



# CNGSN & ASSOCIATES LLP

## CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

Tulsyan Nec Limited

Report on the Audit of the Standalone Financial Results

#### Qualified Opinion

We have audited the accompanying Standalone Quarterly Financial Results of **Tulsyan NEC Limited** (the 'Company') for the quarter ended 31st March, 2021 and the year-to date results for the period from 1st April, 2020 to 31st March, 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, subject to the matters given in the basis of qualified opinion, these annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the standalone loss and other comprehensive income and other financial information for the quarter ended 31st March, 2021 as well as the year-to-date results for the period from 1st April, 2020 to 31st March, 2021.

#### Basis for Qualified Opinion :

##### 1. Going Concern

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 However upon the non-adherence to the scheme by the company, the concessions so provided under the scheme were withdrawn by some of the banks with retrospective effect and charged the interest at original rates.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



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

## **2. Compromise Settlement**

We draw attention to Note No 7 regarding the Compromise Settlement. The Company has submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. Subsequent to the Balance Sheet date, the Compromise Settlement proposal has been accepted by one of the banks with certain conditions and the application with the other banks/ financial institutions are under negotiation and a decision is yet to be taken by the lenders. The Company is in the process of complying with the conditions of the Compromise Settlement proposal approved and is following up with the other lenders for approving the respective Compromise Settlement proposals submitted. We were informed that the Company's management is confident of complying with the conditions of the Compromise proposal approved and also getting approval for the other pending compromise proposals. Based on the above, the management believes that it will result in significant reduction in the outstanding dues to the lenders, including interest.

Considering the above, the Company has

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

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

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 ethical requirements that are relevant to our audit of the standalone 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.

### **Emphasis of Matter**

We draw your attention to Note No 4 to the annual Standalone Financial Statement which explains the management's assessment of the financial and operational impact on the



business of the Company due to the lock-down and the conditions relevant to the COVID-19 and its consequential impact of the carrying values of the assets as at 31<sup>st</sup> March 2021.

Our opinion is not modified in respect of this matter.

#### **Management's Responsibilities for the Standalone Financial Results**

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the financial statements. The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes 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 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors' 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 standalone financial results 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 conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Other Matter**

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

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

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

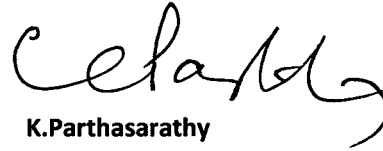
Our audit opinion is not modified in respect of the above.



The annual standalone financial results include the results for the quarter ended 31st March, 2021 being the balancing figure between audited figures in respect of the full financial year and the published unaudited figures up to the third quarter of the current financial year, which were subject to limited review by us as required under the Listing Regulations.

Place: Chennai  
Date: 13<sup>th</sup> August 2021

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



K. Parthasarathy  
Partner

Membership No.: 018394

UDIN No.: 21018394 AAAAGW9970



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 CIN : L28920TN1947PLC007437

**Standalone Audited Financial Results for the Quarter and Year ended March 31, 2021**

Rs. In Lakhs

Sl No	Particulars	Quarter ended			Twelve Months ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from Operations</b>					
	(a) Net Sales / Income from operations	18,661.86	15,212.86	17,468.82	56,651.20	73,598.84
	(b) Other Income (Net)	9.59	0.47	19.14	13.72	65.69
	<b>Total Income</b>	<b>18,671.44</b>	<b>15,213.33</b>	<b>17,487.96</b>	<b>56,664.92</b>	<b>73,664.53</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	12,998.87	11,897.69	13,344.64	40,186.14	55,138.16
	(b) Purchase of stock-in-trade - Traded goods	-	5.66	1.48	225.12	366.06
	(c) Increase/Decrease in stock in trade	-565.92	(645.11)	1,328.23	1,200.20	1,198.19
	(d) Employee benefit expenses	742.24	780.93	911.90	2,845.83	3,243.79
	(f) Power & Fuel	1,093.35	1,146.12	990.30	4,196.14	4,335.78
	(g) Finance costs	4,470.26	4,666.25	6,990.82	20,262.63	22,372.75
	(h) Depreciation and amortization expense	566.93	633.79	649.96	2,468.29	2,513.75
	(i) Other expenses	1,716.27	1,447.39	2,087.43	5,895.74	7,100.51
	<b>Total Expenses</b>	<b>21,022.01</b>	<b>19,932.71</b>	<b>26,304.75</b>	<b>77,280.09</b>	<b>96,269.00</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>(2,350.56)</b>	<b>(4,719.38)</b>	<b>(8,816.80)</b>	<b>(20,615.18)</b>	<b>(22,604.47)</b>
<b>4</b>	<b>Exceptional items</b>	<b>(19,693.13)</b>	<b>-</b>	<b>-</b>	<b>(19,693.13)</b>	<b>-</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>17,342.57</b>	<b>(4,719.38)</b>	<b>(8,816.80)</b>	<b>(922.05)</b>	<b>(22,604.47)</b>
	<b>Tax expense</b>					
	Current Tax	-	-	-	-	-
	Deferred Tax	-	-	-	-	-
<b>6</b>	<b>Total Tax Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Net profit for the period (5-6)</b>	<b>17,342.57</b>	<b>(4,719.38)</b>	<b>(8,816.80)</b>	<b>(922.05)</b>	<b>(22,604.47)</b>
	Other comprehensive income , net of income tax	(65.97)	(5.27)	(35.01)	(81.76)	(21.06)
<b>8</b>	<b>Total comprehensive income for the period (7+8)</b>	<b>17,276.60</b>	<b>(4,724.65)</b>	<b>(8,851.81)</b>	<b>(1,003.81)</b>	<b>(22,625.53)</b>
<b>10</b>	Paid-up equity share capital	1,471.38	1,471.38	1,471.38	1,471.38	1,471.38
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
<b>11</b>	Earning per share (Rs) (not annualised)					
	- Basic	117.87	(32.07)	(59.92)	(6.27)	(153.63)
	- Diluted	117.87	(32.07)	(59.92)	(6.27)	(153.63)

**Notes:**

- The above quarterly results for the period ended March 31, 2021 and Year ended March 31, 2021 as reviewed and recommended by the Audit committee of the Board, has been approved by the Board of Directors at its meeting held on 13th August, 2021
- The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable from beginning April 1, 2017.
- The Company has organised the business into three segments viz. Steel Division, Synthetic Division and Power. This reporting complies with the Ind AS segment reporting principles.

4 **Effect of Covid-19 on the business of the Company:**

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India and across the world have taken significant measures to curtail the widespread of virus, including countrywide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company's steel production was suspended from 25-03-2020 to 08-05-2020. The Power Plants were shut down from 24-03-2020 to 07-05-2020. Synthetics Textile Unit was shut down from 25-03-2020 to 13-04-2020.

The lockdown has adversely impacted the Company's sales volume, mix and realizations and the Company's operation remained adversely impacted till the first quarter of the current year. However the second wave of Covid-19 towards the end of the FY 2020-21 and the reposition of lockdown restrictions has impacted the operations of the company severely. The management believes that the Covid-19 will impact the Company's business in the short term but does not anticipate material risk to its business prospects in the long term.

The Company continues to closely monitor the situation and take appropriate action, as necessary to scaleup operations, in due compliance with the applicable regulations. As per the Company's current assessment, no significant impact on carrying amounts of property, plant and equipment, right-of-use assets, inventories, intangible assets, trade receivables, investments and other financial assets is expected, and it continues to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

- 5 Due to an accident steel factory was shutdown from 25th August 2020 to 5th Oct 2020. The operations resumed after safety audit and checks by the concerned departments
- 6 During the month of November 2020 due to heavy rains the power generatin was affected to wet coal conditions and the power turnover was lower.
- 7 As on the date of Balance Sheet, the company has sought compromise settlement with the Bankers which involves waiver of interest outstanding and a portion of principal. One of the major lenders has accepted the offer of the company post the Balance Sheet date. Other lenders also are considering company's offer which will involve waiver of unpaid interest and a portion of Principal. Pending acceptance interest debited by the bank has been accounted and disclosed under finance costs and the intersest so accounted in the year has been written back as exceptional items.
- 8 The previous year figures have been regrouped/re-classified wherever necessary

<b>Segment Results</b>					
<b>Particulars</b>	<b>Quarter ended</b>			<b>Twelve Months ended</b>	
	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
<b>Segment Revenue</b>					
Steel Division	12,403.72	9,674.04	11,997.55	36,854.20	49,862.86
Synthetic Division	2,304.86	1,830.48	1,598.31	7,090.47	7,706.46
Power	3,953.28	3,708.34	3,872.97	12,706.53	16,029.52
Media					
<b>Revenue from operations (Net)</b>	<b>18,661.86</b>	<b>15,212.86</b>	<b>17,468.82</b>	<b>56,651.20</b>	<b>73,598.84</b>
<b>Segment Results</b>					
Profit (+) / Loss (-) before tax and finance cost					
Steel Division	5,501.89	253.05	(1,368.75)	3,736.69	1,077.86
Synthetic Division	9,083.48	(36.98)	(149.61)	8,964.36	(294.64)
Power	7,227.46	(269.20)	(307.62)	6,639.52	(1,014.93)
<b>Total</b>	<b>21,812.83</b>	<b>(53.13)</b>	<b>(1,825.98)</b>	<b>19,340.58</b>	<b>(231.72)</b>
Add/ Less : Finance Cost	4,470.26	4,666.25	6,990.82	20,262.63	22,372.75
<b>Profit/(Loss) from continuing operations</b>	<b>17,342.57</b>	<b>(4,719.38)</b>	<b>(8,816.80)</b>	<b>(922.05)</b>	<b>(22,604.47)</b>
Profit/(Loss) from discontinuing operations			-		-
<b>Profit Before Tax</b>	<b>17,342.57</b>	<b>(4,719.38)</b>	<b>(8,816.80)</b>	<b>(922.05)</b>	<b>(22,604.47)</b>
<b>Segment Assets</b>					
Steel Division	31,241.41	33,937.06	35,947.52	31,241.41	35,947.52
Synthetic Division	9,363.70	8,749.78	11,490.26	9,363.70	11,490.26
Power	55,062.44	55,816.01	58,062.93	55,062.44	58,062.93
Media					
Other unallocable corporate assets					
<b>Total assets</b>	<b>95,667.54</b>	<b>98,502.85</b>	<b>105,500.71</b>	<b>95,667.54</b>	<b>105,500.71</b>
<b>Segment Liabilities</b>					
Steel Division	112,490.72	123,115.60	100,596.84	112,490.72	100,596.84
Synthetic Division	9,569.01	13,533.97	13,733.10	9,569.01	13,733.10
Power	36,028.10	41,547.74	52,587.51	36,028.10	52,587.51
Media					
Other unallocable corporate assets	-	-	-	-	-
<b>Total liabilities</b>	<b>158,087.83</b>	<b>178,197.32</b>	<b>166,917.46</b>	<b>158,087.83</b>	<b>166,917.46</b>
<b>Capital Employed (Segment assets-Segment liabilities)</b>					
Steel Division	(81,249.31)	(89,178.54)	(64,649.33)	(81,249.31)	(64,649.33)
Synthetic Division	(205.32)	(4,784.19)	(2,242.85)	(205.32)	(2,242.85)
Power	19,034.34	14,268.27	5,475.42	19,034.34	5,475.42
Media					
<b>Total capital employed in segments</b>	<b>(62,420.29)</b>	<b>(79,694.47)</b>	<b>(61,416.76)</b>	<b>(62,420.29)</b>	<b>(61,416.76)</b>
Unallocable corporate assets less corporate liabilities	-		-		-
<b>Total Capital Employed</b>	<b>(62,420.29)</b>	<b>(79,694.47)</b>	<b>(61,416.76)</b>	<b>(62,420.29)</b>	<b>(61,416.76)</b>



**Statement of Standalone assets and liabilities**

Particulars	As at	As at
	March 31, 2021 (Audited)	March 31, 2020 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	64,950.81	67,336.22
Capital work in progress	-	-
Investments	649.30	649.30
Other financial assets	15.27	23.23
Other non-current assets	519.42	577.09
	<b>66,134.80</b>	<b>68,585.84</b>
<b>Current assets</b>		
Inventories	9,047.53	9,943.88
Financial Assets		
Investments	0.50	0.50
Trade receivables	15,648.84	23,515.30
Cash and cash equivalents	602.03	290.06
Bank balances other than above	307.03	107.03
Loans		
Other Financial Assets	1,198.74	1,159.64
Other current assets	2,728.07	1,898.45
	<b>29,532.74</b>	<b>36,914.87</b>
<b>Total - Assets</b>	<b>95,667.54</b>	<b>105,500.71</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity share capital	1,471.38	1,471.38
Other Equity	(63,891.67)	(62,888.13)
	<b>(62,420.29)</b>	<b>(61,416.75)</b>
<b>Non current liabilities</b>		
Financial Liabilities		
Borrowings	70,079.71	61,907.01
Other financial liabilities (other than those specified in (c) below)	1,323.03	1,119.08
Provisions	576.25	564.90
	<b>71,978.99</b>	<b>63,590.99</b>
<b>Current liabilities</b>		
Financial Liabilities		
Borrowings	54,526.05	53,717.18
Trade payables	1,339.65	7,828.21
Other financial liabilities (other than those specified in (c) below)	274.56	272.87
Other current liabilities	29,865.86	41,386.89
Provisions	102.72	121.33
	<b>86,108.84</b>	<b>103,326.48</b>
<b>Total Liabilities</b>	<b>158,087.83</b>	<b>166,917.46</b>
<b>Total - Equity and Liabilities</b>	<b>95,667.54</b>	<b>105,500.71</b>

For Tulsyan NEC Limited



Sanjay Tulsyan  
 Managing Director  
 DIN : 00632802

Place: Chennai  
 Date : 13th August, 2021

**Tulsyan NEC Limited**

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 CIN : L28920TN1947PLC007437

**Standalone Cash Flow for the year ended 31st March 2021**

Rs. In Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	(922.05)	(22,604.46)
Adjustments for		
Depreciation and amortisation expense	2,468.29	2,513.75
(Profit)/ loss on sale of fixed assets	(0.47)	1.38
Profit on sale of Investments	-	-
Finance cost	20,262.63	22,372.75
Interest Income	(13.18)	(25.31)
Operating Profit before Working Capital Changes	21,795.22	2,258.11
Change in operating assets and liabilities		
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other financial assets	(39.09)	(332.22)
(Increase) / Decrease in inventories	896.35	(168.88)
(Increase) / Decrease in trade receivables	7,866.46	990.93
(Increase) / Decrease in other assets	(759.37)	1,552.28
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	(67.37)	(940.06)
Increase / (Decrease) in trade payables	(6,488.55)	581.13
Cash generated from operations	23,203.65	3,941.29
Less : Income taxes paid (net of refunds)	(12.58)	(17.95)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>23,191.08</b>	<b>3,923.34</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	(87.91)	(361.56)
Sale proceeds of PPE	4.56	4.07
(Investments in)/ Maturity of fixed deposits with banks (net)	(200.00)	(100.00)
(Purchase)/ disposal proceeds of Investments (net)	-	-
Interest received	13.18	25.31
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(270.17)</b>	<b>(432.17)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of equity share capital (net of share application money)	-	-
Proceeds from/ (repayment of) long term borrowings (net)	8,172.70	12,323.93
Proceeds from/ (repayment of) short term borrowings (net)	808.87	2,479.63
Finance cost	(31,590.51)	(18,343.45)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(22,608.94)</b>	<b>(3,539.90)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>311.96</b>	<b>(48.73)</b>
Cash and cash equivalents at the beginning of the financial year	290.06	338.79
<b>Cash and cash equivalents at end of the year</b>	<b>602.03</b>	<b>290.06</b>

**Notes:**

- The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
- Components of cash and cash equivalents

Balances with banks		
- in current accounts	595.82	279.70
Cash on hand	6.21	10.36
	<b>602.03</b>	<b>290.06</b>

For Tulsyan NEC Limited

Sanjay Tulsyan  
Managing Director



# CNGSN & ASSOCIATES LLP

## CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

**Tulsyan Nec Limited**

Report on the Audit of the Consolidated Financial Results

#### Qualified Opinion

We have audited the accompanying Consolidated Quarterly Financial Results of **Tulsyan NEC Limited** (the 'Company') and its subsidiaries and listed below (the "Company" and its subsidiaries together referred to as "the Group"), for the quarter ended 31st March, 2021 and the year-to date results for the period from 1st April, 2020 to 31st March, 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, subject to the matters given in the basis of qualified opinion, these annual financial results:

- (i) Includes the financial statement/ results of the following:

Name of the entities	Relationship
1.Chitrakoot Steel and Power Private Limited	Subsidiary
2.Color Peppers Media Private Limited	Subsidiary

- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the Consolidated loss and other comprehensive income and other financial information for the quarter ended 31st March, 2021 as well as the year-to-date results for the period from 1st April, 2020 to 31st March, 2021.

#### Basis for Qualified Opinion

##### 1. Going Concern

We draw attention to the fact that the Company is continuously incurring losses and its net worth is totally eroded on 31.03.2021. During the Financial year 2015-16 the Company's loans and liabilities were restructured under the Corporate Debt Restructuring Scheme providing certain reliefs and concessions. As per the scheme the company's repayment obligations were restructured. The Banks also provided certain reliefs/waivers/sacrifices by reducing the rate of interest. Interest was provided



in the books at the lowered rates of interest. However upon the non-adherence to the scheme by the company, the concessions so provided under the scheme were withdrawn by some of the banks with retrospective effect and charged the interest at original rates. Consequent to the withdrawal of concessions, few banks have debited the account of the company for the differential amount of interest and other concessions given as per CDR scheme. The period of withdrawal relates from May 1<sup>st</sup> 2014 to the date of debit.

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

## **2. Compromise Settlement**

We draw attention to Note No 7 regarding the Compromise Settlement. The Company has submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. Subsequent to the Balance Sheet date, the Compromise Settlement proposal has been accepted by one of the banks with certain conditions and the application with the other banks/ financial institutions are under negotiation and a decision is yet to be taken by the lenders. The Company is in the process of complying with the conditions of the Compromise Settlement proposal approved and is following up with the other lenders for approving the respective Compromise Settlement proposals submitted. We were informed that the Company's management is confident of complying with the conditions of the Compromise proposal approved and also getting approval for the other pending compromise proposals. Based on the above, the management believes that it will result in significant reduction in the outstanding dues to the lenders, including interest.

Considering the above, the Company has

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

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

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

## **3. Material Uncertainty related to Going Concern:**

Color Peppers Media Private Limited, a subsidiary forming part of the Group, has not been performing well for the last few years and has been incurring persistent losses. We are under the impression that the company may not have operating revenues in the near future. On the basis of understanding the affairs of the company and after following various Audit procedures we are of the opinion that the Company's ability to continue as a Going Concern is doubtful.

## **Emphasis of Matter**

We draw your attention to Note No 4 to the annual Consolidated Financial Statement which explains the management's assessment of the financial and operational impact on the business of the Group



due to the lock-down and conditions relevant to the COVID-19 and its consequential impact of the carrying values of the assets as at 31<sup>st</sup> March 2021.

As per the Financial statements of Color Peppers Media Private Limited , a subsidiary forming part of the Group, the Company has :

- Not created provision for Bad and doubtful debts as they were confident of recovering the same from the concerned party.
- Not written off Advances paid for “Let the World in” Project as it believes the advances are recoverable. We are of the impression that the amount involved therein is of a material nature.
- Written off a portion of other advances amounting to Rs 7,35,777/- being the expenses incurred on behalf of a project whose development is uncertain.

Our opinion is not modified in respect of this matter.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the ‘Act’). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Results 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 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.

#### **Management’s Responsibilities for the Consolidated Financial Results**

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the financial statements. The Company’s Board of Directors are responsible for the preparation of these Consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes 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 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 Consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Consolidated financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

#### **Auditor’s Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated financial results 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors' 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 Consolidated financial results 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 conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the Consolidated financial results, including the disclosures, and whether the Consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Other Matter**

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



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

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

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

The Consolidated Annual Financial results include the Audited Financial Results of two subsidiaries whose financial results reflect Total Assets of Rs.3,156.41 lakhs, Total Revenue of Rs. 7,055.52 lakhs and Total Net Loss after tax of Rs. 234.31 lakhs considered in the consolidated in audited financial results which have been audited by their respective Independent Auditors. The Independent Auditors Reports of these subsidiaries have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Consolidated Annual Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditors and the Financial Results certified by the Board of Directors.

The Consolidated Annual Financial Results include the Results for the quarter ended 31.03.2021 being the Balancing Figure between the Audited Results of the full Financial year and the published unaudited year to date figures upto the third quarter of the current financial year which was subject to Limited Review by us.

Place: Chennai  
Date: 13<sup>th</sup> August 2021

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



K.Parthasarathy  
Partner

Membership No.: 018394

UDIN No.: 21018394 AAAA Gx7318



## Tulsyan NEC Limited

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CIN : L28920TN1947PLC007437

### Consolidated Audited Financial Results for the Quarter and Year ended March 31, 2021

Rs. In Lakhs

Sl No	Particulars	Quarter ended			Twelve Months ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from Operations</b>					
	(a) Net Sales / Income from operations	21,307.37	17,350.16	17,552.36	62,230.99	75,029.02
	(b) Other Income (Net)	9.59	0.47	11.02	15.11	66.20
	<b>Total Income</b>	<b>21,316.95</b>	<b>17,350.63</b>	<b>17,563.38</b>	<b>62,246.11</b>	<b>75,095.22</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	15,255.58	13,659.65	13,453.52	45,018.76	55,749.34
	(b) Purchase of stock-in-trade - Traded goods	0.00	5.66	(210.10)	225.12	542.39
	(c) Increase/Decrease in stock in trade	(485.54)	(610.75)	1,499.83	1,171.36	1,546.12
	(d) Employee benefit expenses	751.96	790.60	921.15	2,888.05	3,279.96
	(f) Power & Fuel	1,004.32	1,150.01	998.86	4,123.85	4,368.10
	(g) Finance costs	4,533.72	4,736.11	7,053.78	20,528.05	22,629.13
	(h) Depreciation and amortization expense	579.46	644.27	655.90	2,512.26	2,555.85
	(i) Other expenses	1,839.27	1,558.07	1,947.46	6,297.79	6,463.04
	<b>Total Expenses</b>	<b>23,478.77</b>	<b>21,933.61</b>	<b>26,320.41</b>	<b>82,765.24</b>	<b>97,133.93</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>(2,161.82)</b>	<b>(4,582.99)</b>	<b>(8,757.04)</b>	<b>(20,519.13)</b>	<b>(22,038.71)</b>
<b>4</b>	<b>Exceptional items</b>	<b>(19,693.13)</b>	<b>-</b>	<b>-</b>	<b>(19,693.13)</b>	<b>-</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>17,531.31</b>	<b>(4,582.99)</b>	<b>(8,757.04)</b>	<b>(826.00)</b>	<b>(22,038.71)</b>
	<b>Tax expense</b>					
	Current Tax	-	-	-	-	-
	Deferred Tax	330.36	-	(117.83)	330.36	(117.83)
<b>6</b>	<b>Total Tax Expenses</b>					
<b>7</b>	<b>Net profit for the period (5-6)</b>	<b>17,200.95</b>	<b>(4,582.99)</b>	<b>(8,639.21)</b>	<b>(1,156.36)</b>	<b>(21,920.88)</b>
	Other comprehensive income, net of income tax	(65.97)	(5.27)	(35.01)	(81.76)	(21.06)
<b>8</b>	<b>Total comprehensive income for the period (7+8)</b>	<b>17,134.99</b>	<b>(4,588.25)</b>	<b>(8,674.22)</b>	<b>(1,238.12)</b>	<b>(21,941.94)</b>
<b>9</b>	<b>(7+8)</b>					
<b>10</b>	Paid-up equity share capital	1,471.38	1,471.38	1,471.38	1,471.38	1,471.38
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
<b>11</b>	Earning per share (Rs) (not annualised)					
	- Basic	116.90	(31.15)	(58.72)	(7.86)	(148.98)
	- Diluted	116.90	(31.15)	(58.72)	(7.86)	(148.98)

**Notes:**

1

The above quarterly results for the period ended March 31, 2021 and Year ended March 31, 2021 as reviewed and recommended by the Audit committee of the Board, has been approved by the Board of Directors at its meeting held on 13th August, 2021

2

The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable from beginning April 1, 2017.

3

The Company has organised the business into three segments viz. Steel Division, Synthetic Division and Power. This reporting complies with the Ind AS segment reporting principles.



4

**Effect of Covid-19 on the business of the Company:**

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India and across the world have taken significant measures to curtail the widespread of virus, including countrywide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company's steel production was suspended from 25-03-2020 to 08-05-2020. The Power Plants were shut down from 24-03-2020 to 07-05-2020. Synthetics Textile Unit was shut down from 25-03-2020 to 13-04-2020.

The lockdown has adversely impacted the Company's sales volume, mix and realizations and the Company's operation remained adversely impacted till the first quarter of the current year. However the second wave of Covid-19 towards the end of the FY 2020-21 and the reposition of lockdown restrictions has impacted the operations of the company severely. The management believes that the Covid-19 will impact the Company's business in the short term but does not anticipate material risk to its business prospects in the long term.

The Company continues to closely monitor the situation and take appropriate action, as necessary to scaleup operations, in due compliance with the applicable regulations. As per the Company's current assessment, no significant impact on carrying amounts of property, plant and equipment, right-of-use assets, inventories, intangible assets, trade receivables, investments and other financial assets is expected, and it continues to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

- 5 Due to an accident steel factory was shutdown from 25th August 2020 to 5th Oct 2020. The operations resumed after safety audit and checks by the concerned departments
- 6 During the month of November 2020 due to heavy rains the power generatin was affected to wet coal conditions and the power turnover was lower.
- 7 As on the date of Balance Sheet, the company has sought compromise settlement with the Bankers which involves waiver of interest outstanding and a portion of principal. One of the major lenders has accepted the offer of the company post the Balance Sheet date. Other lenders also are considering company's offer which will involve waiver of unpaid interest and a portion of Principal. Pending acceptance interest debited by the bank has been accounted and disclosed under finance costs and the interest so accounted in the year has been written back as exceptional items.
- 8 The previous year figures have been regrouped/re-classified wherever necessary

<b>Segment Results</b>					
<b>Particulars</b>	<b>Quarter ended</b>			<b>Twelve Months ended</b>	
	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
<b>Segment Revenue</b>					
Steel Division	15,049.23	11,811.34	12,081.08	42,433.99	51,293.04
Synthetic Division	2,304.86	1,830.48	1,598.31	7,090.47	7,706.46
Power	3,953.28	3,708.34	3,872.97	12,706.53	16,029.52
Media	-	-	-	-	-
<b>Revenue from operations (Net)</b>	<b>21,307.37</b>	<b>17,350.16</b>	<b>17,552.36</b>	<b>62,230.99</b>	<b>75,029.02</b>
<b>Segment Results</b>					
Profit (+) / Loss (-) before tax and finance cost					
Steel Division	5,761.46	459.84	(1,243.34)	4,106.07	1,902.96
Synthetic Division	9,083.48	(36.98)	(149.61)	8,964.36	(294.64)
Power	7,227.46	(269.20)	(307.62)	6,639.52	(1,014.93)
Media	(7.37)	(0.53)	(2.69)	(7.90)	(2.96)
<b>Total</b>	<b>22,065.03</b>	<b>153.13</b>	<b>(1,703.26)</b>	<b>19,702.05</b>	<b>590.42</b>
Add/ Less : Finance Cost	4,533.72	4,736.11	7,053.78	20,528.05	22,629.13
<b>Profit/(Loss) from continuing operations</b>	<b>17,531.31</b>	<b>(4,582.99)</b>	<b>(8,757.04)</b>	<b>(826.00)</b>	<b>(22,038.71)</b>
Profit/(Loss) from discontinuing operations		-			-
<b>Profit Before Tax</b>	<b>17,531.31</b>	<b>(4,582.99)</b>	<b>(8,757.04)</b>	<b>(826.00)</b>	<b>(22,038.71)</b>
<b>Segment Assets</b>					
Steel Division	32,874.57	35,198.75	36,456.07	32,874.57	36,456.07
Synthetic Division	9,363.70	8,749.78	11,490.26	9,363.70	11,490.26
Power	55,062.44	55,816.01	58,062.93	55,062.44	58,062.93
Media	51.01	51.01	51.01	51.01	51.01
Other unallocable corporate assets	-	-	-	-	-
<b>Total assets</b>	<b>97,351.73</b>	<b>99,815.55</b>	<b>106,060.26</b>	<b>97,351.73</b>	<b>106,060.26</b>
<b>Segment Liabilities</b>					
Steel Division	116,219.64	126,333.54	102,966.74	116,219.64	102,967.17
Synthetic Division	9,569.01	13,533.97	13,733.10	9,569.01	13,733.10
Power	36,028.10	41,547.74	52,587.51	36,028.10	52,587.51
Media	190.28	190.81	190.28	190.28	189.85
Other unallocable corporate assets	-	-	-	-	-
<b>Total liabilities</b>	<b>162,007.03</b>	<b>181,606.06</b>	<b>169,477.64</b>	<b>162,007.03</b>	<b>169,477.64</b>
<b>Capital Employed (Segment assets-Segment liabilities)</b>					
Steel Division	(83,345.06)	(91,134.79)	(66,510.68)	(83,345.06)	(66,511.11)
Synthetic Division	(205.32)	(4,784.19)	(2,242.85)	(205.32)	(2,242.85)
Power	19,034.34	14,268.27	5,475.42	19,034.34	5,475.42
Media	(139.27)	(139.80)	(139.27)	(139.27)	(138.84)
<b>Total capital employed in segments</b>	<b>(64,655.30)</b>	<b>(81,790.52)</b>	<b>(63,417.38)</b>	<b>(64,655.30)</b>	<b>(63,417.38)</b>
Unallocable corporate assets less corporate liabilities	-	-	-	-	-
<b>Total Capital Employed</b>	<b>(64,655.30)</b>	<b>(81,790.52)</b>	<b>(63,417.38)</b>	<b>(64,655.30)</b>	<b>(63,417.38)</b>

1 **Statement of Consolidated Assets and Liabilities**

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	65,632.67	68,048.29
Capital work in progress	-	-
Investments	0.41	0.41
Other financial assets	15.27	23.23
Other non-current assets	655.17	751.56
	<b>66,303.52</b>	<b>68,823.49</b>
<b>Current assets</b>		
Inventories	9,358.53	10,111.87
Financial Assets		
Investments	0.50	0.50
Trade receivables	16,773.37	23,597.73
Cash and cash equivalents	603.16	290.97
Bank balances other than above	309.98	109.06
Loans		
Other Financial Assets	1,201.04	1,161.94
Other current assets	2,801.63	1,964.70
	<b>31,048.21</b>	<b>37,236.77</b>
<b>Total - Assets</b>	<b>-</b>	<b>106,060.26</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity share capital	1,471.38	1,471.38
Other Equity	(66,126.68)	(64,888.76)
	<b>(64,655.30)</b>	<b>(63,417.38)</b>
<b>Non current liabilities</b>		
Financial Liabilities		
Borrowings	70,094.72	61,917.26
Other financial liabilities (other than those specified in (c) below)	1,323.03	1,119.08
Provisions	576.25	564.90
Deferred Tax Liabilities (net)	(823.31)	(1,153.67)
	<b>71,170.69</b>	<b>62,447.57</b>
<b>Current liabilities</b>		
Financial Liabilities		
Borrowings	56,561.46	55,755.92
Trade payables	3,756.10	9,425.16
Other financial liabilities (other than those specified in (c) below)	274.56	272.87
Other current liabilities	30,141.50	41,454.79
Provisions	102.72	121.33
	<b>90,836.34</b>	<b>107,030.07</b>
<b>Total Liabilities</b>	<b>162,007.03</b>	<b>169,477.64</b>
<b>Total - Equity and Liabilities</b>	<b>97,351.73</b>	<b>106,060.26</b>

For Tulsyan NEC Limited

  
**Sanjay Tulsyan**  
 Managing Director  
 DIN : 00632802

Place: Chennai  
Date : 13th August, 2021

Tulsyan NEC Limited

Regd. Office: 1 Floor Apex Plaza, 3 Nungambakkam High Road, Chennai - 600034  
 Ph. 044-6199 1060 Fax: 044-6199 1066 Email id: investor@tulsyanec.in Website: www.tulsyanec.in  
 CIN : L28920TN1947PLC007437

Consolidated Statement of Cash Flow for the year ended March 31, 2021

Rs. In Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	(826.00)	(22,038.71)
Adjustments for		
Depreciation and amortisation expense	2,512.26	2,555.85
(Profit)/ loss on sale of fixed assets	0.90	1.38
Profit on sale of Investments	-	-
Finance cost	20,528.05	22,629.13
Interest Income	(14.58)	(25.82)
Operating Profit before Working Capital Changes	22,200.63	3,121.83
Change in operating assets and liabilities		
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other financial assets	(39.09)	(268.05)
(Increase) / Decrease in inventories	753.34	119.22
(Increase) / Decrease in trade receivables	6824.35	990.93
(Increase) / Decrease in other assets	(760.71)	1,653.17
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	161.42	(1,130.93)
Increase / (Decrease) in trade payables	(5669.06)	(316.48)
Cash generated from operations	23470.88	4,169.69
Less : Income taxes paid (net of refunds)	20.18	(28.70)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>23491.06</b>	<b>4,140.99</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	(105.93)	(381.46)
Sale proceeds of PPE	10.20	4.07
(Investments in)/ Maturity of fixed deposits with banks (net)	(200.93)	(97.81)
(Purchase)/ disposal proceeds of Investments (net)	-	-
Interest received	14.58	25.82
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(282.06)</b>	<b>(449.37)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of equity share capital (net of share application money)	-	-
Proceeds from/ (repayment of) long term borrowings (net)	8,177.46	12,333.34
Proceeds from/ (repayment of) short term borrowings (net)	805.54	2,479.65
Finance cost	(31,879.81)	(18,554.17)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(22,896.81)</b>	<b>(3,741.18)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>312.19</b>	<b>(49.55)</b>
Cash and cash equivalents at the beginning of the financial year	290.97	340.52
<b>Cash and cash equivalents at end of the year</b>	<b>603.16</b>	<b>290.97</b>

Notes:

- The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
- Components of cash and cash equivalents

Balances with banks		
- in current accounts	596.22	280.10
Cash on hand	6.94	10.87
	<b>603.16</b>	<b>290.97</b>

For Tulsyan NEC Limited

  
 Sanjay Tulsyan  
 Managing Director

Place: Chennai

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

Date: 13-08-2021

Dear Sir/Madam,

**Sub: Declaration of Unmodified Opinion**

**Ref: Scrip Code: 513629**

This is with reference to the Audited Financial Results (standalone & consolidated) of Tulsyannec Limited for the fourth quarter (Q4) and financial year ended on March 31, 2021, which have been approved by the Board of Directors of the Company at their meeting held on Friday, August 13, 2021.

In this regard, we do hereby declare that, CNGSN & Associates LLP, the Statutory Auditors of the Company, have issued the Auditor's Report with an unmodified opinion on the Audited Financial Statements for financial year ended March 31, 2021. This declaration is made pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,

For TULSYAN NEC LIMITED



R.P. Shanthakumar  
Chief Financial Officer