

10th October, 2017

Bombay Stock Exchange Limited,
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400 001

Dear Sir/Madam,

Sub	70 th Annual Report
Ref	Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) 2015
	Scrip Code: 513629

Please find enclosed the Annual Report 2016-2017 along with Notice for the 70th Annual General Meeting of the Shareholders of the Company to be held on 28th September 2017.

This is for your information and record.

Thanking You,

Yours faithfully,

For Tulsy NEC Limited

Rakhal Panigrahi
Rakhal Panigrahi
Company Secretary
Encl.: as above.
Company Secretary



TULSYAN NEC LTD: Apex Plaza, 1st Floor, No 3, Nungambakkam High Road, Chennai, Tamil Nadu - 600 034.

Ph : +91 44 3918 1060 / 3912 0756, Fax : +91 44 3918 1097 | Email : marketing@tulsyanec.in | www.tulsyanec.in

Registered Office: 61, Sembudoss Street, Chennai - 600 001. Phone : +91 44 2522 2673. | CIN L28920TN1947PLC007437







TULSYAN NEC LIMITED

CIN : L28920TN1947PLC007437

Board of Directors

Lalitkumar Tulsyannec
Executive Chairman

Sanjay Tulsyannec
Managing Director

Sanjay Agarwalla
(Whole-time Director)

C. Ramachandran
(Non-executive Independent Director)

P.T. Rangamani
(Non-executive Independent Director)

Preeti Garg
(Non-executive Independent Director)

Shantha Kumar RP
Chief Financial Officer

P Laxmidhar Prusty
Company Secretary

Registered Office
61, Sembudoss Street,
Chennai - 600 001.

Corporate Office
Apex Plaza, I Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai - 600 034.
Tel.: 044-3918 1060, Fax : 044-3918 1097
E-mail: investor@tulsyannec.in
Website: www.tulsyannec.in

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

Bankers

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

Auditors

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

Registrar & Share Transfer Agents

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

Steel Division

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

Branch:

50B, Muktaram Babu Street, Kolkata 700 007

Godown:

135 / 51A, Girish Ghosh Road,
Belur, Howrah 711 202

Power Plant:

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

Windmill

Kudimangalam, Udumalapet, Tamil Nadu.
Pazhavoor, Tirunelveli District, Tamil Nadu.
Kavalakurichi, Tirunelveli District, Tamil Nadu.

Synthetics Division

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

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NOTICE

NOTICE is hereby given that the 70th Annual General Meeting (AGM) of the members of Tulsyani NEC Limited will be held as scheduled below:

Day	Thursday
Date	28 th September, 2017
Time	03.30 P.M.
Place	"Narada Gana Sabha", Mini Hall, No. 254, TTK Road, Chennai - 600018

ORDINARY BUSINESS:

1. To consider and adopt the Audited financial statements of the Company for the financial year ended March 31, 2017, the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Shri Lalit Kumar Tulsyani (DIN 00632823) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013, and relevant rules made thereunder, M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, having LLP Identity Number: AAC-9402, having Firm ICAI Registration No: 004925S/S200036 be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of 4 (Four) consecutive financial years, from the conclusion of the 70th Annual General Meeting of the Company until the conclusion of the 74th Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting) and the Board of Directors of the Company be and is hereby authorized to fix their remuneration"

SPECIAL BUSINESS:

4. **Ratification of Remuneration payable Messrs Murthy & Co. LLP as Cost Auditor for the Financial Year 2017-2018**

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

"RESOLVED THAT the remuneration of Rs.70,000/- (Rupees Seventy Thousand only), in addition to reimbursement of travel and out of pocket expenses, payable to Messrs Murthy & Co. LLP, Practicing Cost Accountants, (Firm Registration Number: S200001) who was appointed as cost auditor of the Company for the financial year 2017-2018 as recommended by Audit Committee

and approved by the Board of Directors of the Company, in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, be and is hereby ratified."

5. **Regularization of Additional Director of Mrs. Preeti Garg (DIN 03644985)**

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

"RESOLVED THAT pursuant to the Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Preeti Garg (DIN: 03644985), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th February, 2017 and who holds office until the date of the AGM in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 14th February, 2017, who is not liable to retire by rotation

RESOLVED FURTHER THAT any of the Directors / Company Secretary, be and are hereby severally authorized to file relevant forms with the Registrar of companies, Chennai, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment"

6. **Approval of Related Party Transaction**

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

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 and Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and subject to such approvals, consents, sanctions and permissions as may be necessary, on the basis of approval of the Audit Committee, the consent of the members of the Company be accorded to the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, to enter into related party transaction(s) up to the maximum amount per annum as mentioned in below table.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.

Name of the Party	Nature of Transaction	Maximum Amount of Transaction	Period of Transaction
Tulsyam Smelters Private Limited	Sale of Company goods	Value not exceeding Rs. 500 Crores Per financial year	From 01-02-2018 to 31-03-2020

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board of Directors
For Tulsyam NEC Limited

Lalit Kumar Tulsyam
Executive Chairman
DIN: 00632823

Place: Chennai
Date : 01-09-2017

NOTES:

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

SHOULD HOWEVER BE DEPOSITED WITH THE COMPANY AT ITS CORPORATE OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE ANNUAL GENERAL MEETING.

3. Corporate members intending to send their authorized representative to attend the meeting are requested to send certified copy of board resolution or power of attorney to attend and vote on their behalf at the meeting.
4. The Register of Member and Share Transfer Books of the Company will remain closed for a period of Seven days from Friday, September 22, 2017 to Thursday, September 28, 2017 (both days inclusive) for the purpose of Annual General Meeting.
5. Members desirous of obtaining any information as regards to accounts and operation of the Company are requested to write to the Company at least 10 days before the meeting to enable the Company to keep the required information ready at the ensuing annual general meeting.
6. Members holding shares in physical form are requested to notify change of address immediately to the Company or its Registrar and Share Transfer Agent of the Company namely Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai 600002. Members holding shares in electronic form are requested to advise change of addresses to their Depository Participants.
7. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be circulated at the meeting.
8. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits Companies to send soft copies of the annual report to all those shareholders who have registered their e-mail address with the Company/depository participants. To support this green initiative, the shareholders holding shares both in physical/demat form are requested to register/update their e-mail address with the Company/depository participants. Accordingly, the Annual Report for the financial year ended 31st March, 2017, notice for Annual General Meeting etc, are being sent in electronic mode to those shareholders who have registered their e-mail address with the Company/depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.



9. As per the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, unclaimed dividend amounts upto final dividend 2008-2009 & 2009-2010 has been transferred to the said fund. The shareholders are advised to forward all unencashed dividend warrants from final dividend 2010-2011 & 2011-2012 to the registered office of the Company for revalidation and encash the same before the respective due date of transfer to IEPF.

Last date for claiming unclaimed dividend from the Company is given below:

Year	Dividend	Date of Declaration	Last date for claiming unpaid dividend
2010-11	Interim	27.01.2011	03.03.2018
	Final	14.09.2011	21.10.2018
2011-12	Final	28.09.2012	04.10.2019

10. The shares of the company have been activated for dematerialization with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) vide ISIN INE463D01016. Members wishing to dematerialize their shares may approach any Depository Participant (DP)
11. In case of Joint Holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar and Share Transfer Agent.
13. Voting through electronic means:
Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration)

(Amendment) Rules, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 70th Annual General Meeting (AGM) by electronic means and the business may be transacted through the e-voting services. For this purpose, the Company has tied up with CDSL for providing e-voting services through CDSL's e-voting platform.

In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in the e-voting process on the resolutions placed by the Company on the e-voting system.

14. The Instruction for shareholders for voting electronically is as under:-

- The e-voting period begins on **Monday, the 25th September, 2017 at 9 A.M.** and ends on **Wednesday, the 27th September, 2017 at 5 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21-09-2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The shareholders should log in to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now enter your USER ID
 - For CDSL: 16 digit beneficiary ID,
 - For NSDL: 8 character DP ID followed by 8 Digits Client ID,
 - Members holding shares in physical Form should enter Folio Number registered with the Company.
- Next enter the image verification as displayed and Click on Login.
- If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password to be used



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

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN (170902063) of "Tulsiyan NEC Limited" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders Can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

15. General Instructions:

- (i) Members can opt for only one mode of voting i.e. either physically voting at the AGM or e-voting. In case a members has cast multiple votes, then voting done by e-voting will be considered as valid.
- (ii) The facility for voting, either through electronic voting system or polling paper or ballot shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the meeting.
- (iii) The members who have cast their vote by remote e-voting to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (iv) Mr. M Damodaran, Practicing Company Secretary (Membership No. 5837 and C P No. 5081), Chennai, has been appointed as the Scrutinizer to Scrutinize the remote e-voting process and voting

at annual general meeting in a fair and transparent manner.

- (v) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
- (vi) After all the items of the Notice have been discussed, the Chairman will order a poll in respect of all the Items. Poll will be conducted and supervised by the Scrutinizer appointed for e-voting as above. After the conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of e-voting will be announced by the Company on its website: www.tulsiyannec.in upon receipt of consolidated scrutinizer's report.

Explanatory Statement in respect of the Special Business (Pursuant to Section 102 of the Companies Act, 2013)

Item No.4:

Ratification of Remuneration payable to M/s Murthy & Co. LLP as Cost Auditor for the Financial Year 2017-2018

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

The Board, at its meeting held on 14th June, 2017, appointed M/s. Murthy & Co. LLP, Cost Auditors (Firm Registration Number: S200001), as cost auditor of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act 2013) and fixed a sum of Rs.70,000/- (Rupees Seventy Thousand only) as remuneration payable to him, for the financial year 2017-2018. The remuneration, as recommended by the audit committee and approved by the board, is therefore required to be ratified by the shareholders of the Company, as per the requirements of the Companies (Audit and Auditors) Rules 2014, read with Section 148(3) of the Act 2013.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or

interested, financially or otherwise, in the resolution as set out at Item No.4 of the Notice.

c) Relevance of Resolution in any other Company:

The above resolution does not relate to any other company.

d) Inspection of Documents:

Consent Letter and Board Resolution is available for the inspection.

Accordingly, the Board recommends the ordinary resolution set out at Item No.4 of the Notice for approval by the shareholders.

Item No.5:

Regularization of Additional Director of Mrs. Preeti Garg (DIN 03644985)

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

The Board at its meeting held on February 14, 2017 appointed Mrs. Preeti Garg (DIN 03644985) as an additional director with effect from such Board meeting dates pursuant to Section 161 of the Companies Act, 2013. Hence, she will hold



office up to the date of the ensuing annual General Meeting.

The Company has received consent in writing to act as directors in Form DIR 2 and intimation in Form DIR8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail her services as an Independent Director.

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

Excluding Ms. Preeti Garg, 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 at Item No.5 of the Notice.

c) Relevance of Resolution in any other Company:

The above resolution does not relate to any other company.

d) Inspection of Documents:

- (i) Form DIR-2 (Consent to act as a director of a company) [Pursuant to section 152(5) and rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014] and (ii) Form DIR-8 (Intimation by Director) [Pursuant to Section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014] is available for inspection.

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

Item No.6:

Approval of Related Party Transaction

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

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, All Material Related Party Transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. Material Related Party Transaction means the transaction(s) entered/to be entered with related parties either individually or

taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

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

The Details of the Contract are as follows:

Particulars	Tulsyane Smelters Private Limited
Nature of Relationship	Common Directors
Nature of Transaction	Sale of Company goods
Duration	From 01-02-2018 to 31-03-2020
Monetary value	Value not exceeding Rs. 500 Crores Per financial year

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

Except Mr. Sanjay Tulsyane and Mr. Lalit Kumar Tulsyane, none of the directors or Key Managerial personnel or their relatives are interested in the resolution set out in Item No. 6.

c) Relevance of Resolution in any other Company:

The above resolution relates to Tulsyane Smelters Private Limited.

d) Inspection of Documents:

There are no Documents required for the inspection for the above said resolution.

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

By Order of the Board of Directors
For Tulsyane NEC Limited

Lalit Kumar Tulsyane

Executive Chairman

DIN: 00632823

Place : Chennai

Date : 01-09-2017



Details of Directors seeking appointment / re-appointment as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and section 118(10) of the Companies Act, 2013:

Name of the Director	Mrs. Preeti Garg (DIN: 03644985)	Mr. Lalit Kumar Tulsyani (DIN: 00632823)
Date of Birth	16-06-1977	18-02-1960
Date of Appointment in the Board	14-02-2017	12-07-1996
Qualification	Graduate Degree in Commerce, University of Madras, India	B.Com
Nature of his expertise in specific functional areas	<ul style="list-style-type: none"> • Event Planning • Marketing & Sales • Administration • Project & Team management 	Accounts & Finance
Directorship held in other companies	Gallery Veda Private Limited	(i) Tulsyani Power Limited, (ii) Cosmic Global Limited, (iii) Balaji Engineering & Galvanizing Limited, (iv) Chitrakoot Steel and Power Private Limited, (v) Tulsyani Smelters Private Limited
Membership / Chairmanship of committees of other Public Companies	Nil	Nil
Number of shares held in Company	Nil	4046645

BOARD'S REPORT

Dear Members,

Your Directors take immense pleasure in presenting their 70th Annual Report on the business and operations together with the Audited Accounts of the Company for the year ended March 31, 2017.

FINANCIAL RESULTS:

(₹ In Lakhs)

Particulars		Standalone		Consolidated	
		FY 2017	FY 2016	FY 2017	FY 2016
Total Revenue		54305.23	84898.94	54948.82	92238.43
Total Expenses (Excluding Deprecation & Finance Cost)		50362.21	77193.59	51528.34	85113.87
PBITD		3650.29	7705.05	3130.15	7124.55
Less: Finance Cost		11762.66	9323.84	12028.85	9630.82
PBDT		(8112.37)	(1618.79)	(8898.70)	(2506.27)
Less: Deprecation		2267.67	1585.84	2298.95	1693.75
Profit before tax		(10380.04)	(3204.63)	(11197.65)	(4200.02)
Tax Expenses	Current Tax	0.00	0.00	0.00	16.49
	Deferred Tax	(2195.28)	(338.27)	(2219.41)	(665.15)
Profit After tax		(8184.76)	(2866.36)	(8978.24)	(3551.36)
Proposed Dividend and tax thereon		0.00	0.00	0.00	0.00
Transfer to General Reserve		0.00	0.00	0.00	0.00
Earnings per share	Basic	(55.67)	(19.50)	(61.07)	(24.17)
	Diluted	(55.67)	(19.50)	(61.07)	(24.17)

OPERATION AND OUTLOOK:

During the year under review, prolonged demand slump and fluctuating prices of steel has continued to affect the performance of your Company. The sales and other receipts declined by 36.04%, YOY to Rs. 54305.23 lakhs and Loss after tax increased from Rs. (2866.36) lakhs to Rs.(8184.76) Lacs mainly due to reduction in the operating margins.

The production of finished Steel in the country during the year witnessed a growth of 4.6% over previous year and the import of finished steel registered a decline of 29.4%. The growth is on account of increase witnessed in Flat products and non flat products witnessed a growth of 2.7% over previous year. Introduction of Minimum import price during the last year by the Government of India resulted reduction of imports and thus improved off take manufacturing flat steel products from the Indian Manufacturers. This also helped steel manufactures making flat products improve the profitability. Our product being in the long product segment did not benefit out of this policy

Your directors have pleasure to inform you that the II power plant has become operational during the FY under review. However, with the power demand supply situation in Tamilnadu eased substantially and the state became a power surplus state leading to excess of supply over demand and leading to the under utilization of the enhanced capacity and mostly remaining un-remunerative at the prices realizable at

sales through Open Access. Also during the year the coal price increased by 23%. The operations of the Synthetic division showed marginal reduction of about 8% over previous year.

DIVIDEND:

The Company has incurred loss in the year under review the Directors do not recommend dividend to its shareholders.

SHARE CAPITAL:

During the year under review, 18304 number of partly paid equity shares up to Rs. 6/- Converted to fully paid shares. The detailed capital Structure of the Company as on 31-3-2017 is as follows:

- a. **Authorized Capital:** The authorized share capital of the company is Rs. 36,00,00,000/- (Rupees Thirty Six Crores only) divided in to 1,60,00,000 equity shares of Rs. 10/- each and 2,00,00,000 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- each.
- b. **Issued, Subscribed and Paid up:** The paid-up share capital of the Company is Rs. 23,54,55,281/- (Rupees Twenty Three Crores Fifty Four Lakhs Fifty Five Thousand Two Hundred Eighty One only) divided into 1,44,78,486 Equity shares of Rs. 10/- each, 2,25,293 Equity Shares of Rs. 6/- each (Partly Paid-up), 2,96,221 Equity Shares of Rs. 3/- each (Partly paid-up) and 88,43,000 6%



Non-Convertible Redeemable Preference Shares of Rs. 10/- each.

TRANSFER TO RESERVES:

Your Company proposes not to transfer any sum to the general reserve of the Company.

DEPOSITS:

As per the provisions of Section 58A of the Companies Act, 1956, there were no restrictions to obtain unsecured loan from the Directors, shareholders and their relatives. In this scenario, the company had received unsecured loan from before 01-04-2014 for the business operation.

With effect from 01st April, 2014 provisions of Companies Act, 2013 came into force. As per section 74 of the Companies Act, 2013, any amount received from any person other than Directors, shall be treated as Deposits have to be repaid on or before 31st March, 2015 or extension have to be sought by making an application with the CLB for repayment of deposits.

Hence, the Company has made an application with the Company Law Board (CLB) seeking extension of time for repayment of unsecured loans deemed as deposits as per the provisions of the Companies Act, 2013. The Company is awaiting order from CLB.

Accepted during the year: Nil

Remain unpaid at the end of the year: 13,12,28,781.50/-

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, details of Loans, Guarantee and Investments covered under the Provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

The Board of Directors has appointed M/s. Sunil Ahuja and Associates, Chartered Accountants as the Internal Auditor 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. Internal Auditors findings are discussed at half year basis and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

MATERIAL CHANGES AND COMMITMENTS:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As required under section 135 of the Companies Act, 2013, the CSR Policy was formulated by the CSR Committee and thereafter approved by the Board. CSR Policy is available on the Company's website <http://tulsyannec.co.in/pdf/CSR%20Policy.pdf>.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

CORPORATE GOVERNANCE:

In accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with the Practicing Company Secretary Certificate confirming compliance is attached and forms part of this Annual Report.

The information pertaining to the number of Board meetings held, the constitution of the Audit Committee, Remuneration Policy of the Company, criteria under section 178(3) of the Companies Act, 2013, Related Party Transactions and the Vigil Mechanism under the various provisions of the Companies Act, 2013, have been disclosed in the Corporate Governance Report which forms part of this report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:**

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

During the year under review, the contracts or arrangements with related parties referred to in section 188 of Companies Act, 2013 have been on arm's length and in ordinary course of business and they were not material in nature. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 are not required to be disclosed as they are not applicable. Whereas the Company has approved to enter into Related party transaction is annexed as 'Annexure-B'.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at: <http://tulsiyannec.co.in/pdf/Related%20Party%20Transactions%20Policy.pdf>

RISK MANAGEMENT:

The Company has developed and implemented a risk management policy for the Company 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.

Web link of the Risk Management Policy adopted by the Company: <http://tulsiyannec.co.in/pdf/Risk%20Management%20Policy.pdf>

DISCLOSURE ABOUT SEXUAL HARASSMENT POLICY OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy which aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

CONSERVATION OF ENERGY, TECHNOLOGIES ABSORPTION AND FOREIGN EXCHANGE AND OUTGO:

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

of this Report.

PARTICULARS OF EMPLOYEES:

The information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, employees of your company is set out in 'Annexure-D' to this report.

There are no employee employee who draws salary of Rs. 1,02,00,000/- PA or more / Rs. 8,50,000/- PM or more.

SUBSIDIARIES:

A statement containing the salient features of the financial statement of the Subsidiaries, in prescribed Form AOC-1 are given in 'Annexure-E' to this Board's Report, which shows the financial position of the Company. During the year under review, with a view to rationalize the group structure and with an object to concentrate on the primary business of the Company, holding in TG Logistics Private Limited, a wholly owned subsidiary of the Company, was sold off.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at following link: <http://tulsiyannec.co.in/pdf/Policy%20on%20Material%20Subsidiaries.pdf>

EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return of your Company as on March 31, 2017 as provided under sub-section (3) of Section 92 of the Companies Act, 2013 in the Form MGT 9 is enclosed as 'Annexure-F' forming part of this Report

SIGNIFICANT / MATERIAL, ORDERS PASSED BY THE REGULATORS:

No such significant and material order have been passed by any regulator/ court/ tribunal against the Company which will impact the going concern status and Company's operation in future.

AUDITORS:**a. Statutory Auditors & their Report**

M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, having LLP Identity Number: AAC-9402, having Firm ICAI Registration No: 004925S/S200036 was confirmed by the shareholders as Statutory Auditors of the Company at 69th AGM to fill the casual vacancy caused by the resignation of M/s. C. A. Patel & Patel, Chartered Account, Chennai till the next Annual General Meeting and have offered themselves for the appointment. Consent and eligibility Letter has been received to the effect that their re-appointment



as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

Now Board has recommended to the shareholders for appointment of M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, as Statutory Auditors of the Company, to hold office from the conclusion of the 70th Annual General Meeting of the Company until the conclusion of the 74th Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law).

The Independent Auditors Report for the financial year ended 31st March, 2017 does not contain qualification, reservation, adverse or disclaimer.

b. Cost Auditor

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment of Messrs Murthy & Co. LLP, Cost Auditors of the Company for the financial year ending 31st March, 2018, under section 148 of the Companies Act, 2013, and recommends ratification of his remuneration by the shareholders at the ensuing annual general meeting.

c. Secretarial Auditor

Pursuant to provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of M/s M. Damodaran & Associates, a firm of Company Secretaries in practice, Chennai to conduct the Secretarial Audit of the Company for the 12 months period ended on 31st March, 2017. The Secretarial Audit Report (in Form MR-3) is attached as 'Annexure-G', to this Report. The Secretarial Auditor's Report to the shareholders contains some observations as mentioned below:

Observations by Secretarial Auditors	Our Replay
There was minor delay in the appointment of woman director under section 149 of Companies Act, 2013 during the period	The Company not able to find suitable Woman Director in time. But at the end of the financial year the Company appointed woman Director.
The Company has partially complied the Regulation 33 of Securities Exchange Board of India (Listing Obligation Disclosure Regulation), 2015 during the period	This has been subsequently complied.

PERSONNEL & INDUSTRIAL RELATIONS:

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

DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 134(5) of the Companies Act, 2013, your Directors state that:

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;
- They have, in selection of the accounting policies, consulted the statutory auditors and applied them consistently, making 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;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Annual accounts have been prepared on a going concern basis;
- Internal financial controls had been laid down and followed by the company and such internal financial controls are adequate and were operating effectively; and
- Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

WHISTLE BLOWER POLICY:

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

The details of the Vigil Mechanism Policy are explained in the Report on Corporate Governance and also available on the website of the Company, at following link: <http://tulsiyanec.co.in/pdf/Whistle-Blower-Policy.pdf>

**CHANGE IN THE NATURE OF BUSINESS:**

The company has not changed nature of business in any way during the last financial year 2016-2017.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**a. Change in Board Constitution**

- (i) Mrs. Kalyani Venkatesan, Non-executive Independent Director of the Company resigned from the Board w.e.f August 26, 2016.
- (ii) Mr. Lalit Kumar Tulsyannec retires from office by rotation and being eligible, has offered himself for re-appointment. Items seeking your approval on the on the above re-appointment are included in the Notice convening the Annual General Meeting. Brief resumes of the Directors seeking appointment / reappointments from part of the Notice of the ensuring Annual General Meeting.
- (iii) Mrs. Preeti Garg, Non-executive Independent Director was appointed on 14th February, 2017.
- (iv) Mr. Lalit Kumar Tulsyannec, Mr. Sanjay Agarwalla & Mr. Sanjay Tulsyannec, Directors of the company are re-appointed for a period of three years and the same has been confirmed by the shareholder at 69th AGM.

b. Number of Meetings of the Board and its Committee

The details of the meeting of the Board and its committees, convened during the financial year 2016-2017 are given in the Corporate Governance Report which forms part of this Report.

Particulars	Number of Meetings
Board Meeting	5
Audit Committee	5
Nomination & Remuneration Committee	2
Stake Holders Relationship Committee	1
CSR Committee	0

c. Composition of the Audit Committee

The Board has constituted the Audit Committee which comprises of Mr. C Ramachandran (Chairman), Mr. Sanjay Agarwalla and Ms. Preeti Garg as the members. Other details of the Audit Committee are listed in the Corporate Governance Report. The Audit Committee met five times during the year.

d. Independent Directors Declaration

The Independent Directors on the Company's Board have given their respective declarations that they

meet the criteria of Independence as provided in Section 149(6) and Chapter IV of SEBI (Listing Obligations and disclosure Requirements), 2015.

The Manner in which formal annual evaluation has been made by the Board of its own performance and that of its own performance and that of its committees and individual directors are disclosed in the Report on Corporate Governance.

e. Familiarization Programme for Independent Director

The Company has adopted policy for Familiarization Programme for Independent Directors. Web link of the familiarization policy adopted by the Company: <http://tulsyannec.co.in/pdf/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

f. Key Managerial Personnel

Mr. C. S. Giridhar, Company Secretary and Compliance officer of the Company has resigned from the service of the Company effective from May 03, 2016. Consequent to Mr. C. S. Giridhar's resignation, the Board appointed Mr. P Laxmidhar Prusty, as Company Secretary cum Compliance officer and KMP of the Company from August 26, 2016.

Mr. Lalit Kumar Tulsyannec, Mr. Sanjay Agarwalla & Mr. Sanjay Tulsyannec, Directors of the company are re-appointed for a period of three years and the same has been confirmed by the shareholder at 69th AGM.

g. Policy for Remuneration to Directors, KMP & Other Senior Personnel

The Remuneration policy for the Directors/KMP and other senior personnel is given in the **Annexure – H** to this Report. Web link of the policy for Remuneration to Directors, KMP & Senior Personnel adopted by the Company:

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

h. Annual Evaluation

The evaluation framework for assessing the performance of Directors of your company comprises of contribution at the meetings, strategic perspective or inputs regarding the growth and performance of your company. Pursuant to the provisions of the Act and the Listing Regulations, the Directors have carried out the annual performance evaluation of the Board, Independent Directors, Non-Executive Directors, Executive Directors, Committees and the Chairman of the Board.

**GREEN INITIATIVES:**

Electronic copies of the Annual Report 2016-2017 along with Notice 70th Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report 2016-2017 along with the Notice of the 70th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company. Further, the soft copy of the Annual Report is also available on our website (www.tulsyannec.in).

APPRECIATION:

Your Directors wish to extend their sincerest appreciation to the investors, bankers, customers, suppliers,

executives, staff and workers at all levels for their continuous co-operation and assistance. Your Directors express their sincere gratitude to all the Regulatory Authorities such as the SEBI, Stock Exchanges and other Central & State Government authorities and agencies, Registrars for their guidance and support.

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

For and on behalf of the Board of Directors
For Tulsyannec Limited

Lalit Kumar Tulsyannec
Executive Chairman
DIN: 00632823

Place: Chennai
Date: 01-09-2017

Annexure A to the Board's Report
Corporate Social Responsibility

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Board of Directors of the Company prepared the CSR policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Web link: http://tulsyannec.co.in/pdf/CSR%20Policy.pdf
2	The Composition of the CSR Committee	Mr. Sanjay Agarwalla, Whole-time Director Mr. C Ramachandran, Independent Director Mr. P.T. Rangamani, Independent Director
3	Average Net profit of the Company for the last three financial year	The Company has suffered the loss for the last three consecutive financial years.
4	Prescribed CSR expenditure (2% of the amount as in item 3 above)	Nil
5	Details of CSR spent during the financial year 2016-2017	
	(a) Total amount to be spent for the financial year 2016-2017	Nil
	(b) Amount unspent, if any	NA
	(c) Manner in which the amount spent during the financial year	* NA
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objective and policy of the Company	Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified is covered	Sector in which the Projects	Projects or programs (1) Local area or others (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount the projects or programs sub-heads: (1) Direct on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing Agency
Nil							

For and on behalf of the Board of Directors
For Tulsyam NEC Limited

P T Rangamani

Non-Executive Independent Director
DIN: 01387032

Place: Chennai
Date: 01.09.2017



Annexure B to the Board's Report

Form No. AOC-2

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

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTION UNDER THIRD PROVISIO THERETO.

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

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

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Tulsiyan Smelters Private Limited – Related entity Chitrakoot Steel and Power Private Limited – Subsidiary
b)	Nature of contracts/arrangements/transaction	Tulsiyan Smelters Private Limited – Sale of Company goods Chitrakoot Steel and Power Private Limited - i) Purchase of Iron ore, coal, sponge, lime and other related materials. ii) Sale of coal and iron ore for manufacture of Billet/ingot and iii) availing of job work for manufacturing Billet/ingot
c)	Duration of the contracts/arrangements/transaction	Tulsiyan Smelters Private Limited: 13 th June 2016, till 12 th June, 2019 Chitrakoot Steel and Power Private Limited: 13 th June, 2016 till 12 th June, 2019



Sl. No.	Particulars	Details
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Tulsyani Smelters Private Limited: Contract value not exceeding Rs. 1200 Crores in a aggregate Chitrakoot Steel and Power Private Limited: Contract value not exceeding Rs. 250 Crores in aggregate
e)	Justification for entering into such contracts or arrangements or transactions'	Best interest of the Company and shareholder
f)	Date of approval by the Board	Tulsyani Smelters Private Limited: 14 th August, 2014 Chitrakoot Steel and Power Private Limited: 26 th August, 2016
g)	Amount paid as advances, if any	Nil
h)	Date on which the special / Ordinary resolution was passed in General meeting as required under first proviso to section 188	Tulsyani Smelters Private Limited: 30 th September, 2014 Chitrakoot Steel and Power Private Limited: 26 th September, 2016

For and on behalf of the Board of Directors
For Tulsyani NEC Limited

Place: Chennai
Date: 01.09.2017

Lalit Kumar Tulsyani
Executive Chairman
DIN:00632823

Annexure C to the Board's Report

Report Information under Section 134(3) (m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

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 to time and implementing their recommendations and observations. Also the company continuously improving its manufacturing process and efficiency at its all plants and offices its endeavor to improve energy conservation and utilization. Energy conservation programs adopted by the Company are:

- a. Strict watch is kept on idle running of machine and to work the machine at full capacity.
- b. Continuously monitoring of energy consumption
- c. Machineries are frequently overhauled to work smoothly.

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

Earlier the Company has invested in windmills to generate electricity as a measure of utilizing alternation sources of energy. The company produces 1265208 units of energy during the financial year 2016-2017.

(iii) The Capital investment on energy conservation equipment:

There is no capital investment during the financial year 2016-2017.

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 EARNING AND OUTGO**

Details of expenditure and earnings in foreign exchange are given in the under Notes to Accounts in the financial statements.

For and on behalf of the Board of Directors
For Tulsyam NEC Limited

Lalit Kumar Tulsyam
Executive Chairman
DIN:00632823

Place: Chennai
Date: 01.09.2017

Annexure D to the Board's Report

Information Required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and remuneration of managerial personnel) Rules, 2014

- 1) **The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:**

Name	Designation	Ratio
Lalit Kumar Tulsyane	Chairman	1:37
Sanjay Tulsyane	Managing Director	1:37
Sanjay Agarwalla	Whole-time Director	1.24
C Ramachandran	Non-Executive Independent Director	N/A
P T Rangamani	Non-Executive Independent Director	N/A
Kalyani Venkatesan *	Non-Executive Independent Director	N/A
Preeti Garg **	Non-Executive Independent Director	N/A

* Kalyani Venkatesan Resigned from the Board of the Company on August 26th, 2016.

** Ms. Preeti Garg, appointed on 14th February, 2017.

For this purpose, sitting fees paid to Non-Executive Directors have not been considered as remuneration. Further, median is calculated on the Cost to the Company (CTC) of payroll employees as on March 31, 2017.

- 2) **The Percentage of Increase of remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year:**

Sl. No.	Name of Directors / KMP and designations	Remuneration of Directors / KMP for the financial year 2015-2016	% increase in Remuneration in the Financial year 2016-2017	Remuneration of Directors / KMP for the financial year 2016-2017
1.	Lalit Kumar Tulsyane (Executive Chairman)	60,28,800	0	60,28,800
2.	Sanjay Tulsyane (Managing Director)	60,00,000	0	60,00,000
3.	Sanjay Agarwalla (Whole-time Director)	25,78,800	52.35	39,28,800
4.	Sanathkumar RP (CFO)	22,04,400	10.88	24,44,400
5.	CS Giridhar * (Company Secretary)	5,61,908	0	52,017
6.	P Laxmidhar Prusty * (Company Secretary)	0.00	0	4,35,948

* Mr. P Laxmidhar Prusty was appointed as Company Secretary on 26-08-2016 in place of Mr. CS Giridhar, who ceased to act as Company Secretary due to resignation w.e.f. 03-05-2016.

- 3) The Percentage increase in the median remuneration of the employees in the financial year: 3.3%
- 4) There were 718 permanent numbers of employees as on 31st March, 2017 excluding Directors.
- 5) The average percentile increase made in the salaries of total employees other than the key managerial personnel during the FY 2016-2017 is around -0.6%.
- 6) It is affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors
For Tulsyane NEC Limited

Lalit Kumar Tulsyane
Executive Chairman
DIN:00632823

Place: Chennai
Date: 01.09.2017



TOP TEN EMPLOYEES IN TERMS OF REMUNERATION

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED FROM TIME TO TIME) FOR THE YEAR ENDED 31ST MARCH 2017

S. No	Name of Employee	Designation	Amount Remuneration (in Rs.)	Nature of employment	Qualification	Date of Commencement of employment	Date of Cessation of Employment	Age	Last employment	No. of equity shares held by the employee in the Company
1	Lalit Kumar Tulsyang	Executive Chairman	60,28,800	Permanent	B.Com	12-07-1996	NA	57	Not Applicable	4046645
2	Sanjay Tulsyang	Managing Director	60,00,000	Permanent	B.Com	01-10-1996	NA	53	Not Applicable	4475481
3	Sanjay Agarwalla	Whole-time Director	39,28,800	Permanent	B.Com	12-07-2011	NA	54	Not Applicable	5000
4	Manish Sharma	VP-Production & QA	29,97,000	Permanent	PG in Computer Management	April 1, 2012	NA	35	Not Applicable	0
5	R. P. Shantha Kumar	CFO	24,44,400	Permanent	CA & LLB	21-04-2015	NA	55	Hatsoff Helicopter Training (P) Ltd	0
6	Jeyakumar Babu A	CGM (Power Plant)	22,20,800	Permanent	Diploma EEE	01-05-2010	NA	46	Drolia Electro Steel (P) Ltd	0
7	Dinesh Goyal	CEO	20,73,000	Permanent	Commerce Graduate	21-06-2008	NA	59	Self Employed	0
8	Eswaramoorthy	GM	20,46,000	Permanent	M.Com & PGDPM	03-10-2012	NA	58	OPG Power Generation (P) Ltd	0
9	Alka Tulsyang	VP-Admin	17,02,500	Permanent	B.Sc	April, 1, 2012	NA	55	Not Applicable	7,51,130
10	Gurunathan	GM HR	15,94,978	Permanent	MBA	Sep 1, 2015	Jul 12, 2017	38	Not Applicable	0



Annexure E to the Board's Report

AOC-1

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

Part "A" Subsidiaries

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

SL. No	Particulars	As on March 31, 2017	As on March 31, 2017	As on March 31, 2017	As on March 31, 2017
1	No. of Subsidiary	One	Two	Three	Four
2	Name of the Subsidiary	Cosmic Global Limited	Chitrakoot Steel & Power Private Limited	Balaji Engineering & Galvanizing Limited	Color Peppers Media Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2016 to March 31, 2017	April 01, 2016 to March 31, 2017	April 01, 2016 to March 31, 2017	April 01, 2016 to March 31, 2017
4	Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries.	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Share Capital	14,66,500 equity share of Rs. 10/- each aggregating Rs. 14,665,000/-	64,89,200 equity share of Rs. 10/- each aggregating Rs. 6,48,92,000/-	50,000 equity share of Rs. 10/- each aggregating Rs. 500,000/-	50,000 equity share of Rs. 10/- each aggregating Rs. 500,000/-
6	Reserve and Surplus	125.05	(2928.54)	-	(151.02)
7	Total assets	924.24	3275.14	13.86	113.16
8	Total Liabilities	924.24	3275.14	13.86	113.16
9	Investments	-	0.03	-	-
10	Turnover	676.86	3491.90	-	-
11	Profit before taxation	(110.20)	706.43	-	-
12	Provision for taxation	-	-	-	-
13	Profit after taxation	(110.20)	706.43	-	-
14	Proposed dividend	-	-	-	-
15	Extent of shareholding (in percentage)	76.713	100	98.80	100

Notes:

1. Names of the Subsidiaries which are yet to commence operations:

- Balaji Engineering & Galvanizing Limited
- Tulsyani Power Limited

2. Name of subsidiaries which have been sold during the year: T G Logistic Private Limited

For and on behalf of the Board of Directors
For Tulsyani NEC Limited

Lalit Kumar Tulsyani
Executive Chairman
DIN:00632823

Place: Chennai
Date: 01.09.2017

Annexure F to the Board's Report
Form No. MGT-9
Extract of Annual Return as on the Financial Year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS

i	CIN	L28920TN1947PLC007437
ii	Registration Date	11-04-1947
iii	Name of the Company	Tulsyam NEC Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	No. 61, Sembudoss Street, 1 st Floor, Chennai - 600001
vi	Whether Listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited "Subramanian Building", V Floor No. 1, Club House Road Chennai 600 002 - India. Ph : 91-44 - 2846 0390 (5 lines) Fax : 91-44 - 2846 0129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name & Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Steel	24105	64.47
2	Synthetic	22203	13.28
3	Power	35102	22.25

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associated	% of shares held	Application Section
1	Cosmic Global Limited	U72200TN1999PLC041863	Subsidiary	76.713%	2(87)
2	Chitrakoot Steel & Power (P) Ltd	U28999TN2003PTC051803	Subsidiary	100%	2(87)
3	Balaji Engineering & Galvanizing Ltd	U51909TN2008PLC069747	Subsidiary	98.80%	2(87)
4	Color Peppers Media (P) Ltd.	U74300TN2010PTC078391	Subsidiary	100%	2(87)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Name of the Company : TULSIYAN NEC LTD
 Face Value : 10 /-
 Paidup Shares as on 01-Apr-2016 : 15000000
 Paidup Shares as on 31-Mar-2017 : 15000000
 For the Period From : 01-Apr-2016 To : 31-Mar-2017

Category code	Category of Shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year
		Demat	Physical	Total	Demat	Physical	Total	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP							
1.	INDIAN							
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	10494969	0	10494969	10567415	0	10567415	0.4829
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0	0	0	0.0000
c.	BODIES CORPORATE	0	0	0	0	0	0	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0	0	0	0.0000
e.	ANY OTHER							
	SUB - TOTAL (A)(1)	10494969	0	10494969	10567415	0	10567415	0.4829
2.	FOREIGN							
a.	INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0	0	0	0.0000
b.	BODIES CORPORATE	0	0	0	0	0	0	0.0000
c.	INSTITUTIONS	0	0	0	0	0	0	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0.0000
e.	ANY OTHER							
	SUB - TOTAL (A)(2)	0	0	0	0	0	0	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	10494969	0	10494969	10567415	0	10567415	0.4829



Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	PUBLIC SHAREHOLDING									
1	INSTITUTIONS									
a	MUTUAL FUNDS/UTI	0	2000	2000	0.0133	0	2000	2000	0.0133	0.0000
b	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c	CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i	ANY OTHER									
	SUB - TOTAL (B)(1)	0	2000	2000	0.0133	0	2000	2000	0.0133	0.0000
2	NON-INSTITUTIONS									
a	BODIES CORPORATE	354373	679493	1033866	6.8924	525606	774852	1300458	8.6697	1.7772
b	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1363123	384235	1747358	11.6491	1338205	405664	1743869	11.6258	-0.0232
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	1040572	209480	1250052	8.3336	676883	408158	1085041	7.2336	-1.1000



Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
	ANY OTHER									
	HINDU UNDIVIDED FAMILIES	369925	1	369926	2.4661	199787	1	199788	1.3319	-1.1342
	NON RESIDENT INDIANS	45529	56300	101829	0.6788	45229	56200	101429	0.6761	-0.0026
		415454	56301	471755	3.1450	245016	56201	301217	2.0081	-1.1369
	SUB - TOTAL (B)(2)	3173522	13311509	4503031	30.0202	2785710	1646875	4430585	29.5372	-0.4829
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	3173522	1331509	4503031	30.0202	2785710	1646875	4430585	29.5372	-0.4829
	TOTAL (A)+(B)	13668491	1331509	15000000	100	13353125	1646875	15000000	100	0.0000
	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	GRAND TOTAL (A)+(B)+(C)	13668491	1331509	15000000	100	13351125	1646875	15000000	100	0.0000

ii) Shareholding of promoters

Name of the Company : TULSYAN NEC LTD

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year	FOLIO/DP_CL_ID	PAN	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares					
1	SANJAY TULSYAN	4475481	29.8365	29.8365	4475481	29.8365	29.8365	0.0000	IN30045011145836	ABTPT8316J	4475481	4475481
2	LALITH KUMAR TULSYAN	4046645	26.9776	26.7143	4046645	26.9776	26.7143	0.0000	IN30045011123912	ABRPT3382L	4007145	4007145
3	PRIYA TULSYAN	954982	6.3665	6.3665	954982	6.3665	6.3665	0.0000	IN30045013995912	ACSPT2993D	954982	954982
4	ALKA TULSYAN	751130	5.0075	5.0075	751130	5.0075	5.0075	0.0000	IN30135620498181	ABUPT6547J	751130	751130
5	PRIYANKA SHARMA JT1 : MANISH KUMAR SHARMA	144068	0.9604	0.9604	144068	0.9604	0.9604	0.0000	IN30154952548434	ADWPT6614J	144068	144068
6	PRERNA TULSYAN	65036	0.4335	0.4335	65036	0.4335	0.4335	0.0000	IN30045014389223	ADWPT6613R	65036	65036
7	ANTARA TULSYAN	57627	0.3841	0.3841	57627	0.3841	0.3841	0.0000	IN30045014002451	ANWPT0303J	57627	57627
8	LALIT KUMAR TULSYAN	72446	0.4829	0.4829	72446	0.4829	0.4829	0.0000	IN30045014496646	AACHL1841E	72446	72446

(iii) Change in Promoters' Share holding (please specify, if there is no change)

Name of the Company : TULSYAN NEC LTD

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	SANJAY TULSYAN						
	At the beginning of the year 01-Apr-2016	4475481	29.8365	4475481	29.8365	IN30045011145836	ABTPT8316J
	At the end of the Year 31-Mar-2017	4475481	29.8365	4475481	29.8365		
2	LALITH KUMAR TULSYAN						
	At the beginning of the year 01-Apr-2016	4046645	26.9776	4046645	26.9776	IN30045011123912	ABRPT3382L
	At the end of the Year 31-Mar-2017	4046645	26.9776	4046645	26.9776		
3	PRIYA TULSYAN						
	At the beginning of the year 01-Apr-2016	954982	6.3665	954982	6.3665	IN30045013995912	ACSPT2993D
	At the end of the Year 31-Mar-2017	954982	6.3665	954982	6.3665		
4	ALKA TULSYAN						
	At the beginning of the year 01-Apr-2016	751130	5.0075	751130	5.0075	IN30135620498181	ABUPT6547J
	At the end of the Year 31-Mar-2017	751130	5.0075	751130	5.0075		
5	PRIYANKA SHARMA JT1 : MANISH KUMAR SHARMA						
	At the beginning of the year 01-Apr-2016	144068	0.9604	144068	0.9604	IN30154952548434	ADWPT6614J
	At the end of the Year 31-Mar-2017	144068	0.9604	144068	0.9604		
6	PRERNA TULSYAN						
	At the beginning of the year 01-Apr-2016	65036	0.4335	65036	0.4335	IN30045014389223	ADWPT6613R
	At the end of the Year 31-Mar-2017	65036	0.4335	65036	0.4335		
7	ANTARA TULSYAN						
	At the beginning of the year 01-Apr-2016	57627	0.3841	57627	0.3841	IN30045014002451	ANWPT0303J
	At the end of the Year 31-Mar-2017	57627	0.3841	57627	0.3841		
8	LALIT KUMAR TULSYAN						
	At the beginning of the year 01-Apr-2016	72446	0.4829	72446	0.4829	IN30045014496646	AACHL1841E
	At the end of the Year 31-Mar-2017	72446	0.4829	72446	0.4829		



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

Name of the Company : TULSIYAN NEC LTD

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	J R METAL CHENNAI LIMITED						
	At the beginning of the year 01-Apr-2016	262500	1.7500	262500	1.7500	'00010414	AACJ0990P
	Sale during the year	-187500	1.2500	75000	0.5000		
	At the end of the Year 31-Mar-2017	75000	0.5000	75000	0.5000		
2	HARSHA HITESH JAVERI JT1 : HITESH RAMJI JAVERI JT2 : RADHABAI RAMJI JAVERI						
	At the beginning of the year 01-Apr-2016	100000	0.6666	100000	0.6666	'IN30036020087795	AAEPJ7739F
	At the end of the Year 31-Mar-2017	100000	0.6666	100000	0.6666		
3	LALIT KUMAR TULSIYAN						
	At the beginning of the year 01-Apr-2016	72446	0.4829	72446	0.4829	'IN30045014496646	AAHL1841E
	At the end of the Year 31-Mar-2017	72446	0.4829	72446	0.4829		
4	GOPAL AGARWAL						
	At the beginning of the year 01-Apr-2016	69050	0.4603	69050	0.4603	'IN30037810358662	AAGPA6824N
	Sale during the year	-69050	0.4603	0	0.0000		
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000		
	HAVING SAME PAN						
4	GOPAL AGARWAL						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'00010462	AAGPA6824N
	Purchase during the year	69050	0.4603	69050	0.4603		
	At the end of the Year 31-Mar-2017	69050	0.4603	69050	0.4603		
5	PRIME GOLD INTERNATIONAL LIMITED						
	At the beginning of the year 01-Apr-2016	67500	0.4500	67500	0.4500	'IN30011811629320	AACKK3755F
	At the end of the Year 31-Mar-2017	67500	0.4500	67500	0.4500		



Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
6	SHREE SAI HANUMAN SMELTERS PVT LTD						
	At the beginning of the year 01-Apr-2016	63750	0.4250	63750	0.4250	'IN30135620653722	AAMCS7691C
	Sale during the year	-63750	0.4250	0	0.0000		
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000		
	HAVING SAME PAN						
6	SHREE SAI HANUMAN SMELTERS PVT LTD						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'00010468	AAMCS7691C
	Purchase during the year	63750	0.4250	63750	0.4250		
	At the end of the Year 31-Mar-2017	63750	0.4250	63750	0.4250		
7	ARUN SMELTERS PVT LTD						
	At the beginning of the year 01-Apr-2016	56250	0.3750	56250	0.3750	'00010410	AAACA4306N
	Purchase during the year	45000	0.3000	101250	0.6750		
	At the end of the Year 31-Mar-2017	101250	0.6750	101250	0.6750		
8	M C SPINNERS PVT LTD						
	At the beginning of the year 01-Apr-2016	45000	0.3000	45000	0.3000	'00010412	AAHCM2145C
	At the end of the Year 31-Mar-2017	45000	0.3000	45000	0.3000		
9	SHASUN PHARMACEUTICALS LIMITED						
	At the beginning of the year 01-Apr-2016	45000	0.3000	45000	0.3000	'IN30131321758742	AAACS5031L
	At the end of the Year 31-Mar-2017	45000	0.3000	45000	0.3000		
10	KIWI COTTSPIN MILL PVT LTD						
	At the beginning of the year 01-Apr-2016	41250	0.2750	41250	0.2750	'00010443	AACCK3841N
	Sale during the year	-20625	0.1375	20625	0.1375		
	At the end of the Year 31-Mar-2017	20625	0.1375	20625	0.1375		

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
	NEW TOP 10 AS ON (31-Mar-2017)						
11	G B R METALS PRIVATE LIMITED						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'1203760000507738	AACCG5851A
	Purchase during the year	37609	0.2507	37609	0.2507		
	Purchase during the year	146272	0.9751	183881	1.2258		
	At the end of the Year 31-Mar-2017	183881	1.2258	183881	1.2258		
12	JEPPIAAR FURNACE AND STEELS PRIVATE LIMITED						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'00010449	AACCCJ3108M
	Purchase during the year	112500	0.7500	112500	0.7500		
	At the end of the Year 31-Mar-2017	112500	0.7500	112500	0.7500		
13	SUNDARAM CLAYTON LIMITED						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'IN30108013164273	AAACS4920J
	Purchase during the year	48750	0.3250	48750	0.3250		
	Purchase during the year	29342	0.1956	78092	0.5206		
	At the end of the Year 31-Mar-2017	78092	0.5206	78092	0.5206		
14	MOTHERSON SUMI SYSTEMS LIMITED						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'00010451	AAACM0405A
	Purchase during the year	63750	0.4250	63750	0.4250		
	At the end of the Year 31-Mar-2017	63750	0.4250	63750	0.4250		


(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of shares	% of total share of the company	Number of shares	% of total share of the company
1	C RAMACHANDRAN				
	At the beginning of the year 01-04-2016	0	0	0	0
	At the end of the year 31-03-2017	0	0	0	0
2	P T RANGAMANI				
	At the beginning of the year 01-04-2016	0	0	0	0
	At the end of the year 31-03-2017	0	0	0	0
3	KALYANI VENKATESAN				
	At the beginning of the year 01-04-2016	0	0	0	0
	At the end of the year 31-03-2017	0	0	0	0
4	P LAXMIDHAR PRUSTY				
	At the beginning of the year 01-04-2016	0	0	0	0
	At the end of the year 31-03-2017	0	0	0	0
5	SHANTHAKUMAR RP				
	At the beginning of the year 01-04-2016	0	0	0	0
	At the end of the year 31-03-2017	0	0	0	0
6	LALIT KUMAR TULSIYAN				
	At the beginning of the year 01-Apr-2016	4046645	26.9776	4046645	26.9776
	At the end of the Year 31-Mar-2017	4046645	26.9776	4046645	26.9776
7	LALIT KUMAR TULSIYAN (HUF)				
	At the beginning of the year 01-Apr-2016	72446	0.4829	72446	0.4829
	At the end of the Year 31-Mar-2017	72446	0.4829	72446	0.4829
8	SANJAY TULSIYAN				
	At the beginning of the year 01-04-2016	4475481	29.8365	4475481	29.8365
	At the end of the year 31-03-2017	4475481	29.8365	4475481	29.8365
9	SANJAY AGARWALLA				
	At the beginning of the year 01-04-2016	5000	0.0333	5000	0.0333
	At the end of the year 31-03-2017	5000	0.0333	5000	0.0333



V. INDEBTEDNESS

Ineptness of the Company including interest outstanding / accrued but not due for payment (Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	79271.94	10251.32		89523.26
ii) Interest due but not paid		544.54		544.54
iii) Interest accrued but not due				
Total(i+ii+iii)	79271.94	10795.86		90067.80
Change in Indebtedness during the financial year				
· Addition	22827.41	(36.48)		22790.93
· Reduction				
Net Change	22827.41	(36.48)		22790.93
Indebtedness at the end of the financial year				
i) Principal Amount	102099.35	10185.09		112284.44
ii) Interest due but not paid		574.29		574.29
iii) Interest accrued but not due				
Total(i+ii+iii)	102099.35	10759.38		112858.73

VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Sanjay Tulsyani	Lalit Kumar Tulsyani	Sanjay Agarwalla	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,28,800	39,28,800	1,59,57,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	60,00,000	60,28,800	39,28,800	1,59,57,600
	Celling As per the Act	Approval of shareholders (Special Resolution) obtained at 69 th AGM on 26-09-2016.			


B. Remuneration to other directors:
(Amount in Rupees)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		C Ramachandran	V. Kalyani	P T Rangam	
1	Independent Directors · Fee for attending board committee meetings during FY 2014-15 · Commission · Others, please specify	35,000	0.00	30,000	65,000
	Total (1)	35,000	0.00	30,000	65,000
2	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	- - - -	- - - -	- - - -	- - - -
	Total (2)	-	-	-	-
	Total (B)=(1+2)	35,000	0.00	30,000	65,000
	Total Managerial Remuneration	35,000	0.00	30,000	65,000
	Overall Ceiling as per the Act	In respect of other directors, the company has paid the sitting fee for attending meetings of the Board and these amounts are within the statutory limit of Rs. 1.00 Lakhs as prescribed under the Companies Act, 2013 and the rules made thereunder.			

C. Remuneration to key Managerial Personnel other than MD/MANAGER/WTD
(Amount in Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		4,35,948	24,44,400	28,80,348
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify.		-	-	-
5.	Others, please specify		-	-	-
	Total		4,35,948	24,44,400	28,80,348



VII. PENALTIES? PUNISHMENT? COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors
For Tulsyani NEC Limited

Place: Chennai
Date: 01.09.2017

Lalit Kumar Tulsyani
Executive Chairman
DIN:00632823

Annexure G to the Board's Report**Form No. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2017**

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

To,
The Members,
TULSYAN NEC LIMITED
CIN - L28920TN1947PLC007437
61, Sembudoss Street, 1st Floor,
Chennai – 600001

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

Based on my verification and scrutiny of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 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 31.03.2017 according to the provisions of:

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

I have also examined compliance with the applicable Regulations/Standards 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;
- (iii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

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

1. There was minor delay in the appointment of woman director under section 149 of Companies Act, 2013 during the period.



2. The Company has partially complied the Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 during the period.

I further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period the company had no specific events/actions having a major bearing on the company's affairs.

Place : Chennai
Date : 28.07.2017

Signature:
Name of Company Secretary in practice
M. DAMODARAN

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

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

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

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

2) Remuneration to Non-Executive / Independent Directors:

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

3) Remuneration to Key Managerial Personnel and Senior Management:

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

STEEL INDUSTRY

The 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 3rd largest producer of crude steel in 2015 as well as in 2016. The country was the largest producer of sponge iron or DRI in the world during the period 2003-2015 and emerged as the 2nd largest global producer of DRI in 2016 (after Iran). India is also the 3rd largest finished steel consumer in the world and maintained this status in 2016. Such rankings are based on provisional data released by the World Steel Association for the above year.
- 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 said Policy is an updated version of National Steel Policy 2005 which was released earlier and provided a long-term growth perspective for the domestic iron and steel industry by 2019-20.

STEEL PRODUCTION:

- India is currently the 3rd largest producer of crude steel in the world.
- In 2016-17 (prov.), production for sale of total finished steel (alloy + non alloy) was 100.74 mt, a growth of 10.7% over 2015-16.
- Production for sale of Pig Iron in 2016-17 (prov.) was 9.39 mt, a growth of 1.8% over 2015-16.
- India was the largest producer of sponge iron in the world during the period 2003-2015 and was the 2nd largest producer in 2016 (after Iran). The coal based route accounted for 79% of total sponge iron production in the country in 2016-17 (prov).

(Source: Ministry of Steel)

POWER

As at 30th Jun 2017, total power production capacity of India is 329231 MWs. Out of the total capacity, 59.1% is from Coal based thermal power plants. Domestic coal requirement is largely met from the Coal produced India. Large power produces buy coal in the coal block auctions and smaller units mainly import the coal and also buy locally.

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 (MU)	Availability (MU)	Surplus (+) (MU)	Deficits (-) (%)
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	-.07

(Source Ministry of Power and Energy)

**II. OPPORTUNITIES AND THREATS**

Consequential growth in the steel demand due to increased government spending on the infrastructure such as Highways, Railways and Smart cities offers opportunities of increased sales and demand for companies' products. Imposition of Minimum Import Price on steel imports to the country offers stable support to market prices offers another opportunity in respect of increased demand and improved pricing.

The position of power supply has improved in the state of Tamilnadu resulting in lower realization and lower profitability. Levies such as cross subsidy by the DISCOMs further erode the margin and supply opportunities. Also levy of green cess on Coal imports has marginally increased the cost of production of power.

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

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

III. SEGMENT-WISE/ PRODUCT-WISE PERFORMANCE

The production of steel rods was 112568 MT compared to 106135 MT in the previous year registering a growth of 6.06%. The sale of rods during the year was 111820 MT compared to 111304 MT in the previous year.

The production of power was 3312 Lac units compared to 2594 Lac units in the previous year registering a growth of 27.7%. The increased production was on account of commissioning of the IInd power plant during the year under review.

The production of synthetic products was 7257 MT compared to 8181 MT in the previous year. The sale of synthetic products during the year was 7253 MT compared to 7819 MT in the previous year.

IV. OUTLOOK

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

Delay in infrastructure development, availability of skilled manpower, volatility in global economy are some of the major risks and concerns that have to be addressed. All these have an impact on the operations of the company. The company is conscious of the risks involved and has put in place a mechanism for minimizing and mitigating the same. The process is reviewed periodically.

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

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

VI. INTERNAL CONTROL SYSTEMS AND THEIR 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, a prolonged demand slump and growing interest cost has affected the performance of your Company. The sales and other receipts declined by 36.04%, YOY to Rs. 54305.23 lakhs and Loss after tax increased from Rs. (2866.36) lakhs to Rs.(8184.76) Lacs.

**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, 2017 is 718 (excluding Directors).

IX. CAUTIONARY STATEMENT

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



CORPORATE GOVERNANCE REPORT

1. Corporate Governance philosophy

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

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

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

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

As of 31st March, 2017 in compliance with corporate governance norms, the Board comprises of 6 Directors. It includes a Chairman (Executive Director), a Managing Director (Executive Director), a Whole-time Director and 3 Non-Executive Independent Directors. None of the Directors on the Board is a member of more than 10 committees or act as Chairman of more than 5 committees across all Listed Companies and Unlisted Public Limited Companies in which he/she is a director.

(b) Attendance of Directors at Board Meetings period ended 31.03.2017 and at the last Annual General Meeting, outside directorships and board committee memberships and number of shares held as on 31.03.2017:

Name	Category	No. of Directorship in other Public Ltd Companies	No. of Board Meetings attended during period ended 31/03/2017	No. of Committee Membership in other Public Limited Companies @	Attendance Last AGM on 26/09/2016	No. of Shares held
Mr. Lalit Kumar Tulsyang	Executive Chairman	3	5	Nil	Yes	4046645
Mr. Sanjay Tulsyang	Managing Director	3	5	Nil	Yes	4475481
Mr. Sanjay Agarwalla	Whole-time Director	3	5	Nil	Yes	5000
Mr. C Ramachandran	Non-Executive Independent Directors	7	5	4	Yes	Nil
Mr. P T Rangamani	Non-Executive Independent Directors	Nil	5	Nil	Yes	Nil
Mrs. Kalyani Venkatesan*	Non-Executive Independent Directors	Nil	0	Nil	N.A	Nil
Mrs. Preeti Garg#	Non-Executive Independent Directors	Nil	0	Nil	N.A	Nil

@ For Committee memberships, the chairmanship and membership in Audit Committee and Stakeholders Relationship Committee in all public limited companies, alone are considered.

* Resigned from the Board and committee w.e.f. 26-08-2016

Appointed in the Board w.e.f. 14-02-2017

**(c) Number of meetings of the board of directors held and dates on which held:**

During the period ended on 31st March, 2017, five Board Meetings were held on 21-04-2016, 29-06-2016, 26-08-2016, 14-11-2016 & 14-02-2017.

(d) Disclosure of relationships between directors inter-se:

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

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

(e) Familiarization Programme for Independent Director:

Your Company during the period ended 31st March, 2017, familiarized the directors on the Company's policies and procedures on a regular basis. Further, with a view to familiarize him with the Company's Operations, the Managing Director & Chairman is explained on the manufacturing activities and processes of the steel industry, organizational set up of the Company with nature of industry in which the company operates, business model, operation of the Company. The details of familiarization process of the company available on the following company web link: <http://tulsyannec.co.in/pdf/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>.

3. Committee of the Board:

There are four committees of the board namely: Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee.

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

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

(b) Composition, name of members and chairperson:

The Audit Committee Comprises 3 members, which includes one Whole-time Director and two Non-Executive Independent Directors. During the said period ended the Audit Committee was re-constituted two time. The members of the Committee are as follows:

Mr. Sanjay Agarwalla	Member	Whole-time Director
Mr. C Ramachandran	Chairman	Non-Executive Independent Director
Mrs. Kalyani Venkatesan*	Member	Non-Executive Independent Director
Mr. P T Rangamani#	Member	Non-Executive Independent Director
Mrs. Preeti Garg@	Member	Non-Executive Independent Director

Company Secretary is the Secretary to the Committee

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

During the period ended on 31st March 2017, five Audit Committee meetings were held on: 21-04-2016, 29-06-2016, 26-08-2016, 14-11-2016 & 14-02-2017

Members	Number of Meetings	
	Held	Attended
Mr. Sanjay Agarwalla	4	4
Mr. C Ramachandran		4
Mrs. Kalyani Venkatesan*		0
Mr. P T Rangamani#		2
Mrs. Preeti Garg@		0

* Resigned from the Board w.e.f. 26-08-2016

Appointed as member in the Committee 14-11-2016 and resigned from the Committee w.e.f 14-02-2017

@ Appointed as member in the Committee w.e.f. 14-02-2017

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

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

(b) Composition, name of members and chairperson:

The Committee Comprises 3 members, which includes three Non-Executive Independent Directors. The members of the Committee are as follows:

Mr. C Ramachandran	Member	Non-Executive Independent Director
Mrs. Kalyani Venkatesan*	Member	Non-Executive Independent Director
Mr. P T Rangamani	Chairman	Non-Executive Independent Director
Mrs. Preeti Garg@	Member	Non-Executive Independent Director

Company Secretary is the Secretary to the Committee.

(c) Meetings and attendance during the year:

During the period ended on 31st March 2017, only two Committee meeting was held on: 29-04-2016 and 26-08-2016.

Members	Number of Meetings	
	Held	Attended
Mr. C Ramachandran	2	2
Mrs. Kalyani Venkatesan*		0
Mr. P T Rangamani		2
Mrs. Preeti Garg@		0

* Resigned from the Board and Committee w.e.f. 26-08-2016

@ Appointed as member in the Committee w.e.f. 14-02-2017

(d) Performance evaluation criteria for independent directors:

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

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



6. Remuneration of Directors

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

Detail information of Directors Remuneration / Sitting fees paid during the financial year 2016-2017 as follows:

Name of the Director	Category	Total Remuneration	Sitting fees
Lalit Kumar Tulsyani	Executive Chairman	60,28,800	---
Sanjay Tulsyani	Managing Director	60,00,000	---
Sanjay Agarwalla	Whole-time Director	39,28,800	---
P T Rangamani	Non-Executive Independent Director	---	30,000
C Ramachandran	Non-Executive Independent Director	---	35,000
Kalyani Venkatesan	Non-Executive Independent Director	---	0.00
Preeti Garg	Non-Executive Independent Director	---	---

7. Stakeholders' Relationship Committee

(a) Terms of Reference:

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

(b) Composition, name of members and chairperson:

The Committee Comprises 3 members, which includes three Non-Executive Independent Directors. The members of the Committee are as follows:

Mr. C Ramachandran	Member	Non-Executive Independent Director
Mrs. Kalyani Venkatesan*	Member	Non-Executive Independent Director
Mr. P T Rangamani	Chairman	Non-Executive Independent Director
Mrs. Preeti Garg@	Member	Non-Executive Independent Director

Mr. P Laxmidhar Prusty, Company Secretary is acting as Secretary to the committee.

(c) Meetings and attendance during the year:

During the period ended 31st March 2017, One Committee meeting was held on: 14-02-2017.

Members	Number of Meetings	
	Held	Attended
Mr. C Ramachandran	1	1
Mrs. Kalyani Venkatesan*		0
Mr. P T Rangamani		1
Mrs. Preeti Garg@		0

*	Resigned from the Board and Committee w.e.f. 26-08-2016
@	Appointed as member in the Committee w.e.f. 14-02-2017

(d) Shareholder Complaints:

One investor complaint was received during the period from 01-04-2016 to 31-03-2017. The complain was redressed and no queries on the same were pending for the period under review.

Mr P Laxmidhar Prusty, Company Secretary, is the Compliance Officer to the Company.



8. CSR Committee Composition and Meeting

(a) Terms of Reference:

The Committee was set up to formulate and monitor the CSR policy of the Company. The CSR Committee adopted a policy that intends to strive for economic development that positively impact the society at large and be responsible for the company's actions and encourage a positive impact through its activities on the environment, communities and stakeholders.

(b) Composition, name of members and chairperson:

The Committee Comprises 3 members, which includes two Non-Executive Independent Directors. The members of the Committee are as follows:

Mr. C Ramachandran	Member	Non-Executive Independent Director
Mr. Sanjay Agarwalla	Member	Whole-time Director
Mr. P T Rangamani	Chairman	Non-Executive Independent Director

Mr. P Laxmidhar Prusty, Company Secretary is acting as Secretary to the committee.

(c) Meetings and attendance during the year:

During the period ended 31st March 2017, there is no meeting was held.

Members	Number of Meetings	
	Held	Attended
Mr. C Ramachandran	Nil	
Mr. Sanjay Agarwalla		
Mr. P T Rangamani		

9. General Body Meetings

(a) The Company held its last 3 Annual General Meetings as under:

AGM for the year	Date	Time	Venue
2013-2014	30.09.2014	11.00 AM	Naradha Gana Sabha, Mini Hall, 254 T.T.K. Road, Chennai – 600 018
2014-2015	30.09.2015	11.30 AM	Naradha Gana Sabha, Mini Hall, 254 T.T.K. Road, Chennai – 600 018
2015-2016	26.09.2016	03.30 PM	"The Music Academy, (Mini Hall)", New No-168, T.T.K. Road, Royapettah, Chennai - 600014

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

Date of AGM	Particulars of Special Resolution passed
30.09.2014	<ul style="list-style-type: none"> a) Approval of Borrowing in excess of paid-up share capital and free reserves. b) Ratification of Contracts /arrangements entered into / to be entered into with TG Logistics Private Limited. c) Approval for transactions, contracts, arrangements to be entered into with related party Tulsiyan Smelters Private Limited. d) Ratification of Approval for existing related party contracts / arrangements entered into with subsidiary Chitrakoot Steel & Power Private Limited. e) Ratification and approval for exiting related party contracts entered into with related party Buildmet Fibers Private Limited. f) Amendment of certain clauses in Articles of Association of the Company.
30.09.2015	Approval to offer or invite to subscribe, issue and allot of 12,334,500 (One Crores Twenty Three Lakhs Thirty Four Thousand Five Hundred) 6% Non – Cumulative Redeemable Preference Shares of Rs. 90/- (Rupees Ninty) per share in one lot or such other lots to select group of persons.



26.09.2016	a) Approval for Re-appointment and Remuneration to Shri Sanjay Agarwalla, as Whole-time Director. b) Approval for Re-appointment and Remuneration to Shri Sanjay Tulsiyan, as Managing Director. c) Approval for Re-appointment and Remuneration of Shri Lalit Kumar Tulsiyan, in the Capacity of Whole-time Director, designated as "Executive Chairman"
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(c) No special resolution was passed through postal ballot during the period under review.

10. Meeting of Independent Director

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Chapter IV of SEBI Listing Regulations, a meeting of the Independent Directors of your company was held on February 14, 2017 without the presence of Non-Independence Director.

11. Means of Communication

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

12. General Shareholder Information

(a) Annual General Meeting: 70th Annual General Meeting

Date & Time: 28-09-2017 at 3.30 P.M.

Venue: "Narada Gana Sabha", Mini Hall, No. 254, TTK Road, Chennai - 600018

(b) Financial Year:

The financial year of the Company will be from 01.04.2016 to 31.03.2017.

(c) Dividend Payment Date:

The Company has not declared any interim/final dividend during the financial year.

(d) Listed on Stock Exchange at:

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

Bombay Stock Exchange Ltd., (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai 400 001.

Listing Fees up to the year ending 31st March, 2018 have been paid.

(e) Stock Code:

Bombay Stock Exchange – 513629

(f) Market Price data:

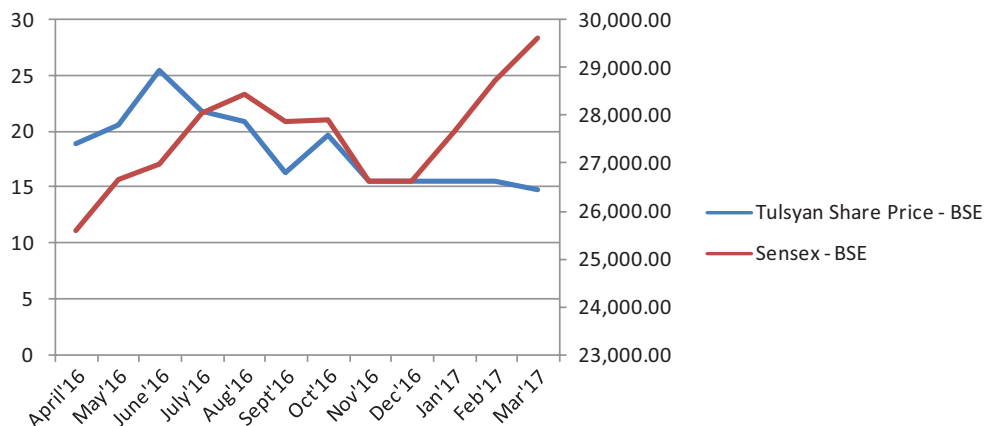
Month	Bombay Stock Exchange (BSE)	
	High (in Rs.)	Low (in Rs.)
April, 2016	19.00	16.85
May, 2016	22.90	17.55
June, 2016	25.40	19.60
July, 2016	28.85	21.80
August, 2016	22.50	19.40



September, 2016	20.50	16.15
October, 2016	19.60	14.90
November, 2016	22.30	15.50
December, 2016	15.50	15.50
January, 2017	15.50	15.50
February, 2017	15.50	14.75
March, 2017	14.75	14.75

(g) Performance in comparison to BSE Sensex:

Comparison of stock with BSE at closing price



(h) Reasons for Suspended from Trading:

The Company has suspended from trading due to penal reason.

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

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.

(i) Registrars and Transfer Agents:

Cameo Corporate Services Private Limited
Subramanian Building, #1 Club House Road,
Chennai – 600 002
Phone: 044 2846 0390
Fax: 044 2846 0129
Email: cameo@cameoindia.com

(j) Share Transfer System:

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

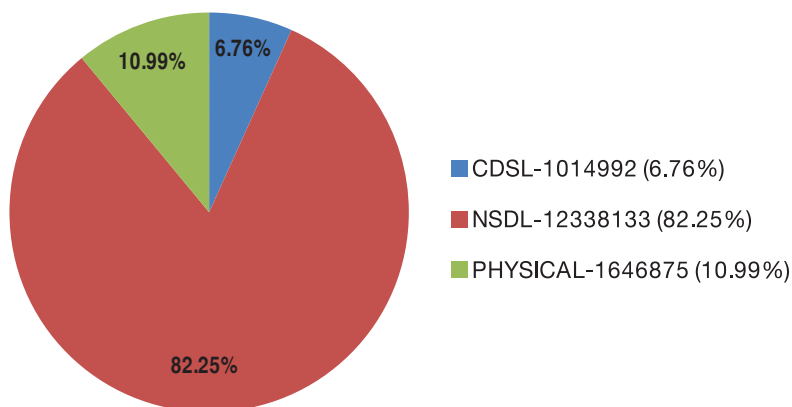


(k) Distribution of Shareholding as on 31st March, 2017:

Shareholdings in Rs.	Number of Shareholders	Percentage of Shareholders	Share Capital in Rs.	Percentage of Shareholding
10 to 5000	5615	88.5209	6359820	4.2399
5001 to 10000	291	4.5884	2366730	1.5778
10001 to 20000	167	2.6332	2542140	1.6947
20001 to 30000	74	1.1668	1898610	1.2657
30001 to 40000	19	0.2995	702070	0.4680
40001 to 50000	25	0.3941	1185800	0.7905
50001 to 100000	73	1.1510	5732280	3.8216
100001 & above	79	1.2456	129212550	86.1418
Total	6343	100.0000	150000000	100.0000

(l) Dematerialization of Shares and Liquidity:

89.01% of total Equity Capital is held in dematerialized form with NSDL and CDSL up to 31st March, 2017. All requests for dematerialization if shares were carried out within the stipulated time period and no share certificates were pending for dematerialization.



(m) Outstanding GDR/ADR/Warrants/any other convertible instruments:

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

(n) 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.

(o) Plant locations:

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

**(j) Address for correspondence:**

Registered Office	Corporate Office
61, Sembudoss Street Chennai – 600 001 Tamil Nadu Tel: 044 – 2522 2673	Apex Plaza, 1 st Floor No.3 Nungambakkam High Road Chennai – 600 034, Tamil Nadu Tel: 044 – 3918 1060, Fax: 044 – 3918 1097

13. Other Disclosures

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

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

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

During the year there were no material significant transaction entered into between the Company and its promoters, Directors or the management, holding company, subsidiaries or relatives that may have potential conflict with the interests of the company at large. Requisite approvals from the Audit Committee / Board have been obtained for the transactions as stipulated under applicable law. The details of related party transactions entered into during the 12 months period ended 31st March, 2017 are given in the financial statements.

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

Particulars	Quarter ended	Submission Date	Last date for compliance	Fine amount (including service tax)
Late submission of Financial Results	31-12-2013	26-02-2014	14-02-2014	57,500.00
Late submission of Financial Results	30-09-2014	13-02-2015	14-11-2014	6,78,005.50
Late submission of Financial Results	31-03-2015	04-07-2015	01-06-2015	3,56,017.00
Late submission of Financial Results	31-03-2016	26-08-2016	30-05-2016	6,14,767.00
Late submission of Financial Results	30-06-2016	26-08-2016	15-08-2016	1,15,000.00
Submission of Annual Report, 2015	Delay for one day			1,150.00
Late submission of Financial Results	31-03-2017	14-06-2017	30-05-2017	86,250.00
Total				19,08,690.00
Paid				7,58,517.00
Balance				11,50,173.00

- (c) The Company has established a vigil mechanism pursuant to the requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. Establishment of vigil mechanism is hosted on the web site of the company under the web link: <http://tulsyannec.co.in/pdf/Whistle-Blower-Policy.pdf>
- (d) The Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adoption of other non-mandatory requirements are being reviewed from time to time.
- (a) The Company has complied with all the applicable mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.



14. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

(a) Maintaining Non-Executive Chairman's Office:

Not applicable as the chairman is the Executive Director.

(b) Shareholder Rights:

The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website www.tulsiyannec.in and in stock exchange website <http://listing.bseindia.com>. Therefore, no individual communications are sent to the shareholders in this regard.

(c) Modified opinion(s) in audit report:

There are no qualifications in the Auditors' Report on the accounts for the period from 01-04-2016 to 31-03-2017.

15. CEO / CFO Certification

Mr Lalit Kumar Tulsiyan, Executive Chairman and Ms. Shanth Kumar RP, Chief Financial Officer of the Company have certified to the Board regarding the financial statements for period ended 31-03-2017 in accordance with Regulation 17(8) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

16. Unclaimed Share Certificates

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

17. Declaration:

As required by Para D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed and declared that all the members of the Board and senior management have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2017.

On behalf of the Board of Directors

Place: Chennai
Date: 01-09-2017

Sanjay Tulsiyan
Managing Director
DIN : 00632802

Declaration

As required by Para D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed and declared that all the members of the Board and senior management have affirmed compliance with the Code of Conduct of the Company for the period ended 31st March, 2017.

On behalf of the Board of Directors

Place: Chennai
Date: 01-09-2017

Sanjay Tulsiyan
Managing Director
DIN : 00632802

**CEO - CFO CERTIFICATION**

We, Lalit Kumar Tulsyar, Executive Chairman and R.P. Shanthakumar, Chief Financial Officer, responsible for the finance function certify that:

We have reviewed the financial statements and cash flow statement for the year ended on 31st March, 2017 and 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.

To the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31st March 2017 are fraudulent, illegal or violate of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

- i. There has not been any significant change in internal control over financial reporting during the year under reference;
- ii. There has not been any significant change in accounting policies during the year except as laid down in Accounting Standard (AS) - 15 (revised 2005) on Employee Benefits, requiring disclosure in the notes to the financial statements; and
- iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Tulsyar NEC Limited

Place : Chennai
Date : 01-09-2017

Lalit Kumar Tulsyar
Executive Chairman
DIN : 00632823

R P Shantha kumar
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Members of M/s Tulsyani NEC Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of M/s Tulsyani NEC Limited ("the Company") which comprises of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 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, 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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".
 - g. 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, 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 litigation on its financial position in its financial statements- refer note no: 1.7 to the financial Statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosure in its financial statement as to holdings as well as dealing in specified Bank Notes during the period from 08 November 2016 to 30 December 2016 as mentioned in Note No.1 (point No.15). Based on audit procedures and relying on the management representation, we report that the disclosure are in accordance with the books of account maintained by the company and as produced to us by the management.

For and on behalf of
CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.004915S/S200036

B. Ramakrishnan
PARTNER
M.No. 201023

Place : Chennai
Date : 14th June, 2017

**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, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) We are informed that the company has formulated a programme for physical verification of all fixed assets over a period of three year which, in our opinion is reasonable considering the size of the company and the nature of its assets. Accordingly, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has granted unsecured loans to four parties covered in the Register maintained under section 189 of the act
 - i) The terms and conditions of the grant of such loans are not prejudicial to company's interest.
 - ii) There are no stipulation for repayment of Principal and interest.
 - iii) There is no amount over due on loans.
 - iv) Apart from the above the company has not granted loans to companies, firms, LLP or other parties covered under register maintained in under Section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, reporting under clause 3 (v) of the Order does not arise.
- 6) we have reviewed the cost records maintained by the company as prescribed by the central government under section 148(1) of the companies act 2013 and are of the opinion that prima facie the prescribed cost records made and maintain. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2017 for a period of more than six months from the date they become payable.

(b) According to the records of the company and the information and explanation given to us the details of disputed Excise, Value Added Tax and Income Tax not deposited are as follows:

Nature of Dues	Amount in Lacs.	Period to which it relates	Forum where the Dispute is pending
Excise	1.02	2003-04	CESTAT
Excise	25.65	2002-03	CESTAT
VAT	0.87	2004-09	Hon'ble High Court, Madras
VAT	506.58	2013-14	Commercial Tax Department
INCOME TAX	23.43	2010-11	CIT (A)
INCOME TAX	5.59	2011-12	CIT (A)
VAT	18.82	2012-13	Commercial Tax Department
VAT	14.22	2013-14	Commercial Tax Department

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

(₹ In Lacs)

Bank	Amount of Default as at Balance sheet	Instalment Due on 30/06/2016	Instalment Due on 30/09/2016	Instalment Due on 31/12/2016	Instalment Due on 31/03/2017
Andhra Bank	496.95	124.24	124.24	124.24	124.24
Canara Bank	1290.22	322.55	322.55	322.55	322.55
IDBI Bank	143.31	35.83	35.83	35.83	35.83
Indian Overseas Bank	682.22	170.56	170.56	170.56	170.56
Syndicate Bank	883.05	220.76	220.76	220.76	220.76
Total	3495.75	873.94	873.94	873.94	873.94
No of Days Delay		270	180	90	0

9) The Company has not raised any money by way of initial public offer or further public offer (including debt Instruments) during the year. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company, or any instances of frauds on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of such cases by the management..

11) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, managerial remuneration has been paid / provided for, in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013..



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

For and on behalf of

CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No.004915S/S200036

B. Ramakrishnan

PARTNER

M.No. 201023

Place : Chennai

Date : 14th June, 2017

Annexure- B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Tulsyam NEC Ltd**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Tulsyam NEC Ltd ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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. 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 its 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was 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 system 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 judgement, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control 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 control 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 the internal financial control 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 and on behalf of

CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No.004915S/S200036

B. Ramakrishnan

PARTNER

M.No. 201023

Place : Chennai

Date : 14th June, 2017



TULSYAN NEC LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ In Lacs)

Particulars	Note No.	As At 31st March, 2017	As At March 31, 2016
I. EQUITY AND LIABILITIES		Total	Total
Shareholders' funds			
Share Capital	2	2,354.55	2,353.82
Reserves & Surplus	3	(1,089.58)	7,092.30
		1,264.97	9,446.12
Non-Current Liabilities			
Long Term Borrowings	4	51,672.99	56,982.26
Deferred Tax Liabilities (Net)		-	2,195.28
Other Long Term Liabilities	5	10,759.38	10,795.86
Long Term Provisions	6	292.72	-
		62,725.09	69,973.40
Current Liabilities			
Short Term Borrowings	7	50,426.36	22,289.68
Trade Payables	8	3,248.49	22,622.23
Other Current Liabilities	9	542.76	316.27
Short Term Provisions	10	756.53	656.06
		54,974.14	45,884.23
Branch		-	-
TOTAL		118,964.20	125,303.75
II. ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible assets	11	60,884.88	31,520.42
(ii) Capital work-in-progress		93.94	29,211.56
Non-Current Investments	12	778.26	792.36
Long Term Loans and Advances	13	416.16	400.32
Other Non-Current Assets	14	280.08	267.77
		62,453.35	62,192.43
Current assets			
Current Investment	15	0.58	0.58
Inventories	16	13,484.40	13,174.01
Trade Receivables	17	25,233.02	32,109.88
Cash and Cash Equivalents	18	1,597.32	1,807.23
Short Term Loans and Advances	19	4,435.23	5,144.08
Other Current Assets	20	11,760.30	10,875.54
		56,510.85	63,111.32
TOTAL		118,964.20	125,303.75

As per our Report of even date
For CNGSN & Associates LLP

Chartered Accountants
FR No. 004915S/S200036

Sanjay Tulsyane
Managing Director

On behalf of the Board

Lalit Kumar Tulsyane
Executive Chairman

B. Ramakrishnan

Partner
M. No. 201023

Place: Chennai
Date : 14th June, 2017

C. Ramachandran
Director

Laxmidhar Prusty
Company Secretary

CA Shantha Kumar RP
Chief Financial Officer



TULSYAN NEC LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017

(₹ In Lacs)

Particulars	Note No	For the Year Ended 31st March 2017	For the Year Ended 31st march 2016
I. Revenue from operations	21	54,182.10	84,554.96
II. Other Income	22	123.13	343.98
III. Total Revenue (I +II)		54,305.23	84,898.94
IV. Expenses:			
Cost of materials consumed	23	40,187.69	43,567.28
Purchase of Stock-in-Trade	23	3,445.97	23,553.99
Increase/Decrease in Stocks	23	(1,906.52)	(429.00)
Employee benefit expense	24	2,622.07	2,808.06
Financial costs	25	11,762.66	9,323.84
Other expenses	26	6,053.00	7,693.27
Depreciation and amortization expense	11	2,227.67	1,585.84
Total Expenses		64,392.54	88,103.27
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(10,087.31)	(3,204.33)
VI. Exceptional Items-Prior Period Expenses		292.72	-
VII. Profit before extraordinary items and tax (V - VI)		(10,380.04)	(3,204.33)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(10,380.04)	(3,204.33)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(2,195.28)	(338.27)
XI. Profit(Loss) from the period from continuing operations	(IX-X)	(8,184.76)	(2,866.07)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit(Loss) for the period (XI + XIV)		(8,184.76)	(2,866.07)
XVI. Earning per equity share:			
(1) Basic		(55.67)	(19.50)
(2) Diluted		(55.67)	(19.50)

As per our Report of even date
For CNGSN & Associates LLP

Chartered Accountants
FR No. 004915S/S200036

Sanjay Tulsyane
Managing Director

On behalf of the Board

Lalit Kumar Tulsyane
Executive Chairman

B. Ramakrishnan

Partner
M. No. 201023

C. Ramachandran
Director

CA Shantha Kumar RP
Chief Financial Officer

Place: Chennai
Date : 14th June, 2017

Laxmidhar Prusty
Company Secretary

TULSYAN NEC LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ In Lacs)

A CASH FLOW FROM OPERATING ACTIVITIES	2016-17	2015-16
Profit before Tax as per Statement of Profit & Loss	(10,380.04)	(3,204.66)
Non-cash Adjustments		
Depreciation	2,227.67	1,585.83
Depreciation on old assets sold	(26.40)	(146.75)
Dividend Income	(0.00)	(5.67)
Interest Expense	11,736.97	8,825.66
Interest Income	(52.73)	(126.65)
Profit on Sale of Investment	(63.45)	
Right Issue Expenses incurred during the year	-	(2.21)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,442.06	6,925.56
Adjustments for:		
Inventories	(310.40)	774.29
Trade Receivables	6,876.86	6,311.93
Short-term Loans and Advances	(175.92)	603.00
Long-term Loans and Advances	(28.15)	(34.01)
Long-term Provisions	292.72	-
Other Long-Term Liabilities	(36.48)	(784.19)
Short-term Borrowing	28,136.68	3,832.38
Trade Payables	(19,373.74)	(8,254.61)
Other Current Liabilities	226.49	288.62
Short Term Provisions	100.47	54.23
Net Cash from Operating Activities before Income-tax	19,150.56	9,717.19
NET CASH FROM OPERATING ACTIVITIES (A)	19,150.56	9,717.19
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets and Payment towards CWIP	(2,499.75)	(3,305.92)
Proceeds from Sale of Fixed Assets	51.63	239.28
Current/Non-current Investments	14.10	-
Interest Income	52.73	126.65
Profit on Sale of Investment	63.45	
Dividend Income	0.00	5.67
NET CASH USED IN INVESTING ACTIVITIES (B)	(2,317.82)	(2,934.32)
C CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Proceeds from Long-term Borrowings	(5,309.27)	(1,198.12)
Interest Paid	(11,736.97)	(8,825.66)
Share Capital/Premium Received	3.57	42.50
NET CASH USED IN FINANCING ACTIVITIES (C)	(17,042.67)	(9,981.29)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (D) =(A+B+C)	(209.91)	(3,198.41)
Cash and Cash Equivalents at the beginning of the year	1,807.24	5,005.64
Cash and Cash Equivalents at the end of the year	1,597.32	1,807.24

As per our Report of even date
For CNGSN & Associates LLP

Chartered Accountants
FR No. 004915S/S200036

Sanjay Tulsyani
Managing Director

On behalf of the Board

Lalit Kumar Tulsyani
Executive Chairman

B. Ramakrishnan

Partner
M. No. 201023

C. Ramachandran
Director

CA Shantha Kumar RP
Chief Financial Officer

Place: Chennai
Date : 14th June, 2017

Laxmidhar Prusty
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All amounts in Rupees in lacs unless otherwise stated)

Note No. 1
Nature of Operation:

Tulsyam NEC Limited is engaged in the Manufacturing TMT bars, Coal Based Power Plant and Synthetics Woven Fabrics and Sacks. It has manufacturing plant at Chennai (Gummudipoondi) and Bangalore (Doddaballapura).

1. Significant Accounting Policies:
1.1 Basis of preparation of Financial Statements

The Company maintains its accounts on accrual basis following the historical cost convention, in accordance with the Accounting Principles Generally Accepted in India, ["GAAP"], and in compliance with the provisions of Companies Act, 2013 ("the Act"), including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

1.2 Fixed Assets and Depreciation
a. Fixed Assets & Capital work in Progress:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Own manufactured assets are capitalized inclusive of all direct costs and attributable overhead. Capital work-in-progress comprises of amount paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Assets held for disposal are stated at the lower of net book value and the estimated net realizable value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold assets cost is amortized over the period of the lease.

1.3 Retirement and other employee benefits:
Short-term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short-term compensated absences, etc. are recognized in the period in which the employee renders the related service.

Post – employment benefits
Defined contribution plans

The Company's state governed provident fund scheme, employees' state insurance scheme and employee pension scheme are the defined contribution plans. The contribution paid/ payable under the schemes is recognized during the period in which the employee renders the related service.

Defined benefit plans

The Company's obligation towards gratuity and leave encashment is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected



Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities having maturity periods approximating to the terms of related obligations as at the balance sheet date.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss, and gains or losses on the curtailment or settlement of the defined benefit plan are recognized when the curtailment or settlement occurs.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The expenses and actuarial gain/Loss on account of the above benefit plan are recognized in the statement of profit and loss based on actuarial valuation

Long-term employee benefits

The obligation for long-term employee benefits such as long-term compensated absences is recognized in the similar manner as in the case of defined benefit plans as mentioned above.

1.4 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:

Raw Material, components, stores and spares	At lower of weighted average cost and net realizable value.
Work-in-Progress	At lower of cost of raw material and component including related overheads and net realizable value.
Finished Goods	At lower of cost and net realizable value. Cost includes raw material components and related overheads.

REVENUE RECOGNITION:

1.5 Revenue Recognition

Revenue is recognized based on nature of activity when consideration can be reliably measured and there exists reasonable certainty of its recovery.

- (i) Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products are transferred to the customer under the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products. Escalation and other claims, which are not ascertainable/ acknowledged by customers, are accounted in the period in which they are ascertained / acknowledged. Consignment sales are accounted on the receipt of consignment sales note from the consignee.
- (ii) Any other items of income are accounted as and when the right to receive arises.

1.6 Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of long term investments.

1.7 Contingent Liabilities

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the Notes to the Financial Statements wherever practicable.

(Rs in Lacs)

Transactions	As on 31.03.2017	As on 31.03.2016
Guarantees Outstanding	5.09	5.09
Entry Tax	81.33	81.33
Excise Duty	26.66	26.66
VAT	540.49	540.49
Income Tax	29.02	29.02

During the Financial Year 2015-16, the company's loans and liabilities with the Banks were restructured under the "Corporate Debt Restructuring" Scheme. As per the said scheme, the company repayment obligations were deferred/ restructured. Further the Banks have provided certain reliefs/ sacrifices / waivers by reducing the rate of interest. Interest on the restructured loans have been provided for in the books at lowered rates of interest. The Masters restructuring Agreement entered into between the company and the banks' provides a "Right of Recompense" on the reliefs/ sacrifices as per the CDR guidelines. The total value of such sacrifices/ reliefs/ waivers as on 31st Mar 2017 is Rs.34.81 Crores (PY Rs.16.63 Crores). The rate of interest applicable on the borrowings is at Base rate of Canara Bank Plus + 0.80% (currently 9.65% + 0.80% totaling to 10.45%) and on FITL loans are at the rate of 11%.

As per the CDR conditions, the promoters contribution was brought in the form of preference shares and the same cannot be redeemed during the continuation of the CDR. The CDR loans are secured as under:

The CDR loans are secured as under:

- 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.

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.

- Personal Guarantee of Shri Lalit Kumar Tulsyani and Shri Sanjay Kumar Tulsyani.
- Corporate Guarantee of M/s Chittrakoot Steel & Power Pvt. Limited.
- Promoter and promoter group shall pledge their entire unencumbered shareholding in favour of lender in demat form with voting right.

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. Chittrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25.00 Crores

The company has received a notice from the office of the Director General of Foreign Trade, Bangalore, asking to show cause as to why penalty upto 5 times of the CIF value of goods imported of a value of Rs.44.34 Crores imposed in respect of 44 Advance licenses for alleged non completion of the export obligations in respect of those licenses. Post issue of the notice, the companies name was added in the "Denied Entity List". The company had represented to the said authority that the Export obligation has indeed been completed and has submitted documents required and has sought issue of Export Obligation Discharge Certificate. Upon 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.

Management is of the opinion that the no liability would arise in respect thereof.

**1.8 Cash and Cash Equivalents:**

Cash and cash equivalents represents cash on hand and demand deposits with banks and include short-term and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.9 Foreign Exchange Transactions:

- I) The reporting currency of the Company is Indian Rupee.
- II) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- III) Exchange differences that arise on settlement of monetary items or on reporting of the Company's monetary items at each balance sheet date at the closing rate are recognized as income or expense in the period in which they arise.

Foreign exchange transactions are as follows:

(Rs in Lacs)

Transactions	As on 31.03.2017	As on 31.03.2016
CIF Value of imports (Raw materials)	6,358.73	16,300.64
Earnings in foreign Exchange (FOB)	840.78	2,385.04
Exchange in Foreign currency for other matters	10.79	30.99

During the year foreign exchange transaction towards Royalty, know-how, professional fees & consultant fees were NIL. Hence not disclosed in the notes on accounts.

2. Segment Reporting

Primary Segment Reporting - by Business Segment on Type of Product Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the type of products and differential risk and returns of the segments. The Company and its subsidiaries have three products viz. Steel, Power and Synthetic.

1	Sales/ Other income	Steel	Power	Synthetic	Total
(i)	Sales- External	36406.33	10296.26	7479.51	54182.10
(ii)	Sales- Inter-segment	-	2298.87	-	2298.87
(iii)	Other Income-External	83.76	-	39.37	123.13
(iv)	Other Income-Inter-segment	-	-	-	-
	Less: Sale Inter- Segment	-	2298.87	-	2298.87
	Total	36490.09	10296.26	7518.88	54305.23
2	Segment Results				
	Profit/(Loss) before interest & Tax	(158.76)	1744.38	(202.97)	1382.66
	Less: Interest (unallocable charge)				11762.66
	Profit /(Loss) after interest				(10380.01)
	Less:Other unallocable expense				-
	Profit/(Loss) before Tax				(10380.01)
B.	Other Information				
	Segment assets	27655.94	79024.52	12283.75	118964.22
	Adj: Eliminations	78250.32	-	(78520.32)	-
		105906.26	79024.52	(65966.57)	118964.22
	Segment Liabilities	26152.44	79024.52	13787.26	118964.22
	Capital Employed	22628.52	26843.29	3466.14	52937.95
	Capital Expenditure (Fixed Assets)	107.42	31487.36	22.61	31617.39
	Depreciation	1436.13	580.92	211.62	2227.62

Primary Segment Reporting - by Business Segment on Type of Products

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the type of products and differential risk and returns of the segments

The Company has three products viz. Steel, Power and Synthetic

3. Related parties Disclosure

Disclosure as required by Accounting Standards 18 "Related Party Disclosures" are given below

a) List of Related Parties

S.No.	Nature of Relationship	Name of Related Party
1.	Subsidiary	Cosmic Global Limited
2.	Subsidiary	Chitrakoot Steel & Power P Ltd
3.	Subsidiary	Balaji Engineering & Galvanizing Ltd
4.	Subsidiary	Color Peppers Media P Ltd.
5.	Key Management Person (Executive Chairman)	Shri Lalit Kumar Tulsyani
6.	Key Management Person (Managing Director)	Shri Sanjay Tulsyani
7.	Key Management Person (Whole-time Director)	Shri Sanjay Agarwalla
8.	Key Management Person (Chief Financial Officer)	Shri Shantha Kumar RP
9.	Companies in which Directors are interested	Tulsyani Smelters Private Ltd
10.	Companies in which Directors are interested	Tulsyani Power Limited



b) Transaction with related parties

(Rs. In Lacs)

S.No	Name of the Related party	Nature of Transactions	31.03.2017	31.03.2016
1	Chitrakoot Steel & Power Private Limited	Purchase of Goods	3420.45	2637.17
2	Chitrakoot Steel & Power Private Limited	Sale of Goods	104.71	107.79
3	Tulsyan Smelters (P) Ltd	Sale of Goods	970.64	625.53
4	Tulsyan Smelters (P) Ltd	Services Received	62.50	63.15
5	Tulsyan Power Limited	Short term borrowing	0.15	0.15
6	Balaji Engineering and Galvanizing Ltd	Short term borrowing	0.22	0.22
7	KMP remuneration paid (Detailed below)	Employment contracts	184.02	168.12

(Rs. In Lacs)

S.No	Name of the Related Party	Nature of Relationship	Remuneration paid in 2016-17	Remuneration paid in 2015-16
1.	Lalit Kumar Tulsyan	Executive Chairman	60.29	60.29
2.	Sanjay Tulsyan	Managing Director	60.00	60.00
3.	Sanjay Agarwalla	Whole-time Director	39.29	25.79
4.	Shantha Kumar	CFO	24.44	22.04
Total			184.02	168.12

Guarantees and collaterals:

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee for Rs.19.64 Crore 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. 25.00 Crores.

Outstanding balance as on 31st March 2017

(Rs. In Lacs)

S.No	Name of the Related Party	Nature of Relationship	Balance on 31/03/2017	Balance on 31/03/2016
1.	Cosmic Global Ltd	Subsidiary	0.05 Dr	0.00
2.	Tulsyan Power Ltd	Companies in which Directors are interested	0.97 Dr	0.82 Dr
3.	Balaji Engineering & Galvanizing Ltd	Subsidiary	8.71 Dr	8.49 Dr
4.	Color Peppers Media Pvt Ltd	Subsidiary	258.83 Dr	258.83 Dr
5.	Chitrakoot Steel and Power Private Ltd	Subsidiary	1258.65 Dr	1450.95 Dr
6.	Tulsyan Smelters Private Ltd	Companies in which the Directors are interested	3148.01 Cr	441.34 Dr

(Rs. In Lacs)

S.No	Name of the Related Party	Nature of Relationship	Balance on 31/03/2017	Balance on 31/03/2016
1.	Lalit Kumar Tulsyan	Executive Chairman	380.50 Cr	428.16 Cr
2.	Sanjay Tulsyan	Managing Director	165.74 Cr	171.93 Cr

**4 Earnings per Share:**

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

(Rs. In Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net Profit attributable to Shareholders	(8,184.76)	(2,866.40)
Weighted average number of equity shares	147.03	146.95
Basic earnings per share of Rs. 10/- each	(55.67)	(19.51)

5. Taxes on Income

Tax expenses for a year comprises of current tax and deferred tax.

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961 and based on the expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In accordance with Accounting Standard (AS 22) the deferred tax asset (arising on account of unabsorbed depreciation and Carry forward losses) and deferred tax liabilities have been set off to the extent of deferred tax liability accrued as on 31 March 2016 amounting to Rs. 21.95 Cr.

6. LEASES:

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

7. Micro, Small and Medium Enterprises:

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.

8. IMPAIRMENT OF FIXED ASSETS:

As at each Balance Sheet date, the carrying amount of asset is tested for impairment so as to determine:

- The provision for impairment loss, if any; and
- The reversal of impairment loss recognized in previous periods, if any, Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.



Recoverable amount is determined:

- i) In the case of an individual asset, at the higher of the net selling price and the value in use; and
- ii) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

9. BORROWING COST:

- (i) Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discounts/ premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.
- (ii) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (ordinarily, a period of twelve months) to get ready for its intended use or sale.
- (iii) All other borrowing costs are recognised as an expense in the period in which they are incurred.

10. Expenditure incurred Rs. 53,00,603/- towards Right Issue of Shares has been disclosed in the Balance Sheet under the head Reserves and surplus. This sum would be written off over a period of five years after the completion of Rights Issues

The exceptional/ prior period expenses represent the value of Gratuity and Leave encashment pertaining to earlier periods.

11. Grants and incentives

Government grants and incentives / subsidies are recognized when there is reasonable assurance that

- i) The Company will comply with the conditions attached to them and
- ii) The grant / incentive will be received.

12. Disclosure as required by AS-15 on employee benefit

a. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

b. Defined benefit plans

S. No.	Particulars	31-03-2017 Gratuity (Unfunded)	31-03-2017 Leave Encashment (Unfunded)	Total
1	Reconciliation of opening and closing balances of Defined Benefit obligation			
	Defined Benefit Obligation at the beginning of the year	-	-	
	Current Service Cost	9,518,393	725,174	
	Interest Cost	2,150,317	513,509	
	Actuarial (gain)/ loss	(7,121,614)	(3,783,509)	
	Benefits paid	-	-	
	Defined Benefit Obligation at the year end	-	-	



S. No.	Particulars	31-03-2017 Gratuity (Unfunded)	31-03-2017 Leave Encashment (Unfunded)	Total
2	Reconciliation of opening and closing balances of fair value of plan assets			
	Fair Value of plan assets at the beginning of the year	-	-	
	Adjustment to last valuation assets	-	-	
	Expected return on plan assets	-	-	
	Actuarial (gain / (loss))	-	-	
	Employer contribution	-	-	
	Benefits paid	-	-	
	Fair value of plan assets at year end	-	-	
	Actual return on plan assets	-	-	
3	Reconciliation of fair value of assets and obligations			
	Fair value of plan assets	-	-	
	Present value of obligation	31,899,554	3,991,865	
	Amount recognised in Balance Sheet	(31,899,554)	(3,991,865)	35,891,419
4	Expense recognised during the year			
	Current Service Cost	9,518,393	725,174	
	Interest Cost	2,150,317	513,509	
	Expected return on plan assets	-	-	
	Actuarial (gain) / loss	-	-	
	Net Cost	-	-	
5	Investment Details			
	Funds Managed by Insurer	-	-	
6	Actuarial assumptions			
	Discount rate (per annum)	7.31%	7.31%	
	Expected rate of return on plan assets (per annum)	0.00%	0.00%	
	Rate of escalation in salary (per annum)	5.00%	5.00%	

- 13.** The Amount due from/ Due to Debtors/ Creditors other then for which the payments have been received / made subsequent to the Balance Sheet are subject to their confirmation and statement of accounts.

14. Period and amount of continuing default as on the Balance sheet date

(Rs in Lacs)

Due date	Amount of default (Principal)	No of days delay	Amount of default (Interest)	No of days delay
30/04/2016	-	-	662.45	335
31/05/2016	-	-	1341.65	305
30/06/2016	559.74	275	2042.81	275
31/07/2016	-	-	2779.81	245
31/08/2016	-	-	3559.34	215
30/09/2016	975.00	185	4359.06	185
31/10/2016	-	-	5269.20	155
30/11/2016	-	-	6191.62	125
31/12/2016	975.00	95	7152.50	95
31/01/2017	-	-	8016.57	65
28/02/2017	-	-	8802.51	35
31/03/2017	986.00	0	9625.10	0
Total	3,495.00	-	9625.10	-

15. Disclosure of Specified Bank Notes (SBN) – Pursuant to Ministry of corporate Affairs Notification G.S.R 308 Dated 30th March 2017.

	SBN	Other denomination Notes	Total
Closing Cash in hand as on 08/11/2016	-	1543624	1543624
(+) Permitted Receipts	-	657232	657232
(-) Permitted Payments	-	1741884	1741884
(-) Amount Deposited in Bank	-	-	-
Closing cash in hand as on 31/12/2016	-	458972	458972

Previous year figures are regrouped and reclassified whenever necessary to conform to the current year classification.

As per our Report of even date

For CNGSN & Associates LLP

Chartered Accountants
FR No. 004915S/S200036

Sanjay Tulsiyan
Managing Director

On behalf of the Board
Lalit Kumar Tulsiyan
Executive Chairman

B Ramakrishnan

Partner
M. No. 201023

C. Ramachandran
Director

CA Shantha Kumar RP
Chief Financial Officer

Place: Chennai
Date : 14th June, 2017

Laxmidhar Prusty
Company Secretary


NOTES TO BALANCE SHEET

(₹ In Lacs)

Note No. 2	As at 31/03/2017	As at 31/03/2016
SHARE CAPITAL		
Authorised Share Capital		
1,60,00,000 Equity Shares of Rs. 10/- each	1,600.00	1,600.00
2,00,00,000 6% Non Convertible Redeemable Preference Shares of Rs. 10/- each	2,000.00	2,000.00
	3,600.00	3,600.00
Issued, Subscribed and Paid up		
1,44,78,486 (1,44,60,182) Equity Shares of Rs. 10/- each	1,470.25	1,469.52
2,25,293 (2,43,597) Equity Shares of Rs. 6/- each paid up		
2,96,221 (2,96,221) Equity Shares of Rs. 3/- each paid up		
	1,470.25	1,469.52
Reconciliation of Number of Equity share outstanding at the beginning and at the end of the reporting period		
	No. of Shares	No. of Shares
At the beginning of Year	15,000,000.00	15,000,000.00
Add: Issues during the year	-	-
At the End of the Year	15,000,000.00	15,000,000.00
Terms / rights / restrictions attached to equity shares		
(i) The Company has only one class of equity shares having a face value of ` 10/- each. Each holder of equity share is entitled to one vote per share.		
(ii) 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 (Note No: 1.7)		
(iii) The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.		
Shareholders holding more than 5% of Share Capital		
Name of the shareholder	No. of Shares	No. of Shares
Lalit Kumar Tulsyani	4,006,930.00	4,046,645.00
Sanjay Tulsyani	4,475,481.00	4,475,481.00
Priya Tulsyani	954,982.00	954,982.00
Alka Tulsyani	751,130.00	751,130.00
The Company has not bought back any shares or issued shares for consideration other than cash or issued bonus shares during the five years immediately preceding 31 March 2017 (Five years immediately preceding 31 March 2016 - Nil)		
Preference Share Capital	884.30	884.30
88,00,500 (73,60,500) NCR Preference Shares of Rs. 10/- each paid up (refer note no:1.7 on redemption)		

Notes - (Contd)

(₹ In Lacs)

Note No. 3	As on 01/04/2016	Additions	Deletions	As on 31/03/2017
RESERVES AND SURPLUS				
Share Premium	11919.48	2.84	-	11922.32
State Subsidy	10.00	-	-	10.00
Investment Allowance Reserve	59.39	-	-	59.39
General Reserve	2390.00	-	-	2390.00
Profit & Loss Account	(7233.57)	(10087.28)	(1902.56)	(15418.28)
	7145.30	(10084.44)	(1902.56)	(1036.57)
Less: Right Issue Expenses	53.01			53.01
Total	7092.30	0.00	0.00	(1089.58)

Note No. 4		
LONG TERM BORROWINGS		
Secured Loans		
From Banks		
- Term loans Ref Sub Note 1	51,669.40	56,972.47
- Vehicle loans	3.59	9.78
	51,672.99	56,982.26

Note No. 5		
OTHER LONG TERM LIABILITIES		
Loans		
From Body Corporate	4,410.68	4,310.68
From Directors	656.43	630.51
From Others	1,312.29	1,312.29
Interest Accured & Due	574.29	544.54
	6,953.68	6,798.01
Trade Payables	3,805.69	3,997.84
	10,759.38	10,795.86

Note No. 6		
LONG TERM PROVISIONS		
Provision for Gratuity and Leave Encashment	292.72	-
	292.72	-

Notes - (Contd)

(₹ In Lacs)

Note No. 7	As at 31/03/2017	As at 31/03/2016
SHORT TERM BORROWINGS		
Secured Working Capital Loans (Refer Sub note 1)		
Banks	37,693.36	18,379.68
Current Component of Long Term Borrowings	12,733.00	3,910.00
	50,426.36	22,289.68
Note No. 8		
TRADE PAYABLES		
Sundry Creditors :		
- For Supplies and Services	2,725.22	22,256.55
- For Expenses and Others	523.77	365.67
(Refer Note 1 Point 7)	3,248.49	22,622.23
Note No. 9		
OTHER CURRENT LIABILITIES		
Interest due to Banks	542.76	316.27
Note No. 10		
SHORT TERM PROVISIONS		
Provision for Expenses/Tax	756.53	656.06
	756.53	656.06



Note No. 11
Fixed Assets

(₹ In Lacs)

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost as at 1st April 2016	Additions upto 31st March, 2017	Sold upto 31st March, 2017	Cost as at 31st March, 2017	As on 1st April 2016	For the year upto 31st March, 2017	Adjusted on upto 31st March, 2017	upto 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Land	1365.40			1365.40					1365.40	1365.40
Land Leasehold	95.47			95.47	7.91	0.88		8.79	86.68	87.56
Factory Buildings	6059.87	4099.33		10159.20	1150.60	279.42		1430.02	8729.18	4909.27
Office Premises	20.69			20.69	9.43	0.96		10.39	10.30	11.26
Plant & Machinery	34631.78	27464.64	17.45	62078.97	9850.99	1861.35	7.15	11705.19	50373.78	24780.79
Works Equipments	146.13			146.13	32.77	6.53		39.30	106.83	113.36
Lab Equipment	3.64	34.61		38.25	1.67	2.66		4.33	33.92	1.97
Office & Other Equip.	542.04	17.70		559.74	436.39	31.95		468.34	91.40	105.65
Vehicles	405.58	1.11	34.18	372.51	260.46	43.91	19.25	285.12	87.39	145.12
Total	43270.60	31617.39	51.63	74836.36	11750.22	2227.66	26.40	13951.48	60884.88	31520.38
Previous Year	42435.64	1074.24	239.28	43270.60	10311.13	1585.83	146.74	11750.22	31520.38	32124.51

Notes - (Contd)

(₹ In Lacs)

Note No. 12	As at 31/03/2017	As at 31/03/2016
NON-CURRENT INVESTMENTS		
Long term, Unquoted, at cost	778.26	792.36
Ref Sub Note 2	778.26	792.36
Note No. 13		
LONG TERM LOANS AND ADVANCES		
Other Loans and Advances (Ref Sub Note 3)	416.16	400.32
	416.16	400.32
Note No. 14		
OTHER NON-CURRENT ASSETS		
Others Deposits	280.08	267.77
	280.08	267.77
Note No. 15		
CURRENT INVESTMENTS	0.58	0.58
Ref Sub Note 2		
Note No. 16		
INVENTORIES		
(As valued and certified by the Management)		
Raw materials	1,610.97	3,318.25
Finished Goods	10,618.92	8,712.40
Stores	1,254.51	1,143.36
	13,484.41	13,174.01
Note No. 17		
TRADE RECEIVABLES		
(Unsecured and considered good)		
- Debts outstanding for more than six months	17,945.01	17,638.77
Other Debtors	7,288.01	14,471.11
	25,233.02	32,109.88
Note No. 18		
CASH AND CASH EQUIVALENTS		
Cash in hand	8.32	8.17
Balances with scheduled banks		
- in Current Accounts	422.04	193.22
- in Deposit Accounts	1,166.96	1,605.84
	1,597.32	1,807.24

Notes - (Contd)

(₹ In Lacs)

Note No. 19	As at 31/03/2017	As at 31/03/2016
SHORT-TERM LOANS AND ADVANCES		
(Unsecured considered good; recoverable in cash or in kind or for value to be received)		
Deposits	3,199.02	3,115.18
Advance for supplies and expenses	879.14	851.43
Staff advances & Prepaid Expenses	53.35	152.48
Advances to Subsidiaries	268.56	268.13
Advances for Fixed Assets	35.16	756.85
	4,435.24	5,144.07

Note No. 20		
OTHER CURRENT ASSETS	11,760.30	10,875.54

Note No. 21	Year Ended 31/03/2017	Year Ended 31/03/2016
REVENUE FROM OPERATIONS		
Domestic Sales FG	51,755.45	72,871.16
High Sea Sales	1,269.25	8,844.27
Export Sales	888.78	2,435.16
Excise Duty	4,187.34	5,165.44
Processing Charges	278.63	405.92
Duty Drawback/Rate Difference	-	0.78
	58,379.45	89,722.74
Excise Duty Collected	4,197.35	5,167.78
	54,182.10	84,554.96

Note No. 22		
OTHER INCOME		
Income from Windmills	88.49	113.48
Interest on term deposit	33.14	64.40
Interest Receipts	19.59	126.65
Dividend Received	0.00	5.67
Profit on sale of Fixed Assets	-	95.84
Rent Received	-	6.00
Profit on sale of Investment	63.45	-
Compensation for Power	-	40.92
Miscellaneous Income	6.94	4.51
	211.61	457.47
Less: Income from Wind Mill Set-off against Power & Fuel	88.49	113.48
	123.12	343.98

Notes - (Contd)

(₹ In Lacs)

Note No. 23	Year Ended 31/03/2017	Year Ended 31/03/2016
CONSUMPTION OF MATERIALS		
Raw Materials		
Opening Stock - 01/04/2016	2,162.67	3,047.90
Purchases	26,358.72	34,950.60
Materials Inward	1,710.31	1,176.50
Customs Duty	650.30	498.60
Expenses for Import Licence	-	341.15
	28,719.33	36,966.85
Less: Discount/Licence	94.78	123.09
	28,624.55	36,843.76
Closing Stock - 31/03/2017	620.54	2,162.67
(A) Cost of Materials Consumed	30,166.68	37,728.99
Stores		
Opening Stock - 01/04/2016	1,143.28	939.69
Purchases	2,624.64	2,188.81
Materials Inward	52.70	39.26
Closing Stock - 31/03/2017	1,254.51	1,143.36
(B) Cost of Materials Consumed	2,566.11	2,024.40
(C) Power Plant		
Opening Stock - 01/04/2016	1,155.58	1,677.23
Purchases	7,433.64	3,988.50
Materials Inward	1,078.47	1,195.21
Customs Duty/Exchange Difference		
Closing Stock - 31/03/2017	990.44	1,155.58
	8,677.25	5,705.35
Less: Charged to Power Plant Operation/Power Stock	1,222.35	1,891.46
(C) Cost of Material Consumed Power Plant	7,454.90	3,813.89
Cost of Materials Consumed -(A+B+C)	40,187.69	43,567.28
Purchase of Stock-in-trade	3,445.97	23,553.99
Increase/Decrease in Stock		
Finished Goods as on 31/03/2017	10,618.92	8,712.40
Finished Goods as on 01/04/2016	8,712.40	8,283.39
Net Change	(1,906.52)	(429.00)

Notes - (Contd)

(₹ In Lacs)

Note No. 23	Year Ended 31/03/2017	Year Ended 31/03/2016
CONSUMPTION OF MATERIALS		
Steel Scrap		
Imported	10945.80	11666.60
Percentage	51.89%	66.11%
Indegenous	10148.97	5979.52
Percentage	48.11%	33.89%
Ingot, Billet, Re-rollables		
Imported	-	60.65%
Percentage	-	0.25%
Indegenous	4007.81	23873.82
Percentage	100%	99.75%
Coal		
Imported	7454.90	3813.89
Percentage	100%	100%
Indegenous	-	-
Percentage	-	-
Stores		
Imported	186.61	6.14
Percentage	7.27%	0.23%
Indegenous	2379.49	2922.64
Percentage	92.73%	99.79%
PP/HDPE Granules		
Imported	2197.39	193.98
Percentage	43.39%	2.49%
Indegenous	2866.72	7610.88
Percentage	56.61%	97.51%

Notes - (Contd)

(₹ In Lacs)

Note No. 24	Year Ended 31/03/2017	Year Ended 31/03/2016
Employee benefit expense		
Salaries and Wages	2,572.85	2,757.11
Welfare Expenses	49.22	50.95
	2,622.07	2,808.60

Note No. 25		
Financial costs		
Interest	11,186.71	6,900.36
Other Finance Charges	550.26	1,925.31
Foreign Exchange Fluctuation	25.69	498.17
	11,762.66	9,323.83

Note No. 26		
Other expenses		
Power	1,644.64	2,298.88
Power Plant Charges	2,689.61	2,972.51
Repairs Machinery	269.52	175.25
Repairs Building	8.91	16.68
Other Mfg Expenses	56.85	65.34
Processing Charges	60.48	61.46
Insurance	36.00	16.54
Rent	45.76	48.98
Loss on Sale of Fixed Assets	15.34	-
Rates & Taxes	65.55	65.66
Legal & Consultancy Charges	124.73	83.73
Payment to Auditors	4.00	4.46
Transport Charges	205.77	350.14
Brokerage & Commission	127.68	96.82
Selling & Administration Expenses	696.41	1,430.34
Excise Duty Expenses	1.75	6.48
	6,053.00	7,693.27

Notes - (Contd)

(₹ In Lacs)

Sub Note 1	As at 31/03/2017	As at 31/03/2016
LONG TERM BORROWINGS		
Secured Loans from Bank		
Term Loan form Banks		
Term Loan - Andhra Bank	8676.35	8013.27
Term Loan - Canara Bank	12471.83	11433.74
Term Loan - Syndicate Bank	4211.36	3892.68
Term Loan - Indian Overseas Bank	9169.90	9076.73
Term Loan - Shamrao Vithal Co-op Bank Ltd	1551.79	1525.04
WCTL/FITL - Andhra Bank	1998.20	1914.22
WCTL/FITL - Canara Bank	10322.87	9624.65
WCTL/FITL - Syndicate Bank	7748.78	7190.54
WCTL/FITL - State Bank of India	3166.32	3262.50
WCTL/FITL - Indian Overseas Bank	3037.84	3026.36
WCTL/FITL - Shamrao Vithal Co-op Bank Ltd	238.32	234.15
WCTL/FITL - IDBI	1804.30	1665.70
	64397.86	60859.59
Others		
Electronica Finance Ltd	4.55	22.89
	64402.40	60882.47
Less: Current Component on Long term Borrowings	12733.00	3910.00
	51669.40	56972.47
SHORT-TERM BORROWINGS		
Working Capital		
Canara Bank	14491.27	6296.79
Syndicate Bank	8441.99	3262.70
State Bank of India	4810.87	4086.03
Andhra Bank	2561.73	960.30
IDBI Bank Ltd	1930.91	1151.10
Indian Overseas Bank	5456.58	2622.75
	37693.36	18379.68

Notes :

- 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.
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.
- Personal Guarantee of Shri Lalit Kumar Tulsyani and Shri Sanjay Kumar Tulsyani.
- Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
- Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.
- As far as Vehicles they are secured by their Hypothecation.

Notes - (Contd)

(₹ In Lacs)

Sub Note 2	As at 31/03/2017	As at 31/03/2016
Non-current Investments		
- 11,25,000 Equity Shares of Rs.10/-each in Cosmic Global Limited *	112.50	112.50
- 50,000 Equity Shares of Rs. 10/- each in Tulsyani Power Limited *	5.00	5.00
- 49,400 Equity Shares of Rs. 10/- each Balaji Engineering & Galvanizing Limited *	4.94	4.94
- 64,89,200 Equity Shares of Rs.10/- each Chitrakoot Steel & Power P Limited *	648.92	648.92
- 50000 Equity Shares of Rs. 10/-each in Color Peppers Media P Ltd*	5.00	5.00
- In Bonds of Rs.100/- each in Krishana Bhagya Jala Nigam Ltd (17% Secured Redeemable NCB)	1.00	1.00
- 9000 (1,50,000) Equity Shares of Rs. 10/- in T. G. Logistics P Ltd*	0.90	15.00
	778.26	792.36
* Subsidiary Company		
Investments in Equity Instruments	777.26	791.36
Investments in Debentures/Bonds	1.00	1.00
Current Investments		
In Govt. Securities	0.09	0.09
-10 Equity Shares of Rs.90/- each in Karnataka Woven Sacks Construction P Ltd.	0.01	0.01
-864 Equity shares of Rs.10 each in Syndicate (Market Value Rs. 83,376/-)	0.43	0.43
-50 Shares of Rs. 100/- each in The Shamrao Vithal Co-op Bank Ltd	0.05	0.05
	0.58	0.58
Investments in Equity Instruments	0.49	0.49
Investments in Governments Securities	0.09	0.09
Sub Note 3		
LONG TERM LOANS AND ADVANCES		
Advance Income Tax Paid	95.07	191.74
Advance Income tax TDS	316.96	204.45
Advance Fringe Benefit tax	2.41	2.41
Advance TCS	1.71	1.71
	416.16	400.32

Notes - (Contd)

(₹ In Lacs)

Sub Note 4	As at 31/03/2017	As at 31/03/2016
Cosmic Global Ltd	0.05	0.00
Tulsyani Power Ltd	0.97	0.82
Balaji Engig & Galvanizing Ltd	8.71	8.49
Color Peppers Media Pvt Ltd	258.83	258.83
	268.56	268.14

Sub Note 5		
Other Current Assets		
ADVANCE PAID	330.62	311.62
CST PAID UNDER PROTEST	98.37	32.55
CVD	999.80	292.44
DEPOSIT	0.50	0.58
DIVIDEND	5.63	5.63
DRAWBACK	350.61	480.81
EXCISE	3894.57	3704.69
IMPORT LICENCE	1681.07	1677.13
INSURANCE PREPAID	0.00	2.53
SALES TAX/EXPORT INCENTIVE	213.89	217.84
SALES TAX DEFERRAL	36.16	36.16
SERVICE TAX	1998.61	1779.93
VAT	2150.49	2333.66
Total	11760.30	10875.54

INDEPENDENT AUDITORS' REPORT**To the Members of M/s Tulsyam NEC Limited****Report on Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Tulsyam NEC Limited (here in after referred to as "the Holding company") and its subsidiaries (the holding company and its subsidiaries referred to as "the Groups") which comprises of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (here in after referred to as the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 consolidated 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 consolidated financial statement by the Directors of the Holding Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the group as at March 31, 2017, and their consolidated loss and their consolidated Cash Flow for the year ended on that date.

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of 4543.35 lakhs as at 31st March, 2017, total revenues of 748.31 lakhs and net cash outflow amounting to (164.58)

lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors

Report on Other Legal and Regulatory Requirements

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Holding Company and its subsidiaries incorporated in India are disqualified as on 31st March, 2017 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 Group and the operating effectiveness of such controls, refer to our "Annexure A"
- g) 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, 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 effect of pending litigations on the consolidated financial position of the Group – as mentioned in Notes 1.7;
 - ii. The group does not have any long term contracts including derivatives contract for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund.
 - iv. the Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes pertaining to subsidiary companies incorporated in India, during the period from 8th November, 2016 to 30th December, 2016 as mentioned in Note No 1 Point No 16 to the consolidated statements and the details are in accordance with the books of accounts maintained by the Group.

For and on behalf of
CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.004915S/S200036

B. Ramakrishnan
PARTNER
M.No. 201023

Place : Chennai
Date : 14th June, 2017

Annexure- A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Tulsyani NEC Ltd**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Tulsyani NEC Ltd ("the Holding company") and its subsidiary companies which are companies incorporated in India as of March 31, 2017, in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding company, its subsidiary Companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on 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. 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 its 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was 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 system 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 judgement, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control 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 control 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 the internal financial control 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, the Holding Company and its subsidiary companies which are companies incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For and on behalf of

CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No.004915S/S200036

B. Ramakrishnan

PARTNER

M.No. 201023

Place : Chennai

Date : 14th June, 2017

TULSYAN NEC LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ In Lacs)

Particulars	Note No.	As At 31st March, 2017	As At 31st March, 2016
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	2354.55	2353.82
Reserves & Surplus	3	(4074.99)	4970.00
		(1720.44)	7323.82
Minority Interest		63.31	136.59
Non-Current Liabilities			
Long Term Borrowings	4	51680.36	56995.35
Deferred Tax Liabilities		0.60	2195.88
Other Long Term Liabilities	5	11012.56	11050.02
Long Term Provisions	6	276.42	0.00
		62969.94	70241.25
Current Liabilities			
Short Term Borrowings	7	52430.13	24279.92
Trade Payables	8	6661.31	21993.05
Other Current Liabilities	9	1926.22	1901.90
Short Term Provisions	10	1177.06	1049.43
		62194.71	49224.30
TOTAL		123507.52	126925.96
II. ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible assets	11	61740.05	32453.96
(ii) Capital work-in-progress		93.91	29211.32
Non-Current Investments	12	6.93	1.03
Deferred tax assets (net)		937.12	919.64
Long Term Loans and Advances	13	904.60	887.55
Other Non-Current Assets	14	280.88	268.57
		63963.49	63742.06
Current assets			
Current Investment	15	0.58	0.58
Inventories	16	14409.70	13890.96
Trade Receivables	17	27070.75	31824.02
Cash and Cash Equivalents	18	1633.00	1797.57
Short Term Loans and Advances	19	4666.52	4792.09
Other Current Assets	20	11763.48	10878.67
		59544.03	63183.89
TOTAL		123507.52	126925.96

As per our Report of even date
For CNGSN & Associates LLP

Chartered Accountants
FR No. 004915S/S200036

Sanjay Tulsyam
Managing Director

On behalf of the Board

Lalit Kumar Tulsyam
Executive Chairman

B. Ramakrishnan

Partner
M. No. 201023

C. Ramachandran
Director

CA Shantha Kumar RP
Chief Financial Officer

Place: Chennai
Date : 14th June, 2017

Laxmidhar Prusty
Company Secretary



TULSIYAN NEC LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH 2017

(₹ In Lacs)

Particulars	Note No	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
I. Revenue from operations	21	54824.08	91871.98
II. Other Income	22	124.74	366.45
III. Total Revenue (I +II)		54948.82	92238.43
IV. Expenses:			
Cost of materials consumed/Services Rendered	23	40641.99	50519.18
Purchase of Stock-in-Trade	23	3445.97	23553.99
Increase/Decrease in Stocks	23	(1920.76)	(355.55)
Employee benefit expense	24	2961.48	3229.91
Financial costs	25	12028.85	9630.82
Other expenses	26	6399.67	8166.35
Depreciation and amortization expense	11	2298.95	1693.75
Total Expenses		65856.15	96438.45
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(10907.33)	(4200.02)
VI. Exceptional Items		290.32	-
VII. Profit before extraordinary items and tax (V - VI)		(11197.65)	(4200.02)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(11197.65)	(4200.02)
X. Tax expense:			
(1) Current tax		-	16.49
(2) Deferred tax		(2219.41)	(665.15)
(3) MAT Credit Entitlement/Previous Year Tax		-	-
XI. Profit(Loss) from the perid from continuing operations	(IX-X)	(8978.24)	(3551.36)
XII. Profit(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit(Loss) for the period (XI + XIV)		(8978.24)	(3551.36)
XVI. Earning per equity share:			
(1) Basic		(61.07)	(24.17)
(2) Diluted		(61.07)	(24.17)

As per our Report of even date

For CNGSN & Associates LLPChartered Accountants
FR No. 004915S/S200036**Sanjay Tulsiyan**
Managing Director

On behalf of the Board

Lalit Kumar Tulsiyan
Executive Chairman**B. Ramakrishnan**Partner
M. No. 201023**C. Ramachandran**
Director**CA Shantha Kumar RP**
Chief Financial Officer

Place: Chennai

Date : 14th June, 2017

Laxmidhar Prusty
Company Secretary



TULSYAN NEC LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ In Lacs)

A CASH FLOW FROM OPERATING ACTIVITIES	2016-17	2015-16
Profit before Tax as per Statement of Profit & Loss	(11197.65)	(4200.02)
Non-cash Adjustments	-	-
Depreciation	2298.95	1693.75
Depreciation on old assets sold	(51.63)	(175.85)
Dividend Income	(0.01)	(12.24)
Interest Expense	12028.85	9121.09
Interest Income	(54.34)	(193.33)
Right Issue/ Misc. Expenses incurred during the year	-	(2.21)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3024.17	6231.19
Adjustments for:		
Inventories	(518.74)	1134.66
Trade Receivables	4753.27	6392.83
Short-term Loans and Advances	(759.22)	776.79
Long-term Loans and Advances	(29.36)	(276.93)
Long-term Provisions	276.42	-
Other Long-Term Liabilities	(37.47)	(777.35)
Short-term Borrowing	28150.20	5074.02
Trade Payables	(15331.74)	(8816.46)
Other Current Liabilities	24.31	1457.07
Short Term Provisions	136.45	73.96
Net Cash from Operating Activities before Income-tax	19688.30	11269.78
Income-tax Paid	(8.83)	(26.48)
NET CASH FROM OPERATING ACTIVITIES (A)	19679.47	11243.30
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets and Payment towards CWIP	(2578.64)	(3352.61)
Proceeds from Sale of Fixed Assets	26.40	287.21
Current/Non-current Investments	(5.90)	-
Interest Income	54.34	193.33
Dividend Income	0.01	12.24
NET CASH USED IN INVESTING ACTIVITIES (B)	(2503.79)	(2859.83)
C CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Proceeds from Long-term Borrowings	(5314.98)	(2440.43)
Interest Paid	(12028.85)	(9121.09)
Share Capital/Premium Received	3.57	44.71
NET CASH USED IN FINANCING ACTIVITIES (C)	(17340.27)	(11516.81)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (D) =(A+B+C)	(164.58)	(3133.36)
Cash and Cash Equivalents at the beginning of the year	1797.56	4930.91
Cash and Cash Equivalents at the end of the year	1633.00	1797.56

As per our Report of even date

On behalf of the Board

For CNGSN & Associates LLP

Chartered Accountants
FR No. 004915S/S200036Sanjay Tulsyane
Managing DirectorLalit Kumar Tulsyane
Executive Chairman

B. Ramakrishnan

Partner
M. No. 201023C. Ramachandran
DirectorCA Shantha Kumar RP
Chief Financial Officer

Place: Chennai

Date : 14th June, 2017

Laxmidhar Prusty
Company Secretary

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(All amounts in Rupees in lacs unless otherwise stated)

Note No. 1**Nature of Operation:**

Tulsyam NEC Limited is engaged in the Manufacturing TMT bars, Coal Based Power Plant and Synthetics Woven Fabrics and Sacks. It has manufacturing plant at Chennai (Gummudipoondi) and Bangalore (Doddaballapura). The company as invested in the following companies

Sl.No	Name of the company	Nature Of Business	Shareholding (%)
1.	Cosmic Global Limited	IT Enabled Services	76.713%
2.	Chitrakoot Steel & Power P Ltd	Sponge Iron Manufacturing	100%
3.	Balaji Engineering & Galvanizing Ltd	Galvanizing	98.80%
4.	Color Peppers Media P Ltd.	Media	100%

The company, its subsidiaries are collectively referred as "the group".

1. Significant Accounting Policies:**1.1 Basis of preparation of Financial Statements**

- a. The Company maintains its accounts on accrual basis following the historical cost convention, in accordance with the Accounting Principles Generally Accepted in India, ["GAAP"], and in compliance with the provisions of Companies Act, 2013 ("the Act"), including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment..

Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

Basis of consolidation

- a. The financial statements of the following subsidiaries company have been consolidated as per Accounting Standard-21 on 'Consolidated Financial Statement'.

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest (%)
Cosmic Global Limited	India	76.713%
Chitrakoot Steel & Power P Ltd	India	100%
Balaji Engineering & Galvanizing Ltd	India	98.80%
Color Peppers Media P Ltd.	India	100%

- b. The financial statements of the company and its subsidiary companies have been consolidated on line by line bases by adding together the book values of like items of Assets, Liabilities, Income and expenses after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profits or losses.



1.2 Fixed Assets and Depreciation

a. Fixed Assets & Capital work in Progress:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Own manufactured assets are capitalized inclusive of all direct costs and attributable overhead. Capital work-in-progress comprises of amount paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Assets held for disposal are stated at the lower of net book value and the estimated net realizable value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold assets cost is amortized over the period of the lease.

1.3 Retirement and other employee benefits:

Short-term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short-term compensated absences, etc. are recognized in the period in which the employee renders the related service.

Post – employment benefits:

Defined contribution plans

The Company's state governed provident fund scheme, employees' state insurance scheme and employee pension scheme are the defined contribution plans. The contribution paid/ payable under the schemes is recognized during the period in which the employee renders the related service.

Defined benefit plans

The Company's obligation towards gratuity and leave encashment is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities having maturity periods approximating to the terms of related obligations as at the balance sheet date.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss, and gains or losses on the curtailment or settlement of the defined benefit plan are recognized when the curtailment or settlement occurs.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The expenses and actuarial gain/Loss on account of the above benefit plan are recognized in the statement of profit and loss based on actuarial valuation

Long-term employee benefits

The obligation for long-term employee benefits such as long-term compensated absences is recognized in the similar manner as in the case of defined benefit plans as mentioned above.



1.4 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:

Raw Material, components, stores and spares	At lower of weighted average cost and net realizable value.
Work-in-Progress	At lower of cost of raw material and component including related overheads and net realizable value.
Finished Goods	At lower of cost and net realizable value. Cost includes raw material components and related overheads.

REVENUE RECOGNITION:

1.5 Revenue Recognition

Revenue is recognized based on nature of activity when consideration can be reliably measured and there exists reasonable certainty of its recovery.

- (i) Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products are transferred to the customer under the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products. Escalation and other claims, which are not ascertainable/ acknowledged by customers, are accounted in the period in which they are ascertained / acknowledged. Consignment sales are accounted on the receipt of consignment sales note from the consignee.
- (ii) Any other items of income are accounted as and when the right to receive arises.
- (iii) In respect of Medical Transcription Services, and Translation Services the Company follows the practice of raising invoices job- wise on the clients based on the number of lines and number of words respectively, etc., as accepted by them and in respect of Accounts BPO services the invoices are raised after acceptance by the clients on mutually agreed basis.

This year the company has raised the bills on all the jobs accepted and approved by the client. The application of Proportionate Completion method according to AS-9 could not be followed due to the nature of services rendered.

Export/Consultancy Services are billed at mutually discussed rates wherever the terms have not been reduced to writing

1.6 Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of long term investments

1.7 Contingent Liabilities

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the Notes to the Financial Statements wherever practicable.

(Rs in Lacs)

Transactions	As on 31.03.2017	As on 31.03.2016
Guarantees Outstanding	5.09	5.09
Entry Tax	80.44	80.44
Excise Duty	9.96	9.96

Transactions	As on 31.03.2017	As on 31.03.2016
Excise	1.01	1.01
Excise	25.65	25.65
VAT	0.87	0.87
VAT	506.58	506.58
INCOME TAX	23.43	23.43
INCOME TAX	5.59	5.59
INCOME TAX (COSMIC GLOBAL)	204.81	124.33
Claims against Chitrakoot Steel and Power Pvt Ltd not acknowledged as debts	68.55	68.55

During the Financial Year 2015-16, the company's loans and liabilities with the Banks were restructured under the "Corporate Debt Restructuring" Scheme. As per the said scheme, the company repayment obligations were deferred/ restructured. Further the Banks have provided certain reliefs/ sacrifices / waivers by reducing the rate of interest. Interest on the restructured loans have been provided for in the books at lowered rates of interest. The Masters Restructuring Agreement entered into between the company and the banks' provides a "Right of Recompense" on the reliefs/ sacrifices as per the CDR guidelines. The total value of such sacrifices/ reliefs/ waivers as on 31st Mar 2017 is Rs.34.81 Crores (PY Rs.16.63 Crores). The rate of interest applicable on the borrowings is at Base rate of Canara Bank Plus + 0.80% (currently 9.65% + 0.80% totaling to 10.45%) and on FITL loans are at the rate of 11%.

As per the CDR conditions, the promoters contribution was brought in the form of preference shares and the same cannot be redeemed during the continuation of the CDR. The CDR loans are secured as under:

- TL\WCTL\FITL\Fresh TL 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.

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.

- Personal Guarantee of Shri Lalit Kumar Tulsyani and Shri Sanjay Kumar Tulsyani.
- Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Limited.
- Promoter and promoter group shall pledge their entire unencumbered shareholding in favour of lender in demat form with voting right.

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. 25.00 Crores

Chitrakoot Steel and Power (P) Ltd executed Corporate Guarantee for Rs.19.64 Crore in favour of Tulsyani NEC Limited to comply the CDR Terms.

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 companies name was added in the "Denied Entity List". The company had represented to the said authority that the Export obligation has indeed been completed and has submitted documents required and has sought issue of Export Obligation Discharge Certificate. Upon 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.



Management is of the opinion that the no liability would arise in respect thereof.

1.8 Cash and Cash Equivalents:

Cash and cash equivalents represents cash on hand and demand deposits with banks and include short-term and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.9 Foreign Exchange Transactions:

- (i) The reporting currency of the Company is Indian Rupee.
- (ii) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (iii) Exchange differences that arise on settlement of monetary items or on reporting of the Company's monetary items at each balance sheet date at the closing rate are recognised as income or expense in the period in which they arise.

Foreign exchange transactions are as follows:

Transactions	As on 31.03.2017	As on 31.03.2016
CIF Value of imports (Raw materials)	6,358.73	16,300.64
Earnings in foreign Exchange (FOB)	840.78	2385.04
Exchange in Foreign currency for other matters	10.79	30.99
Translation Payments	230.01	221.12
Earnings from Medical Transcription, Translation and consultancy Services	265.27	291.72

During the year foreign exchange transaction towards Royalty, know-how, professional fees & consultant fees were NIL. Hence not disclosed in the notes on accounts.

2. Segment Reporting

A. Primary Segment Reporting - by Business Segment on Type of Products

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the type of products and differential risk and returns of the segments

The Company and its subsidiaries have three products viz. Steel, Power and Synthetic and two services viz. IT enabled services and Media

1	Sales/ Other income	Steel	Power	Synthetic	ITES	Media	Total
(i)	Sales- External	36476.16	10191.54	7479.51	676.86	0.00	54824.07
(ii)	Sales- Inter-segment	3420.46	2403.58	-	-	-	5824.04
(iii)	Other Income-External	85.38	-	39.37	-	-	124.75
(iv)	Other Income-Inter-segment	-	-	-	-	-	-
	Less: Sales - Inter-segment	3420.46	2403.58	-	-	-	5824.04
	Total	36561.54	10191.54	7518.88	676.86	0.00	54948.82
2	Segment Results						
	Profit/(Loss) before interest & Tax	(606.74)	1744.38	(202.97)	(102.46)	(1.03)	831.19
	Less: Interest (unallocable charge)	-	-	-	-	-	12028.84
	Profit /(Loss) after interest	-	-	-	-	-	(11197.65)

	Sales/ Other income	Steel	Power	Synthetic	ITES	Media	Total
Less : Other unallocable expense	-	-	-	-	-	-	-
Profit/(Loss) before Tax	-	-	-	-	-	-	(11197.65)
B. Other Information							
Segment assets	30931.08	79024.52	12283.75	924.24	113.16	123276.75	
Adj: Eliminations	78509.15	-	(78250.32)	-	(258.83)	-	
	109440.23	79024.52	(65966.57)	924.24	(145.67)	123276.75	
Segment Liabilities	29427.57	79024.52	13787.26	924.24	113.16	123276.75	
Capital Employed	20348.90	26843.29	3466.14	262.88	(146.02)	50775.19	
Capital Expenditure (Fixed Assets)	130.51	31487.36	22.61	2.06	-	31642.54	
Depreciation	1488.98	580.92	211.62	16.92	0.51	2298.95	

3. Related parties Disclosure

Disclosure as required by Accounting Standards 18 "Related Party Disclosures" are given below

a) List of Related Parties

S.No.	Nature of Relationship	Name of Related Party
1.	Subsidiary	Cosmic Global Limited
2.	Subsidiary	Chitrakoot Steel & Power P Ltd
3.	Subsidiary	Balaji Engineering & Galvanizing Ltd
4.	Subsidiary	Color Peppers Media P Ltd.
5.	Key Management Person (Executive Chairman)	Shri Lalit Kumar Tulsyan
6.	Key Management Person (Managing Director)	Shri Sanjay Tulsyan
7.	Key Management Person (Whole-time Director)	Shri Sanjay Agarwalla
8.	Key Management Person (Chief Financial Officer)	Shri Shantha Kumar RP
9.	Companies in which Directors are interested	Tulsyan Smelters Private Ltd
10.	Companies in which Directors are interested	Tulsyan Power Limited

b) Transaction with related parties

S.No	Name of the Related party	Nature of Transactions	31.03.2017	31.03.2016
1	Tulsyan Smelters (P) Ltd	Sale of Goods	970.64	625.53
2	Tulsyan Smelters (P) Ltd	Services Received	62.50	63.15
3	Tulsyan Power Limited	Short term borrowing	0.15	0.15
4	KMP remuneration paid (Detailed below)	Employment contracts	184.02	168.12

(Rs. In Lacs)

S.No	Name of the Related Party	Nature of Relationship	Remuneration paid in 2016-17	Remuneration paid in 2015-16
1.	Lalit Kumar Tulsyan	Executive Chairman	60.29	60.29
2.	Sanjay Tulsyan	Managing Director	60.00	60.00
3.	Sanjay Agarwalla	Whole-time Director	39.29	25.79
4.	Shantha Kumar	CFO	24.44	22.04
Total			184.02	168.12

**Guarantees and collaterals:**

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee for Rs.19.64 Crore in favour of Tulsyani 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 Vitthal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25.00 Crores.

Outstanding balance as on 31st March 2017

(Rs. In Lacs)

S.No	Name of the Related Party	Nature of Relationship	Balance on 31/03/2017	Balance on 31/03/2016
1	Tulsyani Smelters Private Ltd	Companies in which the Directors are interested	3148.01 Cr	441.34 Dr
2	Tulsyani Power Ltd	Companies in which Directors are interested	0.97 Dr	0.82 Dr

(Rs. In Lacs)

S.No	Name of the Related Party	Nature of Relationship	Balance on 31/03/2017	Balance on 31/03/2016
1.	Lalit Kumar Tulsyani	Executive Chairman	380.50 Cr	428.16 Cr
2.	Sanjay Tulsyani	Managing Director	165.74 Cr	171.93 Cr

4 Earnings per Share:

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

(₹ In Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net Profit attributable to Shareholders	(8978.24)	(3551.36)
Weighted average number of equity shares	147.03	146.95
Basic earnings per share of Rs. 10/- each	(61.07)	(24.17)

5. Taxes on Income

Tax expenses for a year comprises of current tax and deferred tax.

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961 and based on the expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



In accordance with Accounting Standard (AS 22) the deferred tax asset (arising on account of unabsorbed depreciation and Carry forward losses) and deferred tax liabilities have been set off to the extent of deferred tax liability accrued as on 31 March 2016 amounting to Rs. 21.95 Cr.

6. LEASES:

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

7. 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

8. IMPAIRMENT OF FIXED ASSETS:

As at each Balance Sheet date, the carrying amount of asset is tested for impairment so as to determine:

- i) The provision for impairment loss, if any; and
- ii) The reversal of impairment loss recognized in previous periods, if any, Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- i) In the case of an individual asset, at the higher of the net selling price and the value in use; and
- ii) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

9. BORROWING COST:

- (i) Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discounts/ premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.
- (ii) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (ordinarily, a period of twelve months) to get ready for its intended use or sale.
- (iii) All other borrowing costs are recognised as an expense in the period in which they are incurred.

10. Expenditure incurred Rs. 53,00,603/- towards Right Issue of Shares has been disclosed in the Balance Sheet under the head Reserves and surplus. This sum would be written off over a period of five years after the completion of Rights Issues

The exceptional/ prior period expenses represent the value of Gratuity and Leave encashment pertaining to earlier periods.

11. Grants and incentives

Government grants and incentives / subsidies are recognized when there is reasonable assurance that

- i) The Company will comply with the conditions attached to them and
- ii) The grant / incentive will be received.

12. Disclosure as required by AS 15 on Employee Benefit:
a. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

b. Defined benefit plans

		31-03-2017	31-03-2017	Total
		Gratuity (Unfunded)	Leave Encashment (Unfunded)	
1	Reconciliation of opening and closing balances of Defined Benefit obligation			
	Defined Benefit Obligation at the beginning of the year	-	-	
	Current Service Cost	9,518,393	725174	
	Interest Cost	2,150,317	513509	
	Actuarial (gain)/ loss	(7,121,614)	(3,783,509)	
	Benefits paid	-	-	
	Defined Benefit Obligation at the year end	-	-	
2	Reconciliation of opening and closing balances of fair value of plan assets			
	Fair Value of plan assets at the beginning of the year	-	-	
	Adjustment to last valuation assets	-	-	
	Expected return on plan assets	-	-	
	Actuarial (gain / (loss))	-	-	
	Employer contribution	-	-	
	Benefits paid	-	-	
	Fair value of plan assets at year end	-	-	
	Actual return on plan assets	-	-	
3	Reconciliation of fair value of assets and obligations			
	Fair value of plan assets	-	-	
	Present value of obligation	31,899,554	3991865	
	Amount recognised in Balance Sheet	(31,899,554)	(3,991,865)	35,891,419



		31-03-2017	31-03-2017	Total
		Gratuity (Unfunded)	Leave Encashment (Unfunded)	
4	Expense recognized during the year			
	Current Service Cost	9,518,393	725174	
	Interest Cost	2,150,317	513509	
	Expected return on plan assets	-	-	
	Actuarial (gain) / loss	-	-	
	Net Cost	-	-	
5	Investment Details			
	Funds Managed by Insurer	-	-	
6	Actuarial assumptions			
	Discount rate (per annum)	7.31%	7.31%	
	Expected rate of return on plan assets (per annum)	0.00%	0.00%	
	Rate of escalation in salary (per annum)	5.00%	5.00%	

13. The Amount due from/ Due to Debtors/ Creditors other than for which the payments have been received/made subsequent to the Balance Sheet are subject to their confirmation and statement of accounts.

14. Period and amount of continuing default as on the Balance sheet date

(Rs in Lacs)

Due date	Amount of default (Principal)	No of days delay	Amount of default (Interest)	No of days delay
30/04/2016			662.45	335
31/05/2016			1341.65	305
30/06/2016	559.74	275	2042.81	275
31/07/2016			2779.81	245
31/08/2016			3559.34	215
30/09/2016	975.00	185	4359.06	185
31/10/2016			5269.20	155
30/11/2016			6191.62	125
31/12/2016	975.00	95	7152.50	95
31/01/2017			8016.57	65
28/02/2017			8802.51	35
31/03/2017	986.00	0	9625.10	0
Total	3,495.00		9625.10	



15. Additional Information as required by Paragraph 2 of the general instruction for preparation of consolidated financial statement to Schedule III to the companies' act 2013.

S. No.	Name of the Entity	Net Assets		Share in Profit & Loss	
		As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount
1	Parent	96.49	118964.20	92.70	(10380.04)
	Tulsyane NEC Limited				
2	Subsidiaries				
	Cosmic Global Limited	0.75	924.24	0.98	(110.20)
	Chitrakoot steel & Power (P) Ltd	2.66	3275.14	6.31	(706.43)
	Balaji Engineering & Galvanizing Ltd	0.09	13.85	-	-
	Color Peppers Media (P) Ltd	0.01	113.16	0.01	(1.03)

16. Disclosure of Specified Bank Notes (SBN) – Pursuant to Ministry of corporate Affairs Notification G.S.R 308 Dated 30th March 2017.

	SBN	Other denomination Notes	Total
Closing Cash in hand as on 08/11/2016	820000	1540165	2360165
(+) Permitted Receipts	-	1132327	1132327
(-) Permitted Payments	-	2043731	2043731
(-) Amount Deposited in Bank	820000	-	820000
Closing cash in hand as on 31/12/2016	-	628761	628761

17. Previous year figures are regrouped and reclassified whenever necessary to conform to the current year classification.

As per our report of even date
For CNGSN & ASSOCIATES LLP
 Chartered Accountants
 Firm Reg. No.004915S/S200036

B. Ramakrishnan
 PARTNER
 M.No. 201023

Place : Chennai
 Date : 14th June, 2017

On behalf of the Board

Sanjay Tulsyane
 Managing Director

C Ramachandran
 Director

Laxmidhar Prusty
 Company Secretary

Lalit Kumar Tulsyane
 Executive Chairman

CA Shantha Kumar RP
 Chief Finance Officer

Notes - (Contd)

(₹ In Lacs)

Note No. 2	As at 31/03/2017	As at 31/03/2016
SHARE CAPITAL		
Authorised Share Capital		
1,60,00,000 Equity Shares of Rs. 10/- each	1,600.00	1,600.00
2,00,00,000 6% Non Convertible Redeemable Preference Shares of Rs. 10/- each	2,000.00	2,000.00
	3,600.00	3,600.00
Issued, Subscribed and Paid up		
1,44,78,486 (1,44,60,182) Equity Shares of Rs. 10/- each	1,470.25	1,469.52
2,25,293 (2,43,597) Equity Shares of Rs. 6/- each paid up		
2,96,221 (2,96,221) Equity Shares of Rs. 3/- each paid up		
	1,470.25	1,469.52
Reconciliation of Number of Equity share outstanding at the beginning and at the end of the reporting period		
	No. of Shares	No. of Shares
At the beginning of Year	15,000,000.00	15,000,000.00
Add: Issues during the year	-	-
At the End of the Year	15,000,000.00	15,000,000.00
Terms / rights / restrictions attached to equity shares		
(i) The Company has only one class of equity shares having a face value of ` 10/- each. Each holder of equity share is entitled to one vote per share.		
(ii) 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 (Note No: 1.7)		
(iii) The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.		
Shareholders holding more than 5% of Share Capital		
Name of the shareholder	No. of Shares	No. of Shares
Lalit Kumar Tulsyani	4,006,930.00	4,046,645.00
Sanjay Tulsyani	4,475,481.00	4,475,481.00
Priya Tulsyani	954,982.00	954,982.00
Alka Tulsyani	751,130.00	751,130.00
The Company has not bought back any shares or issued shares for consideration other than cash or issued bonus shares during the five years immediately preceding 31 March 2017 (Five years immediately preceding 31 March 2016 - Nil)		
Preference Share Capital	884.30	884.30
88,00,500 (73,60,500) NCR Preference Shares of Rs. 10/- each paid up (refer note no:1.7 on redemption)		

Notes - (Contd)

(₹ In Lacs)

Note No. 3	As on 01/04/2016	Additions	Deletions	As on 31/03/2017
RESERVES AND SURPLUS				
Share Premium	11919.48	2.84		11922.32
State Subsidy	10.00			10.00
Investment Allowance Reserve	59.39			59.39
General Reserve	2390.00			2390.00
Profit & Loss Account	(9512.89)	(11197.65)	(2212.70)	(18497.85)
Capital Reserve	157.03		62.87	94.16
	5023.01	(11194.81)	(2149.83)	(4021.98)
Less: Right Issue Expenses	53.01	-	-	53.01
	4970.00	(11194.81)	(2149.83)	(4074.99)

Note No. 4	As at 31/03/2017	As at 31/03/2016
LONG TERM BORROWINGS		
Secured Loans		
From Banks		
- Term loans (Ref Sub Note 1)	51669.41	56980.98
- Vehicle loans	10.95	14.36
	51680.36	56995.34

Note No. 5		
OTHER LONG TERM LIABILITIES		
Loans		
From Body Corporate	4409.70	4310.69
From Directors	656.43	630.51
From Others	1366.06	1793.48
From Related Parties	200.39	200.39
Interest Accured & Due	574.29	544.54
	7206.87	7479.60
Others	3805.69	3570.43
	11012.56	11050.03

Note No. 6		
LONG TERM PROVISIONS		
Provision for Gratuity and Leave Encashment	276.42	0.00
	276.42	0.00

Notes - (Contd)

(₹ In Lacs)

Note No. 7	As at 31/03/2017	As at 31/03/2016
SHORT TERM BORROWINGS		
Secured Working Capital Loans(Refer sub note-1)		
Banks	39688.69	19152.25
Current Component of Long Term Borrowings	12741.44	5127.68
	52430.13	24279.93

Note No. 8		
TRADE PAYABLES		
Sundry Creditors :		
- For Supplies and Services	6040.35	21405.52
- For Expenses and Others	620.96	583.18
- For Project/Capital Equipment	-	4.34
(Refer Note -1 point 7)	6661.31	21993.05

Note No. 9		
OTHER CURRENT LIABILITIES		
Other Current Liabilities	1926.22	1901.90
	1926.22	1901.90

Note No. 10		
SHORT TERM PROVISIONS		
Provision for Expenses/Tax	1177.06	1040.60
Provision for Dividend	-	7.33
Corporate Dividend Tax	-	1.49
	1177.06	1049.42



Note No. 11

FIXED ASSETS

(₹ In Lacs)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as at 1st April 2017	Additions upto 31st March, 2017	Sold upto 31st March, 2017	Cost as at 31st March, 2017	As on 1st April 2016	For the year upto 31st March, 2017	Adjusted on upto 31st March, 2017	Upto upto 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Land	1471.54			1471.54					1471.54	1471.54
Land Leasehold	95.47			95.47	7.91	0.88		8.79	86.68	87.56
Factory Buildings	6958.92	4099.33		11058.25	1408.48	305.35		1713.83	9344.42	5550.44
Office Premises	20.69			20.69	9.43	0.96		10.39	10.30	11.26
Plant & Machinery	35881.03	27472.42	17.45	63336.00	11018.89	1884.68	7.15	12896.42	50439.58	24862.14
Works Equipments	180.64			180.64	65.99	6.53		72.52	108.12	114.65
Lab Equipment	14.12	34.61		48.73	6.35	3.63		9.98	38.75	7.77
Office & Other Equip.	783.70	20.42		804.12	633.06	47.95		681.01	123.11	150.64
Vehicles	436.04	15.76	34.18	417.62	270.35	48.97	19.25	300.07	117.55	165.69
Total	45842.15	31642.54	51.63	77433.06	13420.46	2298.95	26.40	15693.01	61740.05	32421.69
Previous Year	45157.22	1103.71	287.21	45973.72	12001.87	1693.75	175.85	13519.76	22453.96	33155.35

Notes - (Contd)

(₹ In Lacs)

Note No. 12	As at 31/03/2017	As at 31/03/2016
NON-CURRENT INVESTMENTS		
Long term, Unquoted, at cost	6.93	1.03
<i>Ref Sub Note 2</i>	6.93	1.03

Note No. 13		
LONG TERM LOANS AND ADVANCES		
Other loans and advances (<i>Ref Sub Note 3</i>)	904.60	887.55
	904.60	887.55

Note No. 14		
OTHER NON-CURRENT ASSETS		
Other Deposits	280.88	268.57
	280.88	268.57

Note No. 15		
CURRENT INVESTMENTS (<i>Ref Sub Note 2</i>)	0.58	0.58

Note No. 16		
INVENTORIES		
(As valued and certified by the Management)		
Raw materials	2111.98	3663.99
Finished Goods	11043.21	9083.69
Stores	1254.51	1143.28
	14409.70	13890.96

Note No. 17		
TRADE RECEIVABLES		
(Unsecured and considered good)		
- Debts outstanding for more than six months	19493.16	17086.80
Other Debtors	7577.59	14737.22
	27070.75	31824.02

Note No. 18		
CASH AND CASH EQUIVALENTS		
Cash in hand	16.61	31.05
Balances with scheduled banks		
- in Current Accounts	435.15	146.44
- in Deposit Accounts	1181.24	1620.08
	1633.00	1797.57

Notes - (Contd)

(₹ In Lacs)

Note No. 19	As at 31/03/2017	As at 31/03/2016
SHORT-TERM LOANS AND ADVANCES		
(Unsecured considered good; recoverable in cash or in kind or for value to be received)		
Deposits	3351.45	3363.18
Advance for supplies and expenses	1178.55	476.55
Staff advances & Prepaid Expenses	75.89	169.31
Advances for Fixed Assets	35.16	756.85
Advance Tax	25.47	26.20
	4666.52	4792.10

Note No. 20		
OTHER CURRENT ASSETS	11763.48	10878.67
<i>Ref Sub Note 4</i>		
Minority Interest		
Minority Interest	63.31	136.59

Note No. 21	For the year ended 31/03/2017	For the year ended 31/03/2016
REVENUE FROM OPERATIONS		
Domestic Sales FG	52989.82	86047.05
Export Sales	888.78	2435.15
Excise Duty	4605.25	5559.08
Processing Charges	278.63	405.92
Duty Drawback	-	0.78
Service Charges/Sponsorship Received	676.86	2985.40
	59439.34	97433.38
Excise Duty Collected	4615.26	5561.43
	54824.08	91871.97

Notes - (Contd)

(₹ In Lacs)

Note No. 22	For the year ended 31/03/2017	For the year ended 31/03/2016
OTHER INCOME		
Income from Windmills	88.49	113.48
Interest Receipts	54.34	193.33
Dividend Received	0.01	6.62
Profit on sale of FA	-	96.15
Rent Received	-	6.00
Compensation for Power	-	40.92
Profit on sale of Investment	63.45	0.01
Miscellaneous Income	6.94	23.42
	213.23	479.93
Less: Income from Wind Mill	88.49	113.48
	124.74	366.45

Note No. 23	For the year ended 31/03/2017	For the year ended 31/03/2016
CONSUMPTION OF MATERIALS		
Raw Materials		
Opening Stock - 01/04/2016	2444.00	3611.57
Purchases	26609.55	39201.43
Materials Inward	1710.30	1176.50
Customs Duty	650.30	498.60
Expenses for Import Licence	-	341.15
	28970.15	41217.68
Less: Discount/Licence	104.80	123.09
	28865.35	41094.59
Closing Stock - 31/03/2017	1039.32	2444.00
Cost of Materials Consumed (A)	30270.03	42262.16
Stores		
Opening Stock - 01/04/2016	1143.28	939.69
Purchases	2624.64	2188.81
Materials Inward	52.70	39.26
Closing Stock - 31/03/2017	1254.51	1143.28
Cost of Materials Consumed(B)	2566.11	2024.49

Notes - (Contd)

(₹ In Lacs)

Note No. 23	For the year ended 31/03/2017	For the year ended 31/03/2016
(C) Power Plant		
Opening Stock - 01/04/2016	1155.58	1677.23
		0.00
Purchases	7433.64	3988.50
Materials Inward	1078.47	1195.21
		0.00
Closing Stock - 31/03/2017	990.44	1155.58
	8677.25	5705.35
Less: Charged to Power Plant Operation/Power Stock	1135.01	1891.46
(C) Cost of Material Consumed Power Plant	7542.24	3813.89
Cost of Services Rendered	263.61	2418.64
Cost of Materials Consumed -(A+B+C)	40641.99	50519.18
Purchase of Stock-in-trade	3445.97	43708.64
Increase/Decrease in Stock		
Finished Goods as on 31/03/2017	10997.57	9087.04
Finished Goods as on 01/04/2016	9076.81	8731.48
Change	(1920.76)	(355.56)
Net Change	(1920.76)	(355.56)
Steel Scrap		
Imported	10945.80	10876.67
Percentage	51.89%	64.48%
Indegenous	10148.97	5990.48
Percentage	48.11%	35.52%
Ingot, Billet, Re-rollables		
Imported	-	1465.78
Percentage	-	11.51%
Indegenous	4007.81	11265.87
Percentage	100%	88.49%
Coal		
Imported	7454.90	3813.89
Percentage	100%	100%
Indegenous	-	-
Percentage	-	-


Notes - (Contd)

(₹ In Lacs)

Note No. 23	For the year ended 31/03/2017	For the year ended 31/03/2016
Stores		
Imported	186.61	44.37
Percentage	7.27%	2.59%
Indegenous	2379.49	1980.12
Percentage	92.73%	97.81%
PP/HDPE Granules		
Imported	2197.39	4513.95
Percentage	43.39%	55.52%
Indegenous	2866.72	3616.24
Percentage	56.61%	44.48%
Iron Ore		
Imported	-	596.25
Percentage	-	25.79%
Indegenous	2558.45	1715.51
Percentage	100%	74.21%
Coal		
Imported	956.23	372.24
Percentage	100%	39.42%
Indegenous	-	572.12
Percentage	-	60.58%
Dolomite		
Indegenous	9.33	10.17
Percentage	100%	100%

Note No. 24	For the year ended 31/03/2017	For the year ended 31/03/2016
Employee benefit expense		
Salaries and Wages	2901.31	3170.14
Welfare Expenses	60.17	59.77
	2961.48	3229.91

Notes - (Contd)

(₹ In Lacs)

Note No. 25	For the year ended 31/03/2017	For the year ended 31/03/2016
Financial costs		
Interest	11437.40	7184.55
Other Finance Charges	565.76	1936.54
Foreign Exchange Fluctuation	25.69	509.73
	12028.85	9630.82

Note No. 26	For the year ended 31/03/2017	For the year ended 31/03/2016
Other expenses		
Power	1680.67	2466.12
Power Plant Charges	2689.61	2972.51
Repairs Machinery	285.77	183.92
Repairs Building	10.96	16.68
Other Mfg Expenses	221.68	277.38
Processing Charges	60.48	61.46
Insurance	38.02	18.30
Rent	73.43	76.12
Loss on Sale of Fixed Assets	15.34	1.81
Rates & Taxes	77.01	73.91
Legal & Consultancy Charges	130.02	87.09
Payment to Auditors	7.03	8.71
Transport Charges	205.77	350.14
Brokerage & Commission	127.68	96.82
Selling & Administration Expenses	774.45	1468.88
Excise Duty Expenses	1.75	6.48
	6399.67	8166.34

Notes - (Contd)

(₹ In Lacs)

Sub Note 1	As at 31/03/2017	As at 31/03/2016
LONG TERM BORROWINGS		
Secured Loans from Bank		
Term Loan form Banks		
Term Loan - Andhra Bank	8676.35	8013.27
Term Loan - Canara Bank	12471.83	11433.74
Term Loan - Syndicate Bank	4211.36	3892.68
Term Loan - Indian Overseas Bank	9169.90	9076.73
Term Loan - Shamrao Vithal Co-op Bank Ltd	1551.79	2742.72
WCTL/FITL - Andhra Bank	1998.21	1914.22
WCTL/FITL - Canara Bank	10322.86	9624.65
WCTL/FITL - Syndicate Bank	7748.78	7190.54
WCTL/FITL - State Bank of India	3166.32	3262.50
WCTL/FITL - Indian Overseas Bank	3037.84	3026.36
WCTL/FITL - Shamrao Vithal Co-op Bank Ltd	238.32	234.15
WCTL/FITL - IDBI	1804.30	1665.70
	64397.86	62077.27
Electronica Finance Ltd	4.55	22.89
Sundaram Finance Ltd	-	8.51
	64402.41	62108.66
Less: Current Component on Longterm Borrowings	12733.00	5127.68
	51669.41	56980.98
SHORT-TERM BORROWINGS		
Working Capital		
Canara Bank	14491.27	6296.80
Syndicate Bank	8441.99	3262.69
State Bank of India	4810.88	4086.03
Andhra Bank	2561.73	960.30
IDBI Bank Ltd	1930.91	1151.10
Indian Overseas Bank	5456.58	2622.75
Shamrao Vithal Co-op Bank Ltd	1995.33	772.57
	39688.69	19152.25

Notes :

1. 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.

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.

2. Personal Guarantee of Shri Lalit Kumar Tulsyani and Shri Sanjay Kumar Tulsyani.
3. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
4. Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.
5. As far as Vehicles they are secured by their Hypothecation.

Notes - (Contd)

(₹ In Lacs)

Sub Note 2	As at 31/03/2017	As at 31/03/2016
Non-current Investments		
- In Bonds of Rs.100/- each in Krishana Bhagya Jaala Nigam Ltd. (17% Secured Redeemable NCB)	1.00	1.00
-25 Shares of Rs. 100/- each in The Shamrao Vithal Co-op Bank Ltd	0.03	0.03
- 50,000 Equity Shares of Rs. 10/- each in Tulsyani Power Limited	5.00	-
- 9000 (1,50,000) Equity Shares of Rs. 10/- in T. G. Logistics P Ltd	0.90	-
	6.93	1.03
Current Investments		
In Govt. Securities	0.09	0.09
-10 Equity Shares of Rs.90/- each in Karnataka Woven Sacks Construction P Ltd.	0.01	0.01
-864 Equity shares of Rs.10 each in Syndicate (Market Value Rs. 61560/-)	0.43	0.43
-50 Shares of Rs. 100/- each in The Shamrao Vithal Co-op Bank Ltd	0.05	0.05
	0.58	0.58
Sub Note 3		
LONG TERM LOANS AND ADVANCES		
Advance Income Tax Paid	513.65	571.75
Advance Income tax TDS	316.95	204.45
Advance Fringe Benefit tax	2.41	2.41
Advance TCS	1.71	1.71
MAT Credit	48.45	48.45
Others	21.43	58.77
	904.60	887.55

Notes - (Contd)

(₹ In Lacs)

Sub Note 4	As at 31/03/2017	As at 31/03/2016
Other Current Assets		
ADVANCE PAID	330.62	311.62
CST PAID UNDER PROTEST	98.37	32.55
CVD	999.80	292.44
DEPOSIT	0.50	0.58
DIVIDEND	5.63	5.63
DRAWBACK	350.61	480.81
EXCISE	3894.57	3704.69
IMPORT LICENCE	1681.06	1677.13
INSURANCE PREPAID	-	2.53
SALES TAX/EXPORT INCENTIVE	213.89	217.84
SALES TAX DEFERRAL	36.16	36.16
SERVICE TAX	2000.96	1782.24
VAT	2150.49	2333.66
TDS	0.82	0.82
	11763.48	10878.67

**TULSYAN NEC LIMITED**

CIN: L28920TN1947PLC007437

Registered Office: 61, Sembudoss Street, 1st Floor, Chennai 600 001, Tamil Nadu.

Website: www.tulsyannec.in, E-mail: investor@tulsyannec.in

Tel: 044-3918 1060, Fax: 044-3918 1097

ATTENDANCE SLIP

Name of the Member	
Registered Address	
Folio No / DP ID / Client ID	
No of Shares held	

I/We hereby record my/our presence at the at the 70th Annual General Meeting of the Company held on Thursday, the 28th day of September, 2017 at 3.30 P.M. at "Narada Gana Sabha (Mini Hall)", No. 254, TTK Road, Chennai - 600018

Signature of Shareholder

Note :

1. Complete the Folio/DP ID & Client ID and name, sign this Attendance Slip and hand it over at the attendance Verification Counter at the Entrance of the Meeting Hall.
2. Members, holding shares in physical form, are requested to update their addresses registered with the Company, directly through the Registrar and Share transfer Agent, to receive all communications promptly. Members, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.



Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN	TULSYAN NEC LIMITED
Name of the Company	L28920TN1947PLC007437
Registered Office	61, Sembudoss Street, 1st Floor, Chennai 600 001, Tamil Nadu

Name of the Shareholders	
Registered address	
E-mail Id	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) holding _____ shares of the above named company, hereby appoint:

1	Name	
	Address	
	E-mail ID	
	Signature	

Or falling him

2	Name	
	Address	
	E-mail ID	
	Signature	

Or falling him

3	Name	
	Address	
	E-mail ID	
	Signature	

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 70th Annual General Meeting of the Company to be held on Thursday, the 28th day of September, 2017 at 03: 30 P.M. am at "Narada Gana Sabha, (Mini Hall)", No. 254, TTK Road, Chennai - 600018 and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Description	Optional	
		For	Against
1	Adoption of Financial Statements and Directors' Report for the year ended March 31, 2017		
2	Appointment of a Director in place of Mr. Lalit Kumar Tulsyar, who retires by rotation and being eligible, seeks reappointment.		



Resolution No.	Description	Optional	
		For	Against
3	Appointment of M/s. CNGSN & Associates LLP, Chartered Accountants as Statutory Auditors and fix their remuneration		
4	Ratification of Remuneration payable Messrs Murthy & Co. LLP as Cost Auditor for the Financial Year 2017-2018		
5	Regularization of Additional Director of Mrs. Preeti Garg (DIN 03644985)		
6	Approval of Related Party Transaction		

Signed thisday of2017

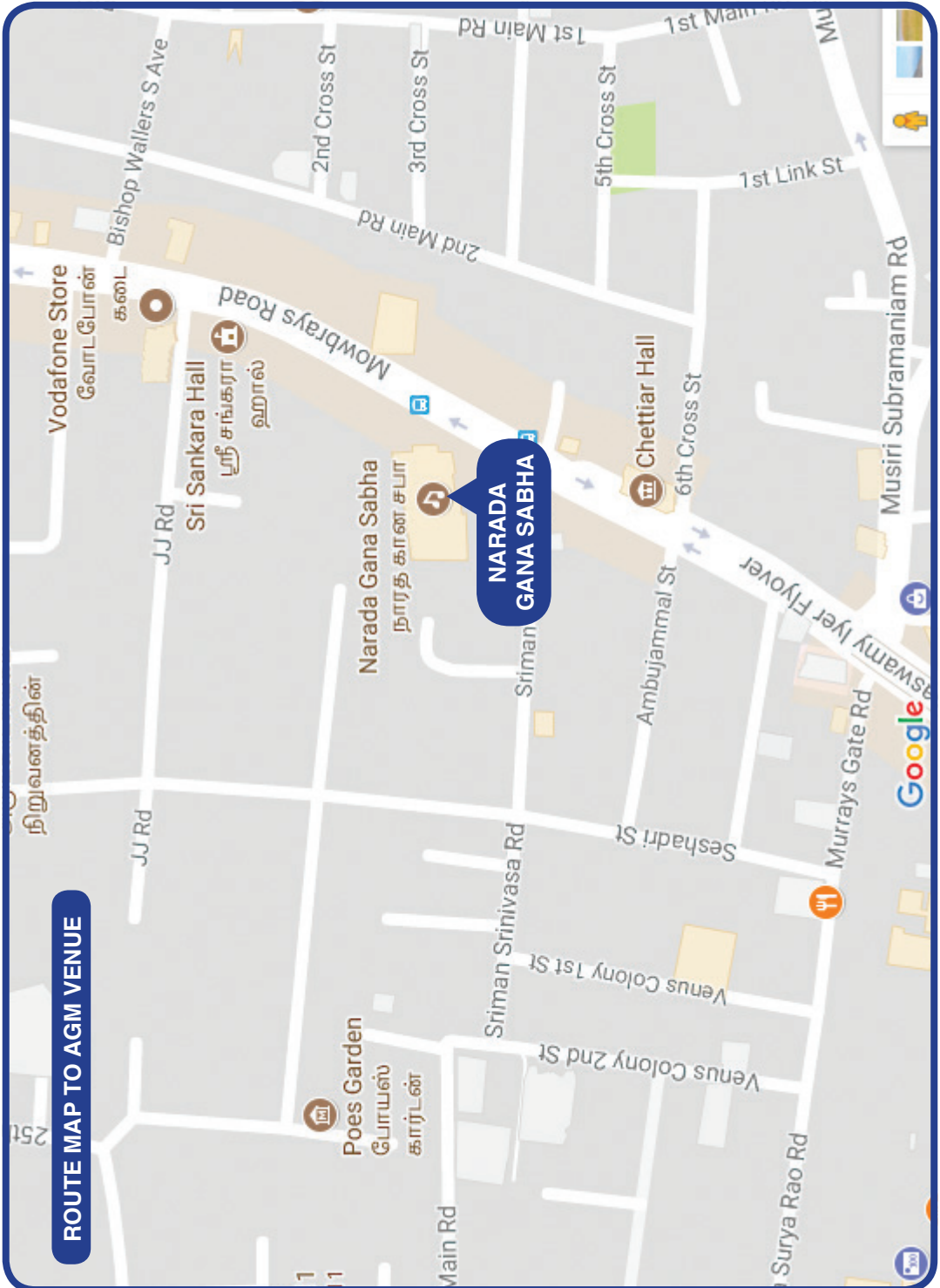
Signature of shareholder:

Signature of Proxy holder(s):

Note:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting;
2. It is an optional to indicate your preference. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate;

Affix
Revenue
Stamp Rs. 1



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TULSYAN NEC LTD

CIN: L28920TN1947PLC007437

Registered Office: 61, Sembudoss Street, Chennai - 600 001.

Corporate Office: Apex Plaza, 1st Floor, No 3, Nungambakkam High Road, Chennai - 600 034,
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