

Date: 08-09-2022

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

Dear Sir/Madam,

**Sub: Notice of the 75<sup>th</sup> Annual General Meeting (“AGM”) of Tulsyannec Limited (“the Company”) and Annual Report for the FY 2021-22**

This is further to our letter dated August 12, 2022 intimating that the 75th Annual General Meeting (AGM) of the Company will be held on Friday, September 30, 2022 at 11:30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with applicable Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

Pursuant to the provisions of Regulations 30 and 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), please find enclosed herewith the Notice of the 75<sup>th</sup> AGM along with the Annual Report of the Company for the FY 2021-22.

In compliance with the applicable Circulars issued by MCA and SEBI, the Notice of the 75<sup>th</sup> AGM along with the Annual Report for the FY 2021-22 are being sent only through electronic mode to those members whose email IDs are registered with the Company / Depositories.

Further, Notice of the 75<sup>th</sup> AGM and the Annual Report for the FY 2021-22 are also made available on the website of the Company at [www.tulsyannec.in](http://www.tulsyannec.in).

Request you to kindly take the above intimation on record.

Thanking you,

Yours faithfully,  
For **Tulsyannec Limited**



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

Encl: As above.

**TULSYAN NEC LTD**

Registered Office : Apex Plaza, 1st Floor, No.3, Nungambakkam High Road, Chennai - 600 034. Tamil Nadu

Ph : +91 44 6199 1060 / 6199 1045, Fax : +91 44 6199 1066 | Email : [info@tulsyannec.in](mailto:info@tulsyannec.in) | [www.tulsyannec.in](http://www.tulsyannec.in)

GSTIN 33AABCT3720E1ZW | CIN L28920TN1947PLC007437





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

**ANNUAL REPORT**  
**2021-22**



# TULSYAN NEC LIMITED

## CORPORATE INFORMATION

### Board of Directors

**Lalit Kumar Tulsyan**  
Executive Chairman

**Sanjay Tulsyan**  
Managing Director

**Sanjay Agarwalla**  
Whole-time Director

**Manogyanathan Parthasarathy**  
Non-executive Independent Director

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

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

### Chief Financial Officer

**Shantha Kumar RP**

### Company Secretary And Compliance Officer

**Parvati Soni**

### Registered Office

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

### Administrative Office

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

### Steel Division

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

### Power Plant

17, Sithurnatham Village,  
Gummudipoondi-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

### Statutory Auditors

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

### Registrar & Share Transfer Agent

**Cameo Corporate Services Ltd.**  
"Subramanian Building",  
No.1 Club House Road, Chennai - 600 002  
Tel. : 044-28460390, Email: murali@cameoindia.com

### Cost Auditors

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

### Secretarial Auditors

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

### Bankers

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

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## NOTICE OF THE 75<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventy Fifth (75<sup>th</sup>) Annual General Meeting (AGM) of the Members of Tulsyan NEC Limited will be held on Friday, September 30, 2022, at 11.30 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following items of business:

### ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and the Auditors thereon be and are hereby received, considered and adopted.”

2. **To appoint Mr. Sanjay Agarwalla (DIN: 00632864) as Director, liable to retire by rotation, and being eligible, offers himself for re-appointment.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sanjay Agarwalla (DIN: 00632864), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company.”

### SPECIAL BUSINESS:

3. **To ratify the remuneration payable to M/s. Murthy & Co. LLP, Cost Auditors of the Company, for the financial year 2022-2023.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Murthy & Co. LLP, Practicing Cost Accountants, (Firm Registration Number: S200001), Chennai, appointed by the Board of

Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, amounting to Rs.70,000/- (Rupees Seventy Thousand only) (excluding all taxes and reimbursement of out of pocket expenses) be and is hereby ratified and confirmed;

**RESOLVED FURTHER THAT** any Director or Key Managerial Personnel of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. **To approve the re-appointment of Mr. Lalit Kumar Tulsyan (DIN: 00632823) as Managing Director (Executive Chairman) of the Company.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (LODR) Regulations, 2015, as amended from time to time and such other provisions as may be applicable and on the basis of recommendation of Nomination and Remuneration Committee and approval of the board, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Lalit Kumar Tulsyan (DIN: 00632823) as Managing Director (Executive Chairman) of the Company for a further period of 5 (five) consecutive years w.e.f. July 11, 2022, liable to retire by rotation and on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Lalit Kumar Tulsyan, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** pursuant to provisions of sections 197(1) and 197(3) read with

Schedule V to the Companies Act, 2013 and on the basis of recommendation of Nomination and Remuneration Committee and approval of the board, consent of the members of the Company be and is hereby accorded for the remuneration including all other benefits and perquisites, as stated in the Information in terms of Schedule V to the Companies Act, 2013 and detailed in the Explanatory Statement annexed to the Notice convening this Meeting, payable to Mr. Lalit Kumar Tulsyan (DIN: 00632823), Managing Director (Executive Chairman) of the Company, for the period of 5 years commencing from July 11, 2022 to July 10, 2027;

**RESOLVED FURTHER THAT** pursuant to sub-section (3) of Section 197 of the Companies Act, 2013, Mr. Lalit Kumar Tulsyan (DIN: 00632823), Managing Director (Executive Chairman) of the Company, be paid minimum remuneration including all other benefits and perquisites, for the period of 3 years commencing from July 11, 2022 to July 10, 2025, in case of absence or inadequacy of profits in any financial year of the Company but does not exceeding the limit specified under Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable including filing of relevant forms with the Registrar of Companies, Chennai, for the purpose of giving effect to this resolution.”

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

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (LODR) Regulations, 2015, as amended from time to time and such other provisions as may be applicable and on the basis of recommendation of Nomination and Remuneration Committee and approval of the

board, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Sanjay Tulsyan (DIN: 00632802) as Managing Director of the Company for a further period of 5 (five) consecutive years w.e.f. September 30, 2022, liable to retire by rotation and on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Sanjay Tulsyan, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** pursuant to provisions of sections 197(1) and 197(3) read with Schedule V to the Companies Act, 2013 and on the basis of recommendation of Nomination and Remuneration Committee and approval of the board, consent of the members of the Company be and is hereby accorded for the remuneration including all other benefits and perquisites, as stated in the Information in terms of Schedule V to the Companies Act, 2013 and detailed in the Explanatory Statement annexed to the Notice convening this Meeting, payable to Mr. Sanjay Tulsyan (DIN: 00632802), Managing Director of the Company, for the period of 5 years commencing from September 30, 2022 to September 29, 2027;

**RESOLVED FURTHER THAT** pursuant to sub-section (3) of Section 197 of the Companies Act, 2013, Mr. Sanjay Tulsyan (DIN: 00632802), Managing Director of the Company, be paid minimum remuneration including all other benefits and perquisites, for the period of 3 years commencing from September 30, 2022 to September 29, 2025, in case of absence or inadequacy of profits in any financial year of the Company but does not exceeding the limit specified under Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable including filing of relevant

forms with the Registrar of Companies, Chennai, for the purpose of giving effect to this resolution.”

**6. 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 the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (LODR) Regulations, 2015, as amended from time to time and such other provisions as may be applicable and on the basis of recommendation of Nomination and Remuneration Committee and approval of the board, consent of the members 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 5 (five) consecutive years w.e.f. September 21, 2022, liable to retire by rotation and on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Sanjay Agarwalla, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** pursuant to provisions of sections 197(1) and 197(3) read with Schedule V to the Companies Act, 2013 and on the basis of recommendation of Nomination and Remuneration Committee and approval of the board, consent of the members of the Company be and is hereby accorded for the remuneration including all other benefits and perquisites, as stated in the Information in terms of Schedule V to the Companies Act, 2013 detailed in the Explanatory Statement annexed to the Notice convening this Meeting, payable to Mr. Sanjay Agarwalla (DIN: 00632864), Whole Time Director of the Company, for the period of 5 years commencing from September 21, 2022 to September 20, 2027;

**RESOLVED FURTHER THAT** pursuant to sub-section (3) of Section 197 of the Companies Act, 2013, Mr. Sanjay Agarwalla (DIN: 00632864), Whole Time Director of the Company, be paid minimum remuneration including all other benefits and perquisites, for the period of 3 years commencing from September 21, 2022 to September 20, 2025, in case of absence or inadequacy of profits in any financial year of the Company but does not exceeding the limit specified under Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable including filing of relevant forms with the Registrar of Companies, Chennai, for the purpose of giving effect to this resolution.”

**7. To ratify and approve the existing limit of Related Party Transactions with Tulsyan Smelters Private Limited.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time, and the Company’s policy on Related Party transaction(s) and subject to such approvals, consents, sanctions and permissions as may be necessary from time to time and on the basis of approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to enter / continue to enter into the following Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Tulsyan Smelters Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase / sale of goods and services, any income or expenses,

applicable taxes, if any, incurred in these connections and on such terms and conditions as the Board of Directors may deem fit and as detailed in the Explanatory Statement annexed to the Notice convening this Meeting, up to a maximum aggregate value of Rs. 2,200 crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company,

such that the maximum value of the Related Party Transactions with such party, in aggregate, does not exceed value, as specified below, under each category for the said period, provided that the said contract(s)/arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and are at arm's length basis;

Name of the related party	Nature of relationship	Nature of contract/ arrangement/ Transaction	Value of transaction	Period for which shareholders' approval is sought for the transaction
Tulsyan Smelters Private Limited	Private Company in which directors are interested	Purchase of goods and services	Rs. 800 Crores	For a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company
Tulsyan Smelters Private Limited	Private Company in which directors are interested	Sale of goods and services	Rs. 1400 Crores	For a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**8. To ratify and approve the existing limit of Related Party Transactions with Chitrakoot Steel and Power Private Limited.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, and the Company's policy on Related Party transaction(s) and subject to such approvals, consents, sanctions and permissions as may be necessary from time to time and on the basis of approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to enter / continue to enter into following Related Party Transaction(s) / Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Chitrakoot Steel and Power Private Limited, a wholly owned subsidiary and a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase / sale of goods and services, any income or expenses, applicable taxes, if any, incurred in these connections and on such terms and conditions as the Board of Directors may deem fit and as detailed in the Explanatory Statement annexed to the Notice convening this Meeting, up to a maximum aggregate value of Rs. 300 crores for a period of 2 years starting from the conclusion of 74th AGM

till the conclusion of the 76th AGM of the Company, such that the maximum value of the Related Party Transactions with such party, in aggregate, does not exceed value, as specified below, under each category

for the said period, provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and are at arm's length basis;

Name of the related party	Nature of relationship	Nature of contract/ arrangement/ Transaction	Value of transaction	Period for which shareholders' approval is sought for the transaction
Chitrakoot Steel and Power Private Limited	Wholly Owned Subsidiary	Purchase of goods and services	Rs. 150 Crores	For a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company
Chitrakoot Steel and Power Private Limited	Wholly Owned Subsidiary	Sale of goods and services	Rs. 150 Crores	For a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

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

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

**Place: Chennai**  
**Date: 12-08-2022**

**Registered Office:**

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

**NOTES:**

- Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020, 02/2021 and 02/2022 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI / HO / CFD / CMD2 / CIR / P / 2022 / 62 issued by the Securities and Exchange Board of India (SEBI) and (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
- Explanatory Statement as required under section 102(1) of the Companies Act, 2013, in respect of items of special business to be transacted at this AGM is annexed hereto. Further, the relevant details with respect to Item Nos. 2, 4, 5 and 6 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
- Since this AGM will be held through VC / OAVM, (a) the facility for appointment of proxies by the Members will not be available for the AGM, and (b) Attendance Slip, Proxy Form and Route Map are not being annexed to this Notice.



4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Corporate shareholders intending to authorize their representatives to participate and vote at the AGM on their behalf are requested to send a certified scanned copy (in PDF / JPG format) of the Board resolution / authorization letter, pursuant to Section 113 of the Act, through email at investor@tulsyanec.in .
6. Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:
  - a) For shares held in electronic form: to their Depository Participants (DPs).
  - b) For shares held in physical form: to the Company/Registrar and Share Transfer Agent in Form ISR-1 and other relevant forms, as prescribed by SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI / HO / MIRSD / MIRSD\_RTAMB / P / CIR/2021/687 dated December 14, 2021.
7. Shareholders may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed prescribed Form. It may be noted that any service request can be processed only after the folio is KYC Compliant.
8. Dematerialization of Shareholding: As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities, including transmission and transposition requests, shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Shareholders are advised to dematerialise the shares held by them in physical form. Shareholders can contact the Company or its Registrar and Share Transfer Agent i.e. Cameo Corporate Services Limited (CAMEO), for assistance in this regard.
9. Mandatory PAN Submission: The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic mode are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical mode can submit their PAN to the Company / to our RTA.
10. Shareholders holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or CAMEO, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
12. Only bona fide Shareholders of the Company whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.
13. Non-Resident Indian Shareholders are requested to inform our RTA / respective depository participants, immediately of any:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. Relevant documents referred to in the notice are open for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2022 at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting. Members seeking to inspect such documents can send an email to investor@

tulsyanec.in.

15. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before September 15, 2022 through email on investor@tulsyanec.in. The same will be replied by the Company suitably.
16. As per the provisions of Section 72 of the Companies Act, 2013 and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the prescribed Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to CAMEO in case the shares are held in physical form.
17. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. Members may further note that all unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on 31st March 2012, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.tulsyanec.in and on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.
18. The Securities and Exchange Board of India (SEBI) has vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details etc.) and nomination details by holders of physical securities in prescribed forms by March 31, 2023. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. Further, SEBI has also mandated linking PAN with Aadhaar by March 31, 2022. In case any of the above cited documents/ details are not available in the Folio(s) before the due date, RTA shall be constrained to freeze such Folio(s). Accordingly, Members are requested to send requests in the prescribed forms to the RTA of the Company for availing of various investor services as per the aforesaid SEBI circulars. Relevant details and forms prescribed by SEBI in this regard are made available under investors section on the website of the Company at www.tulsyanec.in. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
19. The Notice of this AGM and the Annual Report 2021-22 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories. Members may note that the Notice and the Annual Report 2021-22 will also be available on the Company's website at www.tulsyanec.in, on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of CDSL www.evotingindia.com. To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent / their Depository Participants in respect of shares held in physical/electronic mode, respectively.
20. The Register of Members and Share Transfer Books of the Company will remain closed for a period of Seven days starting from September 24, 2022 to September 30, 2022 (both days inclusive) for the purpose of the Annual General Meeting.

#### E-VOTING

#### INSTRUCTIONS TO SHAREHOLDERS FOR CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

1. As the members are aware, in view of the situation arising due to COVID-19 global pandemic, the 75th AGM of the company will be conducted as per the guidelines issued by the Ministry of Corporate

Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The 75th AGM of the Company will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the 75th AGM of the Company through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 75th AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 75th AGM has been uploaded on the website of the Company at [www.tulsyanec.com](http://www.tulsyanec.com). The Notice can also be accessed from the

website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

#### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

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

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

- (i) The voting period begins on Tuesday, September 27, 2022 (9:00 a.m. IST) and ends on Thursday, September 29, 2022 (5:00 p.m. IST). 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. September 23, 2022 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register

again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed

Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>
	<ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have</li> </ol>

	to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

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

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
<b>PAN</b>	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

**Dividend Bank Details or Date of Birth (DOB)**

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

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

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/

POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non-Individual Shareholders and Custodians -For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor@tulshyanec.in](mailto:investor@tulshyanec.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

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

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of

shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cDSLindia.com or call toll free no. 1800 22 55 33.

**GENERAL INSTRUCTIONS:**

1. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on September 23, 2022.
2. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cDSLindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
3. The Board of Directors have appointed Mr. M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries (Membership No. 5837 and CP No. 5081), to act as Scrutinizer to scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

4. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will, not later than two working days from the conclusion of the AGM, submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing. The results will be announced by the Chairman or any other person authorized by him within two working days of conclusion of the AGM.
5. The results declared along with the consolidated Scrutinizer's report shall be placed on the Company's website at [www.tulsyanec.in](http://www.tulsyanec.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). The Company shall simultaneously forward the

results to the BSE Limited, where the shares of the Company are listed.

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

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

**Place: Chennai  
Date: 12-08-2022**

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

### **Explanatory Statement**

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 8 of 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 2022-2023:**

The Board of Directors of the Company, on recommendation of the Audit Committee, at its meeting held on May 30, 2022, approved the appointment of M/s. Murthy & Co. LLP, Cost Auditors (Firm Registration Number: S200001), to conduct the audit of cost records of the Company for the financial year ending March 31, 2023 at a remuneration of Rs. 70,000 plus applicable taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023, by passing an Ordinary Resolution.

Accordingly, the Board recommends the ordinary resolution as set out under Item No. 3 of the accompanying Notice for approval of the members.

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.

#### **Item No. 4: To approve the re-appointment of Mr. Lalit Kumar Tulsyan (DIN: 00632823) as Managing Director (Executive Chairman) of the Company:**

The members at their 72nd Annual General Meeting of the Company held on September 26, 2019 had approved the re-appointment of Mr. Lalit Kumar Tulsyan as Managing Director (Executive Chairman) of the Company for a further period of three years with effect from 12-07-2019 and pursuant to which his present term is expired on 11-07-2022. Accordingly, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, at their respective meetings held on July 08, 2022 had approved the re-appointment of Mr. Lalit Kumar Tulsyan as Managing Director (Executive Chairman) of the Company, liable to retire by rotation, for a further period of five consecutive years w.e.f. 11-07-2022 at a remuneration not exceeding Rs. 10,00,000 p.m. (including all benefits and perquisites) and as per such terms and conditions as may be agreed to between the Board and Mr. Lalit Kumar Tulsyan subject to approval of the members at the ensuing AGM of the Company.

Accordingly, the Board recommends the special resolution as set out under Item No. 4 of the accompanying Notice for approval of the members at the ensuing 75th AGM of the Company.

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

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

**Statement as per Clause (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 (Since it's 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 given indicators	Standalone: The Company has achieved total revenue of Rs. 75,239.43 Lakhs during the FY 2021-22 as compared to Rs. 56,664.92 Lakhs during the FY 2020-2021. The Company has posted profit before tax of Rs. 78,994.14 Lakhs for the FY 2021-22 as compared to profit/(loss) before tax of Rs. (922.05) Lakhs for the FY 2020-2021.
Foreign Investments or Collaborations, if any	Not Applicable

**II. Information about the Appointee**

Background Details	Mr. Lalit Kumar Tulsyan is a Commerce Graduate and is having an overall experience of 41 years in Business Management and Finance.
Past Remuneration	Drawn Remuneration Rs. 60.78 Lakhs p.a. during the financial year 2021-22 as against approved Remuneration of Rs.120 Lakhs p.a. The said amount also includes all other benefits and perquisites.
Recognition or Awards	None
Job Profile and his Suitability	Mr. Lalit Kumar Tulsyan is the Managing Director (Executive Chairman) of the company and is at the helm of affairs of the company.
Remuneration Proposed	Same as existing i.e., Rs.10 Lakhs per month inclusive of all other benefits and perquisites.
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 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 relation with the managerial personnel, if any	Except Mr. Lalit Kumar Tulsyan, being the appointee and his brother Mr. Sanjay Tulsyan and their respective relatives, none of the Directors and KMP is interested in his appointment.

**III. Other Information**

Reasons of loss or inadequate profits	The Company had earned a net profit of Rs. 78,994.14 Lakhs during the FY 2021-22.
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 that the financial position of the Company will further improve in near future.
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**IV. Disclosures:** The information relating to elements of remuneration packages of all Directors have been disclosed in the Corporate Governance Section of the Annual report.

Further, pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, the aggregate annual remuneration to all such executive directors does not exceed 5 per cent of the net profit of the Company as per the latest audited financial statements of the company.

**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 Tulsyan
Age	62 Years
DIN	00632823
Qualification & Experience	Mr. Lalit Kumar Tulsyan is a Commerce Graduate and is having an overall experience of 41 years in Business Management and Finance.
Terms & Conditions of Re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person	The Re-appointment of Mr. Lalit Kumar Tulsyan (DIN: 00632823) as the Managing Director (Executive Chairman) of the Company, liable to retire by rotation, is for a further period of 5 (five) consecutive years w.e.f. July 11, 2022 at a remuneration not exceeding Rs. 10,00,000 p.m. (including all benefits and perquisites) 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 Tulsyan 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 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Lalit Kumar Tulsyan is the brother of Mr. Sanjay Tulsyan, Managing Director of the Company.
The number of Meetings of the Board attended during the financial year 2021-22	Mr. Lalit Kumar Tulsyan had attended all the four Board Meetings held during the FY 2021-22.
Other Directorships, Membership/Chairmanship of Committees of other Boards	(a) Tulsyan Smelters Private Limited (b) Chitrakoot Steel and Power Private Limited (c) Tulsyan Power Private Limited

Names of listed entities (including this entity) in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	<p>Mr. Lalit Kumar Tulsyan holds the directorship in Tulsyan NEC Limited. However, he doesn't hold any membership of Committees of the board of Tulsyan NEC Limited.</p> <p>Further, he neither holds directorship nor holds any membership of Committees of the board in any other listed entities and he has not resigned from any listed entity in the past three years.</p>
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The re-appointment of Mr. Lalit Kumar Tulsyan, as Managing Director (Executive Chairman) of the Company has been approved and recommended by the Board based on the evaluation of his performance and the performance having been found satisfactory.

**Item No. 5: To approve re-appointment of Mr. Sanjay Tulsyan (DIN: 00632802) as Managing Director of the Company:**

The members at their 72nd Annual General Meeting of the Company held on September 26, 2019 had approved the re-appointment of Mr. Sanjay Tulsyan as Managing Director of the Company for a further period of three years with effect from 01-10-2019 and pursuant to which his present term is expiring on 30-09-2022. Accordingly, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, at their respective meetings held on July 08, 2022 had approved the re-appointment of Mr. Sanjay Tulsyan as Managing Director of the Company, liable to retire by rotation, for a further period of five consecutive years w.e.f. 30-09-2022 at a remuneration not exceeding Rs. 10,00,000 p.m. (including all benefits and perquisites) and as per such terms and conditions as may be agreed to between the Board and Mr. Sanjay Tulsyan subject to approval of the members at the ensuing AGM 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 members at the ensuing 75th AGM of the Company.

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

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

**Statement as per Clause (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 (Since it's 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 given indicators	Standalone: The Company has achieved total revenue of Rs. 75,239.43 Lakhs during the FY 2021-22 as compared to Rs. 56,664.92 Lakhs during the FY 2020-2021. The Company has posted profit before tax of Rs. 78,994.14 Lakhs for the FY 2021-22 as compared to profit/(loss) before tax of Rs. (922.05) Lakhs for the FY 2020-2021.
Foreign Investments or Collaborations, if any	Not Applicable

**II. Information about the Appointee**

Background Details	Mr. Sanjay Tulsyan is a graduate with B.Com (Hons) and he is having an overall experience of 36 years in Finance, Marketing and Operation.
Past Remuneration	Drawn Remuneration Rs. 60.29 Lakhs p.a. during the financial year 2021-22 as against approved Remuneration of Rs.120 Lakhs p.a. The said amount also includes all other benefits and perquisites.
Recognition or Awards	None
Job Profile and his Suitability	Mr. Sanjay Tulsyan is the Managing Director of the Company and looks after overall commercial aspects, operations and finances of the business.
Remuneration Proposed	Same as existing i.e., Rs.10 Lakhs per month inclusive of all other benefits and perquisites.
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 relation with the managerial personnel, if any	Except Mr. Sanjay Tulsyan, being the appointee and his brother Mr. Lalit Kumar Tulsyan and their respective relatives, none of the Directors and KMP is interested in his appointment.

**III. Other Information**

Reasons of loss or inadequate profits	The Company had earned a net profit of Rs. 78,994.14 Lakhs during the FY 2021-22.
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 that the financial position of the Company will further improve in near future.

**IV. Disclosures:** The information relating to elements of remuneration packages of all Directors have been disclosed in the Corporate Governance Section of the Annual report.

Further, pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, the aggregate annual remuneration to all such executive directors does not exceed 5 per cent of the net profit of the Company as per the latest audited financial statements of the company.

**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 Tulsyan
Age	58 Years
DIN	00632802
Qualification & Experience	Mr. Sanjay Tulsyan is a graduate with B.Com (Hons) and he is having an overall experience of 36 years in Finance, Marketing and Operation.
Terms & Conditions of Re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person	The Re-appointment of Mr. Sanjay Tulsyan (DIN: 00632802) as the Managing Director of the Company, liable to retire by rotation, is for a further period of 5 (five) consecutive years w.e.f. September 30, 2022 at a remuneration not exceeding Rs. 10,00,000 p.m. (including all benefits and perquisites) 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 Tulsyan 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 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Sanjay Tulsyan is the brother of Mr. Lalit Kumar Tulsyan, Managing Director (Executive Chairman) of the Company.
The number of Meetings of the Board attended during the financial year 2021-22	Mr. Sanjay Tulsyan had attended all the four Board Meetings held during the FY 2021-22.
Other Directorships, Membership/Chairmanship of Committees of other Boards	(a) Tulsyan Smelters Private Limited (b) Chitrakoot Steel and Power Private Limited (c) Tulsyan Power Private Limited (d) Color Peppers Media Private Limited
Names of listed entities (including this entity) in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Mr. Sanjay Tulsyan holds the directorship in Tulsyan NEC Limited. However, he doesn't hold any membership of Committees of the board of Tulsyan NEC Limited.  Further, he neither holds directorship nor holds any membership of Committees of the board in any other listed entities and he has not resigned from any listed entity in the past three years.

The re-appointment of Mr. Sanjay Tulsyan as Managing Director of the Company has been approved and recommended by the Board based on the evaluation of his performance and the performance having been found satisfactory.

**Item No. 6: To approve re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as Whole Time Director of the Company:**

The members at their 72nd Annual General Meeting of the Company held on September 26, 2019 had approved the re-appointment of Mr. Sanjay Agarwalla as Whole Time Director of the Company for a further period of three years with effect from 22-09-2019 and pursuant to which his present term is expiring on 21-09-2022. Accordingly,

the Board of Directors, on recommendation of the Nomination and Remuneration Committee, at their respective meetings held on July 08, 2022 had approved the re-appointment of Mr. Sanjay Agarwalla as Whole Time Director of the Company, liable to retire by rotation, for a further period of five consecutive years w.e.f. 21-09-2022 at a remuneration not exceeding Rs. 10,00,000 p.m. (including all benefits and perquisites) and as per such terms and conditions as may be agreed to between the Board and Mr. Sanjay Agarwalla subject to approval of the members at the ensuing AGM 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 members at the ensuing 75th AGM of the Company.

Except Mr. Sanjay Agarwalla and his relatives, none of the other Directors and Key Managerial Personnel or their relatives is in any way interested or concerned, financially or otherwise, in the said resolution.

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

**Statement as per Clause (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 (Since it's 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 given indicators	Standalone: The Company has achieved total revenue of Rs. 75,239.43 Lakhs during the FY 2021-22 as compared to Rs. 56,664.92 Lakhs during the FY 2020-2021. The Company has posted profit before tax of Rs. 78,994.14 Lakhs for the FY 2021-22 as compared to profit/(loss) before tax of Rs. (922.05) Lakhs for the FY 2020-2021.
Foreign Investments or Collaborations, if any	Not Applicable

**II. Information about the Appointee**

Background Details	Mr. Sanjay Agarwalla is a B.Com (Hons) Graduate and is having an overall experience of 31 years in Finance and Marketing
Past Remuneration	Remuneration Drawn Rs. 39.29 Lakhs p.a. during the financial year 2021-22 as against approved remuneration of Rs. 120 lakhs p.a. The said amount also includes all other benefits and perquisites.
Recognition or Awards	None
Job Profile and his Suitability	Mr. Sanjay Agarwalla is a Whole Time Director of the Company and he looks after commercial operations and finance functions of the steel and power division.
Remuneration Proposed	Same as existing i.e., Rs.10 Lakhs per month inclusive of all other benefits and perquisites.

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 relation with the managerial personnel, if any	Except Mr. Sanjay Agarwalla and his relatives, none of the Directors and KMP is interested in his appointment.

**III. Other Information**

Reasons of loss or inadequate profits	The Company had earned a net profit of Rs. 78,994.14 Lakhs during the FY 2021-22.
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 that the financial position of the Company will further improve in near future.

**IV. Disclosures:** The information relating to elements of remuneration packages of all Directors have been disclosed in the Corporate Governance Section of the Annual report.

Further, pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, the aggregate annual remuneration to all such executive directors does not exceed 5 per cent of the net profit of the Company as per the latest audited financial statements of the company.

**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	59 Years
DIN	00632864
Qualification & Experience	Mr. Sanjay Agarwalla is a B.Com (Hons) Graduate and is having an overall experience of 31 years in Finance and Marketing
Terms & Conditions of Re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person	The Re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as the Whole Time Director of the Company, liable to retire by rotation, is for a further period of 5 (five) consecutive years w.e.f. September 21, 2022 at a remuneration not exceeding Rs. 10,00,000 p.m.
	(including all benefits and perquisites) 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	15,098 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Sanjay Agarwalla is not related to any Director / KMP of the Company
The number of Meetings of the Board attended during the financial year 2021-22	Mr. Sanjay Agarwalla had attended all the four Board Meetings held during the FY 2021-22.
Other Directorships, Membership/Chairmanship of Committees of other Boards	(a) Chitrakoot Steel and Power Private Limited (b) Tulsyan Power Private Limited (c) Color Peppers Media Private Limited
Names of listed entities (including this entity) in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Mr. Sanjay Agarwalla holds the directorship and membership of Committees of the board of Tulsyan NEC Limited.  However, he neither holds directorship nor holds any membership of Committees of the board in any other listed entities and he has not resigned from any listed entity in the past three years.

The re-appointment of Mr. Sanjay Agarwalla as Whole-time Director of the Company has been approved and recommended by the Board based on the evaluation of his performance and the performance having been found satisfactory.

**Item No. 7: To ratify and approve the existing limit of Related Party Transactions with Tulsyan Smelters Private Limited:**

Tulsyan NEC Limited (“the Company” or “TNECL”) is primarily engaged in the business of Manufacturing iron and steel, Poly woven fabric and sacks and Generation of power in thermal based. During the course of rendering such businesses, the Company Integrated also leverages niche skills, capabilities and resources of entities within the “Tulsyan Group”.

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

TNECL had taken prior approval of the members in its 74th AGM held on September 30, 2021 pertaining to the contract(s)/ arrangement(s)/ transaction(s) with Tulsyan Smelters Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations up to a maximum aggregate value of Rs. 2200 Crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company.

The Securities and Exchange Board of India (“SEBI”), vide its notification dated November 9, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 (“Amendments”) introduced amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). The aforesaid amendments inter-alia included replacing of current threshold i.e. 10% (ten percent) of the listed entity’s consolidated turnover, for determination of material Related Party Transactions requiring prior members’ approval with the threshold of lower of Rs.1,000 crore (Rupees One thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 1, 2022.

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, all Material Related Party Transactions shall require approval of the members through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.



In view of the changes in the threshold for determining the related party transactions that require prior members approval and considering the fact that the list / transaction with the related party will change dynamically with no action on the part of the Company and to facilitate seamless transactions between the Company and Tulsyan Smelters Private Limited, the Company seeks the approval of the members to approve the existing limit of entering into contracts/arrangements within the thresholds and conditions mentioned in the resolution. All the contracts/arrangements and the transactions with Tulsyan Smelters Private Limited are reviewed and approved by the Audit Committee.

Further, as per the provisions of Section 188 of the Companies Act, 2013 and the applicable Rules framed thereunder, any Related Party Transaction will require prior approval of members through a resolution, if the aggregate value of transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year with the related party amounts to 10% or more of the turnover of the Company. The related party transactions made or to be made by the company is covering under section 188 of the Companies Act, 2013 are in ordinary course of business and are at arms' length basis.

The said transaction(s)/contract(s)/arrangement(s) have been approved and recommended by the Audit Committee via circular resolution passed on August 19, 2022, and have been approved and recommended by the Board of Directors via circular resolution passed on August 20, 2022, respectively, for consideration and approval by the Members at the ensuing AGM of the Company.

Accordingly, the Board recommends the ordinary resolution as set out at Item No.7 of the accompanying Notice for approval of the members at the ensuing 75th AGM of the Company.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

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

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

Pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, particulars of the transactions with Tulsyan Smelters Private Limited are as follows:

1. Name of the Related Party: Tulsyan Smelters Private Limited
2. Name of the Director or KMP who is related: Mr. Sanjay Tulsyan (Director) and Mr. Lalit Kumar Tulsyan (Director)
3. Nature of Relationship: Private Company in which directors are interested
4. Nature, material terms, monetary value and particulars of the contract or arrangement: Transactions for purchase / sale of goods and services, any income or expenses, applicable taxes, if any, incurred in these connections, and on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 2,200 crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company.
5. Any other information relevant or important for the members to take a decision on the proposed resolution: Nil.
6. Brief summary of the information provided by the management of the listed entity to the audit committee for approval of the RPT:
  - a. Type, material terms and particulars of the transaction: Transactions for purchase / sale of goods and services, any income or expenses, applicable taxes, if any, incurred in these connections, and on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 2,200 Crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company. Brief details of the Related Party Transactions with Tulsyan Smelters Private Limited is as follows:

Name of the related party	Nature of relationship	Nature of contract/ arrangement/ Transaction	Value of transaction	Period for which shareholders' approval is sought for the transaction
Tulsyan Smelters Private Limited	Private Company in which directors are interested	Purchase of goods and services	Rs. 800 Crores	For a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company
Tulsyan Smelters Private Limited	Private Company in which directors are interested	Sale of goods and services	Rs. 1400 Crores	For a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company

- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise): Tulsyan Smelters Private Limited is a group company of Tulsyan NEC Limited in which Mr. Sanjay Tulsyan and Mr. Lalit Kumar Tulsyan are Directors who are interested or concerned, financially or otherwise.
  - c. Value of the transaction: Up to a maximum aggregate value of Rs. 2,200 crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company.
  - d. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction: Not Applicable
  - e. Whether the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: No
  - f. Justification as to why the RPT is in the interest of the listed entity: Tulsyan Smelters Private Limited is a Group Company of TNECL whose primary business is trading of Iron and Steel. Tulsyan NEC Limited ("the Company" or "TNECL") is primarily engaged in the business of Manufacturing iron and steel, Poly woven fabric and sacks and Generation of power in thermal based. During the course of rendering such services, the Company also leverages niche skills, capabilities and resources of entities within the group. These transactions aim at providing the entities within the group to sustain and grow their business.
  - g. A copy of the valuation or other external party report, if any such report has been relied upon: Nil
  - h. Percentage of the counter party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis: Not Applicable
  - i. Any other information that may be relevant: Nil
7. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the transaction will be made available through the registered email address of the shareholders: Nil

**Item No. 8: To ratify and approve the existing limit of Related Party Transactions with Chitrakoot Steel and Power Private Limited:**

Tulsyan NEC Limited ("the Company" or "TNECL") is primarily engaged in the business of Manufacturing iron and steel, Poly woven fabric and sacks and Generation of power in thermal based. During the course of rendering such businesses, the Company Integrated also leverages niche skills, capabilities and resources of entities within the "Tulsyan Group".

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

TNECL had taken prior approval of the members in its 74th AGM held on September 30, 2021 pertaining to the contract(s)/ arrangement(s)/ transaction(s) with Chitrakoot Steel and Power Private Limited, a related party within

the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations up to a maximum aggregate value of Rs. 300 Crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company.

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 9, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introduced amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The aforesaid amendments inter-alia included replacing of current threshold i.e. 10% (ten percent) of the listed entity's consolidated turnover, for determination of material Related Party Transactions requiring prior members' approval with the threshold of lower of Rs.1,000 crore (Rupees One thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 1, 2022.

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, all Material Related Party Transactions shall require approval of the members through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

In view of the changes in the threshold for determining the related party transactions that require prior members approval and considering the fact that the list / transaction with the related party will change dynamically with no action on the part of the Company and to facilitate seamless transactions between the Company and Chitrakoot Steel and Power Private Limited, the Company seeks the approval of the members to approve the existing limit of entering into contracts/arrangements within the thresholds and conditions mentioned in the resolution. All the contracts/arrangements and the transactions with Chitrakoot Steel and Power Private Limited are reviewed and approved by the Audit Committee.

Further, as per the provisions of Section 188 of the Companies Act, 2013 and the applicable Rules framed thereunder, any Related Party Transaction will require prior approval of members through a resolution, if the aggregate value of transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year with the related party amounts to 10% or more of the turnover of the Company. The related party transactions made or to be made by the company is covering under section 188 of the companies Act, 2013 are in ordinary course of business and are at arms' length basis.

The said transaction(s)/contract(s)/arrangement(s) have been approved and recommended by the Audit Committee via circular resolution passed on August 19, 2022, and have been approved and recommended by the Board of Directors via circular resolution passed on August 20, 2022, respectively, for consideration and approval by the Members at the ensuing AGM of the Company.

Accordingly, the Board recommends the ordinary resolution as set out at Item No.8 of the accompanying Notice for approval of the members at the ensuing 75th AGM of the Company.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

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

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

Pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, particulars of the transactions with Chitrakoot Steel and Power Private Limited are as follows:

1. Name of the Related Party: Chitrakoot Steel and Power Private Limited

2. Name of the Director or KMP who is related: Mr. Sanjay Tulsyan (Director), Mr. Sanjay Agarwalla (Director) and Mr. Lalit Kumar Tulsyan (Director)
3. Nature of Relationship: Wholly Owned Subsidiary
4. Nature, material terms, monetary value and particulars of the contract or arrangement: Transactions for purchase / sale of goods and services, any income or expenses, applicable taxes, if any, incurred in these connections, and on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 300 crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company.
5. Any other information relevant or important for the members to take a decision on the proposed resolution: Nil.
6. Brief summary of the information provided by the management of the listed entity to the audit committee for approval of the RPT:
  - a. Type, material terms and particulars of the transaction: Transactions for purchase / sale of goods and services, any income or expenses, applicable taxes, if any, incurred in these connections, and on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 300 crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company. Brief details of the Related Party Transactions with Chitrakoot Steel and Power Private Limited is as follows:

Name of the related party	Nature of relationship	Nature of contract/ arrangement/ Transaction	Value of transaction	Period for which shareholders' approval is sought for the transaction
Chitrakoot Steel and Power Private Limited	Wholly Owned Subsidiary	Purchase of goods and services	Rs. 150 Crores	For a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company
Chitrakoot Steel and Power Private Limited	Wholly Owned Subsidiary	Sale of goods and services	Rs. 150 Crores	For a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company

- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise): Chitrakoot Steel and Power Private Limited is a wholly owned subsidiary of Tulsyan NEC Limited in which Mr. Sanjay Tulsyan, Mr. Sanjay Agarwalla and Mr. Lalit Kumar Tulsyan are Directors who are interested or concerned, financially or otherwise.
- c. Value of the transaction: Up to a maximum aggregate value of Rs. 300 crores for a period of 2 years starting from the conclusion of 74th AGM till the conclusion of the 76th AGM of the Company.
- d. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction: Not applicable.
- e. Whether the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: No
- f. Justification as to why the RPT is in the interest of the listed entity: Chitrakoot Steel and Power Private Limited is a Wholly Owned Subsidiary of Tulsyan NEC Limited ("the Company") whose primary business is manufacturing of Sponge Iron. Tulsyan NEC Limited ("the Company" or "TNECL") is primarily engaged in the business of Manufacturing iron and steel, Poly woven fabric and sacks and Generation of power in thermal based. During the course of rendering such services, the Company also leverages niche skills, capabilities and resources of entities within the group. These transactions aim at providing the entities within the group to sustain and grow their business.
- g. A copy of the valuation or other external party report, if any such report has been relied upon: Nil



- h. Percentage of the counter party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis: Not Applicable
  - i. Any other information that may be relevant: Nil
7. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders: Nil

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

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

**Place: Chennai  
Date: 12-08-2022**

**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 the Seventy Fifth (75<sup>th</sup>) Board's Report of your Company along with the audited standalone and consolidated financial statements and the Auditor's Report of the Company for the financial year ended March 31, 2022.

**FINANCIAL HIGHLIGHTS:**

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	FY 2022	FY 2021	FY 2022	FY 2021
Total Revenue	75,239.43	56,664.92	85,004.06	62,246.11
Total Expenses	76,683.09	77,280.09	86,325.97	82,765.24
Profit before tax and exceptional items	(1,443.66)	(20,615.18)	(1,321.90)	(20,519.13)
Exceptional Items	(80,437.80)	(19,693.13)	(80,437.80)	(19,693.13)
Tax Expenses				
Current Tax	0.00	0.00	0.00	0.00
Deferred Tax	0.00	0.00	29.39	330.36
Profit for the year	78,994.14	(922.05)	79,086.51	(1,156.36)
Other comprehensive income, net	(56.37)	(81.76)	(56.37)	(81.76)
Total comprehensive income	78,937.77	(1,003.81)	79,030.13	(1,238.12)
Earnings per share (EPS)				
Basic	536.87	(6.27)	537.50	(7.86)
Diluted	536.87	(6.27)	537.50	(7.86)

**STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS**

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

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

In the Financial Year ended March 31, 2022, India became the second largest producer of crude steel despite being affected on account of COVID-19 second wave. Steel Industry faced with increased input costs which resulted in increased selling prices subdued the demand by the consumers. Power industry suffered highly on account of high coal prices and shortage due to trade embargos on coal imposed by some exporter countries.

During the FY 2021-22, the turnover of the Company was Rs.75,231.82 Lakhs which is an increase of 33% compared to the turnover of Rs.56,651.20 Lakhs in the FY 2020-21. Such increase was mainly on account of the improvement in the steel prices. Profit after tax for the FY 2021-22 was Rs.78,994.14 Lakhs as compared to a net loss of Rs.922.05 Lakhs in the FY 2020-21. The profit is on account of writing back off interest and principal on the term loans and working capital as the company entered into a compromise settlement which were settled with major lenders during the year under review.

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

**National Steel Policy (NSP) 2017**

NSP 2017 aims to increase focus on expansion of MSME sector, improve raw material security, enhance R&D activities, reduce import dependency and cost of production, and thus develop a "technologically advanced and globally competitive steel industry that promotes economic growth" eyeing self-sufficiency

in production, developing globally economical steel manufacturing capabilities by facilitating investments and cost efficient productions with adequate availability of raw materials.

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

### Expected Outcomes of the policy

The other expected outcomes are as under:

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

### Policy for providing preference to Domestically Manufactured Iron and Steel

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

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

With a view to ensure prior availability of granular data like end-use, IS grade etc. regarding steel import in public domain, before the entry of such imports in India, a Steel Import Monitoring System (SIMS) was notified by DGFT on September 05, 2019 and became effective from November 01, 2019. SIMS requires the importer to submit advance information online for import of all steel tariff lines at 8-digit HS Code level wherein they get an automatic registration number for carrying out imports. A token registration fee has been prescribed for this purpose. SIMS initially covered only 284 HS codes of Chapter 72, 73 and 86 but has since been extended to all items under Chapter 72, 73 and 86 of ITC HS codes. SIMS is very useful for the Indian domestic steel industry in responding to the market conditions in a more dynamic manner.

### Enhancing the scope of the Quality Control Orders on Steel

Ministry of Steel gave major thrust to Steel Quality Control Order (SQCO) from 2015 onwards thereby

banning substandard / defective steel products to ensure that only quality steel conforming to the relevant BIS standards is made available to the end users.

### Recent Initiatives

- Ensuring raw material security for the Steel sector
- MoU with Russia: A MoU has been signed between Ministry of Steel and the Russian Federation on October 14, 2021 for cooperation in the field of coking coal, used for steel making. The MoU will benefit the Indian steel sector by diversifying the sources of coking coal which may lead to reduction in input cost for the steel players due to long term commitment of supply of high-quality coking coal to India (up to 40 MT till 2035).
- DRI Making through Coal Gasification in Iron & Steel Making.

### Key initiatives for Atmanirbhar Bharat

- Production Linked Incentive (PLI) Scheme for Specialty Steel

### Power Sector:

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

These policies and initiative of the Government of India would help the growth and sustenance of the steel sector and our company would stand to benefit and would be able to improve the performance. Performance of the power assets of the company which are currently eclipsed on account of high coal prices are expected to ease by second part of the current financial year and improve the performance. However other factors such as high inflation, hardening interest rates and war affected global economy could impact full realisation of these initiative policies.

The Synthetic Division showed increase in turnover of about 25% over previous year despite being affected due to lockdowns during the year. The increase in turnover is mainly attributed to increased selling prices. The future looks to be good at present as the demand and prices seem to improve.

### IMPACT OF THE COVID-19 PANDEMIC

Operations were affected for 2 months during the financial year under review. However, the operations

improved subsequently. The rise of different variants of the COVID-19 once again dented the pace of economic activity in India. Despite the unsettling global developments, India's economy is on the path of revival. The Company was dedicatedly committed towards safeguarding the health and safety of its employees, their families, and other stakeholders.

#### **THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

- The company has not made any application under Insolvency and Bankruptcy Code, 2016 for any resolution during the financial year under review nor any application for insolvency proceedings has been made against the company. Canara Bank had instituted insolvency proceedings against the company under section 7 of IBC which has since been withdrawn upon compromise settlement entered into with the Bank.
- The company is a respondent in an application filed by the IRP of Cauvery Power Generation Chennai Private Limited seeking payment of Rs.174.01 Lacs being the value of coal supplied by the said company to us. Whereas supply so made by the said company was towards amount due to the company. The application is pending with the NCLT and we are confident that the claim is not maintainable and is not a preferential payment.

#### **THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

The company entered into a Compromise settlement with 2 major lenders during the financial year under review. The Value of Securities at the time of Grant of the Facilities by the Bank with whom the company has entered into a compromise settlement was Rs.406.94 Crores and the value of the same securities at the time of settlement stood at Rs.426.91 Crores. The net increase in the overall security value is on account of appreciation in the valuation of land, reduction in value of Machinery and building on account of depreciation/wear and tear and reduction in respect of stocks and book debtors is on account of losses incurred in the last five years.

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

The Company doesn't have any Joint Venture and Associate Companies. However, the Company has 2

wholly owned subsidiaries as on March 31, 2022.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of Subsidiaries in the prescribed **Form AOC-1** is annexed to this Report as '**Annexure-A**'. 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.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website [www.tulsyanec.in](http://www.tulsyanec.in).

The Company has also formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the SEBI Listing Regulations. The policy is available at the website of the Company at [www.tulsyanec.in](http://www.tulsyanec.in).

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

#### **Chitrakoot Steel and Power Private Limited**

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

Chitrakoot Steel and Power Private Limited registered a total revenue of Rs. 1,01,15,97,909 and a net profit of Rs. 1,04,90,537 in the FY 22 against a total revenue of Rs. 70,56,92,248 and a net loss of Rs. 2,26,43,749 in FY 21.

#### **Color Peppers Media Private Limited**

Color Peppers Media Private Limited is a wholly owned subsidiary of Tulsyan NEC Limited. It was incorporated on December 09, 2010 and is engaged in the business of creation, production and release of all communication, in all media of advertising and public relations, directly on behalf of its clients, for the promotion of goods, services, causes and ideas, advertising agents and for that purpose to purchase and sell advertising space or time in any newspaper, magazine or radio station or television centre in India or abroad or in any other kind of media which may be available at any time, such as cinematograph, video, cable TV and including souvenirs, hoardings,



neon signs and other display devices of all kinds and descriptions to promote the sale or any other interest of its clients.

Color Peppers Media Private Limited did not have any commercial transaction during the FY 22 and FY 21 respectively. During the financial year ended March 31, 2022, Color Peppers Media Private Limited reported a net loss of Rs. 12,53,658 against a net loss of Rs. 7,89,753 in FY 21.

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

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

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

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

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

No material changes and commitments affecting the financial position of the Company have occurred between March 31, 2022 and the date of this report.

#### **DIVIDEND**

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

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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all dividends which remains unpaid or unclaimed for a period of seven years from the date of their transfer to the unpaid dividend account are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Central Government. Further, as per IEPF Rules, the shares on which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Further, as per Rule 6(8) of IEPF Rules, all benefits such as bonus shares, split, consolidation except right issue, accruing on shares which are transferred to IEPF, shall also be credited to the demat account of the IEPF authority.

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

#### **SHARE CAPITAL**

The detailed capital structure of the Company as on March 31, 2022 is as follows:

##### **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.

##### **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.

##### **Paid-up Share Capital**

The Paid-up Share Capital of the Company is Rs. 23,55,68,497/- (Rupees Twenty Three Crores Fifty Five Lakhs Sixty Eight Thousand Four Hundred and Ninety Seven only) divided into 1,45,06,790 Equity Shares of Rs. 10/- each, 1,96,989 Equity Shares of Rs. 6/- each (Partly Paid-up), 2,96,221 Equity Shares of Rs. 3/- each (Partly paid-up) and 88,43,000 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- each.

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

No amount is proposed to be transferred to reserves for the financial year ended March 31, 2022.

##### **DEPOSITS**

During the financial year, 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**

Details of Loans, Guarantees and Investments pursuant to the provisions of Section 186 of the Companies Act, 2013, for the FY 21-22, are disclosed under the notes to the Financial Statements forming part of this Annual Report.

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

In terms of the provisions of the Companies Act, 2013 read with the Rules made thereunder, as amended, the Annual Report on CSR activities in the format prescribed under Annexure II of the said Rules is annexed to this Report as 'Annexure-B'.

The CSR Policy including the composition of the CSR committee is uploaded on the Company's website at [www.tulsyanec.in](http://www.tulsyanec.in).

Except the financial year 21-22, in the other 2 preceding financial years, the Company's average net Profit after tax on Standalone basis was negative and hence the Company is not required to spend any amount on CSR activities.

### RISK MANAGEMENT POLICY

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

### VIGIL MECHANISM

The Vigil Mechanism / Whistle Blower Policy as envisaged in the Companies Act, 2013, the rules prescribed thereunder, and the SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguard against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of provisions of Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report for the financial year ended March 31, 2022 is given under separate section and forming part of this Annual Report.

### CORPORATE GOVERNANCE REPORT

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

A separate section on Corporate Governance as stipulated under Schedule V (C) of the SEBI Listing

Regulations forms part of this Report. The Corporate Governance Report along with the requisite certificate from the statutory auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI Listing Regulations forms part of this Annual Report.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no significant related party transactions entered between the Company, Directors, Management and their relatives, except for those disclosed in the financial statements. All the contracts/arrangements/transactions entered by the Company with the related parties during FY 2021-22 were in the ordinary course of business and on an arm's length basis, and whenever required the Company has obtained necessary approval as per the related party transaction policy of the Company.

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

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

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

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

### PARTICULARS OF DIRECTORS AND EMPLOYEES

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

Further, a statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as no employees are drawing the remuneration in excess of the limits prescribed under the said rules.

## DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made 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) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls based on the internal controls framework established by the Company, which are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### Directors

As on March 31, 2022, the Board of Directors are comprised of 6 (six) members including 1 (one) woman member. The Board has an appropriate mix of Executive Directors and Non-Executive cum Independent Directors, which is in compliant with the Companies Act, 2013, the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.

### Re-appointment

Pursuant to the applicable provisions of the Companies Act, 2013 read with the rules made thereunder, Articles of Association of the Company and the SEBI Listing Regulations, the Board at its meeting held on July 08, 2022, had recommended the following re-appointment(s) and separate Resolution(s) shall be

placed before the members for their approval at the ensuing AGM of the Company:

- i. Mr. Sanjay Agarwalla is liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment as a Director liable to retire by rotation.
- ii. The present term of Mr. Lalit Kumar Tulsyan as Managing Director (Executive Chairman) of the Company is expired on July 11, 2022 and being eligible, seeks re-appointment for a further period of five years w.e.f. July 11, 2022.
- iii. The present term of Mr. Sanjay Tulsyan as Managing Director of the Company is expiring on September 30, 2022 and being eligible, seeks re-appointment for a further period of five years w.e.f. September 30, 2022.
- iv. The present term of Mr. Sanjay Agarwalla as Whole Time Director of the Company is expiring on September 21, 2022 and being eligible, seeks re-appointment for a further period of five years w.e.f. September 21, 2022.

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

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

### Key Managerial Personnel

The Key Managerial Personnel(s) of the Company as on March 31, 2022 are:

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

There were no changes in the directors and key managerial personnel(s) of the Company during the FY 2021-22.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's current policy is to have an appropriate mix of Executive and Non-Executive cum

Independent Directors to maintain the independence of the Board and separate its functions of governance and management.

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfils such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act, Listing Regulations or other applicable laws.

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

#### **DECLARATION BY INDEPENDENT DIRECTORS**

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

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

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

#### **BOARD EVALUATION**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, the annual performance evaluation of the Board, Board level Committees and individual directors was conducted during the year, in order to ensure that the Board and Board level Committees are functioning effectively and demonstrating good

governance. For the FY 2021-22, the Board had undertaken this exercise through self evaluation questionnaires.

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

#### **MEETINGS OF THE BOARD AND ITS COMMITTEES**

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

During the financial year 2021-22, the Board met 4 (four) times virtually on June 30, 2021, August 13, 2021, November 12, 2021 and February 14, 2022 respectively. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board and its Committees are included in the report on Corporate Governance, which forms part of this Annual Report.

#### **ANNUAL RETURN**

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

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

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

#### **INTERNAL FINANCIAL CONTROL**

The Company has 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 financial year, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

The Board of Directors has appointed M/s. Sunil Ahuja and Associates, Chartered Accountants, as the Internal Auditors of the Company. The Internal

Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment.

## AUDITORS

### Statutory Auditors

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

The Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2022 is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors' Report is enclosed with the financial statements forming part of the annual report.

### Reporting of Fraud by Auditors

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

### Cost Auditors

The Cost Records of the Company are maintained in accordance with the provisions of Section 148(1) of the Act as specified by the Central Government. The Cost Audit Report, for the financial year ended March 31, 2021, was filed with the Central Government within the prescribed time. The Board, on recommendation of the Audit Committee, had appointed M/s. Murthy &

Co. LLP, Cost Accountants (Firm Registration Number S200001) as the Cost Auditors to conduct the audit of Company's cost records for the financial year ended on March 31, 2022. The Cost Auditors will submit their report for the FY 2021-22 on or before the due date.

The Board, on recommendation of the Audit Committee, has appointed M/s. Murthy & Co. LLP, Cost Accountants (Firm Registration Number S200001) as the Cost Auditors to conduct the audit of Company's cost records for the FY 2022-23. The Cost Auditors have confirmed that their appointment is within the limits of Section 141(3) (g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditors certifying their independence and arm's length relationship with your Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the members, the Board recommends the same for approval by members at the ensuing 75th AGM of the Company.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Rules made thereunder, M/s. M. Damodaran & Associates, LLP, Company Secretaries in Practice, Chennai, were re-appointed to conduct the Secretarial Audit of the Company for the FY 2021-22. The Secretarial Audit Report for the FY 2021-22 issued by Mr. M. Damodaran (M. No. 5837, CP No. 5081), Managing Partner at M/s. M. Damodaran & Associates, LLP, in the prescribed **Form MR-3** is annexed to this Report as '**Annexure-E**'.

The Secretarial Audit Report for the FY 2021-22 contains the following observations:

Sl. No.	Observations by Secretarial Auditors	Management's Reply
1.	The Company has complied the regulation 33(3)(d) of SEBI LODR with deviations.	Due to ongoing COVID-19 pandemic, there was a delay in audit process and hence a request letter dated June 25, 2021 was submitted to the BSE for submission of the financial results by August 14, 2021. The delay was unintentional and later it was complied with.

Pursuant to the SEBI circular no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Annual Secretarial Compliance Report for the FY 2021-22,

issued by Mr. M. Damodaran (M. No. 5837, CP No. 5081), Managing Partner at M/s. M. Damodaran & Associates, LLP, Practicing Company Secretaries,

Chennai, was submitted with the stock exchange where shares of the Company are listed, within the stipulated timeline.

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

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

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

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

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

### **LISTING ON STOCK EXCHANGE**

Our Company's shares are suspended from trading w.e.f. November 29, 2016.

**Reasons of Suspension of the Company from Trading:** The Company is suspended from trading due to penal reasons.

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

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

**Action taken by the Management:** All penalties are being paid to the BSE for delay in submission of financial results and all the revocation norms has been

complied with by the Company. During the financial year under review, the Company has submitted requisite documents for Revocation of Suspension and has also paid the requisite reinstatement fee to the BSE for such revocation. Further communication is awaited from the BSE and the Management is putting its best efforts to uplift the suspension at earliest.

### **GREEN INITIATIVE**

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

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

### **ACKNOWLEDGEMENT**

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

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

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

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

**Place: Chennai**  
**Date: 12-08-2022**

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

**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**

**(Amount in Rupees)**

Sl. No.	Particulars	As on March 31, 2022	As on March 31, 2022
1	Name of the Subsidiary	Chitrakoot Steel and Power Private Limited	Color Peppers Media Private Limited
2	The date since when the subsidiary was acquired / incorporated	October 21, 2003	December 09, 2010
3	Reporting period	April - March	April - March
4	Reporting currency	INR	INR
5	Share Capital	6,48,92,000	5,00,000
6	Reserves and Surplus	(21,71,76,121)	(1,64,69,911.81)
7	Total assets	31,38,12,432	31,40,676.19
8	Total Liabilities	31,38,12,432	31,40,676.19
9	Investments	2,500	NIL
10	Turnover	1,01,11,16,449	NIL
11	Profit / (Loss) before taxation	1,34,29,380	(12,53,658)
12	Provision for taxation	29,38,842	NIL
13	Profit / (Loss) after taxation	1,04,90,537	(12,53,658)
14	Proposed dividend	NIL	NIL
15	Extent of shareholding (in percentage)	100	100

**Notes:**

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

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

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

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

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

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

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

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

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

**Sd/-  
Parvati Soni  
Company Secretary**

**Place: Chennai  
Date: 12-08-2022**

**ANNUAL REPORT ON CSR ACTIVITIES**

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

**1. Brief outline on CSR Policy of the Company:**

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

The CSR Policy was framed by the Company on June 30, 2014 and later got amended on August 13, 2021, with approvals of the CSR Committee and the Board of Directors. The Policy, inter alia, covers the Guiding Principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

**2. Composition of CSR Committee:**

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

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.tulsyanec.in/investors](http://www.tulsyanec.in/investors)
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable
6. Average net profit of the company as per section 135(5): Except the financial year 21-22, in the other 2 preceding financial years, the Company's average net Profit after tax on Standalone basis was negative.
7. (a) Two percent of average net profit of the company as per section 135(5): Nil  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b- 7c): Nil
8. (a) CSR amount spent or unspent for the financial year: Nil  
 (b) Details of CSR amount spent against ongoing projects for the financial year: Nil  
 (c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil  
 (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil  
 (g) Excess amount for set off, if any: Nil





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

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

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

**Place: Chennai**  
**Date: 12-08-2022**

Annexure-C

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

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

**(A) Conservation of Energy:**

**(I) The Steps taken or impact on conservation of energy:** The Company engages outside 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 27,61,89,000 units of energy during the financial year 2021-2022.

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

**(III) The Capital investment on energy conservation equipments:** There was no capital investment on energy conservation equipments during the financial year 2021-2022.

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

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

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

**Place: Chennai  
Date: 12-08-2022**

**PARTICULARS OF REMUNERATION**

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

**1) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22:**

Name	Designation	Ratio
Lalit Kumar Tulseyan	Executive Chairman	1:27
Sanjay Tulseyan	Managing Director	1:27
Sanjay Agarwalla	Whole-time Director	1:17
Manogyanathan Parthasarathy	Non-Executive Independent Director	N.A
Antonisamy Axilium Jayamary	Non-Executive Independent Director	N.A
Somasundaram Ponsing Mohan Ram	Non-Executive Independent Director	N.A

**Note:** The remuneration paid to Non-Executive Independent Directors includes sitting fees and is based on the meetings attended by them during the FY 2021-22.

**2) The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary, in the financial year 2021-22:**

Sl. No.	Name of Directors / KMPs and their designation	Remuneration to Directors / KMP for the financial year 2020-2021	Remuneration to Directors / KMP for the financial year 2021-2022	% increase in Remuneration for the Financial year 2021-2022
1.	Lalit Kumar Tulseyan (Executive Chairman)	57,03,000	60,78,000	6.58%
2.	Sanjay Tulseyan (Managing Director)	60,29,000	60,29,000	NIL
3.	Sanjay Agarwalla (Whole-time Director)	39,29,000	39,29,000	NIL
4.	Manogyanathan Parthasarathy (Non-Executive Independent Director)	65,000	60,000	NIL
5.	Antonisamy Axilium Jayamary (Non-Executive Independent Director)	65,000	60,000	NIL
6.	Somasundaram Ponsing Mohan Ram (Non-Executive Independent Director)	35,000	40,000	NIL
7.	Shantha Kumar Rajagopal Iyer Pra (Chief Financial Officer)	30,07,000	31,44,000	4.36%
8.	Parvati Soni (Company Secretary)	6,94,000	7,33,000	5.32%



- 3) The Percentage increase in the median remuneration of employees in the financial year 2021-22: There was an increase of 10% in the median remuneration of employees in the financial year 2021-22.
- 4) Number of permanent employees on the rolls of Company: 555
- 5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Negative
- 6) The key parameters for any variable component of remuneration availed by the directors: Nil
- 7) It is hereby affirmed that the remuneration paid for the financial year 2021-22 was as per the remuneration policy of the Company.

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

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

**Place: Chennai  
Date: 12-08-2022**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To,

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

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

Based on my verification and scrutiny of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31.03.2022** 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 31.03.2022 according to the provisions of:

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

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

- (i) The Listing Agreement entered into by the Company with BSE Limited under the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');

- (ii) Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) – for General Meeting issued by The Institute of Company Secretaries of India.

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

- a. The Company has complied the regulation 33(3)(d) of SEBI LODR with deviations.

**I further report that** the Board of Directors of the Company is constituted with Executive Directors and Non-Executive cum Independent Directors and there were no changes in the composition of the Board of Directors took place during the period under review.

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

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

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

**I further report that** during the audit period, the Company had submitted requisite documents to BSE for revocation of trading suspension and had also made the payment of the reinstatement fee for the same. However, further Intimation from BSE is awaited in order to proceed further by the Company.

For **M DAMODARAN & ASSOCIATES LLP**

**Place: Chennai**  
**Date: 12.08.2022**

**Sd/-**  
**M. DAMODARAN**  
**Managing Partner**  
**Membership No.: 5837**  
**COP. No.: 5081**  
**FRN: L2019TN006000**  
**PR 1374/2021**  
**ICSI UDIN: F005837D000785198**

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



To,

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

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

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

For **M DAMODARAN & ASSOCIATES LLP**

**Place: Chennai**  
**Date: 12.08.2022**

Sd/-  
**M. DAMODARAN**  
**Managing Partner**  
**Membership No.: 5837**  
**COP. No.: 5081**  
**FRN: L2019TN006000**  
**PR 1374/2021**  
**ICSI UDIN: F005837D000785198**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

#### STEEL INDUSTRY

##### Global Scenario

- In CY 2021, the world crude steel production reached 1911.9 million tonnes (mt) and showed a growth of 3.6% over CY 2020.
- China remained world's largest crude steel producer in 2021 (1032.8 mt) followed by India (118.1 mt), Japan (96.3 mt) and the USA (86.0 mt), based on rankings released by the World Steel Association.
- Per capita finished steel consumption in 2020 was 228 kg for world and 691 kg for China. The same for India was 70 kg (Source: JPC) in 2020-21.

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

##### Domestic Scenario

- The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during last four years (2018-2021), from its 3rd largest status in 2017. The country was also the largest producer of Sponge Iron or DRI in the world and the 2nd largest finished steel consumer in the world after China in 2021 (provisional), based on rankings released by the World Steel Association.
- In a de-regulated, liberalized economic/market scenario like India the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement.
- The government has also approved a Production-linked Incentive (PLI) Scheme for Specialty Steel. It is expected that the specialty steel production will become 42 million tonnes by the end of 2026-27. This will ensure that approximately 2.5 lakh crores worth of specialty steel will be produced and consumed in the country which would otherwise have been imported. Similarly, the export of specialty steel will become around 5.5 million tonnes as against the current 1.7 million tonnes of specialty steel getting FOREX of Rs.33,000 crore.

##### Production

- Steel industry was de-licensed and de-controlled in 1991 & 1992 respectively.
- India was the 2nd largest producer of crude steel in the world in 2021.
- In 2021-22 (provisional), production of total finished steel (alloy/stainless + non alloy) was 113.60 mt, a growth of 18.1% over last year.

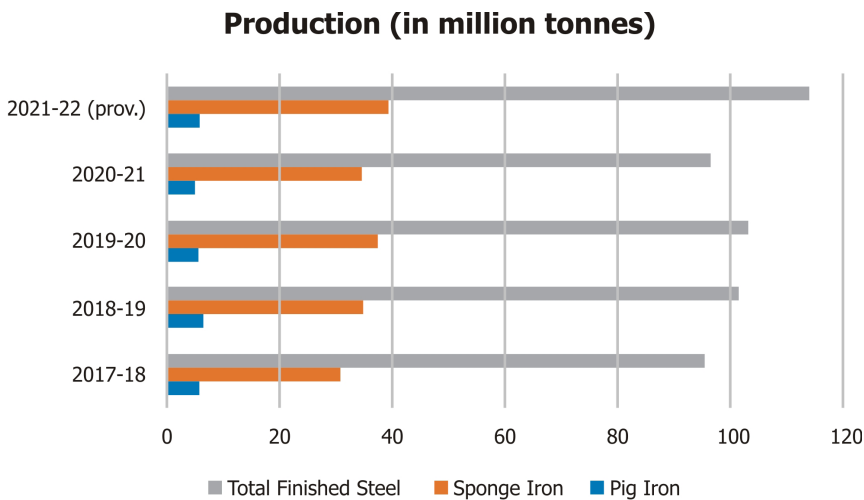


- Production of Pig Iron in 2021-22 (provisional) was 5.76 mt, a growth of 18.1% over last year.
- India was the largest producer of Sponge Iron in the world in 2021. The coal-based route accounted for 77% of total Sponge Iron production (39.03 mt) in the country in 2021-22 (provisional).
- Data on production of Pig Iron, Sponge Iron and Total Finished Steel (alloy/stainless + non alloy) are given below for last five years:

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

Source: Joint Plant Committee; \*provisional

Graphical Representation of the Data:



#### Demand - Availability

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

#### Steel Prices

- Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.

- As a facilitator, the Government monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment.

**Imports**

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

Category	2017-18	2018-19	2019-20	2020-21	2021-22#
Qty	7.48	7.83	6.77	4.75	4.67
Source: Joint plant Committee. # Provisional					

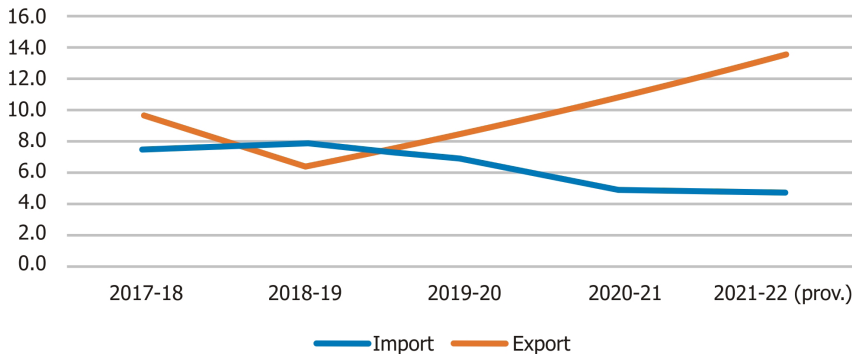
**Exports**

- During last five years, India was a net exporter of total finished steel in 2017-18, 2019-20, 2020-21 and 2021-22.
- Data on export of total finished steel (alloy/stainless + non alloy) is given below for last five years:

Indian Steel Industry : Export of Total Finished Steel (in million tonnes)					
Category	2017-18	2018-19	2019-20	2020-21	2021-22*
Qty	9.62	6.36	8.36	10.78	13.49
Source: Joint plant Committee. *Provisional					

Graphical representation of trade of total finished steel for last five years is as below:-

**Trade of Total Finished Steel  
(alloy/stainless + non-alloy)  
(in million tonnes)**



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

The New Industrial policy opened up the Indian iron and steel industry for private investment by

- removing it from the list of industries reserved for public sector and
- exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

## The Growth Profile

- i. **Steel:** The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.
- ii. **Crude steel capacity** was 154.23 mt in 2021-22 (provisional), and India, which was the 2nd largest producer of crude steel in the world in 2021, as per rankings released by the World Steel Association, has to its credit, the capability to produce a variety of grades and that too, of international quality standards.
- iii. **Pig Iron:** India is also an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. The private sector accounted for 89% of total production of pig iron (5.76 mt) in the country in 2021-22 (provisional).
- iv. **Sponge Iron:** India, world's largest producer of sponge iron, has a host of coal-based units located in the mineral-rich states of the country. Over the years, the coal-based route has emerged as a key contributor and accounted for 77% of total Sponge Iron production in the country during 2021-22 (provisional). Production of Sponge Iron making too has increased over the years and stood at 39.03 mt during 2021-22 (provisional).

### POWER:

Power sector grew at 7.96% year over year in the Financial year 2021-22 though on a lower base of the previous years which were affected due to covid. Power demand registered a growth of 8.18 % YOY.

The thermal generation sector experienced sub-optimal utilization of installed capacity with aggregate Plant Load Factor (PLF) at 58.87% as against 53.37% in the previous year. Fuel Availability continues to be a challenge and the prices of coal both domestic and international remained high during the entire year. Additions to renewable generation capacity supplying electricity at lower prices continued to hurt the prospects of thermal generation. This situation was further exacerbated by Discoms unwilling to commit to long term capacity based contracts.

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

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

As of the date of this report, the situation is evolving with no clear visibility on the extent and timing of impact on business due to the erratic and high coal prices. This will muddy the already poor investment climate in the sector and further slowdown the flow of new investments in the sector. The sector already grappling with several impediments faces the most challenging FY 23 ahead.

### DEMAND AND SUPPLY:

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

Year	Requirement	Availability	Surplus (+)	Deficits (-)
	(MU)	(MU)	(MU)	(%)
2009-2010	8,30,594	7,46,644	-83,950	-10.1
2010-2011	8,61,591	7,88,355	-73,236	-8.5
2011-2012	9,37,199	8,57,886	-79,313	-8.5
2012-2013	9,95,557	9,08,652	-86,905	-8.7
2013-2014	10,20,257	9,59,829	-42,428	-4.2
2014-2015	10,68,923	10,30,785	-38,138	-3.6
2015-2016	11,14,408	10,90,850	-23,558	-2.1
2016-2017	11,42,929	11,35,334	-7,595	-0.7
2017-2018	12,13,326	12,04,697	-8,629	-0.7
2018-2019	12,74,595	12,67,526	-7,070	-0.6
2019-2020	12,91,010	12,84,444	-6,566	-0.5
2020-2021	12,75,534	12,70,663	-4,871	-0.4
2021-2022	13,79,812	13,74,024	-5,787	-0.4

(Source: Ministry of Power and Energy)

## II. OPPORTUNITIES AND THREATS

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

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

On the other, the re-emergence of the country's incumbent leadership, post the general elections, ensures policy continuity and concerted action for the nation's development. The Company is looking forward to the implementation of the National Infrastructure Pipeline, which will go a long way in spurring demand.

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

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

The production of steel rods was 109411 MT compared to 89182 MT in the previous year which showed an increase of 22% despite lockdown and closure during May 2021. The sale of rods during the year was increased to 99894 MT from 82565 MT in the previous financial year.

The production of power was 2762.36 Lac units compared to 3572.70 Lac units in the previous year registering a decline of 23% mainly due to low capacity utilisation due to high and unviable coal prices.

The production of synthetic products was 8188 MT compared to 6764 MT in the previous year. The sale of synthetic products during the year was 6169 MT compared to 5557 MT in the previous year registering a growth of 11%.

## IV. OUTLOOK

FY 2022 started with lockdown and recovered a little by Third quarter. The virus spread rapidly across the world, compelling governments to impose national lockdowns to break the chain of transmission, which brought

economic activities to a near halt. However situation have improved by end of the year and return of normalcy appear to be.

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

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

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

#### **V. RISK AND CONCERNS**

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

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

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

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

#### **VI. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY**

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

#### **VII. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year under review, the Company has achieved a Sales Turnover of Rs.75231.82 Lakhs which was higher by 32.8% over last year's turnover of Rs. 56651.20 Lakhs. The Comparative performance of major financial parameters during the financial years 2021-22 and 2020-21 is given below:

Rs. In Lakhs

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Sales Turnover	75231.82	56651.20
Other Income	7.61	13.72
Total Income	75239.43	56664.92
Profit before Interest, Depreciation, exceptional/abnormal items and Tax (EBIDTA)	1461.67	2115.74
Less: Interest	488.89	20262.63
Less: Depreciation	2416.44	2468.29
Profit before Tax (PBT) before exceptional / abnormal items	(1443.66)	(20615.18)
Less: Exceptional items	(80437.80)	19693.13



Profit before Tax & OCI	78994.14	(922.05)
Profit After Tax	78994.14	(922.05)
Networth	16517.48	(62420.30)
EBIDTA to Net sales (%)	22.0%	3.73%
PAT to Net worth	-	-
Debtors	14632.63	15648.84
Debtors Turnover (In days)	71	101
Inventory	7860.58	9047.53
Inventory Turnover (In days)	38	58
EBIT	(954.77)	1546.24
Interest Coverage Ratio	2.99	0.10
Current Assets	27716.47	29533.00
Current Liabilities	58105.16	92776.00
Current Ratio	0.48	0.32
Debt	17105.86	71978.99
Debt Equity Ratio	1.04	(1.05)
Operating Profit Margin (%)	(1.92%)	(1.63%)

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

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

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

Your Company maintained cordial and harmonious Industrial relations in all our manufacturing units. Several HR and industrial relations initiatives implemented by the Company have significantly helped in improving the work culture, enhancing productivity and enriching the quality of life of the workforce. All the above initiatives have contributed significantly to achieving and maintaining the market leadership, your Company enjoy today. The total employee strength as on 31st March, 2022 is 555.

#### **IX. CAUTIONARY STATEMENT**

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

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

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

**Place: Chennai**

**Date: 12-08-2022**

**Registered Office:**

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

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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

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

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

### BOARD OF DIRECTORS

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

The Company's day to day affairs are managed by the Executive Leadership Team under the overall supervision of the Board. The Board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the Company's affairs and exercising reasonable business judgment on the affairs of the Company.

#### (a) Composition and Category of the Board

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

As on March 31, 2022, the Board is comprised of 6 (six) members, consisting of 3 (three) Executive Directors and 3 (three) Non-Executive cum Independent Directors. Out of the total members, 1 (one) member is an Independent Woman Director. The Board periodically evaluates the need for change in its composition and size.

None of the Director serve as a Director in more than 7 (seven) listed companies. Further, none of the Director serves as an Independent Director in more than 7 (seven) listed companies or 3 (three) listed companies in case he/she serves as an Executive Director in any listed company. None of the Directors of the Company are a member of more than 10 (ten) committees and chairperson of more than 5 (five) committees, across all public limited

companies in which he/she is a Director. Further, none of our Independent Directors serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director of the Company is an Independent Director.

Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management and also they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have also submitted their declaration under compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ("IICA") for a period of one year or five years or life time till they continue to hold the office of an independent director.

The Composition of the members on the Board, including the directorships held by them in other listed companies and their committee memberships/chairmanships in other public companies, and other required details for the FY 21-22 are listed in the table below:

Names of the Directors	Category	Relationship with Other Directors	Attendance of the Directors in last AGM held on 30/09/2021	Total No. of Directorships in other Companies	Total No. of Committee Membership or Chairmanship in other Companies	Names of other listed entities including this listed entity where the person is a director and the category of directorship	No. of Shares held by the Director
Mr. Lalit Kumar Tulsiyan	Promoter & Executive Chairman	Brother of Mr. Sanjay Tulsiyan	Yes	3	Nil	1 Promoter & Executive Chairman	40,46,645
Mr. Sanjay Tulsiyan	Promoter & Managing Director	Brother of Mr. Lalit Kumar Tulsiyan	Yes	4	Nil	1 Promoter & Managing Director	44,75,481
Mr. Sanjay Agarwalla	Whole Time Director	-	Yes	3	Nil	1 Whole Time Director	15,098
Mr. Manogyanathan Parthasarathy	Non-Executive Independent Director	-	Yes	Nil	Nil	1 Non-Executive Independent Director	Nil
Mrs. Antonisamy Axilium Jayamary	Non-Executive Independent Director	-	Yes	Nil	Nil	1 Non-Executive Independent Director	Nil
Mr. Somasundaram Ponsing Mohan Ram	Non-Executive Independent Director	-	Yes	Nil	Nil	1 Non-Executive Independent Director	Nil



**Note:**

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

Further, in view of continuing COVID-19 pandemic, the 74th AGM of the Company was held on Thursday, September 30, 2021 through video conferencing ('VC') or other audio-visual means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013, General circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by Ministry of Corporate Affairs ('MCA').

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

During the financial year 2021-22, the Board met 4 (four) times virtually on June 30, 2021, August 13, 2021, November 12, 2021 and February 14, 2022, respectively.

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

Attendance details of the Directors in the Board Meetings held during the FY 2021-22 are given below:

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

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

The responsibility for identifying and evaluating a suitable candidate for the Board is delegated to the Nomination and Remuneration Committee ("NRC") formed under Section 178 of the Companies Act, 2013. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its committees have the appropriate mix of skills, experience, independence and knowledge for continued effectiveness. For the Board, diversity comprehends plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. These attributes may extend to professional experience, functional expertise, educational and professional background.

The Independent Directors annually provide a certificate of Independence, in accordance with the applicable laws, which is taken on record by the Board. All Board members are encouraged to meet and interact with the management. Board Members are invited to key meetings to provide strategic guidance and advice.

**(d) Board Procedure**

The Board and Committee Meetings are pre-scheduled based on the availability of the Director(s) to facilitate planning of their schedule and ensure participation in the meetings. However, in case of urgent matters, subject

to regulatory conditions, the Board's approval is taken by passing resolutions by circulation. The Board meets at least once in a quarter to review and approve the quarterly financial results/statements and other agenda items. The Committees of the Board usually meet prior on the same day of the Board meeting. The recommendations of the Committees are placed before the Board for necessary approval/noting. There was no situation / matter where the Board has not accepted recommendation of the Committee.

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

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

The Company Secretary records Minutes of the proceedings of each Board and Committee meeting. Draft Minutes are circulated to Board / Committee Members within prescribed timelines as per the Act and Secretarial Standards. Directors communicate their comments (if any) in writing on the draft minutes within seven days from the date of circulation. The Minutes are entered in the Minute Books within 30 days from the conclusion of the Meeting and signed by the Chairperson. The copy of the signed Minutes is made available to all Directors.

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

#### **(e) Meeting of the Independent Directors**

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors of the Company met once on February 14, 2022 without the presence of Non-Independent Directors and Members of the management. They had discussed and reviewed - the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairperson of the Company after taking into account the views of the Executive Directors; the quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to perform their duties effectively and reasonably.

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

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

#### **(f) Details of Familiarization Programmes imparted to Independent Directors**

The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise. During the financial year 2021-22, the Independent Directors were apprised at frequent intervals on the industry trends, an overview of the Company's business model, strategy, products, market, risk management, group structure and its subsidiaries, and its operations by the senior management team. The Independent Directors were also regularly apprised of all regulatory and policy changes including their roles, rights and responsibilities.

The details of familiarization policy and the details of programs imparted to Independent Directors of the Company are available on the following web link of the Company: [www.tulsyanec.in/investors](http://www.tulsyanec.in/investors)

**(g) Board Evaluation**

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, the Board, as per the criteria laid down by the Nomination and Remuneration Committee, had carried out the annual performance evaluation of its own performance, the directors individually, the Chairperson as well as the evaluation of the working of its various committees and non-executive independent directors through peer evaluation, excluding the director being evaluated.

Accordingly, for the financial year 2021-22, the Board had undertaken this exercise through self-evaluation questionnaires. The evaluation process focused on the below aspects –

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

The evaluation report was also discussed at the meeting of the Board of Directors and Committees. In order to further uphold the effectiveness of the Board’s governance, an overview of the suggestions as drawn from the evaluation exercise was deliberated and recommended for implementation in due course of time, by the Board.

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

The Board of Directors of the Company comprises of qualified personnel who possess relevant skills, expertise and competence for the effective functioning of the Company. In compliance with the SEBI Listing Regulations, the Board has identified the following key qualifications / skills / expertise / competencies fundamental for the effective functioning of the Company which are taken into consideration by the Nomination and Remuneration Committee while recommending appointment of any candidate to the Board of the Company.

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

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

### (i) Role of Company Secretary

The Company Secretary is the Compliance Officer and plays a key role in ensuring that effective board procedures are followed and reviewed periodically. The Company Secretary is primarily responsible to ensure compliance with the provisions of Companies Act, 2013 and provisions of all other laws applicable to the Company. The Company Secretary ensures that all relevant information, details and documents are made available to the Board of Directors for effective decision-making at the meetings. The Company Secretary is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

### COMMITTEES OF THE BOARD

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

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

#### A. Audit Committee

##### (a) Brief description of Terms of Reference:

The Board has constituted an Audit Committee ("AC") which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The committee's role flows directly from the board's oversight function and delegation to various committees. It acts as an oversight body for transparent, effective anti-fraud and risk management mechanisms, and efficient Internal Audit and External Audit functions financial reporting. The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of the Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and provisions of Section 177 of the Act. The brief description of the terms of reference of the Committee is given below:

The terms of reference and responsibilities of the committee include review of the quarterly, half- yearly and annual financial statements before submission to Board, review of compliance of internal control system, approval or any subsequent modification of transactions with related parties, oversight of the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, recommendation for appointment, remuneration and terms of appointment of auditors of the Company etc. The Committee also reviews the adequacy and effectiveness of internal audit function and control systems. The committee meets at least once in a calendar quarter.

During the financial year under review, four (4) meetings of the Audit Committee were held on June 30, 2021; August 13, 2021; November 12, 2021; and February 14, 2022 respectively.

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

Composition of the Committee and attendance details of the members for the year ended March 31, 2022, are given below:

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

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

## B. Nomination and Remuneration Committee

### (a) Brief description of Terms of Reference:

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

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

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

The NRC also formulates the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board periodically, policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management. The Policy on Director's Appointment and Remuneration is available on our website at: [www.tulsyanec.in/investors](http://www.tulsyanec.in/investors).

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

The performance evaluation of Independent Directors is based on various criteria including experience and expertise, independent judgement, ethics & values, adherence to the corporate governance norms, interpersonal relationships, attendance and contribution at meetings, amongst others.

During the financial year under review, one (1) meeting of the Committee was held on August 13, 2021.

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

Composition of the Committee and attendance details of the members, for the year ended March 31, 2022, are given below:

Sl. No.	Name of the Members	Category	Position	Number of Meetings	
				Director was entitled to attend	Attended
1.	Mr. M. Parthasarathy	Non-Executive Independent Director	Chairman	1	1
2.	Mrs. Antonisamy Axilium Jayamary	Non-Executive Independent Director	Member	1	1
3.	Mr. Somasundaram Posing Mohan Ram	Non-Executive Independent Director	Member	1	1

### C. Stakeholders' Relationship Committee

#### (a) Brief description of Terms of Reference:

The Company has constituted a Stakeholders' Relationship Committee ("SRC") pursuant to the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The SRC is primarily responsible for redressal of the grievances of shareholders / investors / other security holders including complaints related to transfer or transmission of shares, non-receipt of dividends, annual reports and such other grievances as may be raised by the security holders from time to time.

The Committee also reviews:

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

During the financial year under review, one (1) meeting of the Committee was held on June 30, 2021.

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

Composition of the Committee and attendance details of the members, for the year ended March 31, 2022, are given below:

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

Mrs. Parvati Soni, Company Secretary of the Company is the Compliance Officer of the Company.

The table below encompasses the details of the complaints received and disposed off during the year ended March 31, 2022:

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

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

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

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

Additionally, as mandated by SEBI, the members of the Committee reviewed and took note of the Internal Annual Audit Report and observations along with action taken in this regard for the FY 2020-21 as submitted by the Cameo Corporate Services Limited, Registrar and Share Transfer Agent ('RTA') of the Company.

#### **D. Corporate Social Responsibility Committee**

##### **(a) Brief description of Terms of Reference:**

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

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

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

During the financial year under review, one (1) meeting of the Committee was held on August 13, 2021.

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

Composition of the Committee and attendance details of the members, for the year ended March 31, 2022, are given below:

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

#### **REMUNERATION TO DIRECTORS AND REMUNERATION POLICY**

Your Company has a well-defined policy for remuneration of the Directors, Key Managerial Personnel and Senior Management. The policy of the Company is designed to create a high performance culture and enables the Company to attract, retain and motivate employees to achieve results. The policy is available on the Company's website at [www.tulshyanec.in/investors](http://www.tulshyanec.in/investors).

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

Detailed information of Directors Remuneration / Sitting fees paid for the financial year ended March 31, 2022 are given below:

Name of the Director	Category	Total Remuneration	Sitting fees
Mr. Lalit Kumar Tulsyan	Executive Chairman	60,78,000	-
Mr. Sanjay Tulsyan	Managing Director	60,29,000	-
Mr. Sanjay Agarwalla	Whole-time Director	39,29,000	-
Mr. Manogyanathan Parthasarathy	Non-Executive Independent Director	-	60,000
Mrs. Antonisamy Axilium Jayamary	Non-Executive Independent Director	-	60,000
Mr. Somasundaram Posing Mohan Ram	Non-Executive Independent Director	-	40,000

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

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

## GENERAL BODY MEETINGS

### I. Annual General Meetings

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

Year	Date & Time	Venue	Special Resolution(s) Passed
2018-2019	September 26, 2019 at 04.00 p.m.	MUSIC ACADEMY MINI HALL, No. 168, TT Krishnamachari Road, Royapettah, Pudupet, Gopalapuram, Chennai-600014, Tamil Nadu	a) Approval for re-appointment of Mr. Lalit Kumar Tulsyan (DIN: 00632823), Managing Director designated as "Executive Chairman" of the Company. b) Approval for re-appointment of Mr. Sanjay Tulsyan (DIN: 00632802) as Managing Director of the Company. c) Approval for re-appointment of Mr. Sanjay Agarwalla (DIN: 00632864) as Whole-time Director of the Company.



2019-2020	October 22, 2020 at 11.00 a.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	a) Re-appointment of Mrs. Antonisamy Axilium Jayamary (DIN: 07410090) as Non-Executive Independent Woman Director of the Company.
2020-2021	September 30, 2021 at 11.30 a.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	Nil

**Note:** The AGMs held on October 22, 2020 and September 30, 2021 were in compliance with the applicable provisions of the Companies Act, 2013, General Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, issued by Ministry of Corporate Affairs ('MCA').

During the financial year under review, no Special Resolution was passed by the Company through Postal Ballot. None of the businesses requiring passing of a Special Resolution have been proposed to be conducted through Postal Ballot.

## II. Means of Communication

- (a) **Financial Results:** The quarterly, half yearly and annual financial results are normally published in daily newspapers viz., Trinity Mirror (English Language) and Makkal Kural (Vernacular Language) and are also displayed on Company's website at [www.tulsyanec.in](http://www.tulsyanec.in).
- (b) **News Releases, Presentations:** Official news/press releases are disclosed to the Stock Exchange i.e. BSE from time to time and are also displayed on the Company's website at [www.tulsyanec.in](http://www.tulsyanec.in).
- (c) **Presentations to Institutional Investors / Analysts:** No presentations were made to institutional investors / analysts.
- (d) **Website:** The website of the Company i.e. [www.tulsyanec.in](http://www.tulsyanec.in) contains a separate and dedicated "investors" section to serve shareholder, by giving complete information pertaining to the Board of Directors and its Committees, annual reports along with supporting documents, financial results including subsidiaries financials, stock exchange disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General Meetings, contact details of Registrar and share Transfer Agents, details of unclaimed or unpaid dividend and Investor Education and Protection Fund ('IEPF') related information, amongst others. These are made available on the website in a user-friendly and downloadable form.
- (e) **BSE Listing Centre:** BSE Listing Centre is a web-based application designed by BSE for the Corporates for smooth filing of information with the stock exchange. All periodical compliance filings like shareholding pattern, corporate governance report, press releases, financial results and other disclosures under SEBI Listing Regulations are electronically filed on BSE Listing Centre.
- (f) **SEBI Complaints Redress System ("SCORES"):** Investor complaints are processed through a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaint and the current status are updated/resolved electronically in the SEBI SCORES system.

## GENERAL SHAREHOLDERS INFORMATION

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

**(b) Annual General Meeting:**

Day, Date and Time	Friday, September 30, 2022, at 11.30 a.m. (IST)
Venue	AGM will be held through video conferencing (VC) or other audio-visual means (OAVM) *
Financial Year	April 01, 2021 – March 31, 2022
E-Voting start and end	Tuesday, September 27, 2022 (9:00 a.m. IST) and ends on Thursday, September 29, 2022 (5:00 p.m. IST).
Cut Off date (e-voting)	September 23, 2022
Listed on Stock Exchanges	BSE Limited PJ Towers, Dalal Street, Mumbai- 400 001
Stock Code	BSE – 513629
International Securities Identification Number (“ISIN”)	INE463D01016
Payment of Annual listing fees to the Stock Exchange	Paid

**Note:** In terms of the MCA Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, the 44th AGM of the Company shall be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed to the AGM notice and available at the website of the Company at [www.tulshyanec.in](http://www.tulshyanec.in).

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

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

Dividend remitted to IEPF during the financial year 2021-22: Nil

Shares transferred to IEPF during the financial year 2021-22: Nil

**(d) Market Price data and performance in comparison to broad-based indices such as BSE sensx, CRISIL Index etc:** The Shares of the Company are suspended from trading in BSE Limited and the reasons thereof are explained in the Boards’ Report which forms part of this Annual Report.

**(e) Registrar to an Issue and Share Transfer Agents:**

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

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

On receipt of proper documentation, the Company registers transfer of securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of such transfers, within a period of 15 (fifteen) days from the date of such receipt of request for transfer, subject to documents being valid and complete in all respects.

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

SEBI, effective from April 1, 2019, barred physical transfer of shares of the listed companies and mandated transfers only in dematerialised form. However, shareholders are not barred from holding shares in physical form. SEBI vide its notification dated January 24, 2022 further notified that transmission or transposition of

securities held in physical or dematerialised form shall be effected only in dematerialised form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

**(g) Distribution of Shareholding as on March 31, 2022:**

Shareholdings in Rs.	Total Number of Equity Shareholders	Percentage of Total Equity Shareholders	Equity Share Capital in Rs.	Percentage of Total Equity Share Capital
10 to 5000	4297	85.8369	48,80,230	3.2534
5001 to 10000	285	5.6931	22,99,900	1.5332
10001 to 20000	167	3.3359	25,50,250	1.7001
20001 to 30000	75	1.4982	19,34,310	1.2895
30001 to 40000	21	0.4194	7,81,480	0.5209
40001 to 50000	19	0.3795	9,11,710	0.6078
50001 to 100000	57	1.1386	42,84,770	2.8565
100001 & above	85	1.6979	13,23,57,350	88.2382
<b>Total</b>	<b>5006</b>	<b>100.0000</b>	<b>15,00,00,000</b>	<b>100.0000</b>

**(h) Dematerialization of Shares and Liquidity:** As on March 31, 2022, 92.42% of the equity shares were in electronic form.

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

- (i) Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or Warrants or any convertible instruments, conversion date and likely impact on equity:** The Company has not issued any convertible instruments/ADRs/GDRs/warrants as on the date of this report.
- (j) Commodity price risk or foreign exchange risk and hedging activities:** Foreign Exchange Risks for the Company arise from (a) payment obligations arising from imports of raw materials / capital goods, services availed from overseas service providers and foreign currency loans, (b) export transactions. The details of foreign currency exposure and hedging are disclosed in Notes to Standalone Financial Statements.

**(k) Plant locations:**

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

**(l) Address for correspondence:**

**Registered Office:**

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

**(m) Credit Ratings:** The Company has not issued any instruments during the year under review requiring credit rating and no credit rating exercise was carried out. The credit rating obtained previously has not been renewed on account of default and has now become infructuous on account of compromise settlement entered and being entered into.

**OTHER DISCLOSURES**

**(a) Disclosure on materially significant related party transactions:**

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

The Company has formulated a policy on dealing with Related Party Transactions, which specifies the manner of entering into Related Party Transactions. This policy has also been posted on the website of the Company at: [www.tulsyanec.in/investors](http://www.tulsyanec.in/investors)

**(b) Whistle Blower Policy/Vigil Mechanism:**

The Vigil Mechanism / Whistle Blower Policy as envisaged in the Companies Act, 2013, the rules prescribed thereunder, and the SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguard against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

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

The directors in all cases and employees in appropriate cases have direct access to the chairman of the audit committee. The Company affirms that no personnel have been denied access to the audit committee.

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

**(c) Policy for determining 'material' subsidiaries:**

The Company has formulated a policy for determining "Material" subsidiaries as defined under the SEBI Listing Regulations. This policy is also placed on the Company's Website at: [www.tulsyanec.in/investors](http://www.tulsyanec.in/investors).

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

During the last 3 (three) years, there were no instances of non-compliances by the Company related to capital markets and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities. However, the securities of the Company are suspended from trading for which all penalty amounts imposed by the BSE have already been paid by the Company.

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

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

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

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

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

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

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

**(h) Certificate from a Company Secretary in Practice:**

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

**(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

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

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

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

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

**(l) Code of Conduct:**

The Code of Conduct ('the Code') for Board Members and senior management personnel as adopted by the Board, is a comprehensive Code applicable to Directors and senior management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and senior management personnel. A copy of the Code is available on the website of the Company at [www.tulsyanec.in/investors](http://www.tulsyanec.in/investors). The Code has been circulated to Directors and senior management personnel and its compliance is affirmed by them annually.

**(m) Code of Conduct for Prevention of Insider Trading Practices:**

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated persons, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Directors, officers, designated persons and

other connected persons of the Company are governed by the Code. The Code is also posted on the website of the Company at [www.tulsyannec.in/investors](http://www.tulsyannec.in/investors).

**(n) Disclosure by Senior Management Personnel:**

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

**(o) CEO and CFO Certification:**

As required under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Executive Chairman and the Chief Financial Officer of the Company have furnished to the Board, the requisite compliance certificate for the financial year ended March 31, 2022, which forms part of this Annual Report.

**(p) Compliance Certificate regarding compliance of conditions of Corporate Governance:**

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

**By Order of the Board of Directors  
For Tulsyannec Limited**

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

**Place: Chennai**

**Date: 12-08-2022**

**Registered Office:**

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

**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 TULSIYAN NEC LIMITED  
1st Floor, Apex Plaza, Old No.3, New No.77,  
Nungambakkam High Road, Chennai - 600034.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TULSIYAN 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 2022 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. SanjayTulsiyan	00632802	01/10/1996
2.	Mr. Lalit Kumar Tulsiyan	00632823	12/07/1996
3.	Mr. Sanjay Agarwalla	00632864	22/09/2011
4.	Mr. Manogyanathan Parthasarathy	08277111	13/11/2018
5.	Ms. Antonisamy Axilium Jayamary	07410090	10/09/2019
6.	Mr. Somasundaram Ponsing Mohan Ram	08883633	19/09/2020

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

For **M DAMODARAN & ASSOCIATES LLP**

Sd/-  
**M. DAMODARAN**  
Managing Partner  
Membership No.: 5837  
COP. No.: 5081  
FRN: L2019TN006000  
PR 1374/2021  
ICSI UDIN : F005837D000785253

Place: Chennai  
Date: 12.08.2022

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP have examined the compliance of the conditions of Corporate Governance by M/s. Tulsyan NEC Limited (“the Company”), for the year ended 31st March 2022, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance stipulated in Listing Regulations during the year ended 31st March, 2022.

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

For **M DAMODARAN & ASSOCIATES LLP**

Sd/-  
**M.DAMODARAN**  
Managing Partner  
FCS No.: 5837  
COP. No.: 5081  
FRN: L2019TN006000  
PR 1374/2021  
ICSI UDIN:F005837D000785286

Place: Chennai  
Date: 12.08.2022



### CEO - CFO CERTIFICATION

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

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

- A. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2022 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee that during the year-
- i. there has not been any significant changes in internal control over financial reporting;
  - ii. there has not been any significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements; and
  - iii. there has not been any instances of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

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

**Place: Chennai  
Date: 12-08-2022**

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

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

## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
TULSYAN NEC LIMITED  
Chennai

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

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **TULSYAN NEC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, 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, 2022, and profit, (changes in equity) and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion :

##### 1. Going Concern

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

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

##### 2. Compromise Settlement

We draw attention to Note No 44 and 52 regarding the Compromise Settlement. The Company had submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. During the year, 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 specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

S.No	Key Audit Matter	Auditor's Response
1.	<p><b>Litigations – Contingencies</b></p> <p>Assessment of litigations and related disclosure of contingent liabilities [Refer to Note 2 (a) to the Standalone financial statements– “Use of estimates and critical accounting judgements– Provisions and contingent liabilities”, Note 44 to the Standalone Financial Statements – “Contingencies”. As at March 31, 2022, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood, assessed, and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;</li> <li>• We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;</li> <li>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations made in the Standalone Financial Statements;</li> <li>• We considered external opinions, where relevant, obtained by management;</li> <li>• We evaluated management's assessments and assessed the reliability of the management's past estimates/judgements;</li> <li>• We assessed the adequacy of the Company's disclosures.</li> </ul> <p>Based on the above work performed, assessment in respect of litigations and related disclosures relating to contingent liabilities/ other significant litigations in the Standalone Financial Statements are considered to be reasonable.</p>

### **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, 2020 (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) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements – refer note 44 to the financial statements;
  - ii. The Company does not have any long term contracts including derivative contracts for which there are no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
  - iv. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - a. directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
    - b. provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
  - (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) contain any material misstatement.
- i) The company has not declared or paid any dividend during the year.

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

Sd/-  
**K Parthasarathy**  
Partner  
Membership No: 018394  
UDIN: 22018394AKKDTP4222

Place: Chennai  
Date: 30-05-2022

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, 2022:

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment;  
(B)The Company has maintained proper records showing full particulars of intangible assets.
- (b) We are informed that the company has formulated a programme for physical verification of all Property, Plant and equipment over a period of three year which, in our opinion is reasonable considering the size of the company and the nature of its assets. Accordingly, the Property, Plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (d) The Company has not revalued the Property, Plant and equipment or Intangible assets during the year.
- (e) According to information and explanation given to us, no proceeding have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (prohibitions) Act,1988(45 of 1988) and rules made thereunder.
- ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies noticed were less than 10% for each class of inventory.
- (b) During the year, the company was not sanctioned any working capital limits. However, the company had working capital limits sanctioned earlier from banks in excess of Rs 5 Crores on the basis of security of current assets. The company had entered into compromise settlements with Major working capital lenders, and the company has not filed any Quarterly Statements with the banks.
- iii) According to the information and explanations given to us, during the year, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loan, secured or unsecured to companies, firms, limited liability partnerships or other parties .Accordingly, clause (iii) of the order is not applicable for the year under consideration.
- iv) In our opinion and 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 with respect to loans and advances granted, guarantees and securities provided and investments made by the company during the year.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, reporting under clause (v) of the Order does not arise.
- vi) We have reviewed the cost records maintained by the company as prescribed by the central government under section 148(1) of the Companies act 2013 and are of the opinion that prima facie the prescribed cost records made and maintain. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess Goods and Services Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2022 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:

Name of the Statute	Nature of Due	Amount in Lakh	Period to which it relates/ Due Date	From whom the Dispute is pending
The Central Excise Act, 1944	Excise	929.82	Up to June 2017	CESTAT Chennai
The Goods and Services Act, 2017	GST	27.62	July'2018 - Mar'2019	Commissionerate, GST, Chennai
The Central Excise Act, 1944	Excise/Service Tax	235.27	April 2013 - June 2017	CESTAT Bangalore
	Cancellation of FIBC and demand for repayment of Duty Drawback	168.18	February 2010 to September 2011	Ministry of Finance - Secretary
	TNEB	1,066.53	2004-14	TANGEDCO

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

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

**(Rs in Lacs)**

Nature of borrowing including debt securities	Name of the lender (bank wise details to be given)	Amount not paid on due date	Whether principal or interest	No of days unpaid or delays	Remarks, if any
Term loans	State bank of India	2343	<b>Principal</b>	0 to 2100 days	
Term Loans	Andhra Bank/Union Bank of India	5472	<b>Principal</b>	0 to 2100 days	

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

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

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

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

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

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



- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
- xi) (a) In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) No Whistle-blower complaints have been received during the year.
- xii) The Company is not a Nidhi Company and accordingly, paragraph (xii) of the order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. The details of transactions during the year have been disclosed in Note 49 of the Standalone Financial statements as required by the applicable accounting standards.
- xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business
  - (b) We have considered the Internal Audit Reports of the company for the period under audit.
- xv) According to the information and explanations given to us in our opinion during the year the company has not entered into non-cash transactions with directors or persons connected with its Directors and hence provisions of Section 192 of the Companies Act 2013 are not applicable to the company.
- xvi) (a) According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
  - (b) According to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, Clause (xvi)(b) of the Order is not applicable.
  - (c) According to information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence Clause (xvi)(c) does not apply
  - (d) According to information and explanation given to us the Group does not have any CIC , accordingly the requirements of Clause (xvi)(d) is not applicable.
- xvii) The Company has not incurred any cash loss during the financial year ended on that date and the immediately preceding financial year
- xviii) There has been no resignation of Statutory Auditors during the year and accordingly this clause is not applicable.
- xix) According to the information and explanations given to us , ageing and expected dates of realization of Financial assets and payment of financial liabilities, other information accompanying the financial statements , our knowledge of the Board of Directors and the Management plans, nothing has come to our attention which causes us to believe that any material uncertainty exists on the date of audit report that the Company is not capable of meeting its liabilities as on date of the Balance Sheet and when they fall due within a period of one year from balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further draw attention to the paragraph in our main audit report regarding the applicability of Going Concern concept.
- xx) Provisions of Section 135(5) of Companies Act,2013 is not applicable to the Company.
- xxi) Qualification by the respective auditors in the CARO of the Companies included in the Consolidated financial statements are as follows:

	<b>Name</b>	<b>CIN</b>	<b>Nature of relationship</b>	<b>Clause number of CARO report which is qualified</b>
1	Color Peppers Media Private Limited	U74300T-N2010PTC078391	Subsidiary Company	(i) (b)
2	Same as above	Same as above	Subsidiary Company	(ix) (a)
3	Same as above	Same as above	Subsidiary Company	(xix)

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

Sd/-  
**K Parathasarathy**  
 Partner  
 Membership No: 018394  
 UDIN: 22018394AKKDTP4222

Place: Chennai  
 Date: 30-05-2022

## 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**

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 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-  
**K Parathasarathy**  
Partner  
Membership No: 018394  
UDIN: 22018394AKKDTP4222

Place: Chennai  
Date: 30-05-2022

**TULSYAN NEC LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2022**

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	62,738.01	64,942.43
Intangible assets	4	36.40	8.38
Capital work in progress	5	--	--
Financial assets			
Investments	6	649.30	649.30
Other financial assets	7	8.95	15.27
Other non-current assets	8	579.37	519.42
<b>Total non-current assets</b>		<b>64,012.03</b>	<b>66,134.80</b>
<b>Current assets</b>			
Inventories	9	7,860.58	9,047.53
Financial assets			
Investments	10	2.04	0.50
Trade receivables	11	14,632.63	15,648.84
Cash and cash equivalents	12	272.24	602.03
Bank balances other than above	13	407.03	307.03
Other financial assets	14	1,268.74	1,198.74
Other current assets	15	3,273.21	2,728.07
<b>Total current assets</b>		<b>27,716.47</b>	<b>29,532.74</b>
<b>Total Assets</b>		<b>91,728.50</b>	<b>95,667.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,471.38	1,471.38
Other equity	17	15,046.09	(63,891.67)
<b>Total equity</b>		<b>16,517.47</b>	<b>(62,420.29)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	14,910.57	70,079.71
Other financial liabilities	19	1,531.15	1,323.03
Provisions	20	664.14	576.25
Deferred Tax Liabilities (net)	21	-	-
<b>Total non-current liabilities</b>		<b>17,105.86</b>	<b>71,978.99</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	46,788.70	77,361.52
Trade payables	23	3,989.31	1,339.65
Other financial liabilities	24	273.96	274.56
Provisions	25	263.25	102.72
Other current liabilities	26	6,789.95	7,030.39
<b>Total current liabilities</b>		<b>58,105.17</b>	<b>86,108.84</b>
<b>Total liabilities</b>		<b>75,211.03</b>	<b>158,087.84</b>
<b>Total Equity and Liabilities</b>		<b>91,728.50</b>	<b>95,667.54</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: 00632802Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394Sd/-  
**CA Shantha Kumar RP**  
Chief Financial OfficerSd/-  
**Parvati Soni**  
Company SecretaryPlace : Chennai.  
Date : 30th May, 2022As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)

**TULSYAN NEC LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

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

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from Operations	27	75,231.82	56,651.20
Other Income	28	7.61	13.72
<b>Total income</b>		<b>75,239.43</b>	<b>56,664.92</b>
<b>B Expenses</b>			
Cost of materials consumed	29	60,804.67	40,186.14
Purchases of stock in trade	30	277.92	225.12
Changes in inventories of finished goods	31	(314.54)	1,200.20
Employee benefits expense	32	3,109.23	2,845.83
Power & fuel	33	5,250.44	4,196.14
Depreciation and amortisation expense	34	2,416.44	2,468.29
Finance costs	35	488.89	20,262.63
Other expenses	36	4,650.04	5,895.74
<b>Total expenses</b>		<b>76,683.09</b>	<b>77,280.09</b>
<b>C Profit before exceptional items and tax</b>			
Exceptional items	37	(1,443.66)	(20,615.18)
		(80,437.80)	(19,693.13)
<b>D Profit/ (Loss) before tax from continuing operations</b>			
Income tax expense	38	78,994.14	(922.05)
Current tax		--	--
Deferred tax credit/ (charge)		--	--
Profit/ (Loss) for the year		<b>78,994.14</b>	<b>(922.05)</b>
<b>E Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(56.37)	(81.76)
Income tax relating to these items			
<b>Other comprehensive income for the year, net of tax</b>		<b>(56.37)</b>	<b>(81.76)</b>
<b>Total comprehensive income/ (Loss) for the year</b>		<b>78,937.77</b>	<b>(1,003.81)</b>
<b>Earnings per share</b>			
Basic earnings per share	39	536.87	(6.27)
Diluted earnings per share		536.87	(6.27)

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

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

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

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

Sd/-  
**Parvati Soni**  
Company Secretary

Place : Chennai.  
Date : 30th May, 2022

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



**TULSYAN NEC LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash Flow From Operating Activities</b>		
<b>Profit before income tax</b>	78,994.14	(922.05)
Adjustments for		
Depreciation and amortisation expense	2,416.44	2,468.29
(Profit)/ loss on sale of fixed assets	(0.53)	(0.47)
Profit on sale of Investments	1.54	-
Finance cost	488.89	20,262.63
Interest Income	(0.10)	(13.18)
Operating Profit before Working Capital Changes	81,900.38	21,795.21
Change in operating assets and liabilities		
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other financial assets	(70.00)	(39.09)
(Increase) / Decrease in inventories	1,186.95	896.35
(Increase) / Decrease in trade receivables	1,016.21	7,866.46
(Increase) / Decrease in other assets	(592.47)	(759.37)
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	(48.99)	(67.37)
Increase / (Decrease) in trade payables	2,649.66	(6,488.55)
<b>Cash generated from operations</b>	86,041.75	23,203.64
Less : Income taxes paid (net of refunds)	(12.62)	(12.58)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>86,029.13</b>	<b>23,191.07</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	(249.05)	(87.91)
Sale proceeds of PPE	8.48	4.56
(Investments in)/ Maturity of fixed deposits with banks (net)	(100.00)	(200.00)
(Purchase)/ disposal proceeds of Investments (net)	-	-
Interest received	0.10	13.18
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(340.47)</b>	<b>(270.16)</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)	(55,169.12)	8,172.70
Proceeds from/ (repayment of) short term borrowings (net)	(30,572.82)	808.87
Finance cost	(276.50)	(31,590.50)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(86,018.44)</b>	<b>(22,608.93)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(329.79)</b>	311.97
Cash and cash equivalents at the beginning of the financial year	602.03	290.06
<b>Cash and cash equivalents at end of the year</b>	<b>272.24</b>	<b>602.03</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	259.40	595.82
Cash on hand	12.84	6.21
	<b>272.24</b>	<b>602.03</b>

The accompanying notes form an integral part of the financial statements

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

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

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

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

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

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

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

Sd/-  
**Parvati Soni**  
Company Secretary

Place : Chennai.  
Date : 30th May, 2022

**TULSYAN NEC LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

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

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

**(B) Other Equity**

Particulars	General Reserve	Capital Reserve	Investment Allowance reserve	Securities Premium Reserve	Other Comprehensive Income	Profit and Loss Account	Total
<b>Balance as at March 31, 2020</b>	<b>2,390.00</b>		<b>59.39</b>	<b>11,873.70</b>		<b>(77,210.96)</b>	<b>(62,887.87)</b>
Additions/ (Deductions) during the year	-		-	-	81.76	(81.76)	-
Total Comprehensive Income for the year	-		-	-	(81.76)	(922.05)	(1,003.81)
<b>Balance as at March 31, 2021</b>	<b>2,390.00</b>		<b>59.39</b>	<b>11,873.70</b>		<b>(78,214.77)</b>	<b>(63,891.68)</b>
Additions/ (Deductions) during the year	-		-	-	56.37	(56.37)	-
Total Comprehensive Income for the year	-		-	-	(56.37)	78,994.14	78,937.77
<b>Balance as at March 31, 2022</b>	<b>2,390.00</b>		<b>59.39</b>	<b>11,873.70</b>		<b>723.00</b>	<b>15,046.09</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 : 30th May, 2022

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

Sd/-  
**Parvati Soni**  
Company Secretary

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

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

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



**Tulsyan NEC Limited****Notes to Financial Statements for the year ended March 31, 2022****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.

**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 30th May, 2022.

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

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

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

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

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

**Current tax**

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

## Deferred Tax Assets

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

### Fair value

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

### Impairment of Trade Receivables

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

### Impairment of Non-financial assets - PPE

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

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

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

### Fair value measurement of financial instruments

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

### Provisions and contingencies

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

## 2B Recent accounting pronouncements

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

### 3. Significant Accounting Policies

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

#### b) Fair value measurement

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

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

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

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

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

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

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

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

significant to the fair value measurement as a whole:

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

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

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

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

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

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

### **c) Revenue Recognition**

#### **Sale of goods**

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

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

#### **Sale of services**

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

#### **Power Generation**

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

#### **Export entitlements**

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

#### **Interest Income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period,

where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### **Dividend income**

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

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

##### **Presentation**

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

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

##### **Component Cost**

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

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

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

##### **Derecognition**

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

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

"Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value. Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013."

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at

each financial year end and adjusted prospectively, if appropriate.

#### f) Inventories

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

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

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

#### g) Financial Instruments

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

##### Financial Assets

##### Initial recognition and measurement

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

##### Subsequent measurement

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

Financial assets are classified into the following categories:

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

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

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

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

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

loss. The losses arising from impairment are recognised in the profit or loss.

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

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

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

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

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

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

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

#### Equity investments

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

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

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

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

#### Derecognition

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When

it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

### Impairment of financial assets

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

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

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

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

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

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

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

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

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

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



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

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

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

## Financial Liabilities

### Initial recognition and measurement

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

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

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

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

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

### Financial liabilities at FVTPL

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

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

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

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

### Financial guarantee contracts

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

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

### 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**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

**q) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

**r) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**TULSYAN NEC LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2022**

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

**4. Property, plant and equipment**

Particulars	Tangible Assets								Intangible Asset	Total	
	Land	Right to use Assets	Factory Buildings	Plant and Machinery	Vehicles	Works Equipments	Lab Equipments	Office Premises			Office and Other Equipments
<b>Deemed Cost as at April 1, 2020</b>	11,447.03	95.47	13,335.87	62,793.18	311.63	163.82	39.87	20.69	537.96	109.03	88,854.55
Additions				72.41		10.07			5.21	0.22	87.91
Disposals				(44.61)							(44.61)
<b>Cost as at April 1, 2021</b>	11,447.03	95.47	13,335.87	62,865.59	267.02	173.89	39.87	20.69	543.17	109.25	88,897.85
Additions			-	186.13	0.87	9.53	1.75		18.42	32.35	249.05
Disposals				(2.65)	(71.25)						(73.90)
<b>Cost as at March 31, 2022</b>	<b>11,447.03</b>	<b>95.47</b>	<b>13,335.87</b>	<b>63,049.07</b>	<b>196.64</b>	<b>183.42</b>	<b>41.62</b>	<b>20.69</b>	<b>561.59</b>	<b>141.60</b>	<b>89,073.00</b>
<b>Depreciation/Amortisation</b>											
<b>As at March 31, 2020</b>	-	11.42	2,917.14	17,709.15	263.51	60.31	15.58	13.29	427.08	100.85	21,518.33
Charge for the year	-	0.88	455.26	1,966.86	8.81	9.00	3.84	0.96	22.65	0.02	2,468.28
Disposals				-	(39.57)						(39.57)
Reversal											-
<b>As at March 31, 2021</b>	-	12.30	3,372.40	19,676.01	232.75	69.31	19.42	14.25	449.73	100.87	23,947.04
Charge for the year	-	0.88	455.26	1,916.88	4.27	9.70	3.93	1.53	19.66	4.33	2,416.44
Disposals				-	(64.89)						(64.89)
Reversal											-
<b>As at March 31, 2022</b>	-	<b>13.18</b>	<b>3,827.66</b>	<b>21,592.89</b>	<b>172.13</b>	<b>79.01</b>	<b>23.35</b>	<b>15.78</b>	<b>469.39</b>	<b>105.20</b>	<b>26,298.59</b>
<b>Net Block</b>											
As at March 31, 2021	11,447.03	83.17	9,963.47	49,189.58	34.27	104.58	20.45	6.44	93.44	8.38	64,950.81
<b>As at March 31, 2022</b>	<b>11,447.03</b>	<b>82.29</b>	<b>9,508.21</b>	<b>41,456.18</b>	<b>24.51</b>	<b>104.41</b>	<b>18.27</b>	<b>4.91</b>	<b>92.20</b>	<b>36.40</b>	<b>62,774.41</b>

**Notes :**

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

**Notes - (Contd)**

<b>Note No. 5</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Capital Work-in-progress</b>		
Capital work in progress	-	-
	-	-
<b>Note No. 6</b>		
<b>Non-current investments</b>		
<b>Investments in Equity Instruments at FVTPL</b>		
Unquoted		
<b>i. Investments in Subsidiaries</b>		
Chitrakoot Steel & Power P Limited (64,89,200 Equity Shares of Rs.10/- each)	<b>648.92</b>	648.92
Color Peppers Media P Ltd (50,000 Equity Shares of Rs.10/- each)	-	-
<b>ii. Investments in Other Companies</b>		
Greenko Wind Projects Private Ltd (Erstwhile Vyshali Energy P Ltd (3810 Shares of Rs 10/- each))	<b>0.38</b>	0.38
<b>Investments in Debt Instruments at FVTPL</b>		
<b>Unquoted</b>	-	-
	<b>649.30</b>	649.30
Total non-current investments		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	<b>649.30</b>	649.30
Aggregate amount of impairment in value of investments	-	-
<b>Note No. 7</b>		
<b>Other non-current financial assets</b>		
(Unsecured, considered good)		
Deposits	-	-
Security Deposits	-	-
Loans and advances to employees	-	-
Rent and other advances	-	-
Unamortised finance expense	<b>8.95</b>	15.27
	<b>8.95</b>	15.27
<b>Note No. 8</b>		
<b>Other non-current assets</b>		
(Unsecured, considered good)		
Advance for fixed assets		
Advance income-tax and TDS (net of provision for tax)	<b>488.22</b>	475.60
MAT Credit Entitlement	-	-
Advance recoverable in cash or in kind or for value to be received	-	-
Advance Fringe Benefit tax	<b>2.41</b>	2.41
Advance TCS	<b>58.86</b>	11.53
Other non-current assets	<b>29.88</b>	29.88
	<b>579.37</b>	519.42



**Notes - (Contd)**

<b>Note No. 9</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Inventories</b> (Valued at lower of cost and net realisable value)		
Raw Materials	<b>2,775.85</b>	4,635.13
Work-in-progress	-	-
Finished Goods	<b>3,121.95</b>	2,807.41
Stock-in-trade (acquired for trading)	-	-
Goods in Transit	<b>142.82</b>	-
Packing materials	-	-
Stores	<b>1,819.96</b>	1,604.99
Loose tools	-	-
Agricultural produce	-	-
	<b>7,860.58</b>	9,047.53

<b>Note No. 10</b>		
<b>Current Investments</b>		
<b>Investments in Equity Instruments at FVTPL</b>		
Investments in companies other than subsidiaries, associates and joint ventures		
<b>Quoted</b>		
Canara Bank (Formerly Syndicate Bank) (864 Equity Shares of Rs.10 each)	<b>1.97</b>	0.43
<b>Unquoted</b>		
Shamrao Vithal Co-op Bank Ltd (50 Shares of Rs.100/- each)	<b>0.05</b>	0.05
<b>Investments in Debt Instruments at FVTPL</b>		
<b>Unquoted</b>		
National Savings Certificates	<b>0.02</b>	0.02
	<b>2.04</b>	0.50

**Notes - (Contd)**

<b>Note No. 11</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Trade receivables</b> (Unsecured, considered good)		
Trade Receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	<b>4,189.87</b>	9,715.73
Unsecured, considered doubtful	-	-
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Unsecured, considered good	<b>11,379.68</b>	6,870.04
Unsecured, considered doubtful	-	-
	<b>15,569.56</b>	16,585.77
<b>Allowance for Expected credit Loss</b>	<b>(936.93)</b>	(936.93)
	<b>14,632.63</b>	15,648.84

<b>Note No. 12</b>		
<b>Cash and cash equivalents</b>		
Cash on Hand	<b>12.84</b>	6.21
Cheque and Demand Drafts on Hand	-	-
Balances with Banks		
- In Current Account	<b>259.40</b>	595.82
- In Collection Account	-	-
- In Deposit Account	-	-
	<b>272.24</b>	602.03

<b>Note No. 13</b>		
<b>Other Bank Balances</b>		
In fixed deposits	<b>7.03</b>	7.03
In margin money with banks	<b>400.00</b>	300.00
In Earmarked Accounts	-	-
- Unpaid Dividend Account	-	-
- Unpaid Interest Account	-	-
	<b>407.03</b>	307.03

<b>Note No. 14</b>		
<b>Other current financial assets</b> (Unsecured, considered good)		
Deposits	<b>1,268.74</b>	1,198.74
	<b>1,268.74</b>	1,198.74

**Notes - (Contd)**

<b>Note No. 15</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other current assets</b> (Unsecured, considered good)		
Income and claims receivable		
Interest accrued on Deposits		
Advance recoverable in cash or in kind or for value to be received		
Advance for Supplies and expenses	13.14	7.75
Staff advances & Prepaid expenses	39.03	45.48
Advances to Subsidiaries		
Advances for Fixed Assets	-	-
Advance Paid	987.51	987.51
Dividend	-	-
Drawback	19.12	19.12
Excise	13.87	13.87
Import Licence	-	5.22
Windmill geeration compensation receivable	-	-
Insurance Prepaid	-	-
Balances with Statutory Authorities:	2,200.53	1,649.12
	<b>3,273.21</b>	<b>2,728.07</b>
<b>Note No. 16</b>		
<b>Capital</b>		
<b>Authorised Share Capital</b>		
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>	<b>3,600.00</b>
<b>Issued &amp; Subscribed Share Capital</b>		
1,50,00,000 (previous year 1,50,00,000) Equity shares of Rs. 10/- each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Paid up share capital</b>		
1,45,06,790 (previous year 1,45,06,790) Equity shares of Rs. 10/- each (fully paid up)	1,450.68	1,450.68
1,96,989 (previous year 1,96,989) Equity shares of Rs. 10/- each (Rs. 6/- paid up)	11.82	11.82
2,96,221 (previous year 2,96,221) Equity shares of Rs. 10/- each (Rs. 3/- paid up)	8.88	8.88
	<b>1,471.38</b>	<b>1,471.38</b>

**Notes:**

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

Balance as at the beginning of the year	<b>15,000,000</b>	15,000,000
Add: Issued during the year	-	-
<b>Balance at the end of the year</b>	<b><u>15,000,000</u></b>	<b><u>15,000,000</u></b>

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

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

**iii. Redeemable Preference Shares**

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

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

Name of the share holder	No. of Shares	% Total Shares	% Change During The Year
SANJAY TULSIYAN	4,475,481	29.84	NIL
LALIT KUMAR TULSIYAN	4,046,645	26.98	NIL
PRIYA TULSIYAN	954,982	6.37	NIL
ALKA TULSIYAN	751,130	5.01	NIL
PRIYANKA SHARMA	144,068	0.96	NIL
LALIT KUMAR TULSIYAN HUF	72,446	0.48	NIL
PRERNA TULSIYAN	65,036	0.43	NIL
ANTARA TULSIYAN	57,627	0.38	NIL

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

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

**Notes - (Contd)**

<b>Note No. 17</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other Equity</b>		
General Reserve	<b>2,390.00</b>	2,390.00
Investment Allowance reserve	<b>59.39</b>	59.39
Securities Premium Reserve	<b>11,873.70</b>	11,873.70
Other Comprehensive Income	-	(0.27)
Profit and Loss Account	<b>723.00</b>	(78,214.77)
	<b>15,046.09</b>	(63,891.67)
<b>a) General reserve</b>		
Balance at the beginning and end of the year	<b>2,390.00</b>	2,390.00
<b>b) Investment Allowance Reserve</b>		
Balance at the beginning and end of the year	<b>59.39</b>	59.39
<b>c) Securities Premium Reserve</b>		
Balance at the beginning of the year	<b>11,873.70</b>	11,873.70
Additions during the year		
Balance at the end of the year	<b>11,873.70</b>	11,873.70
<b>d) Other Comprehensive Income</b>		
Balance at the beginning of the year	-	-
Additions during the year	<b>(56.37)</b>	(81.76)
Deductions/Adjustments during the year	<b>56.37</b>	81.76
Balance at the end of the year	-	-
<b>e) Retained earnings</b>		
Balance at the beginning of the year	<b>(78,214.77)</b>	(77,210.96)
Net profit for the period	<b>78,994.14</b>	(922.05)
Transfer from Other Comprehensive Income	<b>(56.37)</b>	(81.76)
Ind AS Adjustments	-	-
Dividend paid (including tax on dividends)	-	-
Balance at the end of the year	<b>723.00</b>	(78,214.77)

**Notes - (Contd)**

<b>Note No. 18</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Non-Current Liabilities - Financial Liabilities: Borrowings</b>		
<b>Secured</b>		
Preference Shares		
6% Non convertible redeemable preference shares	<b>884.30</b>	884.30
<b>Term Loans *</b>		
From Banks	<b>43,400.37</b>	100,840.24
From Financial Institutions	-	-
<b>Vehicle Loans</b>	-	-
<b>Unsecured</b>		
From Body Corporate	-	-
From Directors	<b>707.98</b>	712.50
From Others	-	-
Interest Accured & Due	-	-
	<b>44,992.65</b>	102,434.04
Less: Current maturities of long-term debt (included in note 22)	<b>(30,082.08)</b>	(29,277.38)
Interest Liability reversed as per Compromise Agreement	-	(3,076.95)
	<b>14,910.57</b>	70,079.71

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

<b>Note No. 19</b>		
<b>Other non current financial liabilities</b>		
Premium on redemption of preference shares payable	<b>1,531.15</b>	<b>1,323.03</b>
Unamortised rental income	-	-
Unamortised Interest income	-	-
	<b>1,531.15</b>	<b>1,323.03</b>

<b>Note No. 20</b>		
<b>Provisions (Non-current)</b>		
Provision for employee benefits		
Gratuity	<b>559.86</b>	<b>484.71</b>
Compensted absence	<b>104.28</b>	<b>91.54</b>
(Refer Note 50)	<b>664.14</b>	<b>576.25</b>

<b>Note No. 21</b>		
<b>Deferred Tax Liability/ (Asset) - Net</b>	-	-

**Notes - (Contd)**

Note No. 22	As at March 31, 2022	As at March 31, 2021
<b>Current liabilities - Financial Liabilities: Borrowings *</b>		
<b>Secured</b>		
From banks - Working capital term loans	10,402.91	52,083.84
Current maturities of long-term debt	30,082.08	29,277.38
Loans from others	1,405.39	1,348.08
<b>Unsecured</b>		
Loans from financial institutions	-	-
Loans from related parties	-	-
Loans from body corporate	4,898.32	2,553.74
Loans from directors	-	-
Inter Corporate Deposits		-
Interest Liability reversed as per Compromise Agreement		(7,901.52)
	<b>46,788.70</b>	77,361.52

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

Note No. 23		
<b>Trade payables *</b>		
Supplies and Services	3,246.39	1,131.54
Expenses and others	742.92	208.11
	<b>3,989.31</b>	1,339.65

\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 43.

Note No. 24		
<b>Other current financial liabilities</b>		
Deposits for power	273.96	274.56
	<b>273.96</b>	274.56

Note No. 25		
<b>Provisions (Current)</b>		
Provision for proposed equity dividend	-	-
Provision for tax on proposed equity dividend	-	-
Provision for Expenses / Tax	263.25	102.72
Provision - others	-	-
	<b>263.25</b>	102.72

**Notes - (Contd)**

<b>Note No. 26</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other current liabilities</b>		
Interest accrued but not due on secured loans	-	-
Interest Payable	6,441.91	6,441.91
Statutory Dues Payable	30.81	184.91
Advanced & deposits from customer etc.		
Employee		
TDS	40.99	28.82
Calamity Relief Fund		
Other current liabilities	40.64	130.21
Employee Payables	235.60	244.54
	<b>6,789.95</b>	<b>7,030.39</b>

<b>Note No. 27</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Income from Operations</b>		
Domestic sales FG	65,657.96	51,291.46
High sea sales	40.83	-
Export sales	6,132.54	3,206.51
Power Revenue	615.66	-
Domestic Sales RM	2,137.56	1,529.53
Processing charges	618.66	623.70
Sale of Export Scrips	28.59	-
	<b>75,231.82</b>	<b>56,651.20</b>

<b>Note No. 28</b>		
<b>Other Income</b>		
Income from windmills	133.83	173.49
Interest		
Interest on term deposit	0.10	0.33
Other interest income	-	12.86
Profit on sale of Fixed asset	1.20	0.47
Conversion charges received	-	-
Compensation for power	-	-
Re-measurement of Investment	1.54	-
Duty drawback/Rate difference	0.08	-
Foreign Exchange Fluctuation	3.94	-
Miscellaneous Income	0.75	0.06
Less: Income from wind mill set-off against Power & Fuel	(133.83)	(173.49)
	<b>7.61</b>	<b>13.72</b>



**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 29</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Cost of Materials Consumed</b>		
<b>Raw Materials</b>		
Opening inventory of raw materials	<b>4,635.13</b>	4,404.91
Raw Materials purchased	<b>60,022.31</b>	38,721.63
Materials Inward	<b>1,935.10</b>	2,529.42
Customs Duty	<b>0.83</b>	642.49
Expenses for Import Licence	-	-
Less: Discount/Licence	<b>555.54</b>	256.90
Less: Closing Stock	<b>2,775.85</b>	4,635.13
Captive consumption	<b>5,849.47</b>	3,849.99
	<b>57,412.50</b>	37,556.43
<b>Stores</b>		
Opening Stock	<b>1,604.99</b>	1,531.14
Purchases	<b>3,546.84</b>	2,651.20
Materials Inward	<b>60.29</b>	52.36
Less : Closing Stock	<b>1,819.96</b>	1,604.99
	<b>3,392.17</b>	2,629.71
<b>Total cost of materials consumed</b>	<b>60,804.67</b>	40,186.14
<b>Note No. 30</b>		
<b>Purchase of stock-in-trade - Traded goods</b>		
Purchase of stock-in-trade - Traded goods	<b>277.92</b>	225.12
	<b>277.92</b>	225.12
<b>Note No. 31</b>		
<b>Changes in inventories of finished goods</b>		
Closing balance	<b>3,121.95</b>	2,807.41
Opening balance	<b>2,807.41</b>	4,007.61
	<b>(314.54)</b>	1,200.20
<b>Note No. 32</b>		
<b>Employee benefit expenses</b>		
Salaries and Wages	<b>2,916.27</b>	2,738.10
Welfare Expenses	<b>45.82</b>	53.19
Contribution to provident and other funds	<b>147.15</b>	54.54
	<b>3,109.23</b>	2,845.83

**Notes - (Contd)**

<b>Note No. 33</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Power &amp; Fuel</b>		
Power & Fuel expense	<b>5,250.44</b>	4,196.14
	<b>5,250.44</b>	4,196.14

<b>Note No. 34</b>		
<b>Depreciation and amortization expense</b>		
Depreciation on property, plant and equipment	<b>2,416.44</b>	2,468.29
	<b>2,416.44</b>	2,468.29

<b>Note No. 35</b>		
<b>Finance costs</b>		
Interest to Bank	-	19,693.13
Other Interest	<b>488.89</b>	569.50
	<b>488.89</b>	20,262.63

<b>Note No. 36</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Other expenses</b>		
Power Plant Charges	<b>2,840.43</b>	2,810.47
Repairs		
Machinery	<b>433.70</b>	378.35
Building	<b>26.80</b>	45.55
Other Manufacturing Expenses	<b>46.19</b>	57.35
Processing Charges	<b>173.28</b>	180.96
Insurance	<b>39.96</b>	58.29
Rent	<b>43.87</b>	33.92
Loss on sale of fixed assets	<b>0.67</b>	-
Rates & Taxes	<b>44.72</b>	38.42
Legal & consultancy charges	<b>131.30</b>	84.18
Payment to auditors	<b>5.00</b>	4.00
Transport charges	<b>217.54</b>	322.69
Brokerage & commission	<b>62.10</b>	118.51
Selling & administration expenses	<b>573.36</b>	949.04
Excise duty expenses	-	264.13
Bank charges	<b>11.12</b>	59.04
Foreign exchange loss (net)	-	23.12
Provision for Expected credit loss	-	467.73
	<b>4,650.04</b>	5,895.74

**Notes - (Contd)**

<b>Note No. 36 (a)</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Payment to auditors</b>		
Statutory Audit fees	<b>5.00</b>	4.00
Taxation fee	<b>1.50</b>	1.50
Other Certifications	-	-
	<b>6.50</b>	5.50

<b>Note No. 37</b>		
<b>Exceptional Items</b>		
Exceptional Item (Refer Note 52)	<b>(80,437.80)</b>	(19,693.13)
	<b>(80,437.80)</b>	(19,693.13)

<b>Note No. 38</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	-
MAT credit entitlement/reversal	-	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	-	-
<b>Deferred tax</b>		
Deferred tax adjustments		
<b>Total deferred tax expense/(benefit)</b>	-	-
<b>Income tax expense</b>	-	-
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax from continuing operations	<b>(78,994.14)</b>	(922.05)
<b>c) Income tax recognised in other comprehensive income</b>		
<b>Deferred tax</b>		
Remeasurement of defined benefit obligation	<b>56.37</b>	81.76
<b>Total income tax recognised in other comprehensive income</b>	<b>56.37</b>	81.76

**d) Movement of deferred tax expense during the year ended March 31, 2022**

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	-	-	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	-	-	-	-
MAT Credit entitlement	-	-	-	-
<b>Total</b>	-	-	-	-

**e) Movement of deferred tax expense during the year ended March 31, 2022**

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>	-	-	-	-

<b>Note No. 39</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Earnings per share</b>		
Profit/ (loss) for the year attributable to owners of the Company	<b>78,994.14</b>	(922.05)
Weighted average number of ordinary shares outstanding	<b>14713850</b>	14713850
Basic earnings per share (Rs)	<b>536.87</b>	(6.27)
Diluted earnings per share (Rs)	<b>536.87</b>	(6.27)

<b>Note No. 40</b>		
<b>Earnings in foreign currency</b>		
FOB value of exports	<b>3,531.64</b>	2,212.04
	<b>3,531.64</b>	2,212.04

<b>Note No. 40(a)</b>		
<b>Expenditure in foreign currency</b>		
Exchange in foreign currency for other matters	<b>42.17</b>	27.21
	<b>42.17</b>	27.21

**Notes - (Contd)**

Note No. 41		
<b>CIF value of imports</b>		
Raw Materials	<b>1.83</b>	246.84
	<b>1.83</b>	246.84

**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, 2022		Year ended March 31, 2021	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
<b>Raw Materials</b>				
<b>Imported</b>				
Steel scrap	<b>25,860.25</b>	<b>49.92</b>	15,544.12	51.67
Ingot, billet and re-rollables	-	-	-	-
PP/HDPE Granules	-	-	-	-
<b>Others</b>				
Steel scrap	<b>11,846.10</b>	<b>22.87</b>	9,823.09	32.65
Ingot, billet and re-rollables	<b>8,026.13</b>	<b>15.49</b>	389.69	1.30
PP/HDPE Granules	<b>6,069.19</b>	<b>11.72</b>	4,327.70	14.39
<b>Coal</b>				
Imported	<b>9,985.43</b>	<b>87.13</b>	11,299.85	99.81
Others	<b>1,474.86</b>	<b>12.87</b>	21.97	0.19
<b>Stores</b>				
Imported	<b>34.37</b>	<b>1.01</b>	27.21	1.03
Others	<b>3,357.80</b>	<b>98.99</b>	2,602.50	98.97
<b>Total consumption</b>	<b>66,654.15</b>		44,036.13	

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) The principal amount remaining unpaid at the end of the year	-	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

\*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

**Notes - (Contd)**

**44. Commitments and contingent liabilities**

Nature of Dues	Amount in Lacs.	Period to which it relates	Forum where the Dispute is pending
TNEB	929.82	Upto June 2017	CESTAT Chennai
GST	27.62	July'2018 - Mar'2019	Commissionerate, GST, Chennai
Excise/Service Tax	235.27	April 2013 - June 2017	CESTAT Bangalore
Cancellation of FIBC and demand for repayment of Duty Drawback	168.18	February 2010 to September 2011	Ministry of Finance - Secretary
TNEB	1,066.53	2004-14	TANGEDCO

**Notes:**

**Contingent Liabilities:**

1. During the Financial year 2015-16 the Company's loans and liabilities were restructured by the consortium of Banks under the Corporate Debt Restructuring Scheme providing certain reliefs and concessions. As per the scheme the company's repayment obligations were restructured. The Banks also provided certain reliefs/waivers/sacrifices by reducing the rate of interest. Interest was provided in the books at the lowered rates of interest. However, the scheme was exited during the year 2017-18 as communicated by the CDR Cell vide their letter dated 12-09-2017. Consequently, the concessions so provided under the scheme were withdrawn. Upon such withdrawal, some of the banks debited the differential interest and Charges with retrospective effect and charged the interest at original rates. The company had accounted all such interest and charges as debited by the Banks.
2. During the year the company has entered into a bilateral Compromise settlement with 2 major lenders having a security share of 72.78% on the securities of the company. The Settlement entails waiver of entire interest outstanding and part of principal. The amount settlement is payable over a period of 24 months. The Waiver of interest and principal are subject to certain conditions of the settlement, the company has accounted for such waivers and is confident of meeting its obligations under the settlement. The amount of Bank liabilities as disclosed in the Financial statement are the amount due as per the compromise settlement in respect of Banks with whom such settlement has been entered into.
3. In respect of the other 3 Banks where similar proposals have been made and pending for consideration of such banks, the liability is as per the books of account which includes interest debited remaining unpaid and the principal amount in full. No provision has been made in respect of interest on these accounts in view of the pending settlement.
4. 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.
5. The company has received a notice from the office of the Director General of Foreign Trade, Bangalore, asking to show cause as to why penalty upto 5 times of the CIF value of goods imported of a value of Rs.44.34 Crores imposed in respect of 44 Advance licenses for alleged non completion of the export obligations in respect of those licenses. Post issue of the notice, the company's name was added in the "Denied Entity List". The Company had represented to the said authority that the Export obligation in individual case or when clubbed with other license/licenses in accordance with the Foreign trade Policy and procedures with or without relaxation of the norms as may be applicable has been completed. Out of 44 Licences for which the notice was issued, Export obligations Discharge certificate has been received in respect of 42 Licences the CIF Value of which is Rs.44.20 Crore leaving 2 licences with a CIF Value of Rs.0.14 Crores pending. Export obligation in respect of the said 2 licences have indeed been completed and the company is hopeful of obtaining the Export obligations Discharge certificate in the course of time. Based on the representation given

by the company the name of the company was removed from the Denied Entity List, however company has not received any communication from the DGFT in this regard dropping the show cause notice.

6. The liability in respect of Excise and VAT is subject to the levy of additional interest till the date adjudication from the due date, in case the liability is confirmed by the Appellate Authority. However, no estimation of such interest payable, if any, has been made or has not been provided. Hence, no liability will accrue in respect of the interest, if the order is in favour of the company and in the opinion of the management, the decision will be in the favour of the company.
7. Resurgent Power projects Limited (Formerly Enmas GB Power Systems Projects Limited) has demanded payment of Rs.13,25,31,282/- as dues for the Power Project I and II executed by them and has issued a notice under section 9 of the Insolvency and Bankruptcy Code, 2016. In view of the substandard performance of 1st Turbine and delayed implementation of Power Plant 2 the company has debited the 11,78,32,463/- as liquidated damages the payable to the said party as per the books of accounts is nil. Accordingly, the company has disputed the amount and has sought to invoke the arbitration proceedings against the party to settle the matter. The liquidated damages debited to the party has been credited to the cost of the project. Pending these matters no provision has been made against the claim in the books of accounts.

#### **Impairment of Assets:**

8. No provision has been made for the expected credit loss in respect of receivables which are outstanding for a long period and the chances of recovery are uncertain. These dues include dues from customers who have already been referred to NCLT under Insolvency and Bankruptcy Code. The amount outstanding dues where credit loss could be expected is Rs.74.88 Crores.
9. The lease agreement with KIADB in respect of Industrial Land in Sy. No.62, 63/2A of Doddaballapur Industrial Area (Varadanahalli Village) admeasuring 1 Acre 39 Guntas and SY NO.56/1 of Varadanahalli Village Kasaba Hobli, Doddaballapur Taluk, Bangalore District admeasuring 2 acres 22 guntas has expired and is yet to be renewed. Pending renewal, the company continues to hold the possession of the property.
10. In respect of property Land at Sy.No. 61/1, situated at Varadanahalli, Kasaba Hobli, Doddaballapura Taluk measuring 11 ¼ guntas and 3 acres 3 guntas, the previous owner(joint owner) of the property (Sy No.61/1) has fraudulently registered a Gift Deed in favour of her Daughter Pavithra, despite having sold the property to the company and the daughter has registered a sale deed in respect of third parties. The company has filed a complaint to the revenue authorities and the police in this regard.
11. The Goa industrial Development Corporation has vide its order dated 20th April 2017 has cancelled the lease of 8890 SFT out of 12700 SFT for non utilization of the land allotted on lease for the industrial purpose. Company has filed a civil suit against the said corporation reclaiming the leased land and the matter is pending with the court. Pending the settlement the company continues with the possession of the property.
12. The company was assessed to Income Tax and an order was passed u/sec 143(3) on 29/12/2019 for AY 2017-18. In completing the captioned assessment a sum of Rs 48,91,37,362/- was added back. The addition was on account of the Company's transactions with Tanishi Commotrades Pvt Limited (sales and other transactions), Subham Trading /Neeraj Trading Company(purchases ) and a sum of Rs 6829701 for delayed remittance of PF/ESI. The Company is hopeful of its success at the appellate forums on the captioned additions. In continuation, the assessments for Assessment Years 2016-17 and 2015-16 were subject to the revisionary proceedings u/s 263 of the Income Tax Act, 1961 and the order was passed on 25-03-2021 setting aside the original assessment order and directing the assessing officer to do the assessment afresh with a direction to examine all the issues other than what was preferred before CIT Appeal and pass orders after giving the assessee due opportunities. The assessee has filed its objections before the Honourable ITAT against the 263 Order.During the year the assessment proceedings were initiated and details furnished by the Company. Based on the submissions the findings as per the original assessment order passed on 28.12.2018 were upheld.

**Notes - (Contd)**

**45. Operating Segments**

The business of the Company falls under three segments i.e., (a) Steel Division; (b) Synthetic Division; and (c) Power in accordance with Ind AS 108 "Operating Segments" and segment information is given below:

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Segment Revenue</b>		
Steel Division	57,230.40	36,854.20
Synthetic Division	8,921.19	7,090.47
Power	9,080.23	12,706.53
Revenue from operations (Net)	<b>75,231.82</b>	56,651.20
<b>Segment Results</b>		
Profit (+) / Loss (-) before tax and finance cost		
Steel Division	1192.31	555.10
Synthetic Division	80.98	(205.32)
Power	(2228.05)	(702.33)
<b>Total</b>	<b>(954.77)</b>	(352.55)
Add/ Less : Finance Cost	488.89	20,262.63
Profit /(Loss) from continuing operations	<b>(1,443.66)</b>	(20,615.18)
Profit/(Loss) from discontinuing operations	-	-
Profit Before Tax	<b>(1,443.66)</b>	(20,615.18)
<b>Segment Assets</b>		
Steel Division	29,428.81	31,241.40
Synthetic Division	9,614.96	9,363.70
Power	52,684.73	55,062.44
Other unallocable corporate assets		
Total assets	<b>91,728.50</b>	95,667.54
<b>Segment Liabilities</b>		
Steel Division	84,696.17	112,490.73
Synthetic Division	(44,242.04)	9,569.01
Power	34,756.90	36,028.10
Other unallocable corporate assets	-	-
Total liabilities	<b>75,211.03</b>	158,087.84
<b>Capital Employed (Segment assets-Segment liabilities)</b>		
Steel Division	(55,267.36)	(81,249.32)
Synthetic Division	53,857.01	(205.31)
Power	17,927.83	19,034.34
Total capital employed in segments	<b>16,517.48</b>	(62,420.29)
Unallocable corporate assets less corporate liabilities	-	-
Total Capital Employed	<b>16,517.48</b>	(62,420.29)

**Information relating to geographical areas**

**(a) Revenue from external customers**

<b>Particulars</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
India	<b>71,131.94</b>	53,444.69
Outside India	<b>4,099.88</b>	3,206.51
<b>Total</b>	<b>75,231.82</b>	56,651.20



**Notes - (Contd)**

**(b) Non current assets**

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

**(c) Information about major customers**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
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, 2022	Year Ended March 31, 2021
<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	As at March 31, 2022	As at March 31, 2021
<b>i. From Banks</b>		
<b>a. Term Loans</b>		
Andhra Bank	14,180.64	15,975.49
Canara Bank	18,000.00	25,203.19
Syndicate Bank	-	6,511.01
Indian Overseas Bank	3,911.50	9,174.27
Shamrao Vithal Co-op Bank Limited	-	-
Prudent ARC Limited	792.35	792.35
<b>b. Working Capital Term Loan/ Funded Interest Term Loan</b>		
Andhra Bank	3,349.57	3,787.22
Canara Bank	-	21,120.00
Syndicate Bank	-	12,072.56
State Bank of India	3,166.32	3,166.32
Indian Overseas Bank	-	3,037.84
Shamrao Vithal Co-op Bank Limited	-	-
IDBI	-	-
<b>ii. From Financial Institutions</b>	-	(3,076.95)
Interest Liability reversed as per Compromise Agreement		
<b>Total</b>	<b>43,400.37</b>	<b>97,763.29</b>

**Notes - (Contd)**

**Schedule for short term borrowings:**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Secured</b>		
From Banks - Working Capital Loans		
Canara Bank	-	23,890.99
Syndicate Bank	-	12,603.04
State Bank of India	<b>3,893.77</b>	3,893.77
Andhra Bank	<b>876.50</b>	1,109.95
IDBI Bank Limited	<b>5,032.24</b>	5,032.24
Indian Overseas Bank	-	4,953.45
Andhra Bank LCs devolved	<b>600.40</b>	600.40
Loans from others	<b>1,405.39</b>	1,348.08
<b>Unsecured</b>		
Loans from body corporate	<b>4,898.32</b>	2,553.74
Interest Liability reversed as per Compromise Agreement		(7,901.52)
<b>Total Short term borrowings</b>	<b>16,706.61</b>	48,084.14

**Terms and conditions of loans**

- i. Term Loan\Working Capital Term Loan\Funded Interest Term Loan\Fresh Term Loan shall have pari-passu first charge on entire fixed assets and Pari-passu second charge on entire current assets (including of slow moving \ non-moving stock and non-current debtors) of the company.
- ii. Working Capital shall have pari-passu first charge on entire current assets and pari-passu second charge on entire fixed assets of the company. Existing exclusive security shall be continued with respective lenders.
- iii. Personal Guarantee of Shri Lalit Kumar Tulsyan and Shri Sanjay Kumar Tulsyan.
- iv. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
- v. Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.
- vi. Vehicles are secured by their Hypothecation.

**48 Financial Instruments**

**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

**Notes - (Contd)**

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

<b>Categories of Financial Instruments</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Financial assets</b>		
<b>a. Measured at amortised cost</b>		
Other non-current financial assets	<b>8.95</b>	15.27
Trade receivables	<b>14,632.63</b>	15,648.84
Cash and cash equivalents	<b>272.24</b>	602.03
Bank balances other than above	<b>407.03</b>	307.03
Other financial assets	<b>1,268.74</b>	1,198.74

<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Investments	<b>649.30</b>	649.30

<b>Financial liabilities</b>		
<b>a. Measured at amortised cost</b>		
Long term borrowings	<b>14,910.57</b>	70,079.71
Other non-current financial liabilities	<b>1,531.15</b>	1,323.03
Short term borrowings	<b>46,788.70</b>	77,361.52
Trade payables	<b>3,989.31</b>	1,339.65
Other current financial liabilities	<b>273.96</b>	274.56

**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, 2022 (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	-	-	-	1,361,143.90	-	1,361,143.90	1,361,143.90
EUR	-	-	-	43,763.48	-	43,763.48	43,763.48
GBP	-	-	-	-	-	-	-
In INR	-	-	-	1,031.37	-	1,031.37	1,031.37

**As on March 31, 2021 (all amounts are in equivalent Rs. in lakhs)**

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	-	-	-	1,328,599.85	-	1,328,599.85	1,328,599.85
EUR	-	-	-	43,763.48	-	43,763.48	43,763.48
GBP	-	-	-	-	-	-	-
in INR	-	-	-	989.09	-	989.09	989.09

**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.

Due to the Compromise Settlement with Banks, there will be no Interest Liability. Hence the Sensitivity Analysis does not arise.

### 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, 2022	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	3,989.31	-	3,989.31
Borrowings	-	14,910.57	14,910.57
	<b>3,989.31</b>	<b>14,910.57</b>	<b>18,899.88</b>

March 31, 2021	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	1,339.65	-	1,339.65
Borrowings	29,277.38	70,079.71	99,357.09
	<b>30,617.03</b>	<b>70,079.71</b>	<b>1,00,696.74</b>

	March 31, 2022	March 31, 2021
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 Tulsyan (Executive Chairman) Shri Sanjay Tulsyan (Managing Director) Shri Sanjay Agarwalla (Whole Time Director) Shri Shantha Kumar RP (Chief Financial Officer) Shmt Parvati Soni (Company Secretary)
<b>Companies in which Directors are interested</b>	Tulsyan Smelters Private Ltd Tulsyan Power Private Limited

**b) Transactions during the year**

S.No.	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
1	<b>Purchase of goods</b> Chitrakoot Steel & Power P Ltd Tulsyan Smelters Private Ltd	<b>237.36</b> <b>25,786.77</b>	1,281.76 14,263.87
2	<b>Sale of Goods</b> Chitrakoot Steel & Power P Ltd Tulsyan Smelters Private Ltd	<b>117.67</b> <b>40,670.43</b>	193.98 14,887.92
3	<b>Short term borrowings during the year</b>	-	-
4	<b>Services Received</b> Chitrakoot Steel & Power P Ltd Tulsyan Smelters Private Ltd	- -	- -
5	<b>Managerial Remuneration</b> Lalit Kumar Tulsyan Sanjay Tulsyan Sanjay Agarwalla Shantha Kumar RP Alka Tulsyan Aditya Bhartia Parvati Soni	<b>60.78</b> <b>60.29</b> <b>39.29</b> <b>31.44</b> <b>17.93</b> <b>10.10</b> <b>7.33</b>	57.03 60.29 39.29 30.07 16.77 9.00 6.94

**c) Balances with related parties**

S.No.	Name of the Related Party	Year ended March 31, 2022	Year ended March 31, 2021
1	<b>Outstanding Receivables</b> Tulsyan Power Ltd Color Peppers Media Pvt Ltd Chitrakoot Steel & Power P Ltd Tulsyan Smelters Private Ltd	<b>0.51</b> - <b>1,486.63</b> <b>2,827.65</b>	0.51 - 1,578.51 1,692.27
2	<b>Outstanding Payables</b> Lalit Kumar Tulsyan Sanjay Tulsyan	<b>506.94</b> <b>201.04</b>	508.46 284.92

**d) Guarantees and Collaterals**

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee in favour of Tulsyan NEC Limited to comply the CDR Terms.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25 Crores.

**50 Retirement benefit plans**

**Defined contribution plans**

In accordance with Indian law, the Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme, which are defined contribution plans, for qualifying employees.

The total expense recognised in profit or loss of Rs. 167.02 lakh (previous year Rs. 137.99 lakh) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**

**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by

multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2022	March 31, 2021
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	7.49% p.a.	7.13% p.a.
Rate of increase in compensation level	6.00% 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, 2022 Rs. Lakhs	March 31, 2021 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	35.05	32.38
Net interest expense	32.83	31.82
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	67.88	64.21
<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	(31.20)	(45.68)
Components of defined benefit costs recognised in other comprehensive income	(31.20)	(45.68)
Total	36.68	18.53



	<b>March 31, 2022 Rs. Lakhs</b>	March 31, 2021 Rs. Lakhs
<b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b>		
Present value of defined benefit obligation	<b>521.39</b>	484.71
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	<b>521.39</b>	484.71
Non - Funded	<b>521.39</b>	484.71
	<b>521.39</b>	484.71

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

	<b>March 31, 2022 Rs. Lakhs</b>	March 31, 2021 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	<b>484.71</b>	466.18
Current service cost	<b>35.05</b>	32.38
Interest cost	<b>32.83</b>	31.82
Actuarial (gains)/losses	<b>(31.20)</b>	(45.68)
Closing defined benefit obligation	<b>521.39</b>	484.71

### **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:**

<b>Particulars</b>	<b>March 31, 2022</b>	March 31, 2021
Mortality Table	<b>Indian Assured Lives</b>	Indian Assured Lives
Attrition Rate	<b>5.00% p.a.</b>	5.00% p.a.
Discount Rate	<b>7.18% p.a.</b>	6.57% p.a.
Rate of increase in compensation level	<b>6.00% p.a.</b>	5.00% p.a.

	March 31, 2022 Rs. Lakhs	March 31, 2021 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	11.74	21.84
Net interest expense	3.96	6.76
Components of defined benefit costs recognised in profit or loss	15.70	28.60

<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	(2.96)	(36.08)
Components of defined benefit costs recognised in other comprehensive income	(2.96)	(36.08)
Total	12.74	(7.48)

<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	104.28	91.54
Net liability arising from defined benefit obligation	104.28	91.54
Non - Funded	104.28	91.54
	104.28	91.54

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

	March 31, 2022 Rs. Lakhs	March 31, 2021 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	91.54	99.02
Current service cost	11.74	21.84
Interest cost	3.96	6.76
Actuarial (gains)/losses	(2.96)	(36.08)
Closing defined benefit obligation	104.28	91.54

**51. Period and amount of continuing default as on the Balance sheet date**

Due Date	State Bank of India	Andhra Bank	Total for the Qtr	Cumulative Total	No of Days Delay
30/06/2016	51.00	53.00	104.00	104.00	2100
30/09/2016	77.00	84.00	161.00	265.00	2008
31/12/2016	77.00	84.00	161.00	426.00	1916
31/03/2017	77.00	84.00	161.00	587.00	1826
30/06/2017	103.00	166.00	269.00	856.00	1735
30/09/2017	103.00	166.00	269.00	1,125.00	1643
31/12/2017	103.00	166.00	269.00	1,394.00	1551
31/03/2018	103.00	166.00	269.00	1,663.00	1461
30/06/2018	103.00	265.00	368.00	2,031.00	1370
30/09/2018	103.00	265.00	368.00	2,399.00	1278
31/12/2018	103.00	265.00	368.00	2,767.00	1186
31/03/2019	103.00	265.00	368.00	3,135.00	1096
30/06/2019	103.00	305.00	408.00	3,543.00	1005
30/09/2019	103.00	305.00	408.00	3,951.00	913
31/12/2019	103.00	305.00	408.00	4,359.00	821
31/03/2020	103.00	305.00	408.00	4,767.00	730
30/06/2020	103.00	278.00	381.00	5,148.00	639
30/09/2020	103.00	278.00	381.00	5,529.00	547
12/31/2020	103.00	278.00	381.00	5,910.00	455
31/03/2021	103.00	278.00	381.00	6,291.00	365
30/06/2021	103.25	277.84	381.09	6,672.09	274
30/09/2021	103.25	277.84	381.09	7,053.18	182
31/12/2021	103.25	277.84	381.09	7,434.27	90
31/03/2022	103.25	277.84	381.09	7,815.36	-
<b>Total</b>			<b>7,815.36</b>		

**52. The details of the Exceptional Item is as under**

Sl.No.	Nature	Rs. in Lakhs
1	Term Loan	23,296.00
2	Working Capital	12,847.37
3	Interest	44,294.43
	<b>Total</b>	<b>80,437.80</b>

**53 : OTHER STATUTORY INFORMATION**

- (i) There are no proceedings initiated or pending against the Group as at March 31, 2022, under Prohibition of Benami Property Transaction Act, 1988 (As amended in 2016)
- (ii) The Group do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) The Group is not declared a wilful defaulter by any bank or financial institutions or vendor.
- (ix) Title deeds of all immovable properties were held in the name of the Group.

**54. Previous Year's figures have been re-grouped wherever necessary to conform to the Current Year's classification**

The accompanying notes form an integral part of the financial statements

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

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

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

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

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

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

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

Sd/-  
**Parvati Soni**  
Company Secretary

Place : Chennai.  
Date : 30th May, 2022

**Disclosure Of Ratios By Companies as per new Schedule III Amendment**

S. No.	Ratio	Formula	CY	PY	Variation	Reasons for Changes
1	Current Ratio	Current Assets/ Current Liabilities	0.48	0.34	39%	Reduction of Current liabilities (Bank OCC) due to Compromise Settlement
2	Debt - Equity Ratio	Total Debt/Total Equity	3.74	(2.36)	(258%)	Reduction in Debt (Term Loans) due to Compromise settlement
3	Debt Service Coverage Ratio	Net Operating Income/Total Debt Service	1.32	0.01	12482%	Obligations as per the original sanction terms has not been met.
4	Return on Equity	Net Income/Avg Shareholder's Equity	4.78	0.01	32276%	Profit before Exceptional items and Taxes negative.
5	Inventory Turnover Ratio	Cost of Goods Sold/Avg Inventory	1.81	1.06	70%	Reduced holding is due to increased turnover and improved inventory management
6	Trade Recievable Turnover Ratio	Annual Credit Sales/Avg Trade Recievables	1.24	0.72	72%	Improvement is due to increased turnover and lower credit offered
7	Trade Payable Turnover Ratio	Annual Credit Purchases/Avg Trade Payables	5.96	2.26	164%	Increased Credit availability
8	Net Capital Turnover Ratio	Annual Net Sales/Working Capital	(2.48)	(1.00)	147%	Negative. However, improvement is due to compromise settlement
9	Net Profit Ratio	Net Profit/ Net Sales	1.05	(0.02)	(6551%)	Improved Performance/ Turnover
10	Return on Capital Employed	EBIT/(Total Assets - Current Liabilities)		(0.10)		Improved ration is on account of exceptional income due to Compromise settlement
11	Return on investment	Return From Investment/Cost of Investment				Dividend Received Rs. 300 only from Shamrao Vital Co-op Bank.

**Disclosure Of Ratios By Companies as per new Schedule III Amendment**
**Rs In Lakh**

Trade Receivables ageing Schedule	Outstanding for the following periods from due date of Payment					
	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 years	3 years and above	Total
(i) Undisputed Trade Receivables Considered Good	4,189.87	1,782.13	747.80	498.72	6,365.74	13,584.26
(ii) Undisputed Trade Receivables Considered Doubtful	-	-	-	-	1,003.66	1,003.66
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	44.71	44.71
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
	<b>4,189.87</b>	<b>1,782.13</b>	<b>747.80</b>	<b>498.72</b>	<b>7,414.11</b>	<b>14,632.63</b>

**Rs In Lakh**

Trade Payables Ageing Schedule	Outstanding for the following periods from due date of Payment				
	6 Months to 1 Year	1 to 2 Years	2 to 3 years	3 years and above	Total
(i) MSME	103.55	-	-	-	103.55
(ii) Others	3,454.99	399.55	2.56	-	3,857.10
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	-	28.66	-	-	28.66
	<b>3,558.54</b>	<b>428.20</b>	<b>2.56</b>	<b>-</b>	<b>3,989.31</b>

**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 2022, 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, 2022, Consolidated profit, Consolidated Total Comprehensive Income, consolidated changes in equity and its Consolidated cash flows for the year then ended.

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

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

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

**2. Compromise Settlement**

We draw attention to Note No 44 and 52 regarding the Compromise Settlement. The Holding Company has submitted a Bilateral Compromise proposal for the consideration of the Consortium of lenders. Subsequent to the Balance Sheet date, the Compromise Settlement proposal has been accepted by one of the banks with certain

conditions and the application with the other banks/ financial institutions are under negotiation and a decision is yet to be taken by the lenders. The Holding Company is in the process of complying with the conditions of the Compromise Settlement proposal approved and is following up with the other lenders for approving the respective Compromise Settlement proposals submitted. We were informed that the Holding Company's management is confident of complying with the conditions of the Compromise proposal approved and also getting approval for the other pending compromise proposals. Based on the above, the management believes that it will result in significant reduction in the outstanding dues to the lenders, including interest.

Considering the above, the Holding Company has

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

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

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

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

#### **Material Uncertainty related to Going Concern**

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

#### **Key Audit Matters.**

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



	Key Audit Matter	Auditor's Response
1.	<p><b>Litigations – Contingencies</b></p> <p>Assessment of litigations and related disclosure of contingent liabilities [Refer to Note 2 (a) to the Consolidated financial statements– “Use of estimates and critical accounting judgements – Provisions and contingent liabilities”, Note 44 to the Consolidated Financial Statements – “Contingencies”. As at March 31, 2022, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood, assessed, and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;</li> <li>• We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;</li> <li>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations made in the Consolidated Financial Statements;</li> <li>• We considered external opinions, where relevant, obtained by management;</li> <li>• We evaluated management’s assessments and assessed the reliability of the management’s past estimates/judgements;</li> <li>• We assessed the adequacy of the Company’s disclosures.</li> </ul> <p>Based on the above work performed, assessment in respect of litigations and related disclosures relating to contingent liabilities/ other significant litigations in the Consolidated Financial Statements are considered to be reasonable.</p>

**Other Matters:**

We did not audit the Financial Statements/Financial Information of two subsidiaries whose financial statements /financial information reflect Total assets of Rs. 2,375.62 lakhs as at 31st March 2022, Total Revenues of Rs. 10,115.98 lakhs and total net profit after tax of Rs.92.37 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements/Financial Information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the holding the Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our reports in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is solely based on the Reports of the other Auditors.

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

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

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

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

### **Emphasis of Matter**

We draw your attention to Note 3(s) to the consolidated financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions. Our opinion is not modified in respect of this matter.

Further attention is drawn to the following:

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

- Ascertained Trade receivable which is no longer recoverable and has written them off
- Has adjusted the Rental Advance with its previous unpaid rental dues.
- Trade receivables and rental advance written off as other expenses.

Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements are free

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company, its Subsidiaries have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or events may cause the Subsidiaries to cease to continue as a Going Concern.
- Evaluate the overall presentation, structure, and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the Financial information of the entities or Business Activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the Consolidated Financial statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements which have been audited by other Auditors such other auditors remain responsible for the direction, supervision and performance of the Audits carried out by them. We remain solely responsible for our Audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public

disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our opinion on the Consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the matters with respect to our Reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

#### Report on other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Total Comprehensive Income and the Consolidated Cash Flow Statement dealt with by this report agree with relevant books of account maintained for the purpose of preparation of consolidated financial statements
  - d) In our opinion, the aforesaid consolidated financial statements comply with Accounting Standards specified under Section 133 of the Act
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022 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 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - g) With respect to the adequacy of the internal financials' controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial position of the Group – refer note 44 to the Consolidated financial statements;
    - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022;

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

Sd/-

K Parathasarathy  
Partner

Membership No: 018394  
UDIN: 22018394AKKFAE7627

Place: Chennai  
Date: 30<sup>th</sup> May 2022

**Annexure A to the Independent Auditor's Report****Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub – Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our Audit of the Consolidated Financial statements of the Group as of and for the year ended 31st March 2022, we have audited the Internal Financial Controls over Financial reporting of Tulsyan NEC Limited (hereinafter referred to as the Holding Company) and its subsidiaries as of that date.

**Management's Responsibility for Internal financial Controls**

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

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiaries which are Companies incorporated in India.

**Meaning of Internal financial Controls over financial Reporting**

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

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its Subsidiaries have in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other matters:**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to of its subsidiary companies is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Sd/-  
K Parathasarathy  
Partner  
Membership No: 018394  
UDIN: 22018394AKKFAE7627

Place: Chennai  
Date: 30<sup>th</sup> May 2022



**TULSYAN NEC LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	63,491.61	65,624.03
Intangible assets	4	36.57	8.63
Capital work in progress	5	-	-
<b>Financial assets</b>			
Investments	6	0.41	0.41
Other financial assets	7	8.95	15.27
Other non-current assets	8	700.99	655.17
<b>Total non-current assets</b>		<b>64,238.53</b>	<b>66,303.51</b>
<b>Current assets</b>			
Inventories	9	8,309.66	9,358.53
<b>Financial assets</b>			
Investments	10	2.04	0.50
Trade receivables	11	15,644.82	16,773.37
Cash and cash equivalents	12	273.15	603.16
Bank balances other than above	13	409.53	309.98
Other financial assets	14	1,270.74	1,201.04
Other current assets	15	3,306.74	2,801.64
<b>Total current assets</b>		<b>29,216.68</b>	<b>31,048.22</b>
<b>Total Assets</b>		<b>93,455.21</b>	<b>97,351.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,471.38	1,471.38
Other equity	17	12,903.46	(66,126.68)
<b>Total Equity</b>		<b>14,374.84</b>	<b>(64,655.30)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	15,002.55	70,094.72
Other financial liabilities	19	1,531.15	1,323.03
Provisions	20	664.14	576.25
Deferred Tax Liabilities (net)	21	(793.92)	(823.31)
<b>Total non-current liabilities</b>		<b>16,403.92</b>	<b>71,170.69</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	48,834.33	79,406.61
Trade payables	23	6,281.81	3,756.12
Other financial liabilities	24	273.96	274.56
Provisions	25	263.25	102.72
Other current liabilities	26	7,023.10	7,296.33
<b>Total current liabilities</b>		<b>62,676.45</b>	<b>90,836.34</b>
<b>Total liabilities</b>		<b>79,080.37</b>	<b>162,007.03</b>
<b>Total Equity and Liabilities</b>		<b>93,455.21</b>	<b>97,351.73</b>

The accompanying notes form an integral part of the financial statements

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

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

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

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

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

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

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

Sd/-  
**Parvati Soni**  
Company Secretary

Place : Chennai.  
Date : 30<sup>th</sup> May, 2022



**TULSYAN NEC LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from Operations	27	84,991.65	62,231.00
Other Income	28	12.42	15.11
<b>Total income</b>		<b>85,004.07</b>	<b>62,246.11</b>
<b>B Expenses</b>			
Cost of materials consumed	29	69,645.52	45,018.76
Purchases of stock in trade	30	277.92	225.12
Changes in inventories of finished goods	31	(294.56)	1,171.36
Employee benefits expense	32	3,148.33	2,888.05
Power & fuel	33	5,282.69	4,123.85
Depreciation and amortisation expense	34	2,464.60	2,512.26
Finance costs	35	715.10	20,528.05
Other expenses	36	5,086.36	6,297.79
<b>Total expenses</b>		<b>86,325.97</b>	<b>82,765.24</b>
<b>C Profit before exceptional items and tax</b>		<b>(1,321.90)</b>	<b>(20,519.13)</b>
Exceptional items	37	(80,437.80)	(19,693.13)
<b>D Profit/ (Loss) before tax from continuing operations</b>		<b>79,115.90</b>	<b>(826.00)</b>
Income tax expense	38		
Current tax		-	-
Deferred tax credit/ (charge)		29.39	330.36
<b>Profit/ (Loss) for the year</b>		<b>79,086.51</b>	<b>(1,156.36)</b>
<b>E Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(56.37)	(81.76)
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(56.37)</b>	<b>(81.76)</b>
<b>Total comprehensive income/ (Loss) for the year</b>		<b>79,030.13</b>	<b>(1,238.12)</b>
<b>Earnings per share</b>	39		
Basic earnings per share		537.50	(7.86)
Diluted earnings per share		537.50	(7.86)

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

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

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

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

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

Sd/-  
**Parvati Soni**  
 Company Secretary

Place : Chennai.  
 Date : 30<sup>th</sup> May, 2022



**TULSYAN NEC LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	79,115.90	(826.00)
Adjustments for		
Depreciation and amortisation expense	2,464.60	2,512.26
(Profit)/ loss on sale of fixed assets	(2.17)	0.90
Profit on sale of Investments	1.54	-
Finance cost	715.10	20,528.05
Interest Income	(3.28)	(14.58)
Operating Profit before Working Capital Changes	82,291.69	22,200.63
Change in operating assets and liabilities		
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other financial assets	(69.70)	(39.09)
(Increase) / Decrease in inventories	1048.87	753.34
(Increase) / Decrease in trade receivables	1128.55	6,824.35
(Increase) / Decrease in other assets	(550.77)	(760.71)
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	(0.01)	161.42
Increase / (Decrease) in trade payables	2525.70	(5,669.06)
Cash generated from operations	86374.34	23,470.88
Less : Income taxes paid (net of refunds)	(0.15)	20.18
<b>Net cash from/ (used in) operating activities (A)</b>	<b>86374.19</b>	<b>23,491.06</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	(369.50)	(105.93)
Sale proceeds of PPE	7.21	10.21
(Investments in)/ Maturity of fixed deposits with banks (net)	(99.54)	(200.93)
(Purchase)/ disposal proceeds of Investments (net)	-	-
Interest received	3.28	14.58
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(458.55)</b>	<b>(282.06)</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)	(55,092.17)	8,177.46
Proceeds from/ (repayment of) short term borrowings (net)	(30,572.28)	805.54
Finance cost	(581.22)	(31,879.81)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(86,245.67)</b>	<b>(22,896.81)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(330.03)</b>	312.19
Cash and cash equivalents at the beginning of the financial year	603.16	290.97
<b>Cash and cash equivalents at end of the year</b>	<b>273.13</b>	<b>603.16</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	259.80	596.22
Cash on hand	13.33	6.94
	<b>273.13</b>	<b>603.16</b>

The accompanying notes form an integral part of the financial statements

For and on behalf of the board  
For **Tulsyan NEC Limited**As per our report of even date attached  
For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
(FRN No. 004915S/ S200036)Sd/-  
**Sanjay Tulsyan**  
Managing Director  
DIN: 00632802Sd/-  
**Lalit Kumar Tulsyan**  
Executive Chairman  
DIN : 00632823Sd/-  
**M. Parthasarathy**  
Director  
DIN : 08277111Sd/-  
**K Parthasarathy**  
Partner  
M.No. 018394Sd/-  
**CA Shantha Kumar RP**  
Chief Financial OfficerSd/-  
**Parvati Soni**  
Company SecretaryPlace : Chennai.  
Date : 30th May, 2022

**TULSYAN NEC LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

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

(A) Equity Share Capital	TNL	Chitrakoot	Color Peppers	Inter Company	Total
<b>Balance at the end of March 31, 2020</b>	1,471.38	648.92	5.00	653.92	1,471.38
Changes in equity share capital during the year	-	-	-	-	-
<b>Balance at the end of March 31, 2021</b>	1471.38	648.92	5.00	653.92	1,471.38
Changes in equity share capital during the year	-	-	-	-	-
<b>Balance at the end of March 31, 2022</b>	1471.38	648.92	5.00	653.92	1,471.38

**(B) Other Equity**

Particulars	General Reserve	Capital Reserve	Investment Allowance reserve	Securities Premium Reserve	Other Comprehensive Income	Profit and Loss Account	Total
<b>Balance as at March 31, 2020</b>	2,390.00	-	59.39	11,873.70	-	(79,211.63)	(62,887.87)
Additions/ (Deductions) during the year	-	-	-	-	(81.76)	(1,156.38)	(1,238.14)
Total Comprehensive Income for the year	-	-	-	-	81.76	(81.76)	-
<b>Balance as at March 31, 2021</b>	2,390.00	-	59.39	11,873.70	-	(80,449.77)	(66,126.68)
Additions/ (Deductions) during the year	-	-	-	-	(56.37)	79,086.51	79,030.14
Total Comprehensive Income for the year	-	-	-	-	56.37	(56.37)	-
<b>Balance as at March 31, 2022</b>	2,390.00	-	59.39	11,873.70	-	(1,419.63)	12,903.46

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 : 30th May, 2022

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

Sd/-  
**Parvati Soni**  
Company Secretary

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

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

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

**Tulshyan NEC Limited****Notes to Financial Statements for the year ended March 31, 2022****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 (Gumudipoondi) and Bangalore (Doddaballapura). The Company has one Sponge Iron Manufacturing Company called Chitrakoot Steel and Power P Ltd., at Gumudipoondi and one Media Company managing Intellectual Property, name Color Peppers Media P Ltd., in Chennai

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

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

**Use of estimates**

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

**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 30th May, 2022.

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

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

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

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

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

**Current Tax**

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

**Deferred Tax Assets**

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

**Fair value**

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

**Impairment of Trade Receivables**

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

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

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

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

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

**Fair value measurement of financial instruments**

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

**Provisions and contingencies**

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

**2B Recent accounting pronouncements**

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

### 3. Significant Accounting Policies

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

#### b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **c) Revenue Recognition**

#### **Sale of Goods**

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

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

#### **Sale of Services**

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

#### **Power Generation**

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

#### **Export Entitlements**

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

#### **Interest Income**

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

#### **Dividend Income**

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

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

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

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

**Component Cost**

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

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

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

**Derecognition**

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

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

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

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

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

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

**f) Inventories**

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

**(i) Raw materials, components, stores and spares:** At lower of weighted average cost and net realizable value.

**(ii) Work-in-process :** At lower of cost of raw material and component including related overheads and net realizable value.

**(iii) Finished goods:** At lower of cost and net realizable value. Cost includes raw material components and related overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## g) Financial Instruments

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

### Financial Assets

#### Initial recognition and measurement

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

#### Subsequent Measurement

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

Financial assets are classified into the following categories:

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

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

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

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

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

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

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

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

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



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

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

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

**Equity investments**

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

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

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

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

**Derecognition**

A financial asset is primarily derecognised when:

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

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

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

**Impairment of financial assets**

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

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

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

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

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

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

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

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

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

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

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

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

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

## Financial Liabilities

### Initial recognition and measurement

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

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

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

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

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

### Financial liabilities at FVTPL

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

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

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

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

### Financial guarantee contracts

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

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

### Derivative financial instruments

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

### Derivatives fair valued through profit or loss

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

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not

designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

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

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

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

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

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

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

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

## h) Foreign currency transactions and translations

### Transactions and balances

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

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

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

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

## i) Borrowing Costs

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

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

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

## k) Taxes

### Current income tax

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

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

### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

## **i) Retirement and other employee benefits**

### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

#### **m) Leases**

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31 2020. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the rightof-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. . The Company's leases comprise of land for which the lease rentals have been paid in advance and is amortized over lease period.

#### **n) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### **o) Provisions, contingent liabilities and contingent asset**

##### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

##### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

### **Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

#### **p) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

#### **q) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

#### **r) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.



**TULSYAN NEC LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2022**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**4. Property, plant and equipment**

Particulars	Tangible Assets											Intan- gible Assets	Total	
	Land	Right to use Assets	Factory Buildings	Plant and Machinery	Vehi- cles	Works Equip- ments	Lab Equip- ments	Office Pre- mises	Office and Other Equip- ments	Furniture and Fixtures	Projec- tor			Com- puter
<b>Deemed Cost as at March 31, 2020</b>	11,553.18	95.47	14,165.69	64,113.35	360.49	202.79	50.35	20.69	572.70	2.00	2.04	0.89	111.48	91,251.11
Additions	-	-	72.41	-	17.78	10.07	-	-	5.45	-	-	-	0.22	105.93
Disposals	-	-	-	-	(53.97)	-	-	-	-	-	-	-	-	(53.97)
<b>Cost as at March 31, 2021</b>	<b>11,553.18</b>	<b>95.47</b>	<b>14,165.69</b>	<b>64,185.76</b>	<b>324.29</b>	<b>212.86</b>	<b>50.35</b>	<b>20.69</b>	<b>578.14</b>	<b>2.00</b>	<b>2.04</b>	<b>0.89</b>	<b>111.70</b>	<b>91,303.07</b>
Additions	-	-	-	304.74	0.87	9.53	1.75	-	20.25	-	-	-	32.35	369.50
Disposals	-	-	-	(2.65)	(71.25)	(18.09)	-	-	-	-	-	-	-	(91.99)
<b>Cost as at March 31, 2022</b>	<b>11,553.18</b>	<b>95.47</b>	<b>14,165.69</b>	<b>64,487.85</b>	<b>253.91</b>	<b>204.30</b>	<b>52.10</b>	<b>20.69</b>	<b>598.40</b>	<b>2.00</b>	<b>2.04</b>	<b>0.89</b>	<b>144.05</b>	<b>91,580.58</b>
<b>Depreciation/Amortisation</b>														
<b>As at March 31, 2020</b>	-	11.42	3,274.96	18,942.48	276.88	94.21	23.57	13.29	458.64	1.82	1.73	0.86	102.97	23,202.83
Charge for the year	-	0.88	478.70	1,980.58	13.14	9.67	4.45	0.96	23.64	0.05	0.07	-	0.10	2512.25
Disposals	-	-	-	-	(44.66)	-	-	-	-	-	-	-	-	(44.66)
<b>As at March 31, 2021</b>	<b>-</b>	<b>12.30</b>	<b>3,753.66</b>	<b>20,923.06</b>	<b>245.36</b>	<b>103.88</b>	<b>28.02</b>	<b>14.25</b>	<b>482.28</b>	<b>1.87</b>	<b>1.80</b>	<b>0.86</b>	<b>103.07</b>	<b>25,670.42</b>
Charge for the year	-	0.88	478.70	1,932.85	10.24	10.37	4.54	1.53	20.98	0.04	0.05	-	4.41	2,464.59
Disposals	-	-	-	-	(64.89)	(17.72)	-	-	-	-	-	-	-	(82.61)
<b>As at March 31, 2022</b>	<b>-</b>	<b>13.18</b>	<b>4,232.36</b>	<b>22,855.91</b>	<b>190.71</b>	<b>96.53</b>	<b>32.56</b>	<b>15.78</b>	<b>503.26</b>	<b>1.91</b>	<b>1.85</b>	<b>0.86</b>	<b>107.48</b>	<b>28,052.40</b>
<b>Net Block</b>														
As at March 31, 2021	11,553.18	83.17	10,412.03	43,262.70	78.93	108.98	22.33	6.44	95.86	0.13	0.24	0.03	8.63	65,632.66
<b>As at March 31, 2022</b>	<b>11,553.18</b>	<b>82.29</b>	<b>9,933.34</b>	<b>41,631.94</b>	<b>63.20</b>	<b>107.77</b>	<b>19.54</b>	<b>4.91</b>	<b>95.13</b>	<b>0.09</b>	<b>0.19</b>	<b>0.03</b>	<b>36.57</b>	<b>63,528.18</b>

**Notes :**

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

**Notes - (Contd)**

<b>Note No. 5</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Capital Work-in-progress</b>		
Capital work in progress	-	-
	-	-
<b>Note No. 6</b>		
<b>Non-current investments</b>		
<b>Investments in Equity Instruments at FVTPL</b>		
Unquoted		
i. Investments in Subsidiaries	-	-
Chitrakoot Steel & Power P Limited (64,89,200 Equity Shares of Rs.10/- each)	-	-
Color Peppers Media P Ltd (50,000 Equity Shares of Rs.10/- each)	-	-
ii. Investments in Other Companies		
Greenko Wind Projects Private Ltd (Erstwhile Vyshali Energy P Ltd (3810 Shares of Rs 10/- each))	<b>0.38</b>	0.38
<b>Investments in Debt Instruments at FVTPL</b>		
Unquoted		
Shamrao Vithal Co-op Bank Ltd (25 Shares of Rs.100/- each)	<b>0.03</b>	0.03
	<b>0.41</b>	0.41
<b>Total non-current investments</b>		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	<b>0.41</b>	0.41
Aggregate amount of impairment in value of investments	-	-
<b>Note No. 7</b>		
<b>Other non-current financial assets</b>		
(Unsecured, considered good)		
Unamortised finance expense	<b>8.95</b>	15.27
	<b>8.95</b>	15.27

**Notes - (Contd)**

<b>Note No. 8</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other non-current assets</b>		
(Unsecured, considered good)		
Advance to Suppliers	<b>29.59</b>	29.59
Advance income-tax and TDS (net of provision for tax)	<b>524.73</b>	524.57
MAT Credit Entitlement	-	-
Advance recoverable in cash or in kind or for value to be received	<b>38.04</b>	38.04
Advance Fringe Benefit tax	<b>2.41</b>	2.41
Advance TCS	<b>58.86</b>	11.53
Other non-current assets	<b>47.36</b>	49.02
	<b>700.99</b>	655.17

<b>Note No. 9</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Inventories</b>		
(Valued at lower of cost and net realisable value)		
Raw Materials	<b>3,104.26</b>	4,803.24
Finished Goods	<b>3,168.74</b>	2,874.13
Stock-in-trade (acquired for trading)	<b>142.82</b>	-
Stores	<b>1,893.83</b>	1,681.16
	<b>8,309.66</b>	9,358.53

<b>Note No. 10</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Current Investments</b>		
<b>Investments in Equity Instruments at FVTPL</b>		
Investments in companies other than subsidiaries, associates and joint ventures		
<b>Quoted</b>		
Canara Bank (Formerly Syndicate Bank) (864 Equity Shares of Rs.10 each)	<b>1.97</b>	0.43
<b>Unquoted</b>	-	-
Shamrao Vithal Co-op Bank Ltd (50 Shares of Rs.100/- each)	<b>0.05</b>	0.05
<b>Investments in Debt Instruments at FVTPL</b>	-	-
<b>Unquoted</b>	-	-
National Savings Certificates	<b>0.02</b>	0.02
	<b>2.04</b>	0.50

Note No. 11	As at March 31, 2022	As at March 31, 2021
<b>Trade receivables</b>		
(Unsecured, considered good)		
Trade Receivables outstanding for a period less than six months from the date they are due for payment	5,253.66	10,874.81
Outstanding for a period exceeding six months from the date they are due for payment	11,384.82	6,892.22
Other debts		-
	<b>16,638.48</b>	17,767.03
Allowance for Expected credit Loss	<b>(993.66)</b>	(993.66)
	<b>15,644.82</b>	16,773.37

Note No. 12		
<b>Cash and cash equivalents</b>		
Cash on Hand	13.33	6.94
Cheque and Demand Drafts on Hand		
Balances with Banks		
- In Current Account	259.80	596.22
- In Collection Account	-	-
- In Deposit Account	-	-
	<b>273.15</b>	<b>603.16</b>

Note No. 13		
<b>Other Bank Balances</b>		
In fixed deposits	9.53	9.98
In margin money with banks *	400.00	300.00
In Earmarked Accounts		
- Unpaid Dividend Account		
- Unpaid Interest Account		
	<b>409.53</b>	309.98

\* lien marked against Bank Guarantee

Note No. 14		
<b>Other current financial assets</b>		
(Unsecured, considered good)		
Deposits	1,270.74	1,201.04
	<b>1,270.74</b>	1,201.04

<b>Note No. 15</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other current assets</b>		
(Unsecured, considered good)		
Income and claims receivable	-	-
Interest accrued on Deposits	-	-
Advance recoverable in cash or in kind or for value to be received	-	-
Advance for Supplies and expenses	<b>26.83</b>	1,029.09
Staff advances & Prepaid expenses	<b>60.01</b>	52.32
Advances to Subsidiaries	-	0.51
Advances for Fixed Assets	-	-
Advance Paid	<b>987.51</b>	987.99
CST paid under protest	<b>98.37</b>	98.37
CVD	<b>56.74</b>	56.74
Drawback	<b>19.12</b>	19.12
Excise	<b>13.87</b>	13.87
Import Licence	-	5.22
Balances with Statutory Authorities:	<b>2,044.29</b>	538.40
	<b>3,306.74</b>	2,801.64

<b>Note No. 16</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Capital</b>		
Authorised Share Capital		
1,60,00,000 Equity shares of Rs. 10/- each	<b>1,600.00</b>	1,600.00
2,00,00,000 6% Non convertible redeemable preference shares of Rs. 10/- each	<b>2,000.00</b>	2,000.00
	<b>3,600.00</b>	3,600.00
Issued & Subscribed Share Capital		
1,50,00,000 (previous year 1,50,00,000) Equity shares of Rs. 10/- each	<b>1,500.00</b>	1,500.00
	<b>1,500.00</b>	1,500.00
Paid up share capital		
1,45,06,790 (previous year 1,45,06,790) Equity shares of Rs. 10/- each (fully paid up)	<b>1,450.68</b>	1,450.68
1,96,989 (previous year 1,96,989) Equity shares of Rs. 10/- each (Rs. 6/- paid up)	<b>11.82</b>	11.82
2,96,221 (previous year 2,96,221) Equity shares of Rs. 10/- each (Rs. 3/- paid up)	<b>8.88</b>	8.88
	<b>1,471.38</b>	1,471.38

**Notes:**

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

Balance as at the beginning of the year	<b>15,000,000</b>	15,000,600
Add: Issued during the year		
Balance at the end of the year	<b>15,000,000</b>	15,000,600

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

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

**iii. Redeemable Preference Shares**

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

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

Name of the share holder	No. of Shares	% Total Shares	% Change During The Year
SANJAY TULSIYAN	4,475,481	29.84	NIL
LALIT KUMAR TULSIYAN	4,046,645	26.98	NIL
PRIYA TULSIYAN	954,982	6.37	NIL
ALKA TULSIYAN	751,130	5.01	NIL
PRIYANKA SHARMA	144,068	0.96	NIL
LALIT KUMAR TULSIYAN HUF	72,446	0.48	NIL
PRERNA TULSIYAN	65,036	0.43	NIL
ANTARA TULSIYAN	57,627	0.38	NIL

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

- a. "The company has issued only one class of equity shares having a par value of Rs. 10 each. The equity shares of the company having par value of Rs. 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
- b. All equity shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares. However as far as the share held by the promoters/ promoters group is concerned, the same has been pledged in favour of the lenders as part of CDR 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.

<b>Note No. 17</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other Equity</b>		
General Reserve	<b>2,390.00</b>	2,390.00
Investment Allowance reserve	<b>59.39</b>	59.39
Securities Premium Reserve	<b>11,873.70</b>	11,873.70
Other Comprehensive Income	-	-
Capital Reserve	-	-
Profit and Loss Account	<b>(1,419.63)</b>	(80,449.77)
	<b>12,903.46</b>	(66,126.68)
<b>a) General Reserve</b>		
Balance at the beginning and end of the year	<b>2,390.00</b>	2,390.00
<b>b) Investment Allowance Reserve</b>		
Balance at the beginning and end of the year	<b>59.39</b>	59.39
<b>c) Securities Premium Reserve</b>		
Balance at the beginning of the year	<b>11,873.70</b>	11,873.70
Additions during the year	-	-
Balance at the end of the year	<b>11,873.70</b>	11,873.70
<b>d) Other Comprehensive Income</b>		
Balance at the beginning of the year	-	-
Additions during the year	<b>(56.37)</b>	(81.76)
Deductions/Adjustments during the year	<b>56.37</b>	81.76
Balance at the end of the year	-	-
<b>e) Retained earnings</b>		
Balance at the beginning of the year	<b>(80449.77)</b>	(79211.63)
Previous year Provision for Taxation Reversed	-	-
Net profit for the period	<b>79086.51</b>	(1156.37)
Transfer from Other Comprehensive Income	<b>(56.37)</b>	(81.76)
Balance at the end of the year	<b>(1,419.63)</b>	(80,449.77)

**Notes - (Contd)**

<b>Note No. 18</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</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>43,486.74</b>	100,840.24
From Financial Institutions	-	-
<b>Vehicle Loans</b>		
HDFC Bank Ltd	<b>13.32</b>	22.99
<b>Unsecured</b>		
From Body Corporate	-	-
From Directors	<b>707.98</b>	709.50
From others	<b>1.97</b>	1.70
	<b>45,094.32</b>	102,458.73
Less: Current maturities of long-term debt (included in note 22)	<b>(30,091.75)</b>	(29,287.05)
Interest Liability reversed as per Compromise Agreement	-	(3,076.95)
	<b>15,002.55</b>	70,094.72

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

<b>Note No. 19</b>		
<b>Other non current financial liabilities</b>		
Premium on redemption of preference shares payable	<b>1,531.15</b>	1,323.03
Unamortised rental income	-	-
Unamortised Interest income		
	<b>1,531.15</b>	1,323.03

<b>Note No. 20</b>		
Provisions (Non-current)		
Provision for employee benefits		
Gratuity	<b>559.86</b>	484.71
Compensted absence	<b>104.28</b>	91.54
(Refer Note 50)	<b>664.14</b>	576.25

<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	-	-
Related to Others	<b>793.92</b>	823.31
	<b>793.92</b>	823.31
Net deferred tax liability/ (asset)	<b>(793.92)</b>	(823.31)



<b>Note No. 22</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Current liabilities - Financial Liabilities: Borrowings *</b>		
<b>Secured</b>		
From banks - Working capital term loans	<b>12,385.09</b>	54,065.48
Current maturities of long-term debt	<b>30,091.75</b>	29,287.06
Loan from others	<b>1,405.39</b>	1,348.08
<b>Unsecured</b>		
Loans from body corporate	<b>4,898.31</b>	2,553.74
Loan from others	<b>53.78</b>	53.78
Inter Corporate Deposits	-	-
Interest Liability reversed as per Compromise Agreement	-	(7,901.52)
	<b>48,834.33</b>	79,406.61

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

<b>Note No. 23</b>		
<b>Trade payables *</b>		
Supplies and Services	<b>5,378.23</b>	3,405.69
Expenses and others	<b>903.58</b>	350.42
	<b>6,281.81</b>	3,756.12

\* \* 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>273.96</b>	274.56
	<b>273.96</b>	274.56

<b>Note No. 25</b>		
<b>Provisions (Current)</b>		
Provision for proposed equity dividend	-	-
Provision for tax on proposed equity dividend	-	-
Provision for Expenses / Tax	<b>263.25</b>	102.72
Provision - others	-	-
	<b>263.25</b>	102.72

**Notes - (Contd)**

<b>Note No. 26</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other current liabilities</b>		
Interest accrued but not due on secured loans	-	-
Interest Payable	6,441.91	6,441.91
Statutory Dues Payable	178.35	427.66
Advanced & deposits from customer etc.	100.00	-0.00
TDS	-	-
Calamity Relief Fund	-	-
Other current liabilities	67.24	182.22
Employee Payables	235.60	244.54
	<b>7,023.10</b>	<b>7,296.33</b>

<b>Note No. 27</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
<b>Revenue from Operations</b>		
Domestic sales FG	75,907.66	56,779.04
High sea sales	40.83	-
Export sales	6,132.54	3,206.51
Domestic Sales RM	2,146.07	1,533.56
Domestic Sales - Stores	145.89	88.19
Processing charges	618.66	623.70
	<b>84,991.65</b>	<b>62,231.00</b>

<b>Note No. 28</b>		
<b>Other Income</b>		
Income from windmills	133.83	173.49
Interest	-	-
Interest on term deposit	-	0.33
Other interest income	3.28	14.25
Profit on sale of Fixed asset	2.83	0.47
Re-measurement of Investment	1.54	-
Compensation for Power	-	-
Dividend	-	-
Foreign Exchange Fluctuation (Net)	4.02	-
Miscellaneous Income	0.75	0.06
Less: Income from wind mill set-off against Power & Fuel	(133.83)	(173.49)
	<b>12.42</b>	<b>15.11</b>

**Notes - (Contd)**

(₹ In Lacs)

<b>Note No. 29</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
<b>Cost of Materials Consumed</b>		
<b>Raw Materials</b>		
Opening inventory of raw materials	<b>4,803.96</b>	4,458.52
Raw Materials purchased	<b>68,485.69</b>	43,689.69
Materials Inward	<b>2,562.57</b>	2,529.42
Customs Duty	<b>0.83</b>	642.49
Expenses for Import Licence	-	-
Less: Discount/Licence	<b>645.19</b>	277.10
Less: Closing Stock	<b>3,105.02</b>	4,803.96
Captive consumption	<b>5,849.47</b>	3,849.99
	<b>66,253.35</b>	42,389.06
<b>Stores</b>		
Opening Stock	<b>1,604.99</b>	1,531.14
Purchases	<b>3,546.84</b>	2,651.20
Materials Inward	<b>60.29</b>	52.36
Less: Closing Stock	<b>1,819.96</b>	1,604.99
	<b>3,392.17</b>	2,629.70
Total cost of materials consumed	<b>69,645.52</b>	45,018.76

<b>Note No. 30</b>		
<b>Purchase of stock-in-trade - Traded goods</b>		
Purchase of stock-in-trade - Traded goods	<b>277.92</b>	225.12
	<b>277.92</b>	225.12

<b>Note No. 31</b>		
<b>Changes in inventories of finished goods</b>		
Closing balance	<b>3,167.98</b>	2,873.42
Opening balance	<b>2,873.42</b>	4,044.78
	<b>(294.56)</b>	1,171.36

<b>Note No. 32</b>		
<b>Employee benefit expenses</b>		
Salaries and Wages	<b>2,953.17</b>	2,778.36
Contribution to provident and other funds	<b>46.86</b>	54.24
Welfare Expenses	<b>148.30</b>	55.45
	<b>3,148.33</b>	2,888.05

**Notes - (Contd)**

<b>Note No. 33</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
<b>Power &amp; Fuel</b>		
Power & Fuel expense	<b>5,282.69</b>	4,123.85
	<b>5,282.69</b>	4,123.85

<b>Note No. 34</b>		
<b>Depreciation and amortization expense</b>		
Depreciation on property, plant and equipment	<b>2,464.60</b>	2,512.26
	<b>2,464.60</b>	2,512.26

<b>Note No. 35</b>		
<b>Finance costs</b>		
Interest	<b>225.52</b>	19,958.55
Other Finance Charges	<b>489.58</b>	569.50
	<b>715.10</b>	20,528.05

<b>Note No. 36</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
<b>Other expenses</b>		
Power Plant Charges	<b>2,840.43</b>	2,810.47
Repairs		
Machinery	<b>443.34</b>	385.63
Building	<b>46.48</b>	50.10
Other Manufacturing Expenses	<b>287.18</b>	287.94
Processing Charges	<b>173.28</b>	180.96
Insurance	<b>41.95</b>	62.07
Rent	<b>43.87</b>	33.92
Loss on sale of fixed assets	<b>0.67</b>	1.37
Rates & Taxes	<b>181.96</b>	163.16
Legal & consultancy charges	<b>131.88</b>	88.33
Payment to auditors	<b>5.90</b>	4.90
Transport charges	<b>217.76</b>	326.64
Brokerage & commission	<b>62.70</b>	119.37
Selling & administration expenses	<b>582.31</b>	966.14
Excise duty expenses	-	264.13
Bank charges	<b>15.12</b>	61.81
Foreign exchange loss (net)	-	23.12
Provision for Expected credit loss	<b>11.55</b>	467.73
	<b>5,086.36</b>	6,297.79

**Notes - (Contd)**

<b>Note No. 36 (a)</b>		
<b>Payment to auditors</b>		
Statutory Audit fees	<b>5.90</b>	4.90
Taxation fee	<b>2.99</b>	2.49
	<b>8.89</b>	7.39

<b>Note No. 37</b>		
<b>Exceptional Items</b>		
Exceptional Item	<b>(80,437.80)</b>	(19,693.13)
	<b>(80,437.80)</b>	(19,693.13)

<b>Note No. 38</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
<b>Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>	-	-
Current tax on profits for the year		
MAT credit entitlement/reversal		
Adjustments for current tax of prior periods		
<b>Total current tax expense</b>	-	-
<b>Deferred tax</b>		
Deferred tax adjustments	<b>29.39</b>	330.36
<b>Total deferred tax expense/(benefit)</b>	<b>29.39</b>	330.36
<b>Income tax expense</b>	<b>29.39</b>	330.36
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax from continuing operations	<b>79,115.90</b>	(826.00)

<b>Note No. 39</b>		
<b>Earnings per share</b>		
Profit/ (loss) for the year attributable to owners of the Company	<b>79,086.51</b>	(1,156.36)
Weighted average number of ordinary shares outstanding	<b>14,713,850</b>	14,713,850
Basic earnings per share (Rs)	<b>537.50</b>	(7.86)
Diluted earnings per share (Rs)	<b>537.50</b>	(7.86)

<b>Note No. 40</b>		
<b>Earnings in foreign currency</b>		
FOB value of exports	<b>3,531.64</b>	2,212.04
	<b>3,531.64</b>	2,212.04

<b>Note No. 40(a)</b>		
<b>Expenditure in foreign currency</b>		
Exchange in foreign currency for other matters	<b>42.17</b>	27.21
	<b>42.17</b>	27.21

Note No. 41	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>CIF value of imports</b>		
Raw Materials	1.83	246.84
	1.83	246.84

**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, 2022		Year ended March 31, 2021	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
<b>Raw Materials</b>				
<b>Imported</b>				
Steel scrap	25,860.25	45.17	15,544.12	44.78
Ingot, billet and re-rollables	-	-	-	-
PP/HDPE Granules	-	-	-	-
<b>Others</b>				
Steel scrap	11,846.10	20.69	9,823.09	28.30
Ingot, billet and re-rollables	8,026.13	14.02	389.69	1.12
PP/HDPE Granules	6,069.19	10.60	4,327.70	12.47
Iron Ore	5,415.60	9.46	4,605.08	13.27
Dolomite	31.21	0.05	24.91	0.07
<b>Coal</b>				
Imported	9,985.43	66.15	11,299.86	88.24
Others	5,109.08	33.85	1,506.37	11.76
<b>Stores</b>		-		
Imported	34.37	1.01	27.21	1.03
Others	3,357.80	98.99	2,602.50	98.97
<b>Total consumption</b>	<b>75,735.17</b>		<b>50,155.83</b>	

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

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The principal amount remaining unpaid at the end of the year	-	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

\*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

Notes - (Contd)

44. Commitments and contingent liabilities

Nature of Dues	Amount in Lacs.	Period to which it relates	Forum where the Dispute is pending
Excise	929.82	Upto June 2017	CESTAT Chennai
GST	27.62	July'2018 - Mar'2019	Commissionerate, GST, Chennai
Excise/Service Tax	235.27	April 2013 - June 2017	CESTAT Bangalore
Cancellation of FIBC and demand for repayment of Duty Drawback	168.18	February 2010 to September 2011	Ministry of Finance - Secretary
TNEB	1,066.53	2004-14	TANGEDCO
Excise	63.35	2013-14, 2014-15	SVLDR, Chennai

Notes:

Contingent Liabilities:

1. During the Financial year 2015-16 the Company's loans and liabilities were restructured by the consortium of Banks under the Corporate Debt Restructuring Scheme providing certain reliefs and concessions. As per the scheme the company's repayment obligations were restructured. The Banks also provided certain reliefs/ waivers/sacrifices by reducing the rate of interest. Interest was provided in the books at the lowered rates of interest. However, the scheme was exited during the year 2017-18 as communicated by the CDR Cell vide their letter dated 12-09-2017. Consequently, the concessions so provided under the scheme were withdrawn. Upon such withdrawal, some of the banks debited the differential interest and Charges with retrospective effect and charged the interest at original rates. The company had accounted all such interest and charges as debited by the Banks.
2. During the year the company has entered into a bilateral Compromise settlement with 2 major lenders having a security share of 72.78% on the securities of the company. The Settlement entails waiver of entire interest outstanding and part of principal. The amount settlement is payable over a period of 24 months. The Waiver of interest and principal are subject to certain conditions of the settlement, the company has accounted for such waivers and is confident of meeting its obligations under the settlement. The amount of Bank liabilities as disclosed in the Financial statement are the amount due as per the compromise settlement in respect of Banks with whom such settlement has been entered into.
3. In respect of the other 3 Banks where similar proposals have been made and pending for consideration of such banks, the liability is as per the books of account which includes interest debited remaining unpaid and the principal amount in full. No provision has been made in respect of interest on these accounts in view of the pending settlement.
4. 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.
5. The company has received a notice from the office of the Director General of Foreign Trade, Bangalore, asking to show cause as to why penalty upto 5 times of the CIF value of goods imported of a value of Rs.44.34 Crores imposed in respect of 44 Advance licenses for alleged non completion of the export obligations in respect of those licenses. Post issue of the notice, the company's name was added in the "Denied Entity List". The Company had represented to the said authority that the Export obligation in individual case or when clubbed with other license/licenses in accordance with the Foreign trade Policy and procedures with or without relaxation of the norms as may be applicable has been completed. Out of 44 Licences for which the notice was issued, Export obligations Discharge certificate has been received in respect of 42 Licences the CIF Value of which is Rs.44.20 Crore leaving 2 licences with a CIF Value of Rs.0.14 Crores pending. Export obligation in respect of the said 2 licences have indeed been completed and the company is hopeful of obtaining the Export obligations Discharge certificate in the course of time. Based on the representation given

by the company the name of the company was removed from the Denied Entity List, however company has not received any communication from the DGFT in this regard dropping the show cause notice.

6. The liability in respect of Excise and VAT is subject to the levy of additional interest till the date adjudication from the due date, in case the liability is confirmed by the Appellate Authority. However, no estimation of such interest payable, if any, has been made or has not been provided. Hence, no liability will accrue in respect of the interest, if the order is in favour of the company and in the opinion of the management, the decision will be in the favour of the company
7. Resurgent Power projects Limited (Formerly Enmas GB Power Systems Projects Limited) has demanded payment of Rs.13,25,31,282/- as dues for the Power Project I and II executed by them and has issued a notice under section 9 of the Insolvency and Bankruptcy Code, 2016. In view of the substandard performance of 1st Turbine and delayed implementation of Power Plant 2 the company has debited the 11,78,32,463/- as liquidated damages the payable to the said party as per the books of accounts is nil. Accordingly, the company has disputed the amount and has sought to invoke the arbitration proceedings against the party to settle the matter. The liquidated damages debited to the party has been credited to the cost of the project. Pending these matters no provision has been made against the claim in the books of accounts.

#### **Impairment of Assets:**

8. No provision has been made for the expected credit loss in respect of receivables which are outstanding for a long period and the chances of recovery are uncertain. These dues include dues from customers who have already been referred to NCLT under Insolvency and Bankruptcy Code. The amount outstanding dues where credit loss could be expected is Rs.74.88 Crores.
9. The lease agreement with KIADB in respect of Industrial Land in Sy. No.62, 63/2A of Doddaballapur Industrial Area (Varadanahalli Village) admeasuring 1 Acre 39 Guntas and SY NO.56/1 of Varadanahalli Village Kasaba Hobli, Doddaballapur Taluk, Bangalore District admeasuring 2 acres 22 guntas has expired and is yet to be renewed. Pending renewal, the company continues to hold the possession of the property.
10. In respect of property Land at Sy.No. 61/1, situated at Varadanahalli, Kasaba Hobli, Doddaballapura Taluk measuring 11  $\frac{3}{4}$  guntas and 3 acres 3 guntas, the previous owner(joint owner) of the property (Sy No.61/1) has fraudulently registered a Gift Deed in favour of her Daughter Pavithra, despite having sold the property to the company and the daughter has registered a sale deed in respect of third parties. The company has filed a complaint to the revenue authorities and the police in this regard.
11. The Goa industrial Development Corporation has vide its order dated 20th April 2017 has cancelled the lease of 8890 SFT out of 12700 SFT for non utilization of the land allotted on lease for the industrial purpose. Company has filed a civil suit against the said corporation reclaiming the leased land and the matter is pending with the court. Pending the settlement the company continues with the possession of the property.
12. The company was assessed to Income Tax and an order was passed u/sec 143(3) on 29/12/2019 for AY 2017-18. In completing the captioned assessment a sum of Rs 48,91,37,362/- was added back. The addition was on account of the Company's transactions with Tanishi Commotrades Pvt Limited (sales and other transactions), Subham Trading /Neeraj Trading Company(purchases ) and a sum of Rs 6829701 for delayed remittance of PF/ESI. The Company is hopeful of its success at the appellate forums on the captioned additions. In continuation, the assessments for Assessment Years 2016-17 and 2015-16 were subject to the revisionary proceedings u/s 263 of the Income Tax Act, 1961 and the order was passed on 25-03-2021 setting aside the original assessment order and directing the assessing officer to do the assessment afresh with a direction to examine all the issues other than what was preferred before CIT Appeal and pass orders after giving the assessee due opportunities. The assessee has filed its objections before the Honourable ITAT against the 263 Order. During the year the assessment proceedings were initiated and details furnished by the Company. Based on the submissions the findings as per the original assessment order passed on 28.12.2018 were upheld.



**Notes - (Contd)**

**45. Operating Segments**

The business of the Company falls under three segments i.e., (a) Steel Division; (b) Synthetic Division; and (c) Power in accordance with Ind AS 108 "Operating Segments" and segment information is given below:

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Segment Revenue</b>		
Steel Division	<b>66,990.23</b>	42,434.00
Synthetic Divison	<b>8,921.19</b>	7,090.47
Power	<b>9,080.23</b>	12,706.53
Media	-	-
Revenue from operations (Net)	<b>84,991.65</b>	62,231.00
<b>Segment Results</b>		
Profit (+) / Loss (-) before tax and finance cost		
Steel Division	<b>1,552.81</b>	924.47
Synthetic Division	<b>80.98</b>	(205.32)
Power	<b>(2,228.05)</b>	(702.33)
Media	<b>(12.54)</b>	(7.90)
Total	<b>(606.80)</b>	8.92
Add/ Less : Finance Cost	<b>715.10</b>	20,528.05
Profit/(Loss) from continuing operations	<b>(1,321.90)</b>	(20,519.13)
Profit/(Loss) from discontinuing operations		
Profit Before Tax	<b>(1,321.90)</b>	(20,519.13)
<b>Segment Assets</b>		
Steel Division	<b>31,124.12</b>	32,874.58
Synthetic Divison	<b>9,614.96</b>	9,363.70
Power	<b>52,684.73</b>	55,062.44
Media	<b>31.41</b>	51.01
Other unallocable corporate assets		
Total assets	<b>93,455.21</b>	97,351.73
<b>Segment Liabilities</b>		
Steel Division	<b>88,374.41</b>	116,219.64
Synthetic Divison	<b>(44,242.04)</b>	9,569.01
Power	<b>34,756.90</b>	36,028.10
Media	<b>191.11</b>	190.28
Other unallocable corporate assets		
Total liabilities	<b>79,808.37</b>	162,007.03
<b>Capital Employed (Segment assets-Segment liabilities)</b>		
Steel Division	<b>(57,250.28)</b>	(83,345.06)
Synthetic Divison	<b>53,857.01</b>	(205.31)
Power	<b>17,927.83</b>	19,034.34
Media	<b>(159.70)</b>	(139.27)
Total capital employed in segments	<b>14,374.84</b>	(64,655.30)
Unallocable corporate assets less corporate liabilities		
Total Capital Employed	<b>14,374.84</b>	(64,655.30)

**Information relating to geographical areas**

**(a) Revenue from external customers**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	80,891.77	59,024.50
Outside India	4,099.88	3,206.51
<b>Total</b>	<b>84,991.65</b>	<b>62,231.00</b>

**(b) Non current assets**

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

**(c) Information about major customers**

Particulars	As at March 31, 2022	As at March 31, 2021
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**46. Operating lease arrangements**

Particulars	As at March 31, 2022	As at March 31, 2021
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:**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>i. From Banks</b>		
<b>a. Term Loans</b>		
Andhra Bank	14,180.64	15,975.49
Canara Bank	18,000.00	25,203.19
Syndicate Bank	-	6,511.01
Indian Overseas Bank	3,911.50	9,174.27
Prudent ARC Limited	792.35	792.35
<b>b. Working Capital Term Loan/ Funded Interest Term Loan</b>		
Andhra Bank	3,349.57	3,787.22
Canara Bank	-	21,120.00
Syndicate Bank	-	12,072.56
State Bank of India	3,166.32	3,166.32
Indian Overseas Bank	-	3,037.84
IDBI	-	-
<b>ii. From Financial Institutions</b>	-	-
<b>Total</b>	<b>43,486.74</b>	<b>100,840.24</b>

**Schedule for short term borrowings:**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Secured</b>		
From Banks - Working Capital Loans		
Canara Bank	-	23,890.99
Syndicate Bank	-	12,603.04
State Bank of India	3,893.77	3,893.77
Andhra Bank	876.50	1,109.95
IDBI Bank Limited	5,032.24	5,032.24
Indian Overseas Bank	-	4,953.45
Andhra Bank LCs devolved	600.40	600.40
Shamrao Vithal Co-op Bank Limited	1,982.17	1,981.64
Loans from others	1,459.16	1,401.85
<b>Unsecured</b>		
Loans from body corporate	4,898.32	2,553.74
<b>Total Short term borrowings</b>	<b>18,742.57</b>	<b>58,021.09</b>

**Terms and conditions of loans**

- i. Term Loan\Working Capital Term Loan\Funded Interest Term Loan\Fresh Term Loan shall have pari-passu first charge on entire fixed assets and Pari-passu second charge on entire current assets (including of slow moving \ non-moving stock and non-current debtors) of the company.
- ii. Working Capital shall have pari-passu first charge on entire current assets and pari-passu second charge on entire fixed assets of the company. Existing exclusive security shall be continued with respective lenders.
- iii. Personal Guarantee of Shri Lalit Kumar Tulsyan and Shri Sanjay Kumar Tulsyan.
- iv. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
- v. Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.
- vi. Vehicles are secured by their Hypothecation.

## 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, 2022	March 31, 2021
<b>Financial assets</b>		
<b>a. Measured at amortised cost</b>		
Other non-current financial assets	8.95	15.27
Trade receivables	15,644.82	16,773.37
Cash and cash equivalents	273.15	603.16
Bank balances other than above	409.53	309.98
Other financial assets	1,270.74	1,201.04
<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Investments	0.41	0.41
<b>Financial liabilities</b>		
<b>a. Measured at amortised cost</b>		
Long term borrowings	15,002.55	70,094.72
Other non-current financial liabilities	1,531.15	1,323.03
Short term borrowings	48,834.33	79,406.61
Trade payables	6,281.81	3,756.12

### 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, 2022 (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	-	-	-	1,361,143.90	-	1,361,143.90	1,361,143.90
EUR	-	-	-	43,763.48	-	43,763.48	43,763.48
GBP	-	-	-	-	-	-	-
In INR	-	-	-	1,031.37	-	1,031.37	1,031.37

**As on March 31, 2021 (all amounts are in equivalent Rs. in lakhs)**

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	-	-	-	1,328,599.85	-	1,328,599.85	1,328,599.85
EUR	-	-	-	43,763.48	-	43,763.48	43,763.48
GBP	-	-	-	-	-	-	-
in INR	-	-	-	989.09	-	989.09	989.09

**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.

Due to the Compromise Settlement with Banks, there will be no Interest Liability. Hence the Sensitivity Analysis does not arise

**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.

<b>March 31, 2022</b>	<b>Due in 1st year</b>	<b>Due after 1st Year</b>	<b>Carrying amount</b>
Trade payables	6,281.81	-	6,281.81
Borrowings	-	15,002.55	15,002.55
	<b>6,281.81</b>	<b>15,002.55</b>	<b>21,284.37</b>

March 31, 2021	Due in 1st year	Due after 1st Year	Carrying amount
Trade payables	3,756.10	-	3,756.10
Borrowings	29,287.06	70,094.72	99,381.78
	33,043.16	70,094.72	103,137.88

	March 31, 2022	March 31, 2021
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 Tulsyan (Executive Chairman) Shri Sanjay Tulsyan (Managing Director) Shri Sanjay Agarwalla (Whole Time Director) Shri Shantha Kumar RP (Chief Financial Officer) Shmt Parvati Soni (Company Secretary)
<b>Companies in which Directors are interested</b>	Tulsyan Smelters Private Ltd Tulsyan Power Private Limited

#### b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
1	<b>Purchase of goods</b> Chitrakoot Steel & Power P Ltd Tulsyan Smelters Private Ltd	<b>237.36</b> <b>25,786.77</b>	1,281.76 14,263.87
2	<b>Sale of Goods</b> Chitrakoot Steel & Power P Ltd Tulsyan Smelters Private Ltd	<b>117.67</b> <b>40,670.43</b>	193.98 14,887.92
3	<b>Short term borrowings during the year</b>	-	-
4	<b>Services Received</b> Chitrakoot Steel & Power P Ltd Tulsyan Smelters Private Ltd	-	-
5	<b>Managerial Remuneration</b> Lalit Kumar Tulsyan Sanjay Tulsyan Sanjay Agarwalla Shantha Kumar RP Alka Tulsyan Aditya Bhartia Shmt. Parvati Soni	<b>60.78</b> <b>60.29</b> <b>39.29</b> <b>31.44</b> <b>17.93</b> <b>10.01</b> <b>7.33</b>	57.03 60.29 39.29 30.07 16.77 9.00 6.94

**c) Balances with related parties**

S.No.	Name of the Related Party	Year ended March 31, 2022	Year ended March 31, 2021
1	<b>Outstanding Receivables</b>		
	Tulsyan Power Private Ltd	<b>0.51</b>	0.51
	Color Peppers Media Pvt Ltd	-	-
	Chitrakoot Steel & Power P Ltd	<b>1,486.63</b>	1,578.51
	Tulsyan Smelters Private Ltd	<b>2,827.65</b>	1,692.27
2	<b>Outstanding Payables</b>		
	Lalit Kumar Tulsyan	<b>506.94</b>	508.46
	Sanjay Tulsyan	<b>201.04</b>	284.92

**d) Guarantees and Collaterals**

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee in favour of Tulsyan NEC Limited to comply the CDR Terms.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25 Crores.

**50 Retirement benefit plans**

**Defined contribution plans**

In accordance with Indian law, the Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme, which are defined contribution plans, for qualifying employees.

The total expense recognised in profit or loss of Rs.167.02 lakh (previous year Rs.137.99 lakh) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**

**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2022	March 31, 2021
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	7.49% p.a.	7.13% p.a.
Rate of increase in compensation level	6.00% 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, 2022 Rs. Lakhs	March 31, 2021 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	35.05	32.38
Net interest expense	32.83	31.82
Return on plan assets (excluding amounts included in net interest expense)	-	-
	<b>67.88</b>	64.21
<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	(31.20)	(45.68)
Components of defined benefit costs recognised in other comprehensive income	(31.20)	(45.68)
Total	<b>36.68</b>	18.53

	March 31, 2022 Rs. Lakhs	March 31, 2021 Rs. Lakhs
<b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b>		
Present value of defined benefit obligation	521.39	484.71
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	<b>521.39</b>	484.71
Non - Funded	<b>521.39</b>	484.71
	<b>521.39</b>	484.71

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

	March 31, 2022 Rs. Lakhs	March 31, 2021 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	484.71	466.18
Current service cost	35.05	32.38
Interest cost	32.83	31.82
Actuarial (gains)/losses	(31.20)	(45.68)
Closing defined benefit obligation	521.39	484.71

### 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, 2022	March 31, 2021
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	7.18% p.a.	6.57% p.a.
Rate of increase in compensation level	6.00% p.a.	5.00% p.a.

	March 31, 2022 Rs. Lakhs	March 31, 2021 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	11.74	21.84
Net interest expense	3.96	6.76
Components of defined benefit costs recognised in profit or loss	15.70	28.60

<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	(2.96)	(36.08)
Components of defined benefit costs recognised in other comprehensive income	(2.96)	(36.08)
Total	12.74	(7.48)

<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>104.28</b>	91.54
Net liability arising from defined benefit obligation	<b>104.28</b>	91.54
Non - Funded	<b>104.28</b>	91.54
	<b>104.28</b>	91.54

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

	<b>March 31, 2022 Rs. Lakhs</b>	March 31, 2021 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	<b>91.54</b>	99.02
Current service cost	<b>11.74</b>	21.84
Interest cost	<b>3.96</b>	6.76
Actuarial (gains)/losses	<b>(2.96)</b>	(36.08)
Closing defined benefit obligation	<b>104.28</b>	91.54

**51. Period and amount of continuing default as on the Balance sheet date**

Due Date	State Bank of India	Andhra Bank	Total for the Qtr	Cumulative Total	No of Days Delay
30/06/2016	51.00	53.00	104.00	104.00	2100
30/09/2016	77.00	84.00	161.00	265.00	2008
31/12/2016	77.00	84.00	161.00	426.00	1916
31/03/2017	77.00	84.00	161.00	587.00	1826
30/06/2017	103.00	166.00	269.00	856.00	1735
30/09/2017	103.00	166.00	269.00	1,125.00	1643
31/12/2017	103.00	166.00	269.00	1,394.00	1551
31/03/2018	103.00	166.00	269.00	1,663.00	1461
30/06/2018	103.00	265.00	368.00	2,031.00	1370
30/09/2018	103.00	265.00	368.00	2,399.00	1278
31/12/2018	103.00	265.00	368.00	2,767.00	1186
31/03/2019	103.00	265.00	368.00	3,135.00	1096
30/06/2019	103.00	305.00	408.00	3,543.00	1005
30/09/2019	103.00	305.00	408.00	3,951.00	913
31/12/2019	103.00	305.00	408.00	4,359.00	821
31/03/2020	103.00	305.00	408.00	4,767.00	730
30/06/2020	103.00	278.00	381.00	5,148.00	639
30/09/2020	103.00	278.00	381.00	5,529.00	547
31/12/2020	103.00	278.00	381.00	5,910.00	455
31/03/2021	103.00	278.00	381.00	6,291.00	365
30/06/2021	103.25	277.84	381.09	6,672.09	274
30/09/2021	103.25	277.84	381.09	7,053.18	182
31/12/2021	103.25	277.84	381.09	7,434.27	90
31/03/2022	103.25	277.84	381.09	7,815.36	-
<b>Total</b>			<b>7,815.36</b>		

**52. The details of the Exceptional Item is as under**

Sl.No.	Nature	Rs. in Lakhs
1	Term Loan	23,296.00
2	Working Capital	12,847.37
3	Interest	44,294.43
	<b>Total</b>	<b>80,437.80</b>

**53. OTHER STATUTORY INFORMATION**

- (i) There are no proceedings initiated or pending against the Group as at March 31, 2022, under Prohibition of Benami Property Transaction Act, 1988 (As amended in 2016)
- ii) The Group do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.
- iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- viii) The Group is not declared a wilful defaulter by any bank or financial institutions or vendor.
- ix) Title deeds of all immovable properties were held in the name of the Group.

**54. Previous Year's figures have been re-grouped wherever necessary to conform to the Current Year's classification**

The accompanying notes form an integral part of the financial statements

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

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

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

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

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

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

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

Sd/-  
**Parvati Soni**  
Company Secretary

Place : Chennai.  
Date : 30th May, 2022

**Disclosure Of Ratios By Companies as per new Schedule III Amendment**

S. No.	Ratio	Formula	CY	PY	Variation	Reasons for Changes
1	Current Ratio	Current Assets/ Current Liabilities	0.47	0.34	36%	Reduction of Current liabilities (Bank OCC) due to Compromise Settlement
2	Debt - Equity Ratio	Total Debt/Total Equity	4.44	(2.26)	(296%)	Reduction in Debt (Term Loans) due to Compromise settlement
3	Debt Service Coverage Ratio	Net Operating Income/Total Debt Service	1.28	0.01	11230%	Obligations as per the original sanction terms has not been met.
4	Return on Equity	Net Income/Avg Shareholder's Equity	5.50	0.01	42981%	Profit before Exceptional items and Taxes negative.
5	Inventory Turnover Ratio	Cost of Goods Sold/Avg Inventory	1.98	1.16	70%	Reduced holding is due to increased turnover and improved inventory management
6	Trade Recievable Turnover Ratio	Annual Credit Sales/Avg Trade Recievables	1.31	0.77	70%	Improvement is due to increased turnover and lower credit offered
7	Trade Payable Turnover Ratio	Annual Credit Purchases/Avg Trade Payables	3.59	1.76	104%	Increased Credit availability
8	Net Capital Turnover Ratio	Annual Net Sales/Working Capital	(2.54)	(1.04)	144%	Negative. However, improvement is due to compromise settlement
9	Net Profit Ratio	Net Profit/ Net Sales	0.93	(0.02)	(5108%)	Improved Performance/ Turnover
10	Return on Capital Employed	EBIT/(Total Assets - Current Liabilities)	2.57	(0.13)	(2128%)	Improved ration is on account of exceptional income due to Compromise settlement
11	Return on investment	Return From Investment/Cost of Investment				Dividend Received Rs. 300 only from Shamrao Vital Co-op Bank.

**Disclosure Of Ratios By Companies as per new Schedule III Amendment**
**Rs In Lakh**

Trade Receivables ageing Schedule	Outstanding for the following periods from due date of Payment					
	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 years	3 years and above	Total
(i) Undisputed Trade Receivables Considered Good	5,236.61	1,782.13	747.80	498.72	6,328.12	14,593.38
(ii) Undisputed Trade Receivables Considered Doubtful	-	-	-	-	1,006.73	1,006.73
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	44.71	44.71
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
	<b>5,236.61</b>	<b>1,782.13</b>	<b>747.80</b>	<b>498.72</b>	<b>7,379.56</b>	<b>15,644.82</b>

**Rs In Lakh**

Trade Payables Ageing Schedule	Outstanding for the following periods from due date of Payment				
	6 Months to 1 Year	1 to 2 Years	2 to 3 years	3 years and above	Total
(i) MSME	113.29	-	-	-	113.29
(ii) Others	4,208.93	399.55	2.56	42.05	4,653.10
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	-	28.66	-	-	28.66
	<b>4,322.05</b>	<b>428.35</b>	<b>2.57</b>	<b>42.06</b>	<b>4,795.04</b>
<b>Less : Inter Company</b>					<b>1486.77</b>
					<b>6,281.81</b>



## **TULSYAN** NEC LTD

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