Subsidiary	100%	2(87)
2	Color Peppers Media Private Limited	U74300TN2010PTC078391	Subsidiary	100%	2(87)



#### IV. SHAREHOLDING PATTERN (EQUITY SHARES CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### (i) Category-wise Share Holding

Sl. No	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	10567415	0	10567415	70.45	10567415	0	10567415	70.45	0
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER	0	0	0	0	0	0	0	0	0
e.	<b>SUB - TOTAL (A)(1)</b>	<b>10567415</b>	<b>0</b>	<b>10567415</b>	<b>70.45</b>	<b>10567415</b>	<b>0</b>	<b>10567415</b>	<b>70.45</b>	<b>0</b>
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0	0	0	0	0	0
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>10567415</b>	<b>0</b>	<b>10567415</b>	<b>70.45</b>	<b>10567415</b>	<b>0</b>	<b>10567415</b>	<b>70.45</b>	<b>0</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.										



Sl. No	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	ANY OTHER	0	0	0	0	0	0	0	0	0
	<b>SUB - TOTAL (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	536189	1140220	1676409	11.2	437349	1267438	1704787	11.37	0.17
b.	INDIVIDUALS -									
	I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1320370	294918	1615288	10.75	1298030	234191	1532221	10.21	-0.56
	II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	711804	107135	818939	5.46	750950	100244	851194	5.67	0.21
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	HINDU UNDIVIDED FAMILIES	182215	1	182216	1.21	183215	1	183216	1.22	0.01
	IEPF	71907	0	71907	0.48	105931	0	105931	0.71	0.23
	NON RESIDENT INDIANS	32826	35000	67826	0.45	33336	23900	57236	0.38	-0.07
	<b>SUB - TOTAL (B)(2)</b>	<b>2855311</b>	<b>1577274</b>	<b>4432585</b>	<b>29.55</b>	<b>2808811</b>	<b>1625774</b>	<b>4434585</b>	<b>29.55</b>	<b>0.01</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>2855311</b>	<b>1577274</b>	<b>4432585</b>	<b>29.55</b>	<b>2808811</b>	<b>1625774</b>	<b>4434585</b>	<b>29.55</b>	<b>0.01</b>
	<b>TOTAL (A)+(B)</b>	<b>13422726</b>	<b>1577274</b>	<b>15000000</b>	<b>100</b>	<b>13376226</b>	<b>1623774</b>	<b>15000000</b>	<b>100</b>	<b>0</b>
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>13422726</b>	<b>1577274</b>	<b>15000000</b>	<b>100</b>	<b>13376226</b>	<b>1623774</b>	<b>15000000</b>	<b>100</b>	<b>0</b>

**ii) Shareholding of promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	SANJAY TULSIYAN	4475481	29.8365	4475481	29.8365	0.0000
2	LALITH KUMAR TULSIYAN	4046645	26.9776	4046645	26.9776	0.0000
3	PRIYA TULSIYAN	954982	6.3665	954982	6.3665	0.0000
4	ALKA TULSIYAN	751130	5.0075	751130	5.0075	0.0000
5	PRIYANKA SHARMA JT1 : MANISH KUMAR SHARMA	144068	0.9604	144068	0.9604	0.0000
6	LALIT KUMAR TULSIYAN HUF	72446	0.4829	72446	0.4829	0.0000
7	PRERNA TULSIYAN	65036	0.4335	65036	0.4335	0.0000
8	ANTARA TULSIYAN	57627	0.3841	57627	0.3841	0.0000

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>SANJAY TULSYAN</b>				
	At the beginning of the year 01-Apr-2018	4475481	29.8365	4475481	29.8365
	At the end of the Year 31-Mar-2019	4475481	29.8365	4475481	29.8365
2	<b>LALITH KUMAR TULSYAN</b>				
	At the beginning of the year 01-Apr-2018	4046645	26.9776	4046645	26.9776
	At the end of the Year 31-Mar-2019	4046645	26.9776	4046645	26.9776
3	<b>PRIYA TULSYAN</b>				
	At the beginning of the year 01-Apr-2018	954982	6.3665	954982	6.3665
	At the end of the Year 31-Mar-2019	954982	6.3665	954982	6.3665
4	<b>ALKA TULSYAN</b>				
	At the beginning of the year 01-Apr-2018	751130	5.0075	751130	5.0075
	At the end of the Year 31-Mar-2019	751130	5.0075	751130	5.0075
5	<b>PRIYANKA SHARMA JT1 : MANISH KUMAR SHARMA</b>				
	At the beginning of the year 01-Apr-2018	144068	0.9604	144068	0.9604
	At the end of the Year 31-Mar-2019	144068	0.9604	144068	0.9604
6	<b>LALIT KUMAR TULSYAN HUF</b>				
	At the beginning of the year 01-Apr-2018	72446	0.4829	72446	0.4829
	At the end of the Year 31-Mar-2019	72446	0.4829	72446	0.4829
7	<b>PRERNA TULSYAN</b>				
	At the beginning of the year 01-Apr-2018	65036	0.4335	65036	0.4335
	At the end of the Year 31-Mar-2019	65036	0.4335	65036	0.4335
8	<b>ANTARA TULSYAN</b>				
	At the beginning of the year 01-Apr-2018	57627	0.3841	57627	0.3841
	At the end of the Year 31-Mar-2019	57627	0.3841	57627	0.3841



## (iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>G B R METALS PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2018	192100	1.2806	192100	1.2806
	Sale 23-Feb-2019	-192100	1.2806	0	0.0000
	Purchase 25-Feb-2019	192100	1.2806	192100	1.2806
	At the end of the Year 31-Mar-2019	192100	1.2806	192100	1.2806
2	<b>SUNDARAM CLAYTON LIMITED</b>				
	At the beginning of the year 01-Apr-2018	102467	0.6831	102467	0.6831
	Purchase 30-Nov-2018	41250	0.2750	143717	0.9581
	Sale 23-Feb-2019	-143717	0.9581	0	0.0000
	Purchase 25-Feb-2019	143717	0.9581	143717	0.9581
	At the end of the Year 31-Mar-2019	143717	0.9581	143717	0.9581
3	<b>JEPPIAAR FURNACE AND STEELS PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2018	112500	0.7500	112500	0.7500
	Purchase 31-Dec-2018	18750	0.1250	131250	0.8750
	Sale 23-Feb-2019	-131250	0.8750	0	0.0000
	Purchase 25-Feb-2019	131250	0.8750	131250	0.8750
	At the end of the Year 31-Mar-2019	131250	0.8750	131250	0.8750
4	<b>S L LUMAX LIMITED</b>				
	At the beginning of the year 01-Apr-2018	120000	0.8000	120000	0.8000
	Sale 23-Feb-2019	-120000	0.8000	0	0.0000
	Purchase 25-Feb-2019	120000	0.8000	120000	0.8000
	At the end of the Year 31-Mar-2019	120000	0.8000	120000	0.8000



SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
5	<b>MEENAKSHI UDYOG (INDIA) PVT LTD</b>				
	At the beginning of the year 01-Apr-2018	120800	0.8053	120800	0.8053
	Sale 31-Dec-2018	-8300	0.0553	112500	0.7500
	Sale 23-Feb-2019	-112500	0.7500	0	0.0000
	Purchase 25-Feb-2019	112500	0.7500	112500	0.7500
	At the end of the Year 31-Mar-2019	112500	0.7500	112500	0.7500
6	<b>INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY, MINISTRY OF CORPORATE AFFAIRS</b>				
	At the beginning of the year 01-Apr-2018	71907	0.4793	71907	0.4793
	Transfer 28-Dec-2018	22915	0.1528	94822	0.6321
	Transfer 05-Mar-2019	11109	0.0741	105931	0.7062
	At the end of the Year 31-Mar-2019	105931	0.7062	105931	0.7062
7	<b>GOVINDBHAI BALDEV DESAI</b>				
	At the beginning of the year 01-Apr-2018	100000	0.6667	100000	0.6667
	At the end of the Year 31-Mar-2019	100000	0.6667	100000	0.6667
8	<b>HARSHA HITESH JAVERI JT1 : HITESH RAMJI JAVERI JT2 : RADHABAI RAMJI JAVERI</b>				
	At the beginning of the year 01-Apr-2018	100000	0.6666	100000	0.6666
	Sale 23-Feb-2019	-100000	0.6666	0	0.0000
	Purchase 25-Feb-2019	100000	0.6666	100000	0.6666
	At the end of the Year 31-Mar-2019	100000	0.6666	100000	0.6666
9	<b>K L CONCAST PVT LTD</b>				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 07-Sep-2018	11250	0.0750	11250	0.0750
	Sale 07-Sep-2018	-11250	0.0750	0	0.0000
	Purchase 14-Sep-2018	11250	0.0750	11250	0.0750

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale 23-Feb-2019	-11250	0.0750	0	0.0000
	Purchase 25-Feb-2019	11250	0.0750	11250	0.0750
	Purchase 22-Mar-2019	36650	0.2443	47900	0.3193
	Purchase 30-Mar-2019	18750	0.1250	66650	0.4443
	At the end of the Year 31-Mar-2019	66650	0.4443	66650	0.4443
10	<b>MOTHERSON SUMI SYSTEMS LIMITED</b>				
	At the beginning of the year 01-Apr-2018	63750	0.4250	63750	0.4250
	Sale 23-Feb-2019	-63750	0.4250	0	0.0000
	Purchase 25-Feb-2019	63750	0.4250	63750	0.4250
	At the end of the Year 31-Mar-2019	63750	0.4250	63750	0.4250

**(v) Shareholding of Directors and Key Managerial Personnel:**

SI. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of shares	% of total share of the company	Number of shares	% of total share of the company
1	<b>C. RAMACHANDRAN</b>				
	At the beginning of the year 01-04-2018	NA	NA	NA	NA
	At the end of the year 31-03-2019	NA	NA	NA	NA
2	<b>M. PARTHASARATHY</b>				
	At the beginning of the year 01-04-2018	NA	NA	NA	NA
	At the end of the year 31-03-2019	NA	NA	NA	NA
3	<b>PARVATI SONI</b>				
	At the beginning of the year 01-04-2018	0	0	0	0
	At the end of the year 31-03-2019	0	0	0	0
4	<b>SHANTHA KUMAR RP</b>				
	At the beginning of the year 01-04-2018	0	0	0	0
	At the end of the year 31-03-2019	0	0	0	0



Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of shares	% of total share of the company	Number of shares	% of total share of the company
<b>5</b>	<b>LALIT KUMAR TULSYAN</b>				
	At the beginning of the year 01-Apr-2018	4046645	26.9776	4046645	26.9776
	At the end of the Year 31-Mar-2019	4046645	26.9776	4046645	26.9776
<b>6</b>	<b>SANJAY TULSYAN</b>				
	At the beginning of the year 01-04-2018	4475481	29.8365	4475481	29.8365
	At the end of the year 31-03-2019	4475481	29.8365	4475481	29.8365
<b>7</b>	<b>SANJAY AGARWALLA</b>				
	At the beginning of the year 01-04-2018	40527	0.2702	40527	0.2702
	Net Changes during the year (Purchase)	130948	0.8730	171475	1.1432
	Net Changes during the year (Sale)	(-)127960	(-)0.8531	43515	0.2901
	At the end of the year 31-03-2019	43515	0.2901	43515	0.2901
<b>8</b>	<b>PREETI GARG</b>				
	At the beginning of the year 01-04-2018	NA	NA	NA	NA
	At the end of the year 31-03-2019	NA	NA	NA	NA

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding / accrued but not due for payment**
**(Rs. in Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,10,089.47	4,374.93	-	1,14,464.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	823.60	531.67	-	1,355.27
<b>Total (i+ii+iii)</b>	<b>1,10,913.07</b>	<b>4,906.60</b>	<b>-</b>	<b>1,15,819.67</b>

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Change in Indebtedness during the financial year</b>				
· Addition	16,291.56	-	-	16,291.56
· Reduction	811.13	824.30	-	1,635.43
<b>Net Change</b>	17,102.69	824.30	-	14,656.13
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,26,381.03	3,598.14	-	1,29,979.17
ii) Interest due but not paid	12.47	484.16	-	496.63
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1,26,393.50	4,082.30	-	1,30,475.80

## VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rupees)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sanjay Tulsyang (MD)	Lalit Kumar Tulsyang (CMD)	Sanjay Agarwalla (WTD)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,72,000	60,78,000	39,00,000	1,60,50,000
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	- -	- -	- -	- -
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	60,72,000	60,78,000	39,00,000	1,60,50,000
	Ceiling As per the Act	Approval of shareholders (Special Resolution) obtained at 69 <sup>th</sup> AGM on 26-09-2016.			

**B. Remuneration to other directors:**

(Amount in Rupees)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		C. Ramachandran	Preeti Garg	M. Parthasarathy	
1	Independent Directors · Fee for attending board and committee meetings during FY 2018-19 · Commission · Others, please specify	75,000	40,000	15,000	1,30,000
	Total (1)	75,000	40,000	15,000	1,30,000
2	Other Non-Executive Directors · Fee for attending board and committee meetings · Commission · Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	75,000	40,000	15,000	1,30,000
	Total Remuneration	75,000	40,000	15,000	1,30,000
	Overall Ceiling as per the Act	In respect of other directors, the company has paid the sitting fee for attending meetings of the Board & Committees and these amounts are within the statutory limit of Rs. 1.00 Lakhs as prescribed under the Companies Act, 2013 and the rules made thereunder.			

**C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD**

(Amount in Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	Not Applicable	2,62,858	32,44,000	35,06,858
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify...		-	-	-
5.	Others, please specify		-	-	-
	Total		2,62,858	32,44,000	35,06,858

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By Order of the Board of Directors  
For Tulsyani NEC Limited

Sd/-

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

Place: Chennai  
Date: 14-08-2019

**Annexure G to the Board's Report****Form No. MR-3  
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2019**

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

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

I 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 with 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 **31.03.2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. TULSYAN NEC LIMITED** ("the Company") for the financial year ended on **31.03.2019** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

1. The composition of the Board and Nomination & Remuneration Committee of the Company was not in compliance with Regulation 17(1) (a), Regulation 17(1) (b) and Regulation 19(1) (b) of SEBI (LODR) Regulations, 2015. However, subsequently, the Board has appointed Mr. M. Parthasarathy, Independent Director (Non-Executive) w.e.f. 13.11.2018 and thereafter, the composition of the Board and the Committee is in compliance with Regulation 17(1) (a), Regulation 17(1) (b) and Regulation 19(1) (b) of SEBI (LODR) Regulations, 2015.
2. There was a delay in submission of the financial results by the Company to the BSE for the quarter and financial year ended on 31st March, 2018 pursuant to Regulation 33(3) of SEBI (LODR) Regulations, 2015. The said results were submitted to the BSE on 08th August, 2018.

**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 Meetings. The agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**I further report that** during the audit period the company has passed Special/Ordinary Resolutions through postal ballot result for the purpose of-

- a. Re-appointment of Mr. Chakkolath Ramachandran (DIN: 00050893), who has attained the age of 80 years, as a Non-Executive Independent Director for a second term of five consecutive years w.e.f. April 1, 2019.
- b. Approval of Material Related Party Transaction entered into with Tulsyan Smelters Private Limited.

The aforesaid resolutions were passed in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The proceedings of the Postal Ballot were conducted in compliance with the applicable provisions of the Companies Act, 2013, Secretarial Standards & SEBI Regulations. The Postal Ballot results were announced on 27.03.2019 at the Registered Office of the Company.

**Place : Chennai**  
**Date : 14.08.2019**

**Signature : sd/-**  
**Name of Company Secretary in practice :**  
**M. DAMODARAN**  
**FCS No. : 5837**  
**C P No.: 5081**

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

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

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we 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. Wherever 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 : 14.08.2019**

**Signature : sd/-**  
**Name of Company Secretary in practice :**  
**M. DAMODARAN**  
**FCS No. : 5837**  
**C P No.: 5081**

**Annexure H to the Board's Report****POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL****Introduction:**

In accordance with Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has formulated Remuneration Policy ("the Policy"). The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

**1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be approved by the Board of Directors from time to time.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be approved by the Board of Directors.
- c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied: i) The Services are rendered by such Director in his capacity as the professional; and ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**By Order of the Board of Directors**

**For Tulsiyan NEC Limited**

**Sd/-**

**Lalit Kumar Tulsiyan**

**Executive Chairman**

**DIN: 00632823**

**Place: Chennai**

**Date: 14-08-2019**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company's products are TMT Bars, Sponge Iron, Billets and Ingots in the steel division and in synthetic division it is PP Woven Sacks, FIBC and Woven Fabric. TMT Bars are used in the Construction Sector and the plastic products cater to the packaging needs of various industries such as Cement, Fertilizers, Food grains, Sugar, etc.

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

#### STEEL INDUSTRY

- The World Steel Association has projected Indian steel demand to grow by 7.1% in 2019 while globally; steel demand has been projected to grow by 1.3% in 2019.
- The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during 2018, from its 3rd largest status in 2017. The country is also the largest producer of Sponge Iron or DRI in the world and the 3rd largest finished steel consumer in the world after China & USA.
- 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.
- Further, 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.

#### STEEL PRODUCTION:

Listed below is a snapshot of Indian steel industry's performance in 2018-19 based on provisional data released by the Joint Plant Committee (JPC) with growth rates compared to 2017-18

- India is currently the 2nd largest producer of crude steel in the world.
- In 2018-19, production of total finished steel (alloy + non alloy) was 131.572 mt, a growth of 3.7% over last year.
- Production of Pig Iron in 2018-19 was 6.055 mt, a growth of 5.7% over last year.
- India is the largest producer of Sponge Iron in the world. The coal based route accounted for 79% of total Sponge Iron production (33.040 mt) in the country in 2018-19.
- Import of total finished steel was 7.83 million mt, an increase of 4.68 per cent.
- India is currently a net importer of total finished steel.
- Per capita finished steel consumption in 2018 was 70.9 kg for India.

(Source: Ministry of Steel)

#### POWER:

As at 30th May 2019, total power production capacity of India is 356818 MWs. Out of the total capacity, 54.50% is from Coal based thermal power plants. Domestic coal requirement is largely met from the Coal produced India. Large power produces buy coal in the coal block auctions and smaller units mainly import the coal and also buy locally.

To achieve universal household electrification in the country by March 2019, the Government of India had launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA). This, supported by visible revival of distribution companies through UDAY, augurs well for the entire Power Sector and would help unleash the huge latent demand for electricity.

#### DEMAND AND SUPPLY:

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

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

(Source: Ministry of Power and Energy)

## II. OPPORTUNITIES AND THREATS

### Opportunities:

- India is one of the fastest growing steel consumers in the World and is all set to become the 2nd largest steel consumer in the World in the coming years.
- Consequential growth in the steel demand due to increased government spending on the infrastructure such as Highways, Railways and Smart cities offers opportunities of increased sales and demand for companies' products.
- Imposition of Minimum Import Price on steel imports to the county offers stable support to market prices offers another opportunity in respect of increased demand and improved pricing.
- The National Electricity Plan by Central Electricity Authority and draft National Energy Policy by Niti Aayog have signalled additional requirement of thermal capacity in coming years.
- The position of power supply has improved in the state of Tamil Nadu resulting in lower realization and lower profitability. Levies such as cross subsidy by the DISCOMs further erode the margin and supply opportunities. Also levy of green cess on Coal imports has marginally increased the cost of production of power.

### Threats:

- Stringent environment norms for Steel Plants and Mines.
- Increased competition from domestic as well as Global steel companies.

The power 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.

Steel prices which saw an upswing after imposition of Minimum Import prices and have subsequently stabilized. Cost of raw materials also have declined in respect of steel which have moved in tandem with the prices of the finished steel thus keeping the margins reasonably at the same levels.

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

The production of steel rods was 140625 MT compared to 129208 MT in the previous year registering a growth of 8.84%. The sale of rods during the year was 134909 MT compared to 129667 MT in the previous year.

The production of power was 4526 Lac units compared to 3812 Lac units in the previous year registering a growth of 18.73%.

The production of synthetic products was 7599 MT compared to 7218 MT in the previous year. The sale of synthetic products during the year was 5982 MT compared to 5177 in the previous year registering a growth of 15.55%.

#### IV. OUTLOOK

As per WSA, global steel demand is forecasted to reach 1,735 MnT in 2019, an increase of 1.3% over 2018. In 2020, global steel demand is expected to reach 1,752 MnT, reflecting an increase of 1%. Although steel demand is expected to grow, the rate of growth will be lower owing to slowdown in global economy. Further, China's deceleration, uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment.

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

Delays in infrastructure development, availability of skilled manpower, volatility in global economy are some of the major risks and concerns that have to be addressed. All these have an impact on the operations of the company. The 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.

The steel industry is characterized by high capital intensity, high dependence on bulk raw materials, cyclical growth trends, perpetual over-capacity and relatively low profitability. This is the reason why the problems associated with the steel industry are generally complex requiring larger governmental and social interventions for its sustainable growth. Also, given their criticality to nation building, almost all nations with strong steel industry today had started their journey with steel industry in the state sector. Today, the industry is largely privatized and public owned with the government holding significantly reduced equity.

Steel consumption significantly depends on the overall performance of the economy (GDP) and more specifically on investments made in fixed assets such as housing, infrastructure like railways, ports, roads, airports, etc.

#### 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.84255.64 lakhs which was higher by 16.19% over last year's turnover of Rs.72514.91 lakhs. The Comparative performance of major financial parameters during the financial years 2018-19 and 2017-18 is given below:

Particulars	2018-19	2017-18
Sales Turnover	84,255.64	72,514.91
Other Income	656.00	436.15
Total Income	84,911.64	72,951.56
Profit before Interest, Depreciation, exceptional/abnormal items and Tax (EBIDTA)	4,056.78	1,740.12
Less: Interest	23,575.42	13,709.44
Less: Depreciation	2,481.28	2,562.51
Profit before Tax (PBT) before exceptional / abnormal items	(21,999.92)	(14,531.83)
Less: Exceptional items	240.76	1,145.62
Profit before Tax & OCI	(22,259.28)	(15,753.55)



Particulars	2018-19	2017-18
Profit After Tax	(22,240.68)	(15,677.45)
Networth	(38,791.22)	(16,556.05)
EBIDTA to Net sales (%)	4.81	2.40
PAT to Net worth (%)	0.57	0.95
Debtors	26,924.38	24,138.62
Debtors Turnover (In days)	117	122
Inventory	9,775	9,232
Inventory Turnover (In days)	42	46
EBIT	1,316.14	(2,044.11)
Interest Coverage Ratio	0.06	(0.15)
Current Assets	41,275.95	39,945.72
Current Liabilities	99,891.16	85,612.80
Current Ratio	0.41	0.47
Debt	1,00,820.63	88,303.97
Debt Equity Ratio	(2.60)	(5.33)
Operating Profit Margin (%)	1.56	(2.82)

As compared to last year the operating profit margin of the Company has improved due to improved performance however, the profitability of the Company is adversely affected due to higher interest cost.

#### **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, 2019 is 695 (excluding Directors).

#### **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 Tulsyane NEC Limited  
Sd/-**

**Lalit Kumar Tulsyane  
Executive Chairman**

**DIN: 00632823**

**Place: Chennai  
Date: 14-08-2019**

**CORPORATE GOVERNANCE REPORT**
**1. Corporate Governance Philosophy**

Your Company has always adhered to good corporate governance practices and maintained the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations.

Your Company's Corporate Governance practices emanate from its commitment towards accountability, transparency and fairness. Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements.

Your Company believes that good corporate governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders.

**2. Board of Directors**
**(a) Composition and Category of Directors:**

As of 31st March, 2019, the composition of Board is in compliance with corporate governance norms. The Board comprises of 6 (six) Directors which includes one Chairman (Executive Director), one Managing Director (Executive Director), one Whole-time Director (Executive Director) and three Independent Directors (Non-Executive). None of the Directors on the Board is a member of more than 10 committees or act as Chairman of more than 5 committees across all Listed Companies and Unlisted Public Limited Companies in which he/she is a director.

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

**(c) Attendance of Directors during the financial year 2018-19:**

Names of the Directors	Category	No. of Board Meetings attended during the financial year 2018-19	Attendance of the Directors in last AGM held on 28/09/2018	No. of Directorship in other Companies	No. of Committee Membership or Chairmanship in other Companies	Names of other listed entities where the person is a director and the category of directorship	No. of Shares held
Mr. Lalit Kumar Tulsyan	Executive Chairman	6	Yes	3	Nil	Nil	4046645
Mr. Sanjay Tulsyan	Managing Director	6	Yes	4	Nil	Nil	4475481
Mr. Sanjay Agarwalla	Whole-time Director	6	Yes	3	Nil	Nil	43515
Mr. C. Ramachandran	Non-Executive Independent Director	6	Yes	6	5	Elnet Technologies Limited (Independent Director)	Nil
Mr. M. Parthasarathy *	Non-Executive Independent Director	1	N.A.	Nil	Nil	Nil	Nil
Mrs. Preeti Garg	Woman Director & Non-Executive Independent Director	5	Yes	1	Nil	Nil	Nil

\*Appointed in the Board and Committees w.e.f. 13-11-2018.

**(d) Number of meetings of the board of directors held during the financial year 2018-19 and dates on which held:**

During the financial year 2018-19, six (6) numbers of Board Meetings were held on 09-06-2018, 08-08-2018, 14-08-2018, 29-10-2018, 13-11-2018 & 13-02-2019 respectively.

**(e) Disclosure of relationships between directors inter-se:**

The Following directors of the Company are related to each other in the manner mentioned below:

Sl. No.	Name of the Directors	Relationship inter-se
1	Mr. Sanjay Tulsyannec	Brother of Mr. Lalit Kumar Tulsyannec
2	Mr. Lalit Kumar Tulsyannec	Brother of Mr. Sanjay Tulsyannec

**(f)** Information applicable and falling under Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, were placed before the Board for its consideration.

**(g)** During the year, one meeting of the Independent Directors was held on February 13, 2019.

**(h)** The Board periodically reviews the reports prepared by the company on compliance with all laws applicable to the Company.

**(i) Familiarization Programmes imparted to Independent Directors:**

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

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

**(j) The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:**

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board –

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

**Key Board Qualifications**

Names of the Directors	Areas of Expertise						
	Financial	Gender, ethnic, national, or other diversity	Global business	Leadership	Technology	Board service and governance	Sales and marketing
Mr. Lalit Kumar Tulsyan	✓	✓	✓	✓	✓	✓	✓
Mr. Sanjay Tulsyan	✓	✓	✓	✓	✓	✓	✓
Mr. Sanjay Agarwalla	✓	✓	✓	✓	✓	✓	✓
Mr. C. Ramachandran	✓	✓	✓	✓	✓	✓	-
Mr. M. Parthasarathy	✓	✓	✓	✓	✓	✓	-
Mrs. Preeti Garg	✓	✓	✓	✓	-	✓	-

(k) It is hereby confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

**3. Audit Committee**
**(a) Terms of Reference:**

The powers, roles and terms of reference of the Audit Committee covers the area as mentioned under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The powers, roles and terms of reference of the Audit Committee includes inter alia oversight of Company's financial reporting process, internal financial controls, reviewing the adequacy of the internal audit function, reviewing with management the quarterly / annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration, approval of related party transactions, evaluation of risk management systems, etc.

**(b) Composition, name of members and chairperson:**

The Audit Committee of the Company has been constituted in compliance with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Section 177 of the Companies Act, 2013, which includes one Whole-time Director and three Non-Executive Independent Directors. During the financial year 2018-19, the Audit Committee was re-constituted on appointment of Mr. M. Parthasarathy as Non-Executive Independent Director on the Board and Committees of the Company w.e.f. 13th November, 2018. Therefore, the Committee constitutes the following members as on 31.03.2019:

Mr. C. Ramachandran	Chairman	Non-Executive Independent Director
Mr. Sanjay Agarwalla	Member	Whole-time Director
Mrs. Preeti Garg	Member	Non-Executive Independent Director
Mr. M. Parthasarathy	Member	Non-Executive Independent Director

Company Secretary of the Company is the Secretary of the Committee.



**(c) Meetings and attendance during the year:**

During the financial year 2018-19, six (6) numbers of Audit Committee Meetings were held on 09-06-2018, 08-08-2018, 14-08-2018, 29-10-2018, 13-11-2018 & 13-02-2019 respectively.

Members	Number of Meetings	
	Held	Attended
Mr. C Ramachandran	6	6
Mr. Sanjay Agarwalla		6
Mrs. Preeti Garg		5
Mr. M. Parthasarathy		1

**4. Nomination and Remuneration Committee**
**(a) Terms of Reference:**

The terms of reference of the Committee includes the following namely: formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Directors performance, devising a policy on Board diversity, identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal, etc.

**(b) Composition, name of members and chairperson:**

The Nomination and Remuneration Committee of the Company has been constituted in compliance with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Section 178 of the Companies Act, 2013, which includes three Non-Executive Independent Directors. During the financial year 2018-19, the Nomination and Remuneration Committee was re-constituted on appointment of Mr. M. Parthasarathy as Non-Executive Independent Director on the Board and Committees of the Company w.e.f. 13th November, 2018. Therefore, the Committee constitutes the following members as on 31.03.2019:

Mr. C. Ramachandran	Chairman	Non-Executive Independent Director
Mrs. Preeti Garg	Member	Non-Executive Independent Director
Mr. M. Parthasarathy	Member	Non-Executive Independent Director

Company Secretary of the Company is the Secretary of the Committee.

**(c) Meetings and attendance during the year:**

During the financial year 2018-19, three (3) numbers of Nomination and Remuneration Committee Meetings were held on 29-10-2018, 13-11-2018 & 13-02-2019 respectively.

Members	Number of Meetings	
	Held	Attended
Mr. C. Ramachandran	3	3
Mrs. Preeti Garg		2
Mr. M. Parthasarathy		1

**(d) Performance evaluation criteria for independent directors:**

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



A formal evaluation mechanism has been adopted for evaluating the performance of the Board, Committees thereof, individual Directors and the Chairman of the Board.

## 5. Remuneration of Directors

A Policy on remuneration of Directors, Key Managerial Personnel and Senior Management and other staff was put in place by Nomination and Remuneration Committee and approved by the Board of Directors. The Policy is enclosed as “Annexure – H” to the Board’s Report.

Detailed information of Directors Remuneration / Sitting fees paid during the financial year 2018-2019 is as follows:

Name of the Director	Category	Total Remuneration	Sitting fees
Lalit Kumar Tulsyani	Executive Chairman	60,78,000	---
Sanjay Tulsyani	Managing Director	60,72,000	---
Sanjay Agarwalla	Whole-time Director	39,00,000	---
M. Parthasarathy	Non-Executive Independent Director	---	15,000
C. Ramachandran	Non-Executive Independent Director	---	75,000
Preeti Garg	Non-Executive Independent Director	---	40,000

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

Sl. No.	Particulars	Details
1.	All elements of remuneration package such as salary, benefits, bonus, stock option, pension, etc, of all the Directors	The information relating to remuneration package such as salary, benefits, bonus, stock option, pension, etc, of all the Directors has been stated in the above table.
2.	Details of fixed Component and performance linked incentives along with the performance criteria	The total remuneration includes all perquisites & benefits. There is no performance linked incentives paid to Directors
3.	Service Contract, notice period, severance fees	Independent Directors are appointed for a period of 5 years and all other directors are appointed on retirement by rotation basis. Notice period, Service Contract and severance fees are such as stated in the Contract of Appointment for all Executive Directors.
4.	Stock option details, if any and whether the same had been issued at a discount as well as the period over which accrued and over which exercisable.	Not Applicable

## 6. Stakeholders’ Relationship Committee

### (a) Terms of Reference:

The Committee looks into redressal of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialisation / rematerialisation of shares, non-receipt of dividend warrants, transfer/transmission/split of shares, etc. The Board of Directors have delegated the power of approving transfer/transmission of shares to a Share Transfer Committee.

### (b) Composition, name of members and chairperson:

The Committee Comprises of 3 members, which includes one Whole-Time Director and two Non-Executive Independent Directors. The Committee comprises of the following members as on 31.03.2019:

Mr. C. Ramachandran	Chairman	Non-Executive Independent Director
Mrs. Preeti Garg	Member	Non-Executive Independent Director
Mr. Sanjay Agarwalla	Member	Whole-Time Director

The Company Secretary of the Company is acting as Secretary of the committee.

**(c) Name and Designation of the Compliance Officer:** Mrs. Parvati Soni, Company Secretary of the Company has been appointed as the Compliance Officer of the Company w.e.f. 29th October, 2018 in place of Mr. Rakhal Panigrahi.

**(d) Meetings and attendance during the year:**

During the financial year 2018-19, four (4) numbers of Stakeholders' Relationship Committee Meetings were held on 09-06-2018, 08-08-2018, 29-10-2018 & 13-02-2019 respectively.

Members	Number of Meetings	
	Held	Attended
Mr. C. Ramachandran	4	4
Mrs. Preeti Garg		3
Mr. Sanjay Agarwalla		4

**(e) Shareholders' Complaints:**

During the financial year 2018-19, all complaints received from the shareholders were redressed and no queries on the same were pending for the period under review.

## 7. General Body Meetings

**(a) Location and time where last 3 Annual General Meetings of the Company were held:**

AGM for the year	Date	Time	Venue
2015-2016	26.09.2016	03.30 PM	"The Music Academy, (Mini Hall)", New No-168, T.T.K. Road, Royapettah, Chennai - 600014
2016-2017	28.09.2017	03.30 PM	Naradha Gana Sabha, Mini Hall, 254 T.T.K. Road, Chennai – 600 018
2017-2018	28.09.2018	10.30 AM	Naradha Gana Sabha, Mini Hall, 254 T.T.K. Road, Chennai – 600 018

**(b) Details of Special Resolution passed during the last 3 Annual General Meetings:**

Date of AGM	Particulars of Special Resolution passed
26.09.2016	a) Approval for Re-appointment and Remuneration to Shri Sanjay Agarwalla, as Whole-time Director. b) Approval for Re-appointment and Remuneration to Shri Sanjay Tulsiyan, as Managing Director. c) Approval for Re-appointment and Remuneration of Shri Lalit Kumar Tulsiyan, in the Capacity of Managing Director, designated as "Executive Chairman"
28.09.2017	Nil
28.09.2018	Nil

**(c) Details of Special Resolution passed last year through Postal Ballot:**

Date of Postal Ballot Notice: 13th February, 2019

Voting Period: Started from Monday, 25th February, 2019 at 09.00 a.m. and ended on Tuesday, 26th March, 2019 at 05.00 p.m.

Date of declaration of Postal Ballot Results: 27th March, 2019

Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favor		Votes cast against	
			No. of votes	%	No. of votes	%
Re-appointment of Mr. Chakkolath Ramachandran (DIN:00050893) as a Non-Executive Independent Director for a second term of five consecutive years w.e.f. from April 1, 2019	Special Resolution	1,05,93,648	1,05,93,290	99.997	358	0.003
Approval of Material Related Party Transaction entered into with Tulsiyan Smelters Private Limited	Ordinary Resolution	26,233	25,875	98.635	358	1.365

**d) Person who conducted the postal ballot exercise:**

The Board of Directors, vide their Board Meeting dated 13th February, 2019, had appointed Mr. M. Damodaran, Practising Company Secretary (CP No. 5081), Partner, M/s. M. Damodaran & Associates, Practising Company Secretaries, as the Scrutinizer for conducting the aforesaid Postal Ballot / e-voting process in a fair and transparent manner.

**e) Whether any special resolution is proposed to be conducted through postal ballot: No**
**f) Procedure for postal ballot:**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provided electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company had engaged the services of CDSL.

Postal ballot notices and forms were dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice was sent by email to members who have opted to receive communication through the electronic mode. The Company also published a notice in the newspapers (English & Regional Language) declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who wanted to exercise their votes by physical postal ballot were requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those members who used the e-voting option were requested to vote before the close of the business hours on the last date of e-voting.

The scrutinizer completed his scrutiny and submitted his report to the Chairman, and the consolidated results of the voting were announced by the Chairman. The results were also displayed on the Company's website, www.tulsiyanec.in besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of announcement of results of postal ballot / e-voting was considered to be the date of passing of the resolution.

**8. Means of Communication**

Quarterly financial results are disclosed to Stock Exchanges and also published in daily newspapers viz., Trinity Mirror (English Language) and Makkal Kural (Vernacular Language). The Quarterly financial results are displayed on the Company's website at www.tulsiyanec.in. The Company provides information to the stock exchanges as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No presentations were made to institutional investors / analysts.

## 9. General Shareholder Information

### (a) Annual General Meeting:

72nd Annual General Meeting

Date & Time: 26-09-2019 at 04.00 P.M.

Venue: "MUSIC ACADEMY MINI HALL", No. 168, TT Krishnamachari Road, Royapettah, Pudupet, Gopalapuram, Chennai-600014, Tamil Nadu

### (b) Financial Year:

The financial year of the Company is from 01.04.2018 to 31.03.2019.

### (c) Dividend Payment Date:

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

#### Unclaimed Dividend:

Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Year	Type of Dividend	Dividend per share (Rs.)	Date of Declaration	Due date for Transfer	Amount (Rs. in lacs)
2011-12	Final	1.50 per share	28.09.2012	02.11.2019	163.05

The Company sends periodic intimation to the shareholders, advising them to lodge their claims with respect to unclaimed dividends. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

#### Dividend remitted to IEPF during the financial year 2018-19:

Year	Type of Dividend	Dividend declared on	Date of transfer to IEPF	Amount transferred to IEPF (Rs.)
2009-10	Final	16/06/2010	30/10/2017	4,17,700
2010-11	Interim	27/01/2011	30/03/2018	2,45,460
2010-11	Final	14/09/2011	15/11/2018	1,76,580

#### Shares transferred to IEPF during the financial year 2018-19:

During the year, the Company has transferred the following shares in accordance with IEPF rules due to dividends unclaimed for seven consecutive years -

- 71,907 shares on November 08, 2018
- 22,915 shares on December 28, 2018
- 11,109 shares on March 05, 2019

**(d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):**

The equity shares (ISIN: INE463D01016) of the Company are listed on:

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai-400 001

Annual Listing Fees up to the year ending 31st March, 2020 have been paid to BSE Limited.

**(e) Stock Code:**

Bombay Stock Exchange – 513629

**(f) Market Price data:**

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

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

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

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

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

Action taken by the Management: All the penalties has been paid to the BSE for delay in submission of financial results and all the revocation norms has been complied with by the Company. However, there should not be any difference between the Listed Capital and Issued Capital of the Company as per SEBI norms on revocation of suspension and in order to comply with this, the Management is taking all necessary steps and actions to uplift the suspension at earliest.

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

Cameo Corporate Services Limited

Subramanian Building, No.1, Club House Road near Spencers Signal on,

Anna Salai, Chennai – 600 002, Tamil Nadu

Phone: 044-2846 0390

Fax: 044-2846 0129

Email: cameo@cameoindia.com

**(i) Share Transfer System:**

The average time taken for processing and registration of share transfer requests received is less than 12 days. All dematerialization requests are processed within 10 days.

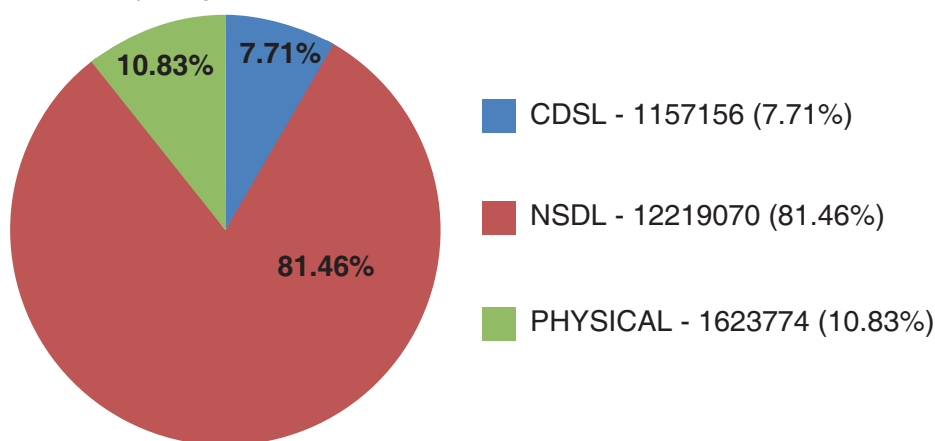
**(j) Distribution of Shareholding as on 31st March, 2019:**

Shareholdings in Rs.	Number of Shareholders	Percentage of Shareholders	Share Capital in Rs.	Percentage of Shareholding
10 to 5000	4672	86.8401	5244010	3.4960
5001 to 10000	282	5.2416	2272850	1.5152
10001 to 20000	169	3.1412	2579610	1.7197

Shareholdings in Rs.	Number of Shareholders	Percentage of Shareholders	Share Capital in Rs.	Percentage of Shareholding
20001 to 30000	75	1.3940	1932440	1.2882
30001 to 40000	18	0.3345	671600	0.4477
40001 to 50000	20	0.3717	961400	0.6409
50001 to 100000	59	1.0966	4448490	2.9656
100001 & above	85	1.5799	131889600	87.9264
Total	5380	100.0000	150000000	100.0000

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

89.17% of total Equity Capital is held in dematerialized form with NSDL and CDSL up to 31st March, 2019. All requests for dematerialization of shares were carried out within the stipulated time period and no share certificates were pending for dematerialization.


**(l) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company does not have any outstanding GDR/ADR/Warrants/any other convertible instruments.

**(m) 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.

**(n) Plant locations:**

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

**(j) Address for correspondence:**

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

Phone: 044-61991060

Fax: 044-61991066, email: investor@tulshyanec.in

Website: www.tulshyanec.in

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

During the year the Company has not obtained any credit rating from any financial agency since the company is under corporate debt restructuring.

**10. Other Disclosures**
**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

As required under applicable SEBI Regulations, your Company has adopted a Policy on Related party transactions and the same have been approved by the Board of Directors and uploaded on the Company's Web site:

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

During the year, there were no material significant related party transactions entered into between the Company and its Promoters, Directors or the Management, Holding company, Subsidiaries or Relatives that may have potential conflict with the interests of the Company at large. Requisite approvals from the Audit Committee / Board / Shareholders have been obtained for the transactions as stipulated under applicable law. The details of related party transactions entered into during the 12 months period ended 31st March, 2019 are disclosed in the notes to financial statements.

**(b) 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:**

Our Company strives to make disclosures as per listing norms within statutory timelines. BSE had levied the penalty for late submission of quarterly financial results which was a rare phenomenon and it was on account of Corporate Debt Restructuring exercise carried out by the Company with its bankers and this delay was not intentional or deliberate on the part of the Company. The details of the penalties imposed on the Company during the last three years are as follows:

Particulars	Quarter ended	Submission Date	Last date for compliance	Fine amount (including service tax)
Late submission of Financial Results	30-06-2016	26-08-2016	16-08-2016	1,15,000.00
Submission of Annual Report, 2015		Delay for one day		1,150.00
Late submission of Financial Results	31-03-2017	14-06-2017	30-05-2017	86,250.00
Balance amount to be paid				Nil

The Company has already paid all the penalty amounts to the BSE regarding the aforesaid non-compliances.

**(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

The Company has established a vigil mechanism pursuant to the requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No personnel have been denied access to the Chairman of the Audit Committee to report genuine concerns. Establishment of vigil mechanism is hosted on the web site of the Company under the web link: <http://tulsyannec.co.in/pdf/Whistle-Blower-Policy.pdf>

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

The Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adoption of other non-mandatory requirements are being reviewed from time to time.

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

**(e) Web link where policy for determining ‘material’ subsidiaries is disclosed:**

As required under applicable SEBI Regulations, your Company has adopted a Policy on determining material subsidiaries and the same have been approved by the Board of Directors and uploaded on the Company’s Web site:

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

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

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

**(g) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:**

The Certificate has been obtained from Mr. M. Damodaran, Partner in M/s. M. Damodaran & Associates, a firm of Company Secretaries in practice, Chennai, and is attached as “**Annexure-I**” with this Report.

**(h) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

(Rs. in lakhs)

Type of Service	Fiscal 2019	Fiscal 2018
Audit fees	4	4
Tax fees	1.5	1.5
Others	-	-



**(i) 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

**11. The extent to which the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been adopted:**

**A. The Board**

A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties: Not applicable as the Chairman of the Company is an Executive Director.

**B. Shareholder Rights**

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders: Not Applicable.

**C. Modified opinion(s) in audit report**

The listed entity may move towards a regime of financial statements with unmodified audit opinion: The Auditors have given modified audit opinion in their Audit Report prepared for the financial year 2018-19.

**D. Reporting of internal auditor**

The internal auditor may report directly to the audit committee: The Internal Audit Report provided by the Internal Auditors on a quarterly basis is being reviewed by the Audit Committee on a quarterly basis.

**12. Declaration signed by the chief executive officer stating 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:**

As required under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed and declared that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2019.

**13. Compliance certificate from the practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report:**

The Certificate has been obtained from Mr. M. Damodaran, Partner in M/s. M. Damodaran & Associates, a firm of Company Secretaries in practice, Chennai, and is attached as "Annexure-II" with this Report.

**14. Unclaimed Share Certificates**

In terms of the provisions of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares issued pursuant to the public issue or any other issue which remain unclaimed shall be credited to a demat suspense account with one of the depository participants maintained by the Company for this purpose. Till date there are no such shares lying with the Company.

**By Order of the Board of Directors**

**For Tulsiyan NEC Limited**

**Sd/-**

**Lalit Kumar Tulsiyan**

**Executive Chairman**

**DIN: 00632823**

**Place: Chennai**

**Date: 14-08-2019**

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://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 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Chakkolath Ramachandran	00050893	12/12/2007
2	Mr. Sanjay Tulsyan	00632802	01/10/1996
3	Mr. Lalit Kumar Tulsyan	00632823	12/07/1996
4	Mr. Sanjay Agarwalla	00632864	22/09/2011
5	Ms. Garg Preeti	03644985	14/02/2017
6	Mr. Manogyanathan Parthasarathy	08277111	13/11/2018

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

**Place: Chennai**  
**Date: 14/08/2019**

**Signature: Sd/-**  
**Name: M. Damodaran**  
**Membership No.: 5837**  
**CP No.: 5081**

**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- 600034

I have examined the compliance of conditions of Corporate Governance by M/s. Tulsyam NEC Limited ("the Company"), for the year ended 31st March 2019, 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.

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

In 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 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the following:

1. The composition of the Board and Nomination & Remuneration Committee of the Company was not in compliance with Regulation 17(1) (a), Regulation 17(1) (b) and Regulation 19(1) (b) of SEBI (LODR) Regulations, 2015. However, subsequently, the Board has appointed Mr. M. Parthasarathy, Independent Director (Non-Executive) w.e.f. 13.11.2018 and thereafter, the composition of the Board and the Committee is in compliance with Regulation 17(1) (a), Regulation 17(1) (b) and Regulation 19(1) (b) of SEBI (LODR) Regulations, 2015.

I state that in respect of investor grievances received during the year ended 31st March, 2019 no investor grievances are pending exceeding one month against the Company as on 31st March, 2019 as per records maintained by the Company and presented to Stakeholder's Relationship Committee.

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

**For M. Damodaran & Associates**  
Sd/-  
**M. Damodaran**  
**(Practicing Company Secretary)**  
(C.P. No.: 5081)  
(FCS No.: 5837)

**Place: Chennai**  
**Date: 14.08.2019**

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

- A. We have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2019 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 ended on 31st March 2019 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 -
- i. there has not been any significant changes in internal control over financial reporting during the year under reference;
  - ii. there has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. we are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

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

**Place : Chennai  
Date : 14-08-2019**

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

**Sd/-  
SHANTHA KUMAR R P  
Chief Financial Officer**

## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
TULSYAN NEC LIMITED  
Chennai

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of TULSYAN NEC LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, (changes in equity) and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

We draw attention to the fact that the company is continuously incurring losses and its net worth is totally eroded as on 31/03/2019. During the Financial Year 2015-16, the Company's loans and liabilities were restructured under the 'Corporate Debt Restructuring' Scheme. As per the said Scheme, the Company's repayment applications were deferred/ restructured. The banks also provided certain reliefs/ waivers/ sacrifices by reducing the rate of interest. Interest was provided in the books at the lower rates of interest. However the bankers had withdrawn the concession with retrospective effect and charged the interest at original interests. Consequent to withdrawal of concessions, few banks have debited the account of the company for the differential amount of interest and other concessions given as per the CDR Scheme. The period of withdrawal relate from 1st May 2014 to the date of debit. The company has sought waiver of the said debits in the restructuring proposal submitted to the Bank which is pending with the bankers. Pending acceptance of the waivers sought, the charges as debited has been recognized as finance charges during the year.

Based on the information and explanation given to us, the company is also in the process of restructuring its borrowings from banks and finalizing alternative business plans which are expected to result in profits in the near future. The company's ability to continue as a Going Concern is depended upon the successful implementation of the same. The above indicates a significant uncertainty and doubt about the company's ability to continue as a Going Concern.

Director General of Goods and Service Tax Intelligence officials conducted an Inspection during January 2019 during which the said officials expressed objections input tax credit of GST amounting to Rs.11.10 crores on purchases of Rs.61.64 crores from certain parties. The company has deposited Rs.11.10 crores under protest which has not been charged off in the financials as expenditures. To this extent the loss is understated.

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

**Key Audit Matters.**

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

S.No	Key Audit Matter	Auditor's Response
1.	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</p> <p>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</p> <p>We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</p> <p>Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</p>
2	<p><b>Litigations - Contingencies</b></p> <p>The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <p>Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures.</p> <p>Supporting documentation are tested for the positions taken by the management, after the meetings conducted with legal team..Additionally, considering the effect of new information in respect of contingencies as at 1st April, 2018 to evaluate whether any change was required in the management's position on these contingencies as at 31.03.2019</p>

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

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

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

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

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

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

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

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

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

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

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

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



uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

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

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of accounts
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting; and





g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Section 197 (16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements – refer note 44 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

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

**K Parathasarathy**  
Partner  
Membership No: 018394

Place : Chennai  
Date : 25/05/2019

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

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We are informed that the company has formulated a programme for physical verification of all fixed assets over a period of three year which, in our opinion is reasonable considering the size of the company and the nature of its assets. Accordingly, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) According to the information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the order is not applicable for the year under consideration.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, reporting under clause 3 (v) of the Order does not arise.
- 6) We have reviewed the cost records maintained by the company as prescribed by the central government under section 148(1) of the companies act 2013 and are of the opinion that prima facie the prescribed cost records made and maintain. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2019 for a period of more than six months from the date they become payable.
- (b) According to the records of the company and the information and explanation given to us the details of disputed Excise, Value Added Tax and Income Tax not deposited are as follows:

Nature of Dues	Amount in Lacs.	Period to which it relates	Forum where the Dispute is pending
Excise	1.02	2003-04	CESTAT
Excise	1737.70	Upto June 2017	CESTAT
VAT	0.87	2004-09	Hon'ble High Court, Madras
VAT	506.58	2013-14	Commercial Tax Department
VAT	18.82	2012-13	Commercial Tax Department
VAT	14.22	2013-14	Commercial Tax Department



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

Period	Canara Bank	Syndicate Bank	SBI	Andhra Bank	IOB	SVC	Total for the quarter	Cumulative Total	No of Days
30/06/2016	253	221	51	53	127	0	705	705	1004
30/09/2016	263	193	77	84	127	0	744	1448	912
31/12/2016	263	193	77	84	127	0	744	2192	820
31/03/2017	263	193	77	84	127	0	744	2935	730
30/06/2017	435	303	103	166	234	0	1240	4175	639
30/09/2017	435	303	103	166	234	0	1240	5416	547
31/12/2017	435	303	103	166	234	0	1240	6656	455
31/03/2018	435	303	103	166	234	0	1240	7896	365
30/06/2018	584	308	103	265	359	0	1618	9514	274
30/09/2018	584	308	103	265	359	0	1618	11133	182
31/12/2018	584	308	103	265	359	0	1618	12751	90
31/03/2019	584	308	103	265	359	43	1661	14413	0

- 9) The Company has not raised any money by way of initial public offer or further public offer (including debt Instruments) during the year. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company, or any instances of frauds on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of such cases by the management..
- 11) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, managerial remuneration has been paid / provided for, in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013..
- 12) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order does not arise.
- 13) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards<sup>14</sup> In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



- 14) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under clause 3 (xiv) of the Order does not arise.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with the directors during the year. Accordingly, reporting under clause 3 (xv) of the Order does not arise.
- 16) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order does not arise.

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

**K Parathasarathy**  
Partner  
Membership No: 018394

Place : Chennai  
Date : 25/05/2019

**Annexure B to the Independent Auditor's Report**

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

1. 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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**K Parathasarathy**  
Partner  
Membership No: 018394

Place : Chennai  
Date : 25/05/2019

**TULSYAN NEC LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

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

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	69,491.10	71,804.28
Capital work in progress	5	-	-
Financial assets			
Investments	6	649.30	649.30
Other financial assets	7	33.24	37.95
Other non-current assets	8	607.04	593.44
<b>Total non-current assets</b>		70,780.68	73,084.97
<b>Current assets</b>			
Inventories	9	9,775.00	9,231.92
Financial assets			
Investments	10	0.50	0.50
Trade receivables	11	26,924.38	27,070.92
Cash and cash equivalents	12	338.79	774.72
Bank balances other than above	13	7.03	91.87
Other financial assets	14	827.42	1,177.54
Other current assets	15	3,402.83	4,530.55
<b>Total current assets</b>		41,275.95	42,878.02
<b>Total Assets</b>		112,056.63	115,962.99
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,471.38	1,470.26
Other equity	17	(40,262.61)	(18,026.31)
<b>Total equity</b>		(38,791.23)	(16,556.05)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	49,583.08	42,851.67
Other financial liabilities	19	918.76	723.26
Provisions	20	454.85	275.46
Deferred Tax Liabilities (net)	21	-	-
<b>Total non-current liabilities</b>		50,956.69	43,850.39
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	51,237.55	45,452.30
Trade payables	23	9,665.23	8,731.50
Other financial liabilities	24	274.97	218.05
Provisions	25	194.34	278.78
Other current liabilities	26	38,519.08	33,988.02
<b>Total current liabilities</b>		99,891.17	88,668.65
<b>Total liabilities</b>		150,847.86	132,519.04
<b>Total Equity and Liabilities</b>		112,056.63	115,962.99

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For Tulsyane NEC Limited

Sd/-  
Sanjay Tulsyane  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Place : Chennai  
Date : 25<sup>th</sup> May 2019

Sd/-  
Lalit Kumar Tulsyane  
Executive Chairman  
DIN: 00632823

Sd/-  
Parvati Soni  
Company Secretary

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

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

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394

**TULSYAN NEC LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

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

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from Operations	27	84,255.63	72,514.91
Other Income	28	656.00	436.15
<b>Total income</b>		<b>84,911.63</b>	<b>72,951.06</b>
<b>B Expenses</b>			
Cost of materials consumed	29	61,678.60	47,209.30
Purchases of stock in trade	30	2,107.61	630.70
Changes in inventories of finished goods	31	(561.72)	6,305.94
Employee benefits expense	32	3,067.26	2,917.01
Power & fuel	33	4,552.43	4,695.82
Depreciation and amortisation expense	34	2,481.28	2,562.51
Excise duty expenses		-	1,514.08
Finance costs	35	23,575.42	13,709.44
Other expenses	36	10,029.28	8,014.19
<b>Total expenses</b>		<b>106,930.16</b>	<b>87,558.99</b>
<b>C Profit before exceptional items and tax</b>			
		<b>(22,018.53)</b>	<b>(14,607.93)</b>
Exceptional items	37	240.76	1,145.62
<b>D Profit/ (Loss) before tax from continuing operations</b>			
		<b>(22,259.29)</b>	<b>(15,753.55)</b>
Income tax expense	38		
Current tax		-	-
Deferred tax credit/ (charge)		-	-
<b>Profit/ (Loss) for the year</b>		<b>(22,259.29)</b>	<b>(15,753.55)</b>
<b>E Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		18.60	76.10
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>18.60</b>	<b>76.10</b>
<b>Total comprehensive income/ (Loss) for the year</b>			
		<b>(22,240.69)</b>	<b>(15,677.45)</b>
<b>Earnings per share</b>			
	39		
Basic earnings per share		(151.28)	(107.15)
Diluted earnings per share		(151.28)	(107.15)

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For Tulsyane NEC Limited

Sd/-  
Sanjay Tulsyane  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Sd/-  
Lalit Kumar Tulsyane  
Executive Chairman  
DIN: 00632823

Sd/-  
Parvati Soni  
Company Secretary

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

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

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394

Place : Chennai  
Date : 25<sup>th</sup> May 2019





**TULSYAN NEC LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019**

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	(22,259.29)	(15753.55)
Adjustments for		
Depreciation and amortisation expense	2,481.28	2,562.51
(Profit)/ loss on sale of fixed assets	(447.98)	3.95
Profit on sale of Investments	(4.26)	(217.80)
Finance cost	23,575.42	13,709.44
Interest Income	(18.97)	(95.85)
Operating Profit before Working Capital Changes	3,326.20	208.70
Change in operating assets and liabilities		
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other financial assets	350.12	1.77
(Increase) / Decrease in inventories	(543.08)	3,616.11
(Increase) / Decrease in trade receivables	146.54	(3,632.32)
(Increase) / Decrease in other assets	1,126.24	3,285.13
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	2,249.50	12,485.54
Increase / (Decrease) in trade payables	933.73	(1,287.80)
Cash generated from operations	7589.25	14,677.13
Less : Income taxes paid (net of refunds)	(12.12)	(20.91)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>7577.13</b>	<b>14,656.22</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	(179.79)	(566.57)
Sale proceeds of PPE	459.69	4.75
(Investments in)/ Maturity of fixed deposits with banks (net)	84.84	1,075.09
(Purchase)/ disposal proceeds of Investments (net)	-	218.33
Interest received	18.97	95.85
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(383.71)</b>	<b>827.45</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of equity share capital (net of share application money)	5.51	-
Proceeds from/ (repayment of) long term borrowings (net)	6,731.41	(7,267.06)
Proceeds from/ (repayment of) short term borrowings (net)	5,785.25	1,421.32
Finance cost	(20,918.94)	(9,293.57)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(8,396.77)</b>	<b>(15,139.31)</b>
Net increase (decrease) in cash and cash equivalents (A+B+C)	(435.93)	344.96
Cash and cash equivalents at the beginning of the financial year	774.72	430.36
<b>Cash and cash equivalents at end of the year</b>	<b>338.79</b>	<b>774.72</b>
<b>Notes:</b>		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	325.44	762.31
Cash on hand	13.35	12.41
	<b>338.79</b>	<b>774.72</b>

For and on behalf of the board  
For Tulsyan NEC Limited

Sd/-  
Sanjay Tulsyan  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Place : Chennai  
Date : 25<sup>th</sup> May 2019

Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823

Sd/-  
Parvati Soni  
Company Secretary

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

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

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394

**Tulsyan NEC Limited**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital	
<b>Balance at the end of March 31, 2018</b>	<b>1,470.26</b>
Changes in equity share capital during the year	1.12
<b>Balance at the end of March 31, 2019</b>	<b>1,471.38</b>

**(B) Other Equity**

Particulars	General Reserve	Investment Allowance reserve	Securities Premium Reserve	Other Comprehensive Income	Profit and Loss Account	Total
<b>Balance as at March 31, 2018</b>	<b>2,390.00</b>	<b>59.39</b>	<b>11,869.31</b>	<b>-</b>	<b>(32345.01)</b>	<b>(18,026.31)</b>
Additions/ (Deductions) during the year	-	-	4.39	(18.60)	18.60	4.39
Total Comprehensive Income for the year	-	-	-	18.60	(22,259.29)	(22,240.69)
<b>Balance as at March 31, 2019</b>	<b>2,390.00</b>	<b>59.39</b>	<b>11,873.70</b>	<b>-</b>	<b>54,585.70</b>	<b>(40,262.61)</b>

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
 For Tulsyan NEC Limited

Sd/-  
 Sanjay Tulsyan  
 Managing Director  
 DIN: 00632802

Sd/-  
 CA Shantha Kumar RP  
 Chief Financial Officer

Place : Chennai  
 Date : 25th May 2019

Sd/-  
 Lalit Kumar Tulsyan  
 Executive Chairman  
 DIN: 00632823

Sd/-  
 Parvati Soni  
 Company Secretary

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

Sd/-  
 C.Ramachandran  
 Independent Director  
 DIN: 00050893

Sd/-  
 K Parthasarathy  
 Partner  
 M. No. 08394

**Tulshyan NEC Limited****Notes to Financial Statements for the year ended March 31, 2019****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 (Gummodipoondi) and Bangalore (Doddaballapura).”

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

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

**Use of estimates**

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

**Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals). The financial statements are approved for issue by the Company’s Board of Directors on 25th May, 2019.”

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

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

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

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

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

**Current tax**

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

**Deferred Tax Assets**

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

**Fair value**

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

**Impairment of Trade Receivables**

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

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

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

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

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

**Fair value measurement of financial instruments**

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

**Provisions and contingencies**

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

**2B Recent accounting pronouncements****Standards issued but not yet effective**

The following standards have been notified by Ministry of Corporate Affairs

- a. Ind AS 116 – Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

**3 Significant Accounting Policies****a) Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **c) Revenue Recognition**

#### **Sale of goods**

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

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

#### **Sale of services**

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

#### **Power Generation**

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

#### **Export entitlements**

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

#### **Interest Income**

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

#### **Dividend income**

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

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

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

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

**Component Cost**

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

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

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

**Derecognition**

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

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

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

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

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

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

**f) Inventories**

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

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



(iii) **Finished goods:** At lower of cost and net realizable value. Cost includes raw material components and related overheads.

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

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

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

##### **Financial assets**

###### **Initial recognition and measurement**

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

###### **Subsequent measurement**

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

Financial assets are classified into the following categories:

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

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

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

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

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

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

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and



b) The asset's contractual cash flows represent SPPI.

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

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

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

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

#### **Equity investments**

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

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

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

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

#### **Derecognition**

A financial asset is primarily derecognised when:

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

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

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

### **Impairment of financial assets**

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

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

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

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

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

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

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

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

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

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

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



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

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

### **Financial liabilities**

#### **Initial recognition and measurement**

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

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

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

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

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

#### **Financial liabilities at FVTPL**

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

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

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

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

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

#### **Derivative financial instruments**

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

#### **Derivatives fair valued through profit or loss**

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

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

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

#### **Derecognition of financial liabilities**

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

#### **Reclassification of financial assets**

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

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

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

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

#### h) Foreign currency transactions and translations

##### Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations wherever it deems necessary that such coverage is appropriate. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

#### i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**k) Taxes****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**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**

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, 2019**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**4. Property, plant and equipment**

Particulars	Tangible Assets										Total
	Land	Land Leasehold	Factory Buildings	Plant and Machinery	Vehicles	Works Equipments	Lab Equipments	Office Premises	Office and Other Equipments		
<b>Cost as at March 31, 2018</b>	11,447.03	87.56	12,047.17	52,739.29	92.75	114.69	36.58	11.26	208.41	76,784.74	
Additions	-	-	-	157.53	1.08	6.20	0.39	-	14.59	179.79	
Disposals	-	-	-	-	(28.79)	-	-	-	(25.19)	(53.98)	
<b>Cost as at March 31, 2019</b>	11,447.03	87.56	12,047.17	52,896.82	65.04	120.89	36.97	11.26	197.81	76,910.55	
<b>Depreciation/Amortisation</b>											
<b>As at March 31, 2018</b>	-	1.76	835.10	4,024.43	34.43	13.13	6.40	1.95	63.26	4,980.46	
Charge for the year	-	0.88	446.62	1,987.95	9.56	7.13	3.76	0.96	24.40	2,481.26	
Disposals	-	-	-	-	(19.63)	-	-	-	(22.64)	(42.27)	
Reversal	-	-	-	-	-	-	-	-	-	-	
<b>As at March 31, 2019</b>	-	2.64	1,281.72	6,012.38	24.36	20.26	10.16	2.91	65.02	7,419.45	
<b>Net Block</b>											
As at March 31, 2018	11,447.03	85.80	11,212.07	48,714.86	58.32	101.56	30.18	9.31	145.15	71,804.28	
As at March 31, 2019	11,447.03	84.92	10,765.45	46,884.44	40.68	100.63	26.81	8.35	132.79	69,491.10	

**Notes - (Contd)**

(₹ In Lacs)

Note No. 5	As at March 31, 2019	As at March 31, 2018
<b>Capital Work-in-progress</b>		
Capital work in progress	-	-
	-	-

Note No. 6		
<b>Non-current investments</b>		
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
Other Investment in shares	-	
ii. Investments in Other Companies		
Vyshali Energy P Ltd (3810 Shares of Rs 10/- each)	0.38	0.38
Investments in Debt Instruments at FVTPL		
Unquoted	-	-
	<b>649.30</b>	649.30
Total non-current investments		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	649.30	649.30
Aggregate amount of impairment in value of investments	-	-

Note No. 7		
<b>Other non-current financial assets</b>		
(Unsecured, considered good)		
Unamortised finance expense	33.24	37.95
	<b>33.24</b>	37.95

Note No. 8		
<b>Other non-current assets</b>		
(Unsecured, considered good)		
Advance for Suppliers	-	-
Advance income-tax and TDS (net of provision for tax)	445.06	432.94
Advance Fringe Benefit tax	2.41	2.41
Advance TCS	5.44	1.67
Other non-current assets	154.13	156.42
	<b>607.04</b>	593.44

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 9</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Inventories</b>		
(Valued at lower of cost and net realisable value)		
Raw Materials	<b>3,272.35</b>	3,478.34
Finished Goods	<b>5,283.33</b>	4,644.07
Stores	<b>1,219.32</b>	1,109.51
	<b>9,775.00</b>	9,231.92
<b>Inventory comprise of</b>		
<b>Raw Materials</b>		
Steel scrap	<b>1,506.56</b>	2,111.01
Ingot, billet and re-rollables	<b>842.40</b>	694.13
Coal	<b>894.44</b>	612.78
PP/HDPE Granules	<b>28.95</b>	60.42
	<b>3,272.35</b>	3,478.34
<b>Finished Goods</b>		
TMT Bar	<b>2,897.73</b>	2,661.41
Poly Woven Sacks/ Bags	<b>2,019.86</b>	1,783.39
Power	<b>365.74</b>	199.27
	<b>5,283.33</b>	4,644.07

<b>Note No. 10</b>		
<b>Current Investments</b>		
<b>Investments in Equity Instruments at FVTPL</b>		
Investments in companies other than subsidiaries, associates and joint ventures		
Quoted		
Syndicate Bank (864 Equity Shares of Rs.10 each)	<b>0.43</b>	0.43
<b>Unquoted</b>		
Shamrao Vithal Co-op Bank Ltd (50 Shares of Rs.100/- each)	<b>0.05</b>	0.05
<b>Investments in Debt Instruments at FVTPL</b>		
Unquoted		
National Savings Certificates	<b>0.02</b>	0.02
	<b>0.50</b>	0.50

<b>Note No. 11</b>		
<b>Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	<b>11,866.31</b>	12,902.98
Other debts	<b>15,860.00</b>	14,737.65
	<b>27,726.31</b>	27,640.63
Allowance for Expected credit Loss	<b>(801.93)</b>	(569.71)
	<b>26,924.38</b>	27,070.92

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 12</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Cash and cash equivalents</b>		
Cash on Hand	<b>13.35</b>	12.41
Balances with Banks		
- In Current Account	<b>325.44</b>	762.31
	<b>338.79</b>	774.72

<b>Note No. 13</b>		
<b>Other Bank Balances</b>		
In fixed deposits	<b>7.03</b>	7.03
In margin money with banks *	-	84.84
	<b>7.03</b>	91.87

\* lien marked against outstanding letters of credit

<b>Note No. 14</b>		
<b>Other current financial assets</b>		
(Unsecured, considered good)		
Deposits	<b>827.42</b>	1,177.54
	<b>827.42</b>	1,177.54

<b>Note No. 15</b>		
<b>Other current assets</b>		
(Unsecured, considered good)		
Advance for Supplies and expenses	<b>109.42</b>	30.40
Staff advances & Prepaid expenses	<b>50.91</b>	82.03
Advances to Subsidiaries	<b>0.51</b>	0.21
Advance Paid	<b>430.35</b>	329.50
Drawback	<b>19.12</b>	19.12
Excise	<b>13.87</b>	256.68
Import Licence	-	82.12
Windmill geeration compensation receivable	-	12.47
Insurance Prepaid	<b>0.31</b>	-
Balances with Statutory Authorities:	<b>2,778.34</b>	3,718.02
	<b>3,402.83</b>	4,530.55

**Notes - (Contd)**

(₹ In Lacs)

Note No. 16		
<b>Capital</b>		
<b>Authorised Share Capital</b>		
1,60,00,000 Equity shares of Rs. 10/- each	<b>1,600.00</b>	1,600.00
2,00,00,000 6% Non convertible redeemable preference shares of Rs. 10/- each	<b>2,000.00</b>	2,000.00
	<b>3,600.00</b>	3,600.00
<b>Issued &amp; Subscribed Share Capital</b>		
1,50,00,000 (previous year 1,50,00,000) Equity shares of Rs. 10/- each	<b>1,500.00</b>	1,500.00
	<b>1,500.00</b>	1,500.00
<b>Paid up share capital</b>		
1,45,06,790 (previous year 1,44,78,486) Equity shares of Rs. 10/- each (fully paid up)	<b>1,450.67</b>	1,447.85
1,96,989 (previous year 2,25,293) Equity shares of Rs. 10/- each (Rs. 6/- paid up)	<b>11.82</b>	13.52
2,96,221 (previous year 2,96,221) Equity shares of Rs. 10/- each (Rs. 3/- paid up)	<b>8.89</b>	8.89
	<b>1,471.38</b>	1,470.26

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

Balance as at the beginning of the year	<b>1,50,00,000</b>	1,50,00,000
Add: Issued during the year	-	-
Balance at the end of the year	<b>1,50,00,000</b>	1,50,00,000

**ii. Shares issued for consideration other than cash**

There are no shares which have been issued for consideration other than cash during the last 5 years.

**iii. Redeemable Preference Shares**

6% Non convertible redeemable preference shares issued by the company are classified as financial liabilities (non-current borrowings) [refer note 18] in accordance with Ind AS.

**iv. Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31, 2019		March 31, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Lalit Kumar Tulsyani	<b>40,46,645</b>	<b>26.98</b>	40,46,645	26.98
Sanjay Tulsyani	<b>44,75,481</b>	<b>29.84</b>	44,75,481	29.84
Priya Tulsyani	<b>9,54,982</b>	<b>6.37</b>	9,54,982	6.37
Alka Tulsyani	<b>7,51,130</b>	<b>5.01</b>	7,51,130	5.01

**Notes - (Contd)**

(₹ In Lacs)

**v. Rights, preferences and restrictions in respect of equity shares issued by the Company**

- a. The company has issued only one class of equity shares having a par value of Rs. 10 each. The equity shares of the company having par value of Rs. 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
- b. All equity shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares. However as far as the share held by the promoters/ promoters group is concerned, the same has been pledged in favour of the lenders as part of CDR compliance (Refer Note 44)
- c. The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.
- d. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. NIL per equity share held (previous year Rs. Nil per equity share held)
- e. In the event of liquidation, the Equity Share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

Note No. 17	As at March 31, 2019	As at March 31, 2018
<b>Other Equity</b>		
General Reserve	2,390.00	2,390.00
Investment Allowance reserve	59.39	59.39
Securities Premium Reserve	11,873.70	11,869.31
Other Comprehensive Income	-	-
Profit and Loss Account	(54,585.70)	(32,345.01)
	<b>(40,262.61)</b>	<b>(18,026.31)</b>
<b>a) General reserve</b>		
Balance at the beginning and end of the year	2,390.00	2,390.00
<b>b) Investment Allowance Reserve</b>		
Balance at the beginning and end of the year	59.39	59.39
<b>c) Securities Premium Reserve</b>		
Balance at the beginning of the year	11,869.31	11,866.47
Additions during the year	4.39	2.84
Balance at the end of the year	11,873.70	11,869.31
<b>d) Other Comprehensive Income</b>		
Balance at the beginning of the year	-	-
Additions during the year	18.60	76.10
Deductions/Adjustments during the year	(18.60)	(76.10)
Balance at the end of the year	-	-
<b>e) Retained earnings</b>		
Balance at the beginning of the year	(32,345.01)	(16,667.56)
Net profit for the period	(22,259.29)	(15,753.55)
Transfer from Other Comprehensive Income	18.60	76.10
Balance at the end of the year	<b>(54,585.70)</b>	<b>(32,345.01)</b>

**Notes - (Contd)**

(₹ In Lacs)

Note No. 18	As at March 31, 2019	As at March 31, 2018
<b>Non-Current Liabilities - Financial Liabilities: Borrowings</b>		
<b>Secured</b>		
Preference Shares		
6% Non convertible redeemable preference shares	884.30	884.30
<b>Term Loans *</b>		
From Banks	78,525.75	69,681.45
From Financial Institutions	-	-
<b>Vehicle Loans</b>	-	-
<b>Unsecured</b>		
From Directors	712.50	685.92
	<b>80,122.55</b>	71,251.67
Less: Current maturities of long-term debt (included in note 26)	<b>(30,539.47)</b>	(28,400.00)
	<b>49,583.08</b>	42,851.67

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

Note No. 19		
<b>Other non current financial liabilities</b>		
Premium on redemption of preference shares payable	918.67	722.83
Unamortised rental income	0.09	0.43
	<b>918.76</b>	723.26

Note No. 20		
<b>Provisions (Non-current)</b>		
Provision for employee benefits		
Gratuity	393.95	318.98
Compensted absence	60.90	47.69
	<b>454.85</b>	275.46

Note No. 21		
<b>Deferred Tax Liability/ (Asset) - Net</b>		
<b>Deferred tax liabilities</b>		
Related to Fixed Assets	-	-
Related to Others	-	-
	-	-
<b>Deferred tax assets</b>		
Related to Fixed Assets	-	-
Related to Others	-	-
	-	-
Net deferred tax liability/ (asset)	-	-

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 22</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Current liabilities - Financial Liabilities: Borrowings *</b>		
<b>Secured</b>		
From banks - Working capital term loans	<b>46,512.28</b>	39,683.81
Loan from Others	<b>1,355.47</b>	1,547.81
<b>Unsecured</b>		
Loans from body corporate	<b>3,369.80</b>	4,220.68
	-	
	<b>51,237.55</b>	45,452.30

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

<b>Note No. 23</b>		
<b>Trade payables *</b>		
Supplies and Services	<b>8,190.75</b>	7,421.15
Expenses and others	<b>1,474.48</b>	1,310.35
	<b>9,665.23</b>	8,731.50

\* 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

<b>Note No. 24</b>		
<b>Other current financial liabilities</b>		
Deposits for power/Steel	<b>274.97</b>	218.05
	<b>274.97</b>	218.05

<b>Note No. 25</b>		
<b>Provisions (Current)</b>		
Provision for Expenses / Tax	<b>194.34</b>	278.78
	<b>194.34</b>	278.78

<b>Note No. 26</b>		
<b>Other current liabilities</b>		
Current maturities of long-term debt	<b>30,539.47</b>	28,400.00
Interest Payable	<b>7,719.34</b>	5,267.65
Statutory Dues Payable	<b>35.22</b>	59.48
Other current liabilities	<b>7.24</b>	74.01
Employee Payables	<b>217.81</b>	186.88
	<b>38,519.08</b>	33,988.02





Notes - (Contd)

(₹ In Lacs)

Note No. 27	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from Operations</b>		
Domestic sales FG	78,006.59	67,588.07
High sea sales	-	69.30
Export sales	3,047.23	2,766.85
Excise duty	-	1,514.08
Domestic Sales RM	2,737.62	2.15
Domestic Sales - Stores	3.93	-
Processing charges	460.26	574.46
	<b>84,255.63</b>	<b>72,514.91</b>

Note No. 28		
<b>Other Income</b>		
Income from windmills	172.74	221.21
Interest on term deposit	18.97	52.97
Other interest income	5.31	42.88
Profit on sale of Fixed asset	448.95	1.03
Compensation for power	4.26	217.80
Foreign Exchange Fluctuation	-	40.16
Miscellaneous Income	178.51	81.31
Less: Income from wind mill set-off against Power & Fuel	(172.74)	(221.21)
	<b>656.00</b>	<b>436.15</b>

**Notes - (Contd)**

(₹ In Lacs)

Note No. 29	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cost of Materials Consumed</b>		
<b>Raw Materials</b>		
Opening inventory of raw materials	2,865.56	620.54
Raw Materials purchased	45,238.70	40,448.63
Materials Inward	1,776.49	350.14
Customs Duty	337.66	356.42
Less: Discount/Licence	(29.36)	(57.16)
Less: Closing Stock	(2,377.91)	(2,865.56)
	<b>47,811.14</b>	<b>38,853.01</b>
<b>Stores</b>		
Opening Stock	1,109.51	618.14
Purchases	3,255.25	3,079.60
Materials Inward	73.47	61.65
Less: Closing Stock	(1,219.32)	(1,109.51)
	<b>3,218.91</b>	<b>2,649.88</b>
<b>Power Plant</b>		
Opening Stock	612.78	659.35
Purchases	13,632.88	8,040.07
Materials Inward	2,127.04	2,854.79
Customs Duty/Exchange Difference	-	0.97
Less: Discount / License	(48.24)	(107.98)
Less: Closing Stock	(894.44)	(612.78)
Less: Charged to Power Plant Operation/Power Stock	(4,781.48)	(5,128.01)
	<b>10,648.54</b>	<b>5,706.41</b>
<b>Total cost of materials consumed</b>	<b>61,678.60</b>	<b>47,209.30</b>

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 30</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Purchase of stock-in-trade - Traded goods</b>		
Purchase of stock-in-trade - Traded goods	<b>2,107.61</b>	630.70
	<b>2,107.61</b>	630.70
<b>Note No. 31</b>		
<b>Changes in inventories of finished goods</b>		
Closing balance	<b>5,205.80</b>	4,644.08
Opening balance	<b>4,644.08</b>	10,950.02
	<b>(561.72)</b>	6,305.94
<b>Note No. 32</b>		
<b>Employee benefit expenses</b>		
Salaries and Wages	<b>2,815.60</b>	2,729.30
Contribution to provident and other funds	<b>57.31</b>	65.07
Welfare Expenses	<b>194.35</b>	122.64
	<b>3,067.26</b>	2,917.01
<b>Note No. 33</b>		
<b>Power &amp; Fuel</b>		
Power & Fuel expense	<b>4,552.43</b>	4,695.82
	<b>4,552.43</b>	4,695.82
<b>Note No. 34</b>		
<b>Depreciation and amortization expense</b>		
Depreciation on property, plant and equipment	<b>2,481.28</b>	2,562.51
	<b>2,481.28</b>	2,562.51
<b>Note No. 35</b>		
<b>Finance costs</b>		
Interest	<b>23,575.42</b>	13,683.18
Other Finance Charges	-	26.26
	<b>23,575.42</b>	13,709.44

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 36</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Other expenses</b>		
Power Plant Charges	<b>3,604.98</b>	3,348.59
Repairs		
Machinery	<b>322.35</b>	316.48
Building	<b>50.57</b>	38.27
Other Manufacturing Expenses	<b>53.27</b>	47.67
Processing Charges	<b>1,727.25</b>	592.90
Insurance	<b>20.89</b>	20.67
Rent	<b>49.61</b>	63.69
Loss on sale of fixed assets	<b>0.97</b>	3.95
Rates & Taxes	<b>104.60</b>	66.68
Legal & consultancy charges	<b>163.22</b>	89.79
Payment to auditors	<b>5.50</b>	5.50
Transport charges	<b>369.69</b>	257.60
Brokerage & commission	<b>165.44</b>	149.91
Selling & administration expenses	<b>2,609.70</b>	2,137.02
Excise duty expenses	-	45.00
Bank charges	<b>180.15</b>	260.76
Foreign exchange loss (net)	<b>327.78</b>	-
Provision for Expected credit loss	<b>273.28</b>	569.71
	<b>10,029.25</b>	8014.19

<b>Note No. 36 (a)</b>		
<b>Payment to auditors</b>		
Statutory Audit fees	<b>4.00</b>	4.00
Taxation fee	<b>1.50</b>	1.50
	<b>5.50</b>	5.50

<b>Note No. 37</b>		
<b>Exceptional Items</b>		
Exceptional Item	<b>240.76</b>	1,145.62
	<b>240.76</b>	1,145.62



Notes - (Contd)

(₹ In Lacs)

Note No. 38	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	-
MAT credit entitlement/reversal	-	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	-	-
<b>Deferred tax</b>		
Deferred tax adjustments	-	-
<b>Total deferred tax expense/(benefit)</b>	-	-
<b>Income tax expense</b>	-	-
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax from continuing operations	(22,259.29)	(15,753.55)
<b>Income tax expense</b>	-	-
<b>c) Income tax recognised in other comprehensive income</b>		
<b>Deferred tax</b>		
Remeasurement of defined benefit obligation	-	-
<b>Total income tax recognised in other comprehensive income</b>	-	-

## d) Movement of deferred tax expense during the year ended March 31, 2019

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	-	-	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	-	-	-	-
MAT Credit entitlement	-	-	-	-
<b>Total</b>	-	-	-	-

Notes - (Contd)

(₹ In Lacs)

**e) Movement of deferred tax expense during the year ended March 31, 2018**

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	-	-	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	-	-	-	-
MAT Credit entitlement	-	-	-	-
<b>Total</b>	-	-	-	-

Note No. 39	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Earnings per share</b>		
Profit/ (loss) for the year attributable to owners of the Company	<b>(22,259.29)</b>	(15,753.55)
Weighted average number of ordinary shares outstanding	<b>1,47,13,850</b>	1,47,02,528
Basic earnings per share (Rs)	<b>(151.28)</b>	(107.15)
Diluted earnings per share (Rs)	<b>(151.28)</b>	(107.15)

Note No. 40		
<b>Earnings in foreign currency</b>		
FOB value of exports	<b>2,772.32</b>	2,102.17
	<b>2,772.32</b>	2,102.17

Note No. 40(a)		
<b>Expenditure in foreign currency</b>		
Exchange in foreign currency for other matters	<b>9.43</b>	29.11
	<b>9.43</b>	29.11

Note No. 41		
<b>CIF value of imports</b>		
Raw Materials	<b>2,499.75</b>	1,138.60
	<b>2,499.75</b>	1,138.60

Notes - (Contd)

(₹ In Lacs)

**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, 2019		Year ended March 31, 2018	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
<b>Raw Materials</b>				
<b>Imported*</b>				
Steel scrap	13,279.68	27.78	11,428.58	29.41
Ingot, billet and re-rollables	-	-	-	-
PP/HDPE Granules	214.28	0.45	928.13	2.39
<b>Others</b>				
Steel scrap	16,653.30	34.83	15,480.74	39.84
Ingot, billet and re-rollables	13,080.04	27.36	7,979.32	20.54
PP/HDPE Granules	4,583.84	9.59	3,036.24	7.81
<b>Coal</b>				
Imported*	13,617.67	88.25	9,559.45	88.23
Others	1,812.35	11.75	1,274.97	11.77
<b>Stores</b>				
Imported	46.31	1.44	485.59	18.32
Others	3,172.60	98.56	2,164.29	81.68
<b>Total consumption</b>	<b>66,460.08</b>		<b>52,337.31</b>	

\* Imported includes Materials purchased on High Sea Basis

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) The principal amount remaining unpaid at the end of the year	18.63	-
(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	-	-

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)**

(₹ In Lacs)

**44. Commitments and contingent liabilities**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contingent Liabilities		
Excise duty	<b>1,738.72</b>	1,738.72
VAT	<b>540.49</b>	540.49
Income Tax	-	29.02
Towards payment received from SBQ Limited which is considered preferential by CIRP	<b>525.00</b>	525.00
Related to TNEB	<b>439.45</b>	1171.71
Commitments		

**Notes:**

During the Financial Year 2015-16, the company's loans and liabilities with the Banks were restructured under the "Corporate Debt Restructuring" Scheme. As per the said scheme, the company repayment obligations were deferred/ restructured. The Scheme was exited during the year 2017-18. This was communicated by the CDR Cell vide their letter dated 12.09.2017 wherein it was stated that "The account of Tulsyam NEC Ltd stands exited from the CDR Mechanism on account of failure of the CDR approved package". This decision was discussed at the CDR EG Meeting held on 25.07.2017 and minutes of the same were confirmed on 31.08.2017. However the bankers had withdrawn the concession with retrospective effect and charged the interest at original rates. Few banks have debited the differential interest and other concessions extended to the company. These charges wherever debited have been recognised as Finance Charges during the year.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vitthal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25 crores

The company has received a notice from the office of the Director General of Foreign Trade, Bangalore, asking to show cause as to why penalty upto 5 times of the CIF value of goods imported of a value of Rs.44.34 Crores imposed in respect of 44 Advance licenses for alleged non completion of the export obligations in respect of those licenses. Post issue of the notice, the company's name was added in the "Denied Entity List". The Company had represented to the said authority that the Export obligation in individual case or when clubbed with other license/licenses in accordance with the Foreign trade Policy and procedures with or without relaxation of the norms as may be applicable has been completed. Export obligations Discharge certificate in respect of 26 licenses out of 44 licenses has been received and the balance are pending to be received and are under various stages of consideration at the DGFT. Based on the representation given by the company the name of the company was removed from the Denied Entity List, however company has not received any communication from the DGFT in this regard dropping the show cause notice.

The liability in respect of Excise and VAT is subject to the levy of additional interest till the date adjudication from the due date, incase 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



**Notes - (Contd)**

(₹ In Lacs)

**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, 2019	Year ended March 31, 2018
<b>Segment Revenue</b>		
Steel Division	60,681.54	53,230.98
Synthetic Division	7,637.87	6,424.51
Power	15,936.22	12,859.42
Revenue from operations (Net)	84,255.63	72,514.91
<b>Segment Results</b>		
Profit (+) / Loss (-) before tax and finance cost		
Steel Division	2,671.24	(1,763.61)
Synthetic Division	(450.87)	(361.76)
Power	(904.24)	81.26
Total	1,316.13	(2,044.11)
Add/ Less : Finance Cost	23,575.42	13,709.44
Profit/(Loss) from continuing operations	(22,259.29)	(15,753.55)
Profit/(Loss) from discontinuing operations	-	-
Profit Before Tax	(22,259.29)	(15,753.55)
<b>Segment Assets</b>		
Steel Division	43,295.92	48,183.81
Synthetic Division	11,442.22	10,994.26
Power	57,318.49	56,784.92
Other unallocable corporate assets	-	-
Total assets	1,12,056.63	1,15,962.99
<b>Segment Liabilities</b>		
Steel Division	90,139.55	81,416.10
Synthetic Division	17,092.63	13,276.26
Power	43,615.69	37,826.68
Other unallocable corporate assets	-	-
Total liabilities	1,50,847.87	1,32,519.04
<b>Capital Employed (Segment assets-Segment liabilities)</b>		
Steel Division	(46,843.63)	(33,232.29)
Synthetic Division	(5,650.41)	(2,282.00)
Power	13,702.80	18,958.24
Total capital employed in segments	(38,791.24)	(16,556.05)
Unallocable corporate assets less corporate liabilities	-	-
Total Capital Employed	(38,791.24)	(16,556.05)

**Information relating to geographical area**
**(a) Revenue from external customers**

Particulars		
India	81,864.40	70,184.21
Outside India including Deemed Exports	3,047.23	2,766.85
<b>Total</b>	<b>84,911.63</b>	<b>72,951.06</b>

**Notes - (Contd)**

(₹ In Lacs)

**(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, 2019	Year ended March 31, 2018
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-
<b>Total</b>	-	-

**46. Operating lease arrangements**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>As Lessor</b>		
The Company has not entered into any operating lease arrangements as lessor.	-	-
<b>As Lessee</b>		
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		
<b>i. From Banks</b>		
<b>a. Term Loans</b>		
Andhra Bank	10,733.27	9,627.15
Canara Bank	18,090.23	13,856.22
Syndicate Bank	5,221.75	4,684.06
Indian Overseas Bank	9,174.27	9,173.96
Shamrao Vithal Co-op Bank Limited	1,236.10	1,528.25
<b>b. Working Capital Term Loan/ Funded Interest Term Loan</b>		
Andhra Bank	2,515.98	2,235.46
Canara Bank	15,478.74	11,494.70
Syndicate Bank	9,639.19	8,627.43
State Bank of India	3,166.32	3,166.32
Indian Overseas Bank	3,037.84	3,037.84
Shamrao Vithal Co-op Bank Limited	232.06	238.32
IDBI	-	2,011.74
<b>ii. From Financial Institutions</b>	-	-
<b>Total</b>	<b>78,525.75</b>	<b>69,681.45</b>

**Notes - (Contd)**

(₹ In Lacs)

**Schedule for short term borrowings:**

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
<b>From Banks - Working Capital Loans</b>		
Canara Bank	<b>18,908.85</b>	15,851.68
Syndicate Bank	<b>10,365.82</b>	9,290.64
State Bank of India	<b>4,388.88</b>	4,746.65
Andhra Bank	<b>1,714.35</b>	1,587.20
IDBI Bank Limited	<b>5,269.10</b>	2,160.53
Indian Overseas Bank	<b>4,864.21</b>	4,861.71
Andhra Bank LCs devolved	<b>1,001.07</b>	1,185.40
Loans from others	<b>1,355.47</b>	1,547.81
Unsecured		
Loans from body corporate	<b>3,369.80</b>	4,220.68
<b>Total Short term borrowings</b>	<b>51,237.55</b>	45,452.30

**Terms and conditions of loans**

- i. Term Loan\Working Capital Term Loan\Funded Interest Term Loan\Fresh Term Loan shall have pari-passu first charge on entire fixed assets and Pari-passu second charge on entire current assets (including of slow moving \ non-moving stock and non-current debtors) of the company.
- ii. Working Capital shall have pari-passu first charge on entire current assets and pari-passu second charge on entire fixed assets of the company. Existing exclusive security shall be continued with respective lenders.
- iii. Personal Guarantee of Shri Lalit Kumar Tulsyani and Shri Sanjay Kumar Tulsyani.
- iv. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
- v. Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.
- vi. Vehicles are secured by their Hypothecation.

**48 Financial Instruments**
**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

**Notes - (Contd)**

(₹ In Lacs)

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, 2019	March 31, 2018
<b>Financial assets</b>		
<b>a. Measured at amortised cost</b>		
Other non-current financial assets	33.24	37.95
Trade receivables	26,924.38	27,070.92
Cash and cash equivalents	338.79	774.72
Bank balances other than above	7.03	91.87
Other financial assets	827.42	1,177.54

<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Investments	649.30	649.30

Financial liabilities		
<b>a. Measured at amortised cost</b>		
Long term borrowings	49,583.08	42,851.67
Other non-current financial liabilities	918.76	723.26
Short term borrowings	51,237.55	45,452.30
Trade payables	9,665.23	8,731.50
Other current financial liabilities	274.97	218.05

### 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, 2019 (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	-	-	-	1,399,009.54	-	1,399,009.54	1,399,009.54
EUR	-	-	-	140,804.75	-	140,804.75	140,804.75
In INR	-	-	-	1,082.26	-	1,082.26	1,082.26

**As on March 31, 2018 (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	-	-	-	934,372.97	-	874,826.59	874,826.59
EUR	-	-	-	201,663.72	-	207,847.00	207,847.00
in INR	-	-	-	770.26	-	770.26	770.26

#### Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

#### Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 224.66 Lakhs for the year (Previous INR 224.13 Lakhs)

**Credit risk management**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

**(a) Trade Receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

**(b) Investments, Cash and Cash Equivalents and Bank Deposits**

Credit risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved financial institutions/ counterparty. Investments primarily include bank deposits. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits and restricts the exposure in equity markets. Investments of surplus funds does not arise in the case of the Company

**Offsetting related disclosures**

Offsetting of cash and cash equivalents to borrowings as per the loan agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

**Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

**Liquidity tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2019	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	9,665.23	-	9,665.23
Borrowings	30,539.47	49,583.08	80,122.55
	<b>40,204.70</b>	<b>49,583.08</b>	<b>89,787.78</b>

March 31, 2018	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	8,731.50	-	8,731.50
Borrowings	28,400.00	42,851.67	71,251.67
	<b>37,131.50</b>	<b>42,851.67</b>	<b>79,983.17</b>

	March 31, 2019	March 31, 2018
<b>Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):</b>	Nil	Nil

**49. Related party disclosure**

a) List of related parties	
<b>Subsidiaries</b>	Chitrakoot Steel & Power P Ltd Color Peppers Media P Ltd
<b>Key management personnel</b>	Shri Lalit Kumar Tulsyán (Executive Chairman) Shri Sanjay Tulsyán (Managing Director) Shri Sanjay Agarwalla (Whole Time Director) Shri Shanta Kumar RP (Chief Financial Officer) Shmt Parvati Soni (Company Secretary)
<b>Companies in which Directors are interested</b>	Tulsyán Smelters Private Ltd Tulsyán Power Limited

**b) Transactions during the year**

S.No.	Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
1	<b>Purchase of goods</b>		
	Chitrakoot Steel & Power P Ltd	401.74	2,469.27
	Tulsyán Smelters Private Ltd	14,564.15	12,469.40
2	<b>Sale of Goods</b>		
	Chitrakoot Steel & Power P Ltd	511.51	97.02
	Tulsyán Smelters Private Ltd	27,632.76	18,156.12
3	<b>Short term borrowings during the year</b>	-	-
4	<b>Services Received</b>		
	Chitrakoot Steel & Power P Ltd	1,546.05	519.38
	Tulsyán Smelters Private Ltd	-	22.82
5	<b>Managerial Remuneration</b>		
	Lalit Kumar Tulsyán	60.78	60.29
	Sanjay Tulsyán	60.00	60.00
	Sanjay Agarwalla	39.29	39.29
	Shanta Kumar RP	32.44	30.94
	Shmt. Parvati Soni #	2.63	-

#Employed for part of the year

**c) Balances with related parties**

S.No.	Name of the Related Party	Year ended March 31, 2019	Year ended March 31, 2018
1	<b>Outstanding Receivables</b>		
	Tulsyán Power Ltd	0.51	0.21
	Color Peppers Media Pvt Ltd	-	-
	Chitrakoot Steel & Power P Ltd	964.96	2,491.30
	Tulsyán Smelters Private Ltd	-	4,504.40
2	<b>Outstanding Payables</b>		
	Lalit Kumar Tulsyán	511.46	511.28
	Sanjay Tulsyán	201.04	198.34
	Tulsyán Smelters Private Ltd	2,418.15	-

**d) Guarantees and Collaterals**

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee in favour of Tulsyán 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. 195.08 lakhs (previous year Rs. 136.26 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	March 31, 2019	March 31, 2018
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	7.76% p.a.	7.63% p.a.
Rate of increase in compensation level	5.00% p.a.	5.00% p.a.



The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
<b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b>		
<b>Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:</b>		
Current service cost	31.97	81.11
Net interest expense	26.54	23.28
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	58.50	104.39
<b>Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(15.91)	(72.05)
Components of defined benefit costs recognised in other comprehensive income	(15.91)	(72.05)
Total	42.60	32.34

	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
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	393.92	351.32
Fair value of plan assets		
Net liability arising from defined benefit obligation	393.92	351.32
Non - Funded	393.92	351.32
	393.92	351.32

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

	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	351.32	318.98
Current service cost	31.97	81.11
Interest cost	26.54	23.28
Actuarial (gains)/losses	(15.91)	(72.05)
Closing defined benefit obligation	393.92	351.32

**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, 2019	March 31, 2018
Mortality Table	<b>Indian Assured Lives Mortality(2006-08)</b>	Indian Assured Lives Mortality(2006-08)
Attrition Rate	<b>5.00% p.a.</b>	5.00% p.a.
Discount Rate	<b>7.76% p.a.</b>	7.29% p.a.
Rate of increase in compensation level	<b>5%F5Y</b>	5%F5Y

	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
<b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b>		
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	<b>12.34</b>	8.87
Net interest expense	<b>3.60</b>	2.91
Components of defined benefit costs recognised in profit or loss	<b>15.94</b>	11.78

<b>Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	<b>(2.70)</b>	(4.02)
Components of defined benefit costs recognised in other comprehensive income	<b>(2.70)</b>	(4.02)
Total	<b>13.24</b>	7.76

<b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b>		
Present value of defined benefit obligation	<b>60.92</b>	47.68
Net liability arising from defined benefit obligation	<b>60.92</b>	47.68
Non - Funded	<b>60.92</b>	47.68
	<b>60.92</b>	47.68

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

	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
<b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b>		
Opening defined benefit obligation	47.68	39.92
Current service cost	12.34	8.87
Interest cost	3.60	2.91
Actuarial (gains)/losses	(2.70)	(4.02)
Closing defined benefit obligation	60.92	47.68

**51. Period and amount of continuing default as on the Balance sheet date**

Due Date	Amount of Default (Principal)	No of Days Delay	Amount of Default (Interest)	No of Days Delay
30/4/2016			662.45	1065
31/5/2016			1,341.65	1034
30/6/2016	704.53	1004	2,042.81	1004
31/7/2016			2,779.81	973
31/8/2016			3,559.34	942
30/9/2016	743.53	912	4,359.06	912
31/10/2016			5,269.20	881
30/11/2016			6,191.62	851
31/12/2016	743.53	820	7,152.50	820
31/1/2017			8,016.57	789
28/2/2017			8,802.51	761
31/3/2017	743.53	730	9,625.10	730
30/4/2017			10,467.10	700
31/5/2017			11,331.10	669
30/6/2017	1,240.20	639	13,411.10	639
31/7/2017			14,261.10	608
31/8/2017			15,111.10	577
30/9/2017	1,240.20	547	17,157.10	547
31/10/2017			17,994.10	516
30/11/2017			18,803.10	486
31/12/2017	1,240.20	455	20,866.10	455
31/1/2018			21,689.10	424
28/2/2018			22,433.10	396
31/3/2018	1,240.20	365	24,478.16	365

Due Date	Amount of Default (Principal)	No of Days Delay	Amount of Default (Interest)	No of Days Delay
30/4/2018			25,483.86	335
31/5/2018			26,531.92	304
30/6/2018	1,618.43	274	27,602.11	274
31/7/2018			32,497.97	243
31/8/2018			33,933.85	212
30/9/2018	1,618.43	182	36,389.28	182
31/10/2018			37,713.53	151
30/11/2018			39,035.26	121
31/12/2018	1,618.43	90	40,380.04	90
31/1/2019			41,745.82	59
28/2/2019			43,000.82	31
31/3/2019	1,661.42	0	44,366.13	0
<b>Total</b>	<b>14,412.64</b>			

52. Previous Year's figures have been re-grouped wherever necessary to conform to the Current Year's classification

For and on behalf of the board  
For Tulsyam NEC Limited

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

Sd/-  
Sanjay Tulsyam  
Managing Director  
DIN: 00632802

Sd/-  
Lalit Kumar Tulsyam  
Executive Chairman  
DIN: 00632823

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Sd/-  
Parvati Soni  
Company Secretary

Place : Chennai  
Date : 25<sup>th</sup> May 2019

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members  
TULSYAN NEC LIMITED  
Chennai

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

We have audited the accompanying consolidated Ind AS financial statements of TULSYAN NEC LIMITED ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Consolidated financial information").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2019, Consolidated loss, Consolidated Total Comprehensive Income, consolidated changes in equity and its Consolidated cash flows for the year then ended.

**Basis for Qualified Opinion**

We draw attention to the fact that the Holding company is continuously incurring losses and its net worth is totally eroded as on 31/03/2019. During the Financial Year 2015-16, the Holding Company's loans and liabilities were restructured under the 'Corporate Debt Restructuring' Scheme. As per the said Scheme, the Holding Company's repayment applications were deferred/ restructured. The banks also provided certain reliefs/ waivers/ sacrifices by reducing the rate of interest. Interest was provided in the books at the lower rates of interest. However the bankers had withdrawn the concession with retrospective effect and charged the interest at original interests. Consequent to withdrawal of concessions, few banks have debited the account of the Holding company for the differential amount of interest and other concessions given as per the CDR Scheme. The period of withdrawal relate from 1st May 2014 to the date of debit. The Holding company has sought waiver of the said debits in the restructuring proposal submitted to the Bank which is pending with the bankers. Pending acceptance of the waivers sought, the charges as debited has been recognized as finance charges during the year.

Based on the information and explanation given to us, the Holding company is also in the process of restructuring its borrowings from banks and finalizing alternative business plans which are expected to result in profits in the near future. The Holding company's ability to continue as a Going Concern is depended upon the successful implementation of the same. The above indicates a significant uncertainty and doubt about the Holding company's ability to continue as a Going Concern.

Director General of Goods and Service Tax Intelligence officials conducted an Inspection during January 2019 during which the said officials expressed objections input tax credit of GST amounting to Rs.11.10 crores on purchases of Rs.61.64 crores from certain parties on the Holding Company. The Holding company has deposited Rs.11.10 crores under protest which has not been charged off in the financials as expenditures. To this extent the loss is understated.

We conducted our audit of the Consolidated Financial Statements 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated 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 on the Consolidated Financial Statements

### 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 Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis of Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matter	Auditor's Response
1.	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Holding Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> </ul>
2	<p><b>Litigations - Contingencies</b></p> <p>The Holding Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise. The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <p>Assessing the appropriateness of the design and implementation of the Holding Company's controls over the assessment of litigations and completeness of disclosures.</p> <p>Supporting documentation are tested for the positions taken by the management, after the meetings conducted with legal team..Additionally, considering the effect of new information in respect of contingencies as at 1st April, 2018 to evaluate whether any change was required in the management's position on these contingencies as at 31.03.2019</p>

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

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

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

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

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

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

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements 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 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.

#### **Other Matters:**

We did not audit the Financial Statements/Financial Information of two subsidiaries whose financial statements / financial information reflect Total assets of 1535.73 Lakhs as at 31st March 2019, total Revenues of Rs 1887.65 Lakhs and net Cash flows of Rs 3.64 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements/Financial Information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our reports in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is solely based on the Reports of the other Auditors.

Our opinion on the Consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the matters with respect to our Reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

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

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet , the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with relevant books of account maintained for the purpose of preparation of consolidated Financial statements
  - d) In our opinion, the aforesaid consolidated financial statements comply with Accounting Standards specified under Section 133 of the Act
  - e) on the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 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 2019 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) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial position of the Group – refer note 44 to the Consolidated financial statements;
    - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies during the year ended 31 March 2019;

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

**K Parthasarathy**  
Partner  
Membership No: 018394

Place : Chennai  
Date : 25/05/2019

## **Annexure A to the Independent Auditor's Report**

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

In conjunction with our Audit of the Consolidated Financial statements of the Company as of and for the year ended 31st March 2019 we have audited the Internal Financial Controls over Financial reporting of Tulsyani 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, 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 Company, 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 Company, its Subsidiaries which are Companies incorporated in India.

#### **Meaning of Internal financial Controls over financial Reporting**

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

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

1. 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, 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 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters:

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to of its subsidiary companies is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**K Parathasarathy**  
Partner  
Membership No: 018394

Place : Chennai  
Date : 25/05/2019

**TULSYAN NEC LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019**

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

(₹ In Lacs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	70,225.36	72,573.13
Capital work in progress	5	-	-
Financial assets		-	-
Investments	6	0.41	0.41
Other financial assets	7	33.24	37.95
Other non-current assets	8	767.57	697.02
<b>Total non-current assets</b>		<b>71,026.58</b>	<b>73,308.51</b>
<b>Current assets</b>			
Inventories	9	10,231.09	9,721.12
Financial assets			
Investments	10	0.50	0.50
Trade receivables	11	27,006.80	27,228.74
Cash and cash equivalents	12	340.52	781.52
Bank balances other than above	13	11.24	106.21
Other financial assets	14	827.43	1,177.54
Other current assets	15	3,499.29	4,703.41
<b>Total current assets</b>		<b>41,916.87</b>	<b>43,719.04</b>
<b>Total Assets</b>		<b>112,943.45</b>	<b>1,17,027.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,471.38	1,470.32
Other equity	17	(43,114.27)	(21,188.11)
<b>Total equity</b>		<b>(41,642.88)</b>	<b>(19,717.79)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	49,583.91	43,106.29
Other financial liabilities	19	918.76	723.26
Provisions	20	454.85	399.01
Deferred Tax Liabilities (net)	21	(1,035.84)	(1,081.14)
<b>Total non-current liabilities</b>		<b>49,921.69</b>	<b>43,147.42</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	53,276.27	47,438.32
Trade payables	23	12,159.80	11,721.18
Other financial liabilities	24	274.97	218.05
Provisions	25	361.80	297.07
Other current liabilities	26	38,591.80	33,923.30
<b>Total current liabilities</b>		<b>104,664.65</b>	<b>93,597.92</b>
<b>Total Equity and Liabilities</b>		<b>154,586.33</b>	<b>1,36,745.34</b>
		<b>112,943.45</b>	<b>1,17,027.55</b>

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For Tulsyan NEC Limited

Sd/-  
Sanjay Tulsyan  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Place : Chennai  
Date : 25<sup>th</sup> May 2019

Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823

Sd/-  
Parvati Soni  
Company Secretary

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

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

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394

**TULSYAN NEC LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

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

(₹ In Lacs)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Continuing Operations			
<b>A Income</b>			
Revenue from Operations	27	83,685.39	72,054.32
Other Income	28	656.38	453.20
<b>Total income</b>		<b>84,341.77</b>	<b>72,507.52</b>
<b>B Expenses</b>			
Cost of materials consumed	29	60,876.90	47,325.69
Purchases of stock in trade	30	2,459.84	678.17
Changes in inventories of finished goods	31	(525.91)	6,209.69
Employee benefits expense	32	3,103.65	3,025.63
Power & fuel	33	4,576.12	4,721.34
Depreciation and amortisation expense	34	2,529.71	2,612.34
Excise duty expenses		-	1,514.08
Finance costs	35	23,828.65	13,957.53
Other expenses	36	8,896.21	7,573.04
<b>Total expenses</b>		<b>105,745.18</b>	<b>87,617.51</b>
<b>C Profit before exceptional items and tax</b>		<b>(21,403.41)</b>	<b>(15,109.99)</b>
Exceptional items	37	251.33	1,145.62
<b>D Profit/ (Loss) before tax from continuing operations</b>		<b>(21,654.74)</b>	<b>(16,255.61)</b>
Income tax expense	38		
Current tax		167.46	-
Deferred tax credit/ (charge)		45.41	144.02
Profit/ (Loss) for the year		<b>(21,867.61)</b>	<b>(16,111.59)</b>
<b>E Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		18.60	76.10
Income tax relating to these items		-	-
Other comprehensive income for the year, net of tax		18.60	76.10
<b>Total comprehensive income/ (Loss) for the year</b>		<b>(21,849.01)</b>	<b>(16,035.49)</b>
Earnings per share	39		
Basic earnings per share		(148.64)	(70.08)
Diluted earnings per share		(148.64)	(70.08)

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For Tulsyan NEC Limited

Sd/-  
Sanjay Tulsyan  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Sd/-  
Lalit Kumar Tulsyan  
Executive Chairman  
DIN: 00632823

Sd/-  
Parvati Soni  
Company Secretary

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

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

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394

Place : Chennai  
Date : 25<sup>th</sup> May 2019



## TULSYAN NEC LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

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

(₹ In Lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	(21,654.74)	(16,255.60)
Adjustments for		
Depreciation and amortisation expense	2,529.71	2,612.34
(Profit)/ loss on sale of fixed assets	(447.98)	2.92
Profit on sale of Investments	-	(217.80)
Finance cost	23,828.65	13,957.53
Interest Income	(24.66)	(97.44)
Operating Profit before Working Capital Changes	4,230.98	1.95
Change in operating assets and liabilities		
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other financial assets	354.83	1.77
(Increase) / Decrease in inventories	(509.97)	4,045.33
(Increase) / Decrease in trade receivables	221.92	(6,556.87)
(Increase) / Decrease in other assets	1133.58	3,509.69
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	4983.99	12,336.32
Increase / (Decrease) in trade payables	438.62	1,579.56
Cash generated from operations	10853.95	14,917.75
Less : Income taxes paid (net of refunds)	45.30	(20.91)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>10899.25</b>	<b>14,896.84</b>
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	193.64	(557.43)
Sale proceeds of PPE	(145.94)	11.78
(Investments in)/ Maturity of fixed deposits with banks (net)	94.97	1,075.03
(Purchase)/ disposal proceeds of Investments (net)	-	218.33
Interest received	24.66	97.44
<b>Net cash from/ (used in) investing activities (B)</b>	<b>167.33</b>	<b>845.15</b>
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital (net of share application money)	5.51	-
Proceeds from/ (repayment of) long term borrowings (net)	6,477.62	(12,820.55)
Proceeds from/ (repayment of) short term borrowings (net)	5,837.95	1,470.92
Finance cost	(23,828.65)	(9,541.66)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(11,507.57)</b>	<b>(20,891.29)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(441.00)</b>	<b>(5,149.30)</b>
Cash and cash equivalents at the beginning of the financial year	781.52	439.43
<b>Cash and cash equivalents at end of the year</b>	<b>340.52</b>	<b>(4,709.87)</b>
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	325.84	763.47
Cash on hand	14.68	18.05
	<b>340.52</b>	<b>781.52</b>

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/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Sd/-  
Parvati Soni  
Company Secretary

Place : Chennai  
Date : 25<sup>th</sup> May 2019

## Statement of Changes in Equity for the year ended March 31, 2019

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

### (A) Equity Share Capital

	TNL	Chitrakoot	Color Peppers	Balaji Engg.	Total
Balance at the end of March 31, 2018	1,470.26	648.92	5.00	5.00	2,129.18
Changes in equity share capital during the year	1.12	-	-	(5.00)	(3.88)
Balance at the end of March 31, 2019	1,471.38	648.92	5.00	-	2,125.30

### (B) Other Equity

Particulars	General Reserve	Investment Allowance reserve	Securities Premium Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at March 31, 2018	2,390.00	59.39	11,869.31	-	(35506.82)	(21,188.12)
Additions/ (Deductions) during the year	-	-	4.39	(18.60)	18.60	4.39
Total Comprehensive Income for the year	-	-	-	18.60	(21,949.14)	(21930.54)
Balance as at March 31, 2019	2,390.00	59.39	11,873.70	-	(57437.36)	(43114.27)

For and on behalf of the board  
For Tulsiyan NEC Limited

Sd/-  
Sanjay Tulsiyan  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Place : Chennai  
Date : 25th May 2019

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

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

Sd/-  
Lalit Kumar Tulsiyan  
Executive Chairman  
DIN: 00632823

Sd/-  
Parvati Soni  
Company Secretary

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394



## Notes to Financial Statements for the year ended March 31, 2019

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

### 1 Corporate Information

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

### 2 Basis of preparation of financial statements

#### Statement of compliance

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

#### Use of estimates

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

#### Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals). The financial statements are approved for issue by the Company's Board of Directors on 25th May, 2019.

### 2A Critical accounting estimates and management judgments

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

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

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

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

#### Current tax

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

#### Deferred Tax Assets

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

**Fair value**

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

**Impairment of Trade Receivables**

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

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

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

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

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

**Fair value measurement of financial instruments**

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

**Provisions and contingencies**

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

**2B Recent accounting pronouncements****Standards issued but not yet effective**

The following standards have been notified by Ministry of Corporate Affairs. Ind AS 116 – Leases (effective from April 1, 2019) The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

**3 Significant Accounting Policies****a) Current versus non-current classification**

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

An asset is treated as current when it is:

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



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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization



(based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

### **c) Revenue Recognition**

#### **Sale of goods**

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

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

#### **Sale of services**

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

#### **Power Generation**

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

#### **Export entitlements**

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

#### **Interest Income**

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

#### **Dividend income**

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

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

#### **Presentation**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of

plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

#### **Component Cost**

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

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

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

#### **Derecognition**

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

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

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value. Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

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

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

#### **f) Inventories**

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

**(i) Raw materials, components, stores and spares:** At lower of weighted average cost and net realizable value.

**(ii) Work-in-process :** At lower of cost of raw material and component including related overheads and net realizable value.

**(iii) Finished goods:** At lower of cost and net realizable value. Cost includes raw material components and related overheads.

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

## g) Financial Instruments

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

### Financial assets

#### Initial recognition and measurement

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

#### Subsequent measurement

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

Financial assets are classified into the following categories:

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

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

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

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

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

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

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

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

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

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

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

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

**Equity investments**

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

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

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

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

**Derecognition**

A financial asset is primarily derecognised when:

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

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

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

**Impairment of financial assets**

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

- a) Financial assets other than equity instruments, and that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.
- b) Financial assets, other than equity instruments that are measured at FVTOCI



c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

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

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

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

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

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

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

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

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

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

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



**Financial liabilities****Initial recognition and measurement**

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

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

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

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

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

**Financial liabilities at FVTPL**

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

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

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

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

**Financial guarantee contracts**

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

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

**Derivative financial instruments**

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

**Derivatives fair valued through profit or loss**

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



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

#### **Derecognition of financial liabilities**

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

#### **Reclassification of financial assets**

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

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

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

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

**h) Foreign currency transactions and translations****Transactions and balances**

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations wherever it deems necessary that such coverage is appropriate. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

**i) Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**k) Taxes****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.



Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## **I) Retirement and other employee benefits**

### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**m) Leases**

The 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

**4. Property, plant and equipment**

Particulars	Tangible Assets											Total	
	Land	Land Leasehold	Factory Buildings	Plant and Machinery	Vehicles	Works Equipments	Lab Equipments	Office Premises	Office and Other Equipments	Furnitures and Fixtures	Projector		Computer
Cost as at March 31, 2018	11,553.18	87.56	12,619.10	52,869.79	116.45	139.48	42.38	11.26	216.88	0.77	0.87	0.04	77,657.75
Additions	-	-	-	161.99	10.28	6.20	0.39	-	14.78	-	-	-	193.64
Disposals	-	-	-	-	(28.79)	-	-	-	(25.19)	-	-	-	(53.98)
<b>Cost as at</b>	<b>11,553.18</b>	<b>87.56</b>	<b>12,619.10</b>	<b>53,031.78</b>	<b>97.94</b>	<b>145.68</b>	<b>42.77</b>	<b>11.26</b>	<b>206.47</b>	<b>0.77</b>	<b>0.82</b>	<b>0.04</b>	<b>77,797.41</b>
<b>Depreciation/ Amortisation</b>													
As at March 31, 2018	-	1.76	886.95	4,059.77	39.39	18.51	8.32	1.95	67.22	0.40	0.35	-	5,084.62
Charge for the year	-	0.88	471.27	2,004.39	14.76	7.74	4.52	0.96	24.93	0.11	0.12	-	2,529.69
Disposals	-	-	-	-	(19.63)	-	-	-	(22.64)	-	-	-	(42.27)
<b>As at March 31, 2019</b>	<b>-</b>	<b>2.64</b>	<b>1358.22</b>	<b>6,064.16</b>	<b>34.52</b>	<b>26.25</b>	<b>12.84</b>	<b>2.91</b>	<b>69.51</b>	<b>0.51</b>	<b>0.47</b>	<b>-</b>	<b>7,572.04</b>
<b>Net Block</b>													
As at March 31, 2018	11,553.18	85.80	11,732.16	48,810.02	77.06	120.97	34.06	9.31	149.66	0.37	0.52	0.04	72,573.13
<b>As at March 31, 2019</b>	<b>11,553.18</b>	<b>84.92</b>	<b>11,260.89</b>	<b>46,967.61</b>	<b>63.42</b>	<b>119.43</b>	<b>29.92</b>	<b>8.35</b>	<b>136.96</b>	<b>0.26</b>	<b>0.40</b>	<b>0.04</b>	<b>70,225.36</b>

**Notes - (Contd)**

(₹ In Lacs)

Note No. 5	As at March 31, 2019	As at March 31, 2018
<b>Capital Work-in-progress</b>		
Capital work in progress	-	-
	-	-
<b>Note No. 6</b>		
<b>Non-current investments</b>		
<b>Investments in Equity Instruments at FVTPL</b>		
Unquoted		
i. Investments in Subsidiaries	-	-
ii. Investments in Other Companies		
Vyshali Energy P Ltd (3810 Shares of Rs 10/- each)	0.38	0.38
<b>Investments in Debt Instruments at FVTPL</b>		
Unquoted		
Shamrao Vithal Co-op Bank Ltd (25 Shares of Rs.100/- each)	0.03	0.03
Bonds in Krishana Bhagya Jala Nigam Ltd (17% Secured Redeemable NCB of Rs. 10/- each)		-
	0.41	0.41
<b>Total non-current investments</b>		
Aggregate amount of quoted investments		
Aggregate market value of quoted investments		
Aggregate cost of unquoted investments		-
Aggregate amount of impairment in value of investments		
<b>Note No. 7</b>		
<b>Other non-current financial assets</b>		
(Unsecured, considered good)		
Unamortised finance expense	33.24	37.95
	33.24	37.95



**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 8</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Other non-current assets</b>		
(Unsecured, considered good)		
Advance for Suppliers	<b>36.95</b>	50.55
Advance income-tax and TDS (net of provision for tax)	<b>516.06</b>	432.94
MAT Credit Entitlement	<b>38.04</b>	38.03
Advance Fringe Benefit tax	<b>2.41</b>	2.41
Advance TCS	<b>5.44</b>	1.67
Other non-current assets	<b>168.68</b>	171.42
	<b>767.57</b>	697.02

<b>Note No. 9</b>		
<b>Inventories</b>		
(Valued at lower of cost and net realisable value)		
Raw Materials	<b>3,273.46</b>	3,479.45
Finished Goods	<b>5,674.57</b>	5,069.75
Stores	<b>1,283.05</b>	1,171.92
	<b>10,231.09</b>	9,721.12
<b>Inventory comprise of</b>		
<b>Raw Materials</b>		
Steel scrap	<b>1,506.56</b>	2,111.01
Ingot, billet and re-rollables	<b>842.40</b>	694.13
Coal	<b>894.44</b>	612.78
PP/HDPE Granules	<b>28.95</b>	60.42
Iron Ore	-	-
Coal	-	0.12
Dolomite	-	0.99
	<b>3,273.46</b>	3,479.45
<b>Finished Goods</b>	-	
TMT Bar	<b>2,897.73</b>	2,661.41
Poly Woven Sacks/ Bags	<b>2,019.86</b>	1,783.39
Power	<b>365.74</b>	199.27
Sponge Iron Lumps	-	424.23
Dolochar - Scrap	-	-
Iron Ore Fine - Scrap	-	1.46
	<b>5,674.57</b>	5,069.75

**Notes - (Contd)**

(₹ In Lacs)

Note No. 10	As at March 31, 2019	As at March 31, 2018
<b>Current Investments</b>		
Investments in Equity Instruments at FVTPL		
Investments in companies other than subsidiaries, associates and joint ventures		
Quoted		
Syndicate Bank (864 Equity Shares of Rs.10 each)	0.43	0.43
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
	<b>0.50</b>	0.50
<b>Note No. 11</b>		
<b>Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	11,988.41	13,045.46
Other debts	15,877.05	14,754.70
	<b>27,865.46</b>	27,800.16
Allowance for Expected credit Loss	(858.66)	(571.42)
	<b>27,006.80</b>	27,228.74
<b>Note No. 12</b>		
<b>Cash and cash equivalents</b>		
Cash on Hand	14.68	18.05
Cheque and Demand Drafts on Hand		-
Balances with Banks		
- In Current Account	325.84	763.47
- In Collection Account		-
- In Deposit Account	0.00	-
	<b>340.52</b>	781.52

**Notes - (Contd)**

(₹ In Lacs)

Note No. 13		
<b>Other Bank Balances</b>		
In fixed deposits	11.24	21.37
In margin money with banks *	-	84.84
	<b>11.24</b>	<b>106.21</b>

\* lien marked against outstanding letters of credit

Note No. 14	As at March 31, 2019	As at March 31, 2018
<b>Other current financial assets</b>		
(Unsecured, considered good)		
Deposits	827.42	1,177.54
	<b>827.42</b>	<b>1,177.54</b>

Note No. 15		
<b>Other current assets</b>		
(Unsecured, considered good)		
Income and claims receivable	3.18	3.18
Advance recoverable in cash or in kind or for value to be received		
Advance for Supplies and expenses	169.67	91.92
Staff advances & Prepaid expenses	55.83	85.41
Advances to Subsidiaries	0.51	8.70
Advance Paid	430.83	329.98
CST paid under protest	98.37	-
CVD	56.74	-
Deposits	-	2.30
Drawback	19.12	19.12
Excise	13.87	256.68
Import Licence	-	82.12
Windmill geeration compensation receivable	0.31	12.47
Balances with Statutory Authorities:	<b>2650.85</b>	<b>3,811.53</b>
	<b>3,499.28</b>	<b>4,703.41</b>

**Notes - (Contd)**

(₹ In Lacs)

Note No. 16	As at March 31, 2019	As at March 31, 2018
<b>Capital</b>		
Authorised Share Capital		
1,60,00,000 Equity shares of Rs. 10/- each	1,600.00	1,600.00
2,00,00,000 6% Non convertible redeemable preference shares of Rs. 10/- each	2,000.00	2,000.00
	<b>3,600.00</b>	3,600.00
Issued & Subscribed Share Capital		
1,50,00,000 (previous year 1,50,00,000) Equity shares of Rs. 10/- each	1500.00	1,500.06
	<b>1500.00</b>	1,500.06
Paid up share capital		
1,45,06,790 (previous year 1,44,78,486) Equity shares of Rs. 10/- each (fully paid up)	1,450.68	1,447.91
1,96,989 (previous year 2,25,293) Equity shares of Rs. 10/- each (Rs. 6/- paid up)	11.81	13.52
2,96,221 (previous year 2,96,221) Equity shares of Rs. 10/- each (Rs. 3/- paid up)	8.89	8.89
	<b>1,471.38</b>	1,470.32

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

Balance as at the beginning of the year	1,50,00,000	1,50,00,000
Add: Issued during the year		
Balance at the end of the year	1,50,00,000	1,50,00,000

**ii. Shares issued for consideration other than cash**

There are no shares which have been issued for consideration other than cash during the last 5 years.

**iii. Redeemable Preference Shares**

6% Non convertible redeemable preference shares issued by the company are classified as financial liabilities (non-current borrowings) [refer note 18] in accordance with Ind AS.

**iv. Shareholders holding more than 5% of the total share capital**

Name of the share holder	31-Mar-19		31-Mar-18	
	No. of shares held	% of holding	No. of shares held	% of holding
Lalit Kumar Tulsiyan	40,46,645	26.98	40,46,645	26.98
Sanjay Tulsiya	44,75,481	29.84	44,75,481	29.84
Priya Tulsiyan	9,54,982	6.37	9,54,982	6.37
Alka Tulsiyan	7,51,130	5.01	7,51,130	5.01

**Notes - (Contd)**

(₹ In Lacs)

**v. Rights, preferences and restrictions in respect of equity shares issued by the Company**

- a. The company has issued only one class of equity shares having a par value of Rs. 10 each. The equity shares of the company having par value of Rs. 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
- b. All equity shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares. However as far as the share held by the promoters/ promoters group is concerned, the same has been pledged in favour of the lenders as part of CDR compliance (Refer Note 44)
- c. The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.
- d. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. NIL per equity share held (previous year Rs. Nil per equity share held)
- e. In the event of liquidation, the Equity Share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

Note No. 17	As at March 31, 2019	As at March 31, 2018
<b>Other Equity</b>		
General Reserve	2,390.00	2,390.00
Investment Allowance reserve	59.39	59.39
Securities Premium Reserve	11,873.70	11,869.31
Other Comprehensive Income	-	-
Profit and Loss Account	(57,437.36)	(35,506.81)
	<b>(43,114.27)</b>	<b>(21,188.11)</b>
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	11,869.31	11,869.31
Additions during the year	4.39	-
Balance at the end of the year	11,873.70	11,869.31
d) Other Comprehensive Income		
Balance at the beginning of the year	-	-
Additions during the year	18.60	76.10
Deductions/Adjustments during the year	(18.60)	(76.10)
Balance at the end of the year	-	-
e) Retained earnings		
Balance at the beginning of the year	(35,588.35)	(19,471.35)
Net profit for the period	(21,867.61)	(16,111.56)
Transfer from Other Comprehensive Income	18.60	76.10
Balance at the end of the year	<b>(57,437.36)</b>	<b>(35,506.81)</b>

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 18</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Non-Current Liabilities - Financial Liabilities: Borrowings</b>		
<b>Secured</b>		
<b>Preference Shares</b>		
6% Non convertible redeemable preference shares	<b>884.30</b>	884.30
<b>Term Loans *</b>		
From Banks	<b>78,525.75</b>	69,681.45
From Financial Institutions	-	-
<b>Vehicle Loans</b>		
HDFC Bank Ltd	-	0.45
<b>Unsecured</b>		
From Directors	<b>712.50</b>	685.92
From others	<b>0.83</b>	254.17
	<b>80,123.38</b>	71,506.29
Less: Current maturities of long-term debt (included in note 26)	<b>(30,539.47)</b>	(28,400.00)
	<b>49,583.91</b>	43,106.29

\* refer note 46 for terms and conditions and security details

<b>Note No. 19</b>		
<b>Other non current financial liabilities</b>		
Premium on redemption of preference shares payable	<b>918.67</b>	722.83
Unamortised rental income	<b>0.09</b>	0.43
	<b>918.76</b>	723.26

<b>Note No. 20</b>		
<b>Provisions (Non-current)</b>		
Provision for employee benefits		
Gratuity	<b>393.95</b>	351.32
Compensted absence	<b>60.90</b>	47.69
	<b>454.85</b>	399.01

<b>Note No. 21</b>		
<b>Deferred Tax Liability/ (Asset) - Net</b>		
<b>Deferred tax liabilities</b>		
Related to Fixed Assets	-	
Related to Others	-	
	-	-
<b>Deferred tax assets</b>		
Related to Fixed Assets	<b>(45.41)</b>	(37.53)
Related to Others	<b>1,081.24</b>	1118.67
Net deferred tax liability/ (asset)	<b>(1,035.84)</b>	(1081.14)

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 22</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Current liabilities - Financial Liabilities: Borrowings *</b>		
<b>Secured</b>		
From banks - Working capital term loans	<b>48,497.23</b>	41,669.83
Loan from others	<b>1,355.47</b>	1,547.81
<b>Unsecured</b>		
Loans from body corporate	<b>3,369.80</b>	4,220.68
Loans from others	<b>53.78</b>	-
	<b>53,276.27</b>	47,438.32

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

<b>Note No. 23</b>		
<b>Trade payables *</b>		
Supplies and Services	<b>10,627.77</b>	10,351.45
Expenses and others	<b>1,532.03</b>	1,369.74
	<b>12,159.80</b>	11,721.19

\* 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.

<b>Note No. 24</b>		
<b>Other current financial liabilities</b>		
Deposits for power	<b>274.97</b>	218.05
	<b>274.97</b>	218.05

<b>Note No. 25</b>		
<b>Provisions (Current)</b>		
Provision for Expenses / Tax	<b>361.80</b>	297.07
	<b>361.80</b>	297.07

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 26</b>		
<b>Other current liabilities</b>		
Current maturities of long-term debt	<b>30,539.92</b>	28,406.91
Interest Payable	<b>7,719.34</b>	5,389.37
Statutory Dues Payable	<b>86.01</b>	-
Advanced & deposits from customer etc.	<b>0.39</b>	-
Other current liabilities	<b>28.34</b>	0.20
Employee Payables	<b>217.81</b>	116.88
	<b>38,591.80</b>	33,913.36

<b>Note No. 27</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Revenue from Operations</b>		
Domestic sales FG	<b>77,095.13</b>	67,646.87
High sea sales	-	69.30
Export sales	<b>3,047.23</b>	2,766.85
Excise duty	-	1,514.08
Domestic Sales RM	<b>3,078.84</b>	2.15
Domestic Sales - Stores	<b>3.93</b>	-
Processing charges	<b>460.26</b>	55.07
	<b>83,685.39</b>	72,054.32

<b>Note No. 28</b>		
<b>Other Income</b>		
Income from windmills	<b>172.74</b>	221.21
Interest on term deposit	<b>18.97</b>	52.97
Other interest income	<b>5.69</b>	44.47
Profit on sale of Fixed asset	<b>448.95</b>	1.03
Profit on sale of Investment	-	217.80
Compensation for Power	<b>4.26</b>	-
Dividend	-	-
Foreign Exchange Fluctuation	-	40.16
Miscellaneous Income	<b>178.51</b>	96.77
Less: Income from wind mill set-off against Power & Fuel	<b>(172.74)</b>	(221.21)
	<b>656.38</b>	453.20



**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 29</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Cost of Materials Consumed</b>		
<b>Raw Materials</b>		
Opening inventory of raw materials	2,866.67	1,039.32
Raw Materials purchased	44,437.00	40,053.30
Materials Inward	1,776.50	350.14
Customs Duty	337.66	356.42
Less: Discount/Licence	( 29.36 )	(57.16)
Less: Closing Stock	(2,379.02 )	(2,866.67)
	<b>47,009.45</b>	<b>38,875.35</b>
<b>Stores</b>		
Opening Stock	1,109.51	618.14
Purchases	3,255.25	3,173.65
Materials Inward	73.47	61.65
Less: Closing Stock	(1,219.32 )	(1,109.51)
	<b>3,218.91</b>	<b>2,743.93</b>
<b>Power Plant</b>		
Opening Stock	612.78	659.35
Purchases	13,632.88	8,040.07
Materials Inward	2,127.04	2,854.79
Customs Duty/Exchange Difference	-	0.97
Less: Discount / License	(48.24)	(107.98)
Less: Closing Stock	(894.44)	(612.78)
Less: Charged to Power Plant Operation/Power Stock	(4,781.48)	(5,128.01)
	<b>10,648.54</b>	<b>5,706.41</b>
<b>Total cost of materials consumed</b>	<b>60,876.90</b>	<b>47,325.69</b>

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 30</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Purchase of stock-in-trade - Traded goods		
Purchase of stock-in-trade - Traded goods	<b>2,459.84</b>	678.17
	<b>2,459.84</b>	678.17
<b>Note No. 31</b>		
Changes in inventories of finished goods		
Closing balance	<b>5,595.68</b>	5,110.27
Opening balance	<b>5,069.77</b>	11,319.96
	<b>(525.91)</b>	6,209.69
<b>Note No. 32</b>		
<b>Employee benefit expenses</b>		
Salaries and Wages	<b>2,849.98</b>	2,836.07
Contribution to provident and other funds	<b>58.36</b>	66.09
Welfare Expenses	<b>195.31</b>	123.47
	<b>3,103.65</b>	3,025.63
<b>Note No. 33</b>		
<b>Power &amp; Fuel</b>		
Power & Fuel expense	<b>4,576.12</b>	4,721.34
	<b>4,576.12</b>	4,721.34
<b>Note No. 34</b>		
Depreciation and amortization expense		
Depreciation on property, plant and equipment	<b>2,529.71</b>	2,612.34
	<b>2,529.71</b>	2,612.34
<b>Note No. 35</b>		
Finance costs		
Interest	<b>23,828.65</b>	13,931.05
Other Finance Charges	-	26.48
	<b>23,828.65</b>	13,957.53



## Notes - (Contd)

(₹ In Lacs)

Note No. 36	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Other expenses</b>		
Power Plant Charges	3,604.98	3,348.59
Repairs		
Machinery	329.79	323.38
Building	50.86	38.98
Other Manufacturing Expenses	335.58	49.58
Processing Charges	1,727.25	73.51
Insurance	30.93	23.45
Rent	49.61	63.69
Loss on sale of fixed assets	0.97	3.95
Rates & Taxes	144.69	93.87
Legal & consultancy charges	169.08	96.45
Payment to auditors	4.90	4.90
Transport charges	369.69	257.60
Brokerage & commission	165.44	149.91
Selling & administration expenses	1,076.20	2,167.34
Excise duty expenses	-	45.00
Bank charges	180.15	263.13
Foreign exchange loss (net)	327.78	-
Provision for Expected credit loss	328.31	569.71
	<b>8,896.21</b>	<b>7,573.04</b>

Note No. 36 (a)		
<b>Payment to auditors</b>		
Statutory Audit fees	4.90	4.90
Taxation fee	2.49	2.49
	<b>7.39</b>	<b>7.39</b>

Note No. 37		
<b>Exceptional Items</b>		
Exceptional Item	251.33	1,145.62
	<b>251.33</b>	<b>1,145.62</b>

**Notes - (Contd)**

(₹ In Lacs)

Note No. 38	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income tax expense</b>		
(a) Income tax expense		
Current tax	167.46	-
Current tax on profits for the year		
MAT credit entitlement/reversal		
Adjustments for current tax of prior periods		
Total current tax expense	167.46	
Deferred tax		
Deferred tax adjustments	45.41	144.02
Total deferred tax expense/(benefit)	45.41	144.02
<b>Income tax expense</b>	<b>212.86</b>	144.02
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	(21,654.74)	(16,255.61)

Movement of deferred tax expense during the year ended March 31, 2018

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss
Property, plant, and equipment and Intangible Assets	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-
Remeasurement of financial instruments under Ind AS	-	-
Other temporary differences	-	-
	-	-
MAT Credit entitlement	-	-
<b>Total</b>	-	-

e) Movement of deferred tax expense during the year ended March 31, 2017

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss
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	2,195.28	(2,195.28)
	2,195.28	(2,195.28)
MAT Credit entitlement	-	-
<b>Total</b>	2,195.28	(2,195.28)

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 39</b>		
<b>Earnings per share</b>		
Profit/ (loss) for the year attributable to owners of the Company	<b>(21,867.61)</b>	(16,111.59)
Weighted average number of ordinary shares outstanding	<b>1,47,13,850</b>	1,47,02,528
Basic earnings per share (Rs)	<b>(148.62)</b>	(109.58)
Diluted earnings per share (Rs)	<b>(148.62)</b>	(109.58)

<b>Note No. 40</b>		
<b>Earnings in foreign currency</b>		
FOB value of exports	<b>2772.32</b>	2,102.17
	<b>2,772.32</b>	2,102.17

<b>Note No. 40(a)</b>		
<b>Expenditure in foreign currency</b>		
Exchange in foreign currency for other matters	<b>9.43</b>	29.11
	<b>9.43</b>	29.11

<b>Note No. 41</b>		
<b>CIF value of imports</b>		
Raw Materials	<b>2499.75</b>	1,138.60
	<b>2,499.75</b>	1,138.60

**Notes - (Contd)**

(₹ In Lacs)

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, 2019		Year ended March 31, 2018	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
<b>Raw Materials</b>				
Imported				
Steel scrap	<b>13,279.68</b>	<b>27.78</b>	11,428.58	29.41
Ingot, billet and re-rollables	-	-	-	-
PP/HDPE Granules	<b>214.28</b>	<b>0.45</b>	928.13	2.39
Others				
Steel scrap	<b>16,653.30</b>	<b>34.83</b>	15,480.74	39.84
Ingot, billet and re-rollables	<b>13,080.04</b>	<b>27.36</b>	7,979.32	20.54
PP/HDPE Granules	<b>4,583.84</b>	<b>9.59</b>	3,036.24	7.81
Iron Ore	-	-	1,629.66	4.22
<b>Coal</b>				
Imported	<b>13,617.67</b>	<b>88.25</b>	9,559.45	88.23
Others	<b>1,812.35</b>	<b>11.75</b>	1,274.97	11.77
Dolomite	-	-	13.54	0.11

**Notes - (Contd)**

(₹ In Lacs)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
<b>Stores</b>				
Imported	46.31	1.44	485.59	18.32
Others	3,172.60	98.56	2,164.29	81.68
<b>Total consumption</b>	<b>66,460.07</b>		52,337.31	

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

Particulars	As at March 31, 2019	As at March 31, 2018
(a) The principal amount remaining unpaid at the end of the year	18.63	-
(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	-	-

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

**44. Commitments and contingent liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent Liabilities</b>		
Excise duty	1,817.30	1,817.30
VAT	540.49	540.49
Income Tax	-	29.02
Towards payment received from SBQ Limited which is considered as preferential by CIRP	525.00	525.00
Related to TNEB	439.45	1,171.71

**Notes:**
**Commitments**

During the Financial Year 2015-16, the company's loans and liabilities with the Banks were restructured under the "Corporate Debt Restructuring" Scheme. As per the said scheme, the company repayment obligations were deferred/ restructured. The Scheme was exited during the year 2017-18. This was communicated by the CDR Cell vide their letter dated 12.09.2017 wherein it was stated that "The account of Tulsyan NEC Ltd stands exited from the CDR Mechanism on account of failure of the CDR approved package". This decision was discussed at the CDR EG Meeting held on 25.07.2017 and minutes of the same were confirmed on 31.08.2017. No provision has been made towards any liability arising on account of any changes in the rate of interest consequent to exit from the CDR Scheme as the same has not been determined been yet, except however, the interest has been accounted on the basis of the debits to the respective loan account.

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

**Notes - (Contd)**

(₹ In Lacs)

The company has received a notice from the office of the Director General of Foreign Trade, Bangalore, asking to show cause as to why penalty upto 5 times of the CIF value of goods imported of a value of Rs.44.34 Crores imposed in respect of 44 Advance licenses for alleged non completion of the export obligations in respect of those licenses. Post issue of the notice, the company's name was added in the "Denied Entity List". The Company had represented to the said authority that the Export obligation in individual case or when clubbed with other license/licenses in accordance with the Foreign trade Policy and procedures with or without relaxation of the norms as may be applicable has been completed. Export obligations Discharge certificate in respect of 26 licenses out of 44 licenses has been received and the balance are pending to be received and are under various stages of consideration at the DGFT. Based on the representation given by the company the name of the company was removed from the Denied Entity List, however company has not received any communication from the DGFT in this regard dropping the show cause notice.

The liability in respect of Excise and VAT is subject to the levy of additional interest till the date adjudication from the due date, incase 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 int the opinion of the management, the decision will be in the favour of the company

**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, 2019	Year ended March 31, 2018
<b>Segment Revenue</b>		
Steel Division	60,111.30	48,410.23
Synthetic Division	7,637.87	7,637.87
Power	15,936.22	15,936.22
Media		70.00
Revenue from operations (Net)	<b>83,685.39</b>	<b>72,054.32</b>
<b>Segment Results</b>		
Profit (+) / Loss (-) before tax and finance cost		
Steel Division	3,529.02	(2,039.35)
Synthetic Division	(450.87)	(361.76)
Power	(904.24)	81.26
Media	-	21.77
Total	2,173.91	(2,298.08)
Add/ Less : Finance Cost	23,828.65	13,957.53
Profit /(Loss) from continuing operations	(21,654.74)	(16,255.61)
Profit/(Loss) from discontinuing operations	-	-
Profit Before Tax	<b>(21,654.74)</b>	<b>(16,255.61)</b>
<b>Segment Assets</b>		
Steel Division	44,129.19	48,201.69
Synthetic Division	11,442.22	11,442.22

**Notes - (Contd)**

(₹ In Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power	57,318.49	57,318.49
Media	53.54	65.15
Other unallocable corporate assets		-
<b>Total assets</b>	<b>1,12,943.44</b>	<b>1,17,027.55</b>
<b>Segment Liabilities</b>		
Steel Division	81,891.96	61,282.17
Synthetic Division	10,507.51	13,276.26
Power	61,997.52	61,997.52
Media	189.34	189.39
Other unallocable corporate assets		-
<b>Total liabilities</b>	<b>1,54,586.33</b>	<b>1,36,745.34</b>
<b>Capital Employed (Segment assets-Segment liabilities)</b>		
Steel Division	(37,762.77)	(13,080.48)
Synthetic Division	934.71	(1,834.04)
Power	(4,679.03)	(4,679.03)
Media	(135.80)	(124.24)
<b>Total capital employed in segments</b>	<b>(41,642.89)</b>	<b>(19,717.79)</b>
Unallocable corporate assets less corporate liabilities	-	-
<b>Total Capital Employed</b>	<b>(41,642.89)</b>	<b>(19,717.79)</b>

**Information relating to geographical areas**
**(a) Revenue from external customers**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	<b>80,638.16</b>	69,287.47
Outside India	<b>3047.23</b>	2,766.85
<b>Total</b>	<b>83,685.39</b>	72,054.32

**(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, 2019	Year ended March 31, 2018
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-
<b>Total</b>		



**46. Operating lease arrangements**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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, 2019	As at March 31, 2018
<b>i. From Banks</b>		
<b>a. Term Loans</b>		
Andhra Bank	<b>10,733.27</b>	9,627.15
Canara Bank	<b>18,090.23</b>	13,856.22
Syndicate Bank	<b>5,221.75</b>	4,684.06
Indian Overseas Bank	<b>9,174.27</b>	9,173.96
Shamrao Vithal Co-op Bank Limited	<b>1,236.10</b>	1,528.25
<b>b. Working Capital Term Loan/ Funded Interest Term Loan</b>		
Andhra Bank	<b>2,515.98</b>	2,235.46
Canara Bank	<b>15,478.74</b>	11,494.70
Syndicate Bank	<b>9,639.19</b>	8,627.43
State Bank of India	<b>3,166.32</b>	3,166.32
Indian Overseas Bank	<b>3,037.84</b>	3,037.84
Shamrao Vithal Co-op Bank Limited	<b>232.06</b>	238.32
IDBI	-	2,011.74
<b>ii. From Financial Institutions</b>	-	-
Total	<b>78,525.75</b>	69,681.45

**Schedule for short term borrowings:**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
From Banks - Working Capital Loans		
Canara Bank	<b>18,908.85</b>	15,851.68
Syndicate Bank	<b>10,365.82</b>	9,290.64
State Bank of India	<b>4,388.88</b>	4,746.65
Andhra Bank	<b>1,714.35</b>	1,587.20
IDBI Bank Limited	<b>5,269.10</b>	2,160.53
Indian Overseas Bank	<b>4,864.21</b>	4,861.71
Andhra Bank LCs devolved	<b>1,001.07</b>	1,185.40
Shamrao Vithal Co-op Bank Limited	<b>1,984.95</b>	1,986.02
Loans from others	<b>1,355.47</b>	1,547.81
<b>Unsecured</b>		
Loans from body corporate	<b>3,369.80</b>	4,220.68
<b>Total Short term borrowings</b>	<b>53,222.49</b>	47,438.32

**Terms and conditions of loans**

- i. Term Loan\Working Capital Term Loan\Funded Interest Term Loan\Fresh Term Loan shall have pari-passu first charge on entire fixed assets and Pari-passu second charge on entire current assets (including of slow moving \ non-moving stock and non-current debtors) of the company.
- ii. Working Capital shall have pari-passu first charge on entire current assets and pari-passu second charge on entire fixed assets of the company. Existing exclusive security shall be continued with respective lenders.
- iii. Personal Guarantee of Shri Lalit Kumar Tulsiyan and Shri Sanjay Kumar Tulsiyan.
- iv. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
- v. Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.
- vi. Vehicles are secured by their Hypothecation.

## 48. Financial Instruments

### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

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, 2019	March 31, 2018
<b>Financial assets</b>		
<b>a. Measured at amortised cost</b>		
Other non-current financial assets	33.24	37.95
Trade receivables	27,006.80	27,228.74
Cash and cash equivalents	340.52	781.52
Bank balances other than above	11.24	106.21
Other financial assets	827.42	1,177.54
<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Investments	0.40	0.40
<b>Financial liabilities</b>		
<b>a. Measured at amortised cost</b>		
Long term borrowings	49,583.91	43,106.29
Other non-current financial liabilities	918.76	723.26
Short term borrowings	53,276.27	47,438.32
Trade payables	12,159.80	11,721.18
Other current financial liabilities	274.97	218.05

### 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, 2019 (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	-	-	-	1,399,009.54	-	1,399,009.54	1,399,009.54
EUR	-	-	-	140,804.75	-	140,804.75	140,804.75
In INR	-	-	-	1,082.26	-	1,082.26	1,082.26

As on March 31, 2018 (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	-	-	-	934,372.97	-	874,826.59	874,826.59
EUR	-	-	-	201,663.72	-	207,847.00	207,847.00
in INR	-	-	-	770.26	-	770.26	770.26

#### Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

#### Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

#### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.



The 25 basis point interest rate changes will impact the profitability by INR 229.62 Lakhs for the year (Previous INR 229.09 Lakhs)

**Credit risk management**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

**(a) Trade Receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

**(b) Investments, Cash and Cash Equivalents and Bank Deposits**

Credit risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved financial institutions/ counterparty. Investments primarily include bank deposits. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits and restricts the exposure in equity markets. Investments of surplus funds does not arise in the case of the Company

**Offsetting related disclosures**

Offsetting of cash and cash equivalents to borrowings as per the loan agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

**Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

**Liquidity tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2019	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	11,194.66	-	11,194.66
Borrowings	30,539.47	51,568.03	82,107.50
	41,734.13	51,568.03	93,302.15

March 31, 2018	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	9,333.70	-	9,333.70
Borrowings	28,406.91	44,830.78	73,237.69
	37,740.61	44,830.78	82,571.39

	March 31, 2019	March 31, 2018
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

#### 49. Related party disclosure

a) List of related parties	
<b>Subsidiaries</b>	Chitrakoot Steel & Power P Ltd Color Peppers Media P Ltd
<b>Key management personnel</b>	Shri Lalit Kumar Tulsyani (Executive Chairman) Shri Sanjay Tulsyani (Managing Director) Shri Sanjay Agarwalla (Whole Time Director) Shri Shanta Kumar RP (Chief Financial Officer) Shmt Parvati Soni (Company Secretary)
<b>Companies in which Directors are interested</b>	Tulsyani Smelters Private Ltd Tulsyani Power Limited

#### b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
1	Purchase of goods		
	Chitrakoot Steel & Power P Ltd	401.74	2,469.27
	Tulsyani Smelters Private Ltd	14,564.15	12,469.40
2	Sale of Goods		
	Chitrakoot Steel & Power P Ltd	511.51	97.02
	Tulsyani Smelters Private Ltd	27,632.76	18,156.12
3	Short term borrowings during the year	-	-
4	Services Received		
	Chitrakoot Steel & Power P Ltd	1,546.05	519.38
	Tulsyani Smelters Private Ltd	-	22.82
5	Managerial Remuneration		
	Lalit Kumar Tulsyani	60.78	60.29
	Sanjay Tulsyani	60.00	60.00
	Sanjay Agarwalla	39.29	39.29
	Shanta Kumar RP	32.44	30.94
	Shmt. Parvati Soni #	2.63	-

**c) Balances with related parties**

S.No.	Name of the Related Party	Year ended March 31, 2019	Year ended March 31, 2018
1	Outstanding Receivables		
	Tulsyane Power Ltd	0.51	0.21
	Color Peppers Media Pvt Ltd	-	-
	Chitrakoot Steel & Power P Ltd	964.96	2,491.30
	Tulsyane Smelters Private Ltd	-	4,504.40
2	Outstanding Payables		
	Lalit Kumar Tulsyane	511.46	511.28
	Sanjay Tulsyane	201.04	198.34
	Tulsyane Smelters Private Ltd	2,418.15	-

**d) Guarantees and Collaterals**

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee in favour of Tulsyane NEC Limited to comply the CDR Terms.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25 Crores.

**50 Retirement benefit plans****Defined contribution plans**

In accordance with Indian law, the Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme, which are defined contribution plans, for qualifying employees.

The total expense recognised in profit or loss of Rs. 195.08 lakhs (previous year Rs. 136.26 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans****(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

<b>Investment risk</b>	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.
<b>Interest risk</b>	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.
<b>Longevity risk</b>	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.
<b>Salary risk</b>	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, 2019	March 31, 2018
Mortality Table	<b>Indian Assured Lives Mortality(2006-08)</b>	Indian Assured Lives Mortality(2006-08)
Attrition Rate	<b>5.00% p.a.</b>	5.00% p.a.
Discount Rate	<b>7.76% p.a.</b>	7.63% p.a.
Rate of increase in compensation level	<b>5.00% p.a.</b>	5.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	<b>31.97</b>	81.11
Net interest expense	<b>26.54</b>	23.28
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	<b>58.50</b>	104.39
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	<b>(15.91)</b>	(72.05)
Components of defined benefit costs recognised in other comprehensive income	<b>(15.91)</b>	(72.05)
Total	<b>42.60</b>	32.34

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Present value of defined benefit obligation	<b>393.92</b>	351.32
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	<b>393.92</b>	351.32
Non - Funded	<b>393.92</b>	351.32
The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 20].		
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	<b>351.32</b>	318.98
Current service cost	<b>31.97</b>	81.11
Interest cost	<b>26.54</b>	23.28
Actuarial (gains)/losses	<b>(15.91)</b>	(72.05)
Closing defined benefit obligation	<b>393.92</b>	351.32

#### 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, 2019	March 31, 2018
Mortality Table	<b>Indian Assured Lives Mortality(2006-08)</b>	Indian Assured Lives Mortality(2006-08)
Attrition Rate	<b>5.00% p.a.</b>	5.00% p.a.
Discount Rate	<b>7.76% p.a.</b>	7.29% p.a.
Rate of increase in compensation level	<b>5%F5Y</b>	5%F5Y

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	<b>12.34</b>	8.87
Net interest expense	<b>3.60</b>	2.91
Components of defined benefit costs recognised in profit or loss	<b>15.94</b>	11.78
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	<b>(2.70)</b>	(4.02)
Components of defined benefit costs recognised in other comprehensive income	<b>(2.70)</b>	(4.02)
<b>Total</b>	<b>13.24</b>	7.76

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Present value of defined benefit obligation	<b>60.92</b>	47.68
Net liability arising from defined benefit obligation	<b>60.92</b>	47.68
Non - Funded	<b>60.92</b>	47.68
The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 20].	<b>60.92</b>	47.68

Movements in the present value of the defined benefit obligation in the current year were as follows:	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Opening defined benefit obligation	<b>47.68</b>	39.92
Current service cost	<b>12.34</b>	8.87
Interest cost	<b>3.60</b>	2.91
Actuarial (gains)/losses	<b>(2.70)</b>	(4.02)
Closing defined benefit obligation	<b>60.92</b>	47.68

**51. Period and amount of continuing default as on the Balance sheet date**

Due Date	Amount of Default (Principal)	No of Days Delay	Amount of Default (Interest)	No of Days Delay
30/4/2016			662.45	1065
31/5/2016			1,341.65	1034
30/6/2016	704.53	1004	2,042.81	1004
31/7/2016			2,779.81	973
31/8/2016			3,559.34	942
30/9/2016	743.53	912	4,359.06	912
31/10/2016			5,269.20	881
30/11/2016			6,191.62	851
31/12/2016	743.53	820	7,152.50	820
31/1/2017			8,016.57	789
28/2/2017			8,802.51	761
31/3/2017	743.53	730	9,625.10	730
30/4/2017			10,467.10	700
31/5/2017			11,331.10	669
30/6/2017	1,240.20	639	13,411.10	639
31/7/2017			14,261.10	608
31/8/2017			15,111.10	577
30/9/2017	1,240.20	547	17,157.10	547
31/10/2017			17,994.10	516
30/11/2017			18,803.10	486
31/12/2017	1,240.20	455	20,866.10	455
31/1/2018			21,689.10	424
28/2/2018			22,433.10	396
31/3/2018	1,240.20	365	24,478.16	365
30/4/2018			25,483.86	335
31/5/2018			26,531.92	304
30/6/2018	1,618.43	274	27,602.11	274
31/7/2018			32,497.97	243
31/8/2018			33,933.85	212
30/9/2018	1,618.43	182	36,389.28	182
31/10/2018			37,713.53	151
30/11/2018			39,035.26	121
31/12/2018	1,618.43	90	40,380.04	90
31/1/2019			41,745.82	59
28/2/2019			43,000.82	31
31/3/2019	1,661.42	0	44,366.13	0
<b>Total</b>	<b>14,412.64</b>			



52. Previous Year's figures have been re-grouped wherever necessary to conform to the Current Year's classification

For and on behalf of the board  
For Tulsyani NEC Limited

Sd/-  
Sanjay Tulsyani  
Managing Director  
DIN: 00632802

Sd/-  
CA Shantha Kumar RP  
Chief Financial Officer

Place : Chennai  
Date : 25<sup>th</sup> May 2019

Sd/-  
Lalit Kumar Tulsyani  
Executive Chairman  
DIN: 00632823

Sd/-  
Parvati Soni  
Company Secretary

Sd/-  
C.Ramachandran  
Independent Director  
DIN: 00050893

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

Sd/-  
K Parthasarathy  
Partner  
M. No. 08394

**TULSYAN NEC LIMITED**

CIN: L28920TN1947PLC007437

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

Website: www.tulsyannec.in, E-mail: investor@tulsyannec.in

Tel: 044-61991060, Fax: 044-61991066

**ATTENDANCE SLIP**

Name of the Member	
Registered Address	
Folio No / DP ID / Client ID	
No of Shares held	

I/We hereby record my/our presence at the 72nd Annual General Meeting of the Company held on Thursday, the 26th day of September, 2019 at 04.00 P.M. at "MUSIC ACADEMY MINI HALL", No. 168, TT Krishnamachari Road, Royapettah, Pudupet, Gopalapuram, Chennai-600014, Tamil Nadu

\_\_\_\_\_  
Signature of Shareholder / Proxy

**Note :**

1. Complete the Folio/DP ID & Client ID and name, sign this Attendance Slip and hand it over at the attendance Verification Counter at the Entrance of the Meeting Hall.
2. Members, holding shares in physical form, are requested to update their addresses registered with the Company, directly through the Registrar and Share transfer Agent, to receive all communications promptly. Members, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.




**Form No. MGT-11**
**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]

Name of the Company	<b>TULSYAN NEC LIMITED</b>
CIN	L28920TN1947PLC007437
Registered Office	1st Floor, Apex Plaza, Old No.3, New No.77, Nungambakkam High Road, Chennai-600034

Name of the Shareholders	
Registered address	
E-mail Id	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) holding \_\_\_\_\_ shares of the above named company, hereby appoint:

1	Name	
	Address	
	E-mail ID	
	Signature	

Or failing him or her

2	Name	
	Address	
	E-mail ID	
	Signature	

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 72nd Annual General Meeting of the Company to be held on Thursday, the 26th day of September, 2019 at 04:00 P.M. at "MUSIC ACADEMY MINI HALL", No. 168, TT Krishnamachari Road, Royapettah, Pudupet, Gopalapuram, Chennai-600014, Tamil Nadu and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Description	Optional	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon		
2	To appoint a director in place of Mr. Sanjay Agarwalla (DIN: 00632864), Whole Time Director, who retires by rotation and being eligible offers himself for reappointment		
	<b>SPECIAL BUSINESS</b>		
3	To ratify the remuneration payable to M/s. Murthy & Co. LLP, Cost Auditors of the Company, for the financial year 2019-2020		



Resolution No.	Description	Optional	
		For	Against
4	To regularize the appointment of Mr. Manogyanathan Parthasarathy (DIN: 08277111), Independent Director of the Company		
5	To approve re-appointment of Mr. Lalit Kumar Tulsyani (DIN: 00632823), Managing Director designated as "Executive Chairman" of the Company		
6	To approve re-appointment of Mr. Sanjay Tulsyani (DIN: 00632802) as Managing Director of the Company		
7	To approve re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as Whole-time Director of the Company		

Signed this .....day of .....2019

Signature of shareholder: .....

Signature of Proxy holder(s): .....

Affix Revenue Stamp of Rs. 1
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**Note:**

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting;
2. It is an optional to indicate your preference. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate;

## TULSHYAN NEC LIMITED

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

Phone: 044-61991060, Fax: 044-61991066, Email: investor@tulshyanec.in

Website: www.tulshyanec.in, CIN No: L28920TN1947PLC007437

Dear Shareholder(s),

**Sub: Transfer of Dividend and underlying Equity Shares of the Company in case of unclaimed dividend (final) for the year 2011-12 to Investor Education and Protection Fund (IEPF)**

This has reference to the captioned subject.

- a) Ministry of Corporate Affairs (MCA) has notified new Rules i.e. 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016' which have come into force from 7<sup>th</sup> September, 2016 and subsequently amended by Notification dated 28<sup>th</sup> February, 2017 ('the Rules'). The said Rules, inter-alia, contain provisions for transfer of all shares to IEPF in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more.
- b) As per the applicable provisions of the Companies Act, 2013 (the Act), all unpaid dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven years from the date they became due. Details of such unclaimed dividends are regularly updated on the website of MCA as well as on the Company's website.
- c) As per our records, the amount(s) of dividends indicated in the annexure is / are lying unpaid / unclaimed in your folio / demat account.
- d) You are, therefore, requested to claim the unpaid / unclaimed amount(s) as follows:
  - **For dividend paid on shares in physical form:** Kindly return the duly signed annexure. The Bank details as registered against the folio will be considered for payment. However if you have not registered your bank details earlier or there is change in the bank details, kindly state the same in the annexure and forward to us along with the original cancelled cheque bearing the name of the shareholders as the account holder.
  - **For dividend paid on shares in electronic form:** Kindly return the annexure duly signed. Also ensure that the bank details registered against the demat account are correct. The bank details registered against the demat account will be considered for payment.
- e) You are, therefore, requested to claim the unencashed dividend due to you, by returning the Request Form (annexed herewith) duly signed by you alongwith the supporting documents as indicated above, to Cameo Corporate Services Limited (CAMEO), the Registrar and Transfer Agents of the Company, on or before **15<sup>th</sup> October, 2019**.

Shareholders holding shares in electronic form are requested to get their bank details updated against their demat account. Bank details registered against the demat account will be considered for making payment on receipt of the duly signed Request Form annexed herewith.

It may please be noted that payments without bank details are disallowed.

- f) In case we do not receive the Request Form from you on or before **15<sup>th</sup> October, 2019**, we shall initiate necessary action to transfer the above shares to IEPF, as per the said Rules.
- g) In case you hold shares in physical form: Duplicate share certificate(s) will be issued and transferred to IEPF. The original share certificate(s) which stand registered in your name and held by you, will stand automatically cancelled.
- h) In case you hold shares in electronic form: Your demat account will be debited for the shares liable for transfer to the IEPF.
- i) However, both the unclaimed dividend amount and the shares can be claimed from the IEPF Authority by making an application in the prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents enumerated





in the Form IEPF-5 to the Company at their Registered Office. Please note that no claim shall lie against the Company in respect of shares / dividend transferred to IEPF pursuant to the said Rules.

- j) The Rules and the application form (Form IEPF-5), as prescribed by the MCA for claiming back the shares/ dividend, are available on the website of IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)).
- k) Please feel free to contact the Company / the Registrar & Transfer Agent (CAMEO) in case you have any queries, as per details furnished hereunder:

Parvati Soni Company Secretary & Compliance Officer Tulsysan NEC Limited Reg. Office: Apex Plaza, I Floor, New No. 77, (Old No. 3), Nungambakkam High Road, Chennai - 600 034 Tel.: 044-6199 1060, Fax : 044-61991066 E-mail: <a href="mailto:investor@tulsysannec.in">investor@tulsysannec.in</a> Website: <a href="http://www.tulsysannec.in">www.tulsysannec.in</a>	P. Muralidharan Assistant Manager Reg. Office: Cameo Corporate Services Ltd. "Subramanian Building", 1 Club House Road, Chennai - 600 002. Tel. : 044-28460390, Fax : 044-28460129 Email: <a href="mailto:murali@cameoindia.com">murali@cameoindia.com</a>
--	--

Assuring you of our best services at all times.

**Note- Concerned Shareholder please ignore if already claimed the Final Dividend for the year 2011-12.**

Yours faithfully,  
**For Tulsysan NEC Limited**  
Sd/-

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

To,  
**Cameo Corporate Services Limited**  
 "Subramanian Building", 1 Club House Road,  
 Chennai - 600 002

Dear Sir / Madam,

**Sub: Payment of unclaimed final dividend for the year 2011-12**

**Ref: Tulsyane NEC Limited**

This has reference to the circular letter dated May 8, 2019. Please arrange to make the payment of unclaimed dividend as stated below:

- ✓ Tick whichever is applicable.
  - I enclose the original instrument(s).
  - I do not possess the original instrument(s).

I confirm that I have not sold my shares and continue to be the holder of shares registered in my name. I have also not encashed the instrument(s) sent to me earlier, nor have I received any money in connection with the payment(s) mentioned below:

**Account No./ Folio:**

Warrant No.	Net Amount (Rs. P.)	Date of Payment	Last Date to Claim
		28.09.2012	15.10.2019

**For Physical Accounts: (please tick whichever applicable)**

- I request you to consider the bank details registered against the folio for making the payment
- I request you to register my Bank details, change in bank details / Change of address, if any, as given below against the above folio, I am enclosing self-attested documents, being the documentary evidence of Identity and Address and bank details:
  - Self-Attested copy of PAN Card /Aadhar Card
  - Self-Attested copy of Passport / Aadhar Card/ latest Utility Bill (should not be older than 3 months)
  - Copy of the original cancelled cheque bearing the name of the shareholders (for shares held in physical form)

Bank Name:	Branch Details:
A/c Type :	MICR :
A/c no:	IFSC:

New Address:

\_\_\_\_\_

\_\_\_\_\_

**For Electronic Accounts:** I confirm the bank details and address registered against my demat account is correct and request you to consider the same for making payment of the above unclaimed dividend amounts.

Place:

Date:

\_\_\_\_\_  
 Signature of the First named Shareholder





## **TULSYAN** NEC LTD

CIN: L28920TN1947PLC007437

Registered Office: Apex Plaza, 1st Floor, New No. 77, Old No. 3,  
Nungambakkam High Road, Chennai - 600 034, Tamil Nadu

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