TULSYAN NEC LTD

TULSYAN STEEL
Tested. Trusted.

13th October, 2018

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

Dear Sir/Madam,

Sub	71st Annual Report
Ref	Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) 2015
	Scrip Code: 513629

Please find enclosed the Annual Report 2017-2018 along with Notice for the 71st Annual General Meeting of the Shareholders of the Company to be held on 28th September 2018.

This is for your information and record.

Thanking You,

Yours faithfully,

For Tulsyan NEC Limited

Sanjay Agarwalla
Whole-time Director
Encl.: as above.

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 : info@tulsyannec.in | www.tulsyannec.in
Registered Office: 61, Sembudoss Street, Chennai - 600 001. Phone : +91 44 2522 2673.
GSTIN 33AABCT3720E1ZW | CIN L28920TN1947PLC007437

ANNUAL REPORT

2017-18

TULSYAN NEC LTD

Strength of Steel, Flexibility of Plastic

TULSYAN NEC LIMITED

CIN : L28920TN1947PLC007437

Board of Directors

Lalit Kumar Tulsyan
Executive Chairman

Sanjay Tulsyan
Managing Director

Sanjay Agarwalla
(Whole-time Director)

C. Ramachandran
(Non-executive Independent Director)

P.T. Rangamani
(Non-executive Independent Director)
(Resigned with effect from 14.12.2017)

Preeti Garg
(Non-executive Independent Director)

Shantha Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
(Appointed with effect from 28.09.2017)

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,
Gummidipoondi-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.

Contents

NOTICE

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

Day	Friday
Date	28th September, 2018
Time	10.30 A.M.
Place	"Narada Gana Sabha", Mini Hall, No. 254, TTK Road, Chennai - 600018

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Stand-alone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon and in this regard to pass the following resolution as an **Ordinary Resolution.**

"**RESOLVED THAT** the audited stand-alone Financial Statements of the Company for the year ended 31st March 2018 together with the reports of the auditors and directors thereon and the audited Consolidated Financial Statements of the Company for the year ended 31st March 2018 together with the report of the auditors thereon be and are hereby received, considered, approved and adopted.

2. To appoint a director in the place of Mr. Sanjay Tulsyan (DIN: 00632802) who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an **Ordinary Resolution.**

"**RESOLVED THAT** Mr. Sanjay Tulsyan (DIN: 00632802) who retires by rotation in accordance with Section 152 of the Companies, Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

SPECIAL BUSINESS:

3. Ratification of Remuneration payable to M/s. Murthy & Co. LLP as Cost Auditor for the Financial Year 2018-2019

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, shall be paid to M/s. Murthy & Co. LLP, Practicing Cost Accountants, (Firm Registration Number: S200001) who was appointed as cost auditor of the Company for the financial year 2018-2019 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."

4. To fix the fee chargeable for serving documents through any particular mode as may be specified by a member and in this regard to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution.**

"Pursuant to Section 20 of the Companies Act, 2013 it is hereby resolved to collect from every member of the Company who makes a specific request to the company to send any documents to him through a particular mode, a fee in advance as may be determined by the Board of Directors or a Committee thereof or the Registrars and Share Transfer Agents of the Company to cover the expenses involved in delivering the said documents through the mode indicated by the member."

5. 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
Chitra koot Steel and Power Private Limited	Purchase of Raw materials, sale of materials and availing of job work relating to manufacturing activity	Value not exceeding ₹250 Crores in Aggregate	For the period starting from 08-08-2018 to the conclusion of the 74th AGM.

"**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 Tulsyan NEC Limited

Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Place: Chennai
Date: 14-08-2018

Corporate Office:

Apex Plaza, I Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai - 600 034.

NOTES:

1. The statement setting out material facts as required under Section 102(1) of the Companies Act, 2013, in respect of Special Business mentioned in the above notice is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE ANY MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CAN APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY 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. A PROXY FORM IS ANNEXED TO THIS REPORT.

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 September 22, 2018 to September 28, 2018 (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 7 days before the meeting to enable the Company to keep the required information ready at the ensuring annual general meeting.

6. In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 brief resume of the Directors seeking appointment / reappointment at the AGM are given in the annexure to this Notice

7. 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.

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, 2018, 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. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2009-10 from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. As per the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The shareholders are advised to forward all unencashed dividend warrants from final dividend 2010-2011 and 2011-2012 respectively 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
2010-2011	Final	14.09.2011	14.10.2018
2011-2012	Final	28.09.2012	28.10.2019

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. The Company has paid the Listing Fees for the Year 2018-19 to the Stock Exchanges where equity shares of the Company are listed.

14. To support the ‘Green Initiative’, Members who have not registered their email ids so far are requested to register their email ids for receiving all communication(s) including Annual Report, Notices etc from the Company in electronic form.

15. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.

16. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

17. The resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have passed at the AGM.

18. Voting through electronic means:

    Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended time to time and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 71st 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.

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

    (i) The e-voting period begins on Tuesday, the 25th September, 2018 at 9.00 A.M. and ends on Thursday, the 27th September, 2018 at 5.00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e Friday 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) The shareholders should log in to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now enter your USER ID

a. For CDSL: 16 digit beneficiary ID,

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

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

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

(vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) • 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	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field 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 of "Tulsyan 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.

20. 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 AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the 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.tulsyannec.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)

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

Item No.3:

Ratification of Remuneration payable to M/s Murthy & Co. LLP as Cost Auditor for the Financial Year 2018-2019

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

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 8th August, 2018, has re-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 2018-2019.

As per the Section 148 of the Companies Act, 2013 and the Rules framed there under, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

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.3 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.3 of the Notice for approval by the shareholders.

Item No.4:

To fix the fee chargeable for serving documents through any particular mode as may be specified by a member and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution

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

Section 20 of the Companies Act, 2013 prescribes various modes for service of documents by the Company on its members. The proviso to the said Section states that a member may request the company for delivery of any documents through a particular mode, for which he shall pay such fees as, may be determined by the company at its annual general meeting.

While the company does not normally charge any fee for serving any documents on its members, yet when a specific request is received from a member for delivery of a document in a particular mode where, the factors like the weight of the documents to be delivered, destination, mode of service etc., warrant charging a reasonable fee from the member concerned, to enable the company to collect the said fee in advance from the said member, the approval of the members as contemplated in the Section 20 referred to above is sought through an ordinary resolution.

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 :

Approval of Related Party Transaction

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

The Board of Directors in its meeting held on August 8, 2018 has decided to extend the tenure of Related Party Transaction with its Subsidiary Company i.e Chitrakoot Steel and Power Private Limited from the said Board Meeting date to till the conclusion of 74th AGM of the Company as recommended by the Audit Committee and accordingly, the Board recommends the ordinary resolution set out at Item No.5 of the Notice for approval by the shareholders.

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 shareholders' approval by passing Ordinary Resolution to follow better corporate governance practice.

The Details of the Contract are as follows:

Particulars	Chitrakoot Steel and Power Private Limited
Nature of Relationship	Subsidiary Company of Tulsyan NEC Limited
Nature of Transaction	i) Purchase of Iron ore, coal, sponge, lime and other related materials, ii) Sale of coal and iron ore for manufacturing of Billet/ingot and iii) availing of job work for manufacturing Billet/ingot
Duration	From 08-08-2018 to the conclusion of the 74th AGM
Monetary value	Estimated value of the proposed transaction is ₹ 250 Crores

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

Except Mr. Sanjay Agarwalla, Mr. Sanjay Tulsyan and Mr. Lalit Kumar Tulsyan, none of the directors or Key Managerial personnel or their relatives are interested in the resolution set out in Item No. 5.

c) Relevance of Resolution in any other Company:

The above resolution relates to Chitrakoot Steel and Power Private Limited.

d) Inspection of Documents:

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

By Order of the Board of Directors
For Tulsyan NEC Limited

Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Place: Chennai
Date: 14-08-2018

Corporate Office:

Apex Plaza, I Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai - 600 034.

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	Mr. Sanjay Tulsyan (DIN: 00632802)
Date of Birth	12-01-1964
Date of Appointment in the Board	01-10-1996
Qualification	B.Com
Nature of his expertise in specific functional areas	Business Management
Directorship held in other companies	(i)Tulsyan Power Limited, (ii) Balaji Engineering & Galvanizing Limited, (iii) Chitrakoot Steel and Power Private Limited, (v) Tulsyan Smelters Private Limited, (vi) Gallery Veda Private Limited (vii) Cosmic Global Limited
Membership / Chairmanship of committees of other Public Companies	Nil
Number of shares held in Company	4475481
Relationships between Directors Inter-se.	Mr. Sanjay Tulsyan, Managing Director is the brother of Mr. Lalit Kumar Tulsyan, Executive Chairman

BOARD'S REPORT

Dear Members,

Your Directors take immense pleasure in presenting their 71st Board's Report of your Company, along with the Balance Sheet, Statement of Profit and Loss and Statement of Cash Flow for the financial year ended March 31, 2018.

FINANCIAL RESULTS:

During the year the Company has adopted the Indian Accounting Standards (Ind-AS) in compliance with the Companies (Indian Accounting Standards) Rules, 2015. The highlights of the financial results for the year are given below:

(Rs. In Lakhs)

Particulars		Standalone		Consolidated	
		FY 2018	FY 2017	FY 2018	FY 2017
Total Revenue		72,951.06	58,230.82	72,507.52	57,696.64
Total Expenses		72,432.66	55,305.62	72,193.26	55,174.34
PBIDT		518.40	2,925.20	314.26	2,522.30
Less: Finance Cost		13,709.44	11,395.13	13,957.53	11,645.82
PBDT		(13,191.04)	(8,469.93)	(13,643.27)	(9,123.52)
Less: Deprecation		2,562.51	2,456.13	2,612.34	2,510.50
Profit before tax		(15,753.55)	(10,926.06)	(16,255.61)	(11,634.02)
Tax Expenses	Current Tax	-	-	-	
	Deferred Tax	-	(2,195.28)	(144.02)	(2,219.41)
Profit After tax		(15,753.55)	(8,730.78)	(16,111.59)	(9,414.61)
Proposed Dividend and tax thereon		-	-	-	-
Transfer to General Reserve		-	-	-	-
Earnings per share	Basic	(107.15)	(59.38)	(70.08)	(72.49)
	Diluted	(107.15)	(59.38)	(70.08)	(72.49)

OPERATION AND OUTLOOK:

During the year under review, demand for companies products showed an improvement and thus the sales and other receipts increased by 25%, YOY to Rs. 72951.1 lakhs and Loss after tax increased from Rs.(8440.7) lakhs to Rs.(14607.9) lakhs mainly due to reduction in the operating margins.

The production of finished Steel in the country during the year witnessed a growth of 3.1% (Previous year 4.6%) over previous year and the import of finished steel registered an increase of 3.5%. Finished Steel consumption in the country increased by 7.92% over previous year. Introduction of Minimum import price during the last year by the Government of India resulted in reduction of imports and thus improved offtake of 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

The II power plant which became operational during the FY18 could not be operated to the full capacity with the power demand and supply situation in Tamil Nadu eased substantially and the state became a power surplus. This situation of excess supply over demand led to the underutilization of the enhanced capacity and mostly remaining un remunerative at the prices realizable at sales through Open Access. The operations of the Synthetic division showed reduction of about 21% 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:

The detailed capital Structure of the Company as on 31-3-2018 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:

The Company has not accepted any deposits in the Financial Year 2017-2018. However, the Board of Directors of the Company has been converted the unsecured loan amount of Rs. 15,43,57,070.00 into Secured loan which the company had received before 01-04-2014 for the business operation as per Section 58AA of the Companies Act,1956.

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 Practising Company Secretaries 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://tulsyannec.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://tulsyannec.co.in/pdf/Risk%20Management%20Policy.pdf

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.

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 rationalising the group structure and with an object to concentrate on the primary business of the Company, holding in Cosmic Global 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://tulsyannec.co.in/pdf/Policy%20on%20Material%20Subsidiaries.pdf

EXTRACT OF ANNUAL RETURN:

As per the Companies Amendment Act, 2017, the details of extract of Annual Return which forms part of this report is posted on the Company's website www.tulsyannec.com

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.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

AUDITORS:

a. **Statutory Auditors & their Report**

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

First proviso to Section 139(1) of the Companies Act, 2013 which requires yearly ratification of appointment of Statutory Auditors by the Shareholders in each Annual General Meeting has been omitted w.e.f. 7th May 2018. Accordingly the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting

The Auditors' Report has contained one qualification as follows.

Qualification given by Statutory Auditor

The Company is continuously incurring loss and its net worth is totally eroded as at 31st March, 2018. The possible erosion in the carrying value of investments and the recovery of loans / Advances to the Subsidiaries and related parties is not presently ascertainable and possible provision required, if any, is also not presently determinable. The Company's ability to continue as a going concern is depended upon the successful implementation to such business plans. The above indicates a significant uncertainty and doubt about the Company's ability to continue as a going concern.

Board Response

The company has shown improved performance in sale of steel during the year as compared to the previous year and with the steel sector showing sign of recovery and buoyancy the Turnover and profitability would increase further during the Current FY. With respect to the power division the sales during the last few months have shown improvement with increase in the demand. Together the performance from current FY is expected to be better than what was witnessed in the last few years. Despite the losses incurred and unfavourable business circumstances, the company is able to achieve reasonable levels of Capacity utilization and is in a position to meet all its operational expenses from out of operations and is up to-date with the all obligations except the interest to the Banks.

The company has made a resolution proposal to the Banks which is under their consideration. Therefore all the uncertainties have been reasonably addressed with definite plan and proposal and therefore the Board firmly believes that the company would be able to continue as a going concern.

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. Further, the Company has maintained the cost records as per the said section properly.

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, 2018. The Secretarial Audit Report (in Form MR-3) is attached as **'Annexure-F'**, to this Report. The Secretarial Auditor's Report to the shareholders contains some observations as mentioned below:

Observations by Secretarial Auditors	Our Reply
The Company has partially complied the Regulation 17(1)(a), 17(1)(b) and 19(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 during the period.	The Board has made utmost effort for appointment of the Independent Director to comply with the Regulation 17(1)(a), 17(1)(b) and 19(1)of the SEBI(LODR) Regulations,2015 but has not been able to appoint an Independent Director due to lack of suitability . Further, the Board is putting necessary efforts to appoint an Independent Director in order to comply with the aforesaid provisions at earliest.
The Company has partially complied the Regulation 33 of Securities and Exchange Board of India (Listing Obligation Disclosure Regulation), 2015 during the period.	This has been subsequently complied.

d. Secretarial standards

The Company complies with all applicable secretarial standards issued by ICSI.

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(3)(c) of the Companies Act, 2013, your Directors state that:

a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) They have, in selection of the accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;

c) 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;

d) Annual accounts have been prepared on a going concern basis;

e) Internal financial controls had been laid down and followed by the company and such internal financial controls are adequate and were operating effectively; and

f) 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://tulsyannec.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 2017-2018.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Change in Board Constitution

(i) Mr. Pondavakkam Tharmam Rangamani, Non-executive Independent Director of the Company resigned from the Board w.e.f December 14, 2017.

(ii) Mr. Sanjay Tulsyan retires from office by rotation and being eligible, has offered himself for re-appointment. Items seeking your approval 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.

b. Key Managerial Personnel

Mr. P Laxmidhar Prusty, Company Secretary and Compliance officer of the Company has resigned from the service of the Company effective from September 16, 2018. Consequent to Mr. P Laxmidhar Prusty's resignation, the Board appointed Mr. Rakhal Panigrahi, as Company Secretary cum Compliance officer and KMP of the Company from 28th September, 2017.

c. 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 2017-2018 are given in the Corporate Governance Report which forms part of this Report.

d. Composition of the Audit Committee

The Board has constituted the Audit Committee which comprises of Mr. C Ramachandran (Chairman), Mr. Sanjay Agarwalla and Mrs. 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.

e. Independent Directors Confirmation

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.

f. 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

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 – G]** 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. Performance Evaluation

Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Schedule IV of the Act and also in line with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors of the Company met on 13th February 2018 without the attendance of Non Independent Directors and Members of Management and reviewed the performance of Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

i. Green Initiatives:

Electronic copies of the Annual Report 2017-2018 along with Notice 71st Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depositary Participant(s). For members who have not registered their email address, physical copies of the Annual Report 2017-2018 along with the Notice of the 71st 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)

j. Internal Complaints Committee

The Company has constituted an Internal Complaints Committee to prevent and prohibit any form of sexual harassment at workplace and provide redressal for woman employees as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, the members of Internal Complaints Committee met on 20th Nov 2017 and noted that there was no event affecting any of the women employees on account of any sexual harassment at the work place.

k. Transfer to Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred a sum of ₹ 417700/-, and ₹ 245460/- the unclaimed/unpaid dividend amount pertaining to the Financial Year 2009-10 and 2010-11 respectively , to the Investor Education and Protection Fund (IEPF) in compliance with applicable provisions of the Companies Act, 2013. Further the unclaimed/unpaid amount pertaining to the Financial Year 2010-11 is due for transfer to IEPF on 18th November 2018.

Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 mandates companies to transfer shares against which dividends remain unpaid / unclaimed for a continuous period of seven years to the IEPF. As per the Ministry of Corporate Affairs General Circular No. 12/2017 dated 16.10.2017, the Company has transferred 71907 equity shares belonging to 553 shareholders as on 31.10.2017 to Demat account of IEPF Authority. Further the unclaimed/unpaid shares pertaining to the Financial Year 2010-11 is due for transfer to IEPF on 18th November 2018.

I. Listing on stock exchanges

Our Company's shares were suspended for trading from 29th November, 2016 due to non-payment of applicable fine and presently, we have paid all outstanding dues and also complied all the provision with respect to Trading Suspension and awaiting for getting the in-principle approval from BSE for revocation of suspension of our Company's shares.

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 Tulsyan NEC Limited

Place : Chennai
Date : 14-08-2018

Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Corporate Office:
Apex Plaza, I Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai - 600 034.

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. Preeti Garg, Independent Director
3	Average Net profit of the Company for the last three financial year	The Company has suffered 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 2017-2018	
	(a) Total amount to be spent for the financial year 2017-2018	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 Tulsyan NEC Limited

Place : Chennai
Date :14-08-2018

C Ramachandran
Non -Executive Independent Director
DIN: 00050893

Corporate Office:
Apex Plaza, I Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai - 600 034.

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 proviso thereto.

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
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	Tulsyan Smelters Private Limited – Related entity
		Chitrakoot Steel and Power Private Limited – Subsidiary
b)	Nature of contracts/arrangements/ transaction	Tulsyan 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	Tulsyan Smelters Private Limited: 13th June 2016, till 12th June, 2019
		Chitrakoot Steel and Power Private Limited: from 08-08-2018 to till the conclusion of the 74th AGM
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Tulsyan Smelters Private Limited: Contract value not exceeding Rs. 1200 Crores in aggregate
		Chitrakoot Steel and Power Private Limited: Contract value not exceeding Rs. 250 Crores in aggregate

Sl. No.	Particulars	Details
e)	Justification for entering into such contracts or arrangements or transactions'	Best interest of the Company and shareholder
f)	Date of approval by the Board	Tulsyan Smelters Private Limited: 14th August, 2014
		Chitrakoot Steel and Power Private Limited: 14th August, 2018
g)	Amount paid as advances, if any	Nil
h)	Date on which the special / Ordinary resolution was passed in General meeting as required under first proviso to Section 188	Tulsyan Smelters Private Limited: 30th September, 2014
		Chitrakoot Steel and Power Private Limited: 28th September, 2016

*The Board has extended the tenure of contract of Related Party Transaction with M/s. Chitrakoot Steel and Power Private Limited as recommended by the Audit Committee from August 08,2018 to the conclusion of the 74th AGM of the Company.

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

Place: Chennai
Date: 14-08-2018

Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Corporate Office:

Apex Plaza, I Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai - 600 034.

Annexure C to the Board's 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 time to time and implementing their recommendations and observations. The Consultants use thermography and other technologies to monitor the health of electrical systems and their consumption pattern and arrest energy losses and optimize the energy utilization from time to time.

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

Earlier the Company has invested in windmills to generate electricity as a measure of utilizing alternation sources of energy. The company produces 36,01,553 units of energy during the financial year 2017-2018.

(III) The Capital investment on energy conservation equipment:

There is no capital investment during the financial year 2017-2018.

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 under Notes to Accounts in the financial statements.

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 Tulsyan	Chairman	30.37
Sanjay Tulsyan	Managing Director	30.34
Sanjay Agarwalla	Whole-time Director	19.48
C Ramachandran	Non-Executive Independent Director	N/A
P T Rangamani *	Non-Executive Independent Director	N/A
Preeti Garg	Non-Executive Independent Director	N/A

* P T Rangamani Resigned from the Board of the Company on December 14th, 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, 2018.

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 2016-2017	% increase in Remuneration in the Financial year 2017-2018	Remuneration of Directors / KMP for the financial year 2017-2018
1	Lalit Kumar Tulsyan (Executive Chairman)	60,28,000	**0**	**60,78,000**
2	Sanjay Tulsyan (Managing Director)	60,72,000	**0**	**60,72,000**
3	Sanjay Agarwalla (Whole-time Director)	25,50,000	**0**	**39,00,000**
4	Sanathkumar RP (CFO)	24,44,400	**10.21**	**31,44,000**
5	P Laxmidhar Prusty * (Company Secretary)	4,35,948	**0**	**3,55,812**
6	Rakhal Panigrahi * (Company Secretary)	N/A	**0**	**4,35,948**

* Mr. Rakhal Panigrahi was appointed as Company Secretary on 28-09-2017 in place of Mr P Laxmidhar Prusty, who ceased to act as Company Secretary due to resignation w.e.f. 16-09-2017.

3) The Percentage increase in the median remuneration of the employees in the financial year: 19.1%

4) There were 723 permanent numbers of employees as on 31st March, 2018 excluding Directors.

5) The average percentile increase made in the salaries of total employees other than the key managerial personnel during the FY 2017-2018 is around -16.1%.

6) It is affirmed that the remuneration is as per the remuneration policy of the Company.

TOP TEN EMPLOYEES IN TERMS OF REMUNERATION

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERTATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED FROM TIME TO TIME) FOR THE YEAR ENDED 31ST MARCH 2018

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	% of equity shares held by the employee in the Company
1	Lalit Kumar Tulsyan	Executive Chairman	60,78,000	Permanent	B.Com	12-07-1996	N.A	58	Not Applicable	4046645
2	Sanjay Tulsyan	Managing Director	60,72,000	Permanent	B.Com	01-10-1996	N.A	54	Not Applicable	4475481
3	Sanjay Agarwalla	Whole-time Director	39,28,800	Permanent	B.Com	12-07-2011	N.A	55	Not Applicable	35527
4	R. P. Shantha Kumar	CFO	31,40,000	Permanent	CA & LLB	21-04-2015	NA	56	Hatsoff Helicopter Training (P) Ltd	0
5	Manish Sharma	VP-Production & QA	30,78,000	Permanent	PG in Computer Management	01-04-2012	N.A	36	Not Applicable	0
6	Jeyakumar Babu A	CGM (Power Plant)	22,83,800	Permanent	Diploma EEE	01-05-2010	NA	47	Drolia Electro Steel (P) Ltd	0
7	Onkarappa.V.N	VP (Steel Plant)	22,91,000	Permanent	Diploma Metrological	01-07-2014	NA	50	Novel Tech	0
8	Dinesh Goyal	CEO	21,26,360	Permanent	Commerce Graduate	21-06-2008	NA	60	Not Applicable	0
9	Eswaramoorthy	GM	20,46,000	Permanent	M.Com & PGDPM	03-10-2012	N.A	59	OPG Power Generation (P) Ltd	0
10	Alka Tulsyan	VP-Admin	17,93,400	Permanent	B.sc	01-04-2012	NA	56		7,511,30

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, 2018	As on March 31, 2018	As on March 31, 2018
1	No. of Subsidiary	One	Two	Three
2	Name of the Subsidiary	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, 2017 to March 31, 2018	April 01, 2017 to March 31, 2018	April 01, 2017 to March 31, 2018
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
5	Share Capital	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	(3,308.01)	-	(129.20)
7	Total assets	2,717.59	13.86	65.14
8	Total Liabilities	2,717.59	13.86	65.14
9	Investments	0.03	-	70.00
10	Turnover	3,118.94	-	21.77
11	Profit before taxation	(523.50)	-	-
12	Provision for taxation	(144.02)	-	-
13	Profit after taxation	(379.48)	-	21.77
14	Proposed dividend	-	-	-
15	Extent of shareholding (in percentage)	100	98.80	100

Notes:

1. Names of the Subsidiaries which are yet to commence operations:
   a. Balaji Engineering & Galvanizing Limited
2. Name of subsidiaries which have been sold during the year: Cosmic Global Limited

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

Place : Chennai
Date : 14.08.2018

Lalit Kumar Tulsyan
Executive Chairman
DIN: 00632823

Annexure F to the Board's Report

Form No. MR-3

DRAFT SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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 31.03.2018 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 31.03.2018 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Companies Amendment Act, 2017;

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) 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;

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

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

1. The Company has partially complied the Regulations 17(1) (a), 17(1)(b) and 19(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 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 Executive Directors, Non-Executive cum Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that the Company is under suspension from trading and the application for revocation of suspension is under process at Bombay Stock Exchange during the period under review.

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 : 14.08.2018

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

Annexure G 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 thereunder 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.
- The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement. This policy seeks to accomplish PM's vision of 'Make in India' with objective of nation building and encourage domestic manufacturing and is applicable on all government tenders where price bid is yet to be opened. Further, the Policy provides a minimum value addition of 15% in notified steel products which are covered under preferential procurement. In order to provide flexibility, Ministry of Steel may review specified steel products and the minimum value addition criterion.

STEEL PRODUCTION:

Listed below is a snapshot of Indian steel industry's performance in 2017-18 based on provisional data released by the Joint Plant Committee (JPC) with growth rates compared to 2015-16

- Production of crude steel was at 102.338 million tonnes (mt), a growth of 4.5 per cent.
- Crude steel capacity reached 134.66 mt, a growth of 5 per cent.
- Total finished steel production for sale was 104.978 mt, an increase of 3.1 per cent.
- Export of total finished steel reached 9.62 mt, an increase of 16.7 per cent.
- Import of total finished steel was 7.482 mt, an increase of 3.5 per cent.
- India was a net exporter of total finished steel.
- Consumption of total finished steel was 90.68 mt, an increase of 7.9 per cent

(Source: Ministry of Steel)

POWER

As at 30th Jun 2018, total power production capacity of India is 343898 MWs. Out of the total capacity, 57.27% is from Coal based thermal power plants. Domestic coal requirement is largely met from the Coal produced in India. Large power producer 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	Availability	Surplus (+)	Deficits (-)
	(MU)	(MU)	(MU)	(%)
2009-2010	8,30,594	7,46,644	-83,950	-10.1
2010-2011	8,61,591	7,88,355	-73,236	-8.5
2011-2012	9,37,199	8,57,886	-79,313	-8.5
2012-2013	9,95,557	9,08,652	-86,905	-8.7
2013-2014	10,20,257	9,59,829	-42,428	-4.2
2014-2015	10,68,923	10,30,785	-38,138	-3.6
2015-2016	11,14,408	10,90,850	-23,558	-2.1
2016-2017	11,42,929	11,35,334	-7,595	-.07
2017-2018	12,12,134	12,03,567	-8567	-.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 county 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 Tamil Nadu resulting in lower realization and lower profitability. Levies such as cross subsidy by the DISCOMs further erode the margin and supply opportunities. Also levy of green cess on Coal imports has marginally increased the cost of production of power.

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 has 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 129208 MT compared to 112568 MT in the previous year registering a growth of 14.8%. The sale of rods during the year was 129667 MT compared to 111820 MT in the previous year.

The production of power was 3812 Lac units compared to 3312 Lac units in the previous year registering a growth of 15.1%.

The production of synthetic products was 7218 MT compared to 7257 MT in the previous year. The sale of synthetic products during the year was 5177 MT compared to 6020 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, demand for companies products showed an improvement and thus the sales and other receipts increased by 25%, YOY to Rs. 72951.1 lakhs and Loss after tax increased from Rs. (8440.7) lakhs to Rs.(14607.9) lakhs mainly due to reduction in the operating margins.

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, 2018 in compliance with corporate governance norms, the Board comprises of 5 Directors. It includes a Chairman (Executive Director), a Managing Director (Executive Director), a Whole-time Director and 2 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) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

(c) Attendance of Directors at Board Meetings period ended 31.03.2018 and at the last Annual General Meeting, outside directorships and board committee memberships and number of shares held as on 31.03.2018:

Name	Category	No. of Directorship in other Public Ltd Companies	No. of Board Meetings attended during period ended 31/03/2018	No. of Committee Membership in other Public Limited Companies @	Attendance Last AGM on 28/09/2017	No. of Shares held
Mr. Lalit Kumar Tulsyan	Executive Chairman	3	5	Nil	Yes	4046645
Mr. Sanjay Tulsyan	Managing Director	3	5	Nil	Yes	4475481
Mr. Sanjay Agarwalla	Whole-time Director	3	5	Nil	Yes	35527
Mr. C Ramachandran	Non-Executive Independent Directors	7	5		Yes	Nil
Mr. P T Rangamani*	Non-Executive Independent Directors	Nil	1	Nil	Yes	Nil
Mrs. Preeti Garg	Non-Executive Independent Directors	Nil	5	Nil	N.A	Nil

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

* Resigned from the Board and committee w.e.f. 14-12-2017

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

During the period ended on 31st March, 2018, Five Board Meetings were held on 14-06-2017, 01-09-2017, 28-09-2017, 14-12-2017 & 13-02-2018.

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

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

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

(f) Information applicable and falling under Schedule II Part A of the SEBI Listing Regulations, were placed before the Board for its consideration.

(g) During the year, one meeting of the Independent Directors was held on February 13, 2018.

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

(i) Familiarization Programme for Independent Director:

Your Company during the period ended 31st March, 2018, familiarized the directors on the Company's policies and procedures on a regular basis. Further, with a view to familiarising him with the Company's Operations, the Managing Director & Chairman 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 are available on the following company web link: http://tulsyannec.co.in/pdf/Familiarisation%20Programme%20for%20Independent%20Directors.pdf.

3. 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 of the Company has been constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act, which includes one Whole-time Director and two Non-Executive Independent Directors. During the said period ended the Audit Committee was re-constituted one time. The members of the Committee are as follows:

Mr. Sanjay Agarwalla	Member	Whole-time Director
Mr. C Ramachandran	Chairman	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 2018, Five Audit Committee meetings were held on: 14-06-2017, 01-09-2017, 28-09-2017, 14-12-2017 & 13-02-2018.

Members	Number of Meetings	
	Held	Attended
Mr. Sanjay Agarwalla	5	5
Mr. C Ramachandran		5
Mr. P T Rangamani#		3
Mrs. Preeti Garg@		2

\# Resigned from the Board w.e.f. 14-12-2017

@ Appointed as member of the Committee w.e.f. 14-12-2017

(d) Rakhal Panigrahi, Company Secretary, has been appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

(e) The previous Annual General Meeting ("AGM") of the Company was held on September 28, 2017 and the Chairman of the audit committee was present at the said meeting.

4. 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 and the Chairman of the Committee is an Independent Director. The members of the Committee are as follows:

Mr. C Ramachandran	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 2018, only one Committee meeting was held on: 28-09-2017.

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

* Resigned from the Board and Committee w.e.f. 14-12-2017

(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.

5. Remuneration of Directors

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

Detail information of Directors Remuneration / Sitting fees paid during the financial year 2017-2018 as follows:

Name of the Director	Category	Total Remuneration	Sitting fees
Lalit Kumar Tulsyan	Executive Chairman	60,78,000	---
Sanjay Tulsyan	Managing Director	60,72,000	---
Sanjay Agarwalla	Whole-time Director	39,00,000	---
P T Rangamani	Non-Executive Independent Director	---	25,000
C Ramachandran	Non-Executive Independent Director	---	65,000
Preeti Garg	Non-Executive Independent Director	---	10,000

6. Stakeholders' Relationship Committee

(a) Terms of Reference:

The Committee looks into redressal of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialisation / 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. During the said period ended the Stakeholders Relationship Committee was re-constituted one time. The members of the Committee are as follows:

Mr. C Ramachandran	Chairman	Non-Executive Independent Director
Mr. P T Rangamani	Member	Non-Executive Independent Director
Mrs. Preeti Garg	Member	Non-Executive Independent Director
Mr.Sanjay Agarwalla@	Member	Executive Director

* Resigned from the Board and Committee w.e.f. 14-12-2017

@ Appointed as a Member in the Committee w.e.f 14-12-2017

Mr. Rakhal Panigrahi, Company Secretary is acting as Secretary to the committee.

(c) Meetings and attendance during the year:

During the period ended 31st March 2018, Four Committee meetings were held on: 14-06-2017,01-09-2017, 14-12-2017 and 13-02-2018.

Members	Number of Meetings	
	Held	Attended
Mr. C Ramachandran	4	4
Mr. P T Rangamani*		1
Mrs. Preeti Garg		4
Mr. Sanjay Agarwalla@		2

* Resigned from the Board and Committee w.e.f. 14-12-2017

@ Appointed as member in the Committee w.e.f. 14-12-2017

(d) Shareholder Complaints:

During the period from 01-04-2017 to 31-03-2018. All complaints were redressed and no queries on the same were pending for the period under review.

Mr Rakhal Panigrahi, Company Secretary, is the Compliance Officer to the Company.

7. General Body Meetings

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

AGM for the year	Date	Time	Venue
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
2016-2017	28.09.2017	03.30 PM	Naradha Gana Sabha, Mini Hall, 254 T.T.K. Road, Chennai – 600 018

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

Date of AGM	Particulars of Special Resolution passed
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 Redeembale 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 Tulsyan, as Managing Director. c) Approval for Re-appointment and Remuneration of Shri Lalit Kumar Tulsyan, in the Capacity of Whole-time Director, designated as "Executive Chairman"
28.09.2017	Nil

(c) No special resolution was passed through postal ballot during the period under review.

8. 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.tulsyannec.in. The Company provides information to the stock exchanges as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No presentations were made to institutional investors / analysts.

9. General Shareholder Information

(a) Annual General Meeting: 71st Annual General Meeting

Date & Time: 28-09-2018 at 10.30 A.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 01.04.2017 to 31.03.2018.

(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, 2019 have been paid.

(e) Stock Code:

Bombay Stock Exchange – 513629

(f) Market Price data:

The Shares of the Company are suspended with BSE Limited

(g) Reasons for Suspended from Trading:

The Company was suspended from trading due to penal reason.

Reason of penalty: BSE has 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.

(h) 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

(i) Share Transfer System:

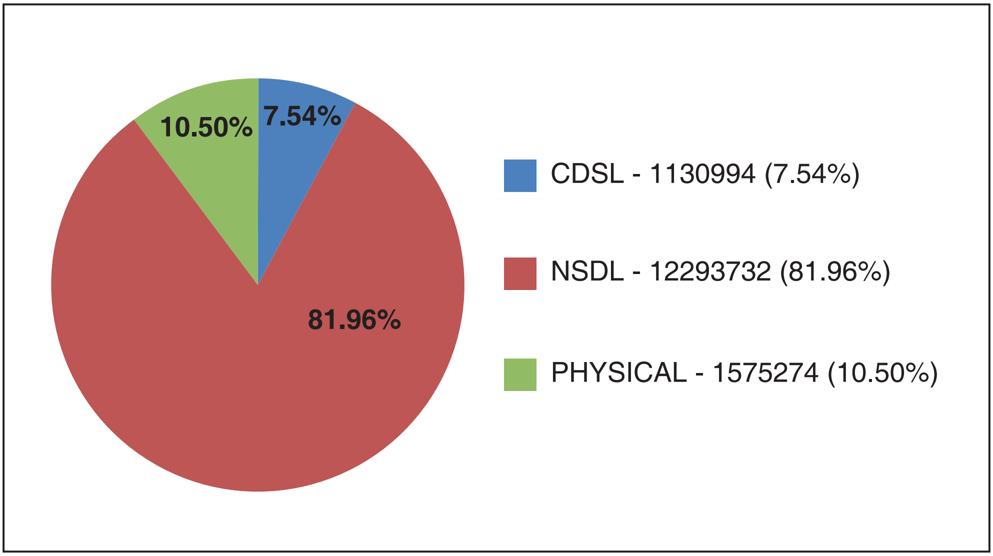
The average time taken for processing and registration of share transfer requests received is less than 12 days. All dematerialization requests are processed within 10 days.

(j) Distribution of Shareholding as on 31st March, 2018:

Shareholdings in Rs.	Number of Shareholders	Percentage of Shareholders	Share Capital in Rs.	Percentage of Shareholding
10 to 5000	5064	87.7642	5665830	3.7772
5001 to 10000	289	5.0086	2341530	1.5610
10001 to 20000	166	2.8769	2553340	1.7022
20001 to 30000	74	1.2824	1900590	1.2670
30001 to 40000	18	0.3119	674100	0.4494
40001 to 50000	20	0.3466	946670	0.6311
50001 to 100000	63	1.0918	4807660	3.2052
100001 & above	76	1.3171	131110280	87.4069
Total	5770	100.0000	150000000	100.0000

(k) Dematerialization of Shares and Liquidity:

89.50% of total Equity Capital is held in dematerialized form with NSDL and CDSL up to 31st March, 2018. All requests for dematerialization of shares were carried out within the stipulated time period and no share certificates were pending for dematerialization.



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

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

(m) Commodity price risk or foreign exchange risk and hedging activities:

Foreign Exchange Risks for the Company arise from (a) payment obligations arising from imports of raw materials / capital goods, services availed from overseas service providers and foreign currency loans, (b) export transactions.

(n) Plant locations:

Steel Division	D-4, SIPCOT Industrial Complex, Gummudipoondi, Tiruvallur District, Tamil Nadu
Power Division	a) Thermal Power plant: No.17, Sithuruatham Village, Gummidipoondi – 601201, Tamil Nadu. b) Windmills: (i) Kudimangalam, Udumalpet, Tamil Nadu, (ii) Pazhavoor, 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, 1st Floor No.3 Nungambakkam High Road Chennai – 600 034, Tamil Nadu Tel: 044 – 3918 1060, Fax: 044 – 3918 1097

10. 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, 2018 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

Particulars	Quarter ended	Submission Date	Last date for compliance	Fine amount (including service tax)
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	16-08-2016	1,15,000.00
Submission of Annual Report, 2015	Delay for one day			1,150.00
Late submission of Financial Results	31-03-2017	14-06-2017	30-05-2017	86,250.00
Total				19,08,690.00
Paid during 2016-17				7,58,517.00
Balance				11,50,173.00
Paid during the FY 2017-18				11,50,173
Balance				Nil

The Company has paid all the penalties to the BSE regarding the non-compliance

(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.

(e) 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.

11. 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.tulsyannec.in and in stock exchange website http://listing.bseindia.com. Therefore, no individual communications are sent to the shareholders in this regard.

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

There are qualifications in the Auditors' Report on the accounts for the period from 01-04-2017 to 31-03-2018.

12. CEO / CFO Certification

Mr Lalit Kumar Tulsyan, 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 31-03-2018 in accordance with Regulation 17(8) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

13. 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.

14. 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, 2018.

On behalf of the Board of Directors

Place: Chennai
Date: 14-08-2018

Sanjay Tulsyan
Managing Director

CEO - CFO CERTIFICATION

We, Lalit Kumar Tulsyan, Executive Chairman and R.P. Shantha kumar, 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, 2018 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 2018 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.

We have indicated to the auditors and the audit committee.

a. There has not been any significant change in internal control over financial reporting during the year under reference;and

b. There has not been any significant change in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

c. 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 Tulsyan NEC Limited

Place : Chennai
Date : 14-08-2018

Lalit Kumar Tulsyan
Executive Chairman

R P Shantha kumar
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To
The members of
Tulsyan NEC Limited

Chennai.

I have examined the compliance of conditions of Corporate Governance by M/s. Tulsyan NEC Limited ("the Company"), for the year ended 31st March 2018, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the following:

1. The Company has partially complied the Regulations 17(1) (a), 17(1) (b) and 19(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 during the period.

I state that in respect of investor grievances received during the year ended 31st March, 2018 no investor grievances are pending exceeding one month against the Company as on 31st March, 2018 as per records maintained by the Company and presented to Stakeholder's Relationship Committee.

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

Place : Chennai
Date : 14.08.2018

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Tulsyan NEC Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Tulsyan NEC Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting 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 and the Order issued under section 143 (11) of the Act.

We conducted our audit of the financial statements 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. 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis of qualified opinion

We draw attention to the fact that the Company is continuously incurring losses and its net worth is totally eroded as at March 31, 2018. The possible erosion in the carrying value of investments and the recoverability of loans/ advances given to subsidiaries and related parties is not presently ascertainable and the possible provision required, if any, is also not presently determinable. We were informed that the Company is in the process of implementation cost optimisation and alternative business plans which will result in profits in the near future. The company's ability to continue as a going concern is depended upon the successful implementation of such business plans. The above indicates a significant uncertainty and doubt about the Company's ability to continue as a going concern.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and subject matters given in the basis of qualified opinion paragraph, the aforesaid 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, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, based on our audit we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

   e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 40 to the financial statements;

ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/S200036

(K Parthasarathy)
Partner
Membership No. 08394

Place : Chennai
Date : August 8, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Tulsyan NEC Limited of even date)

1. In respect of the Company's fixed assets:

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the Order is not applicable for the year under consideration

4. In our opinion and according to information and explanation given to us, In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6. In our opinion and according to the information and explanations given to us, pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

   We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

7. According to the information and explanations given to us, in respect of statutory dues:

   (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.

   (b) There were no undisputed amounts payable in respect of provident fund, employees' state Insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable; and

(c) The details of dues of income tax, sales tax, service tax, excise duty and value added tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

S. NO	Nature of dues	Amount in Lacs	Period to which the amount relates	Forum where the dispute is pending
1	EXCISE	1.02	2003-04	CESTAT
2	EXCISE	1737.70	2002-03, other years	CESTAT
3	VAT	0.87	2004-09	Hon'ble High Court,Madras
4	VAT	506.58	2013-14	Commercial Tax Department
5	INCOME TAX	23.43	2010-11	CIT(A)
6	INCOME TAX	5.59	2011-12	CIT(A)
7	VAT	18.82	2012-13	Commercial Tax Department
8	VAT	14.22	2013-14	Commercial Tax Department

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

Bank	Installment Due on Jun 30,2016	Installment Due on Sept 30,2016	Installment Due on Dec 31,2016	Installment Due on Mar 31,2016	Installment Due on Jun 30,2017	Installment Due on Sept 30,2017	Installment Due on Dec 31,2017	Installment Due on Mar 31,2018
Andhra Bank	124.24	248.48	372.72	496.96	716.95	936.96	1156.96	1376.96
Andhra Bank	322.55	645.10	967.65	1290.20	1802.97	2315.71	2828.46	3341.20
IDBI Bank	35.83	71.66	107.49	143.32	192.56	241.82	291.07	340.32
Indian Overseas Bank	170.56	341.12	511.68	682.24	919.98	1157.73	1395.49	1633.24
Syndicate Bank	220.76	441.52	662.28	883.04	1214.30	1545.55	1876.79	2208.04
SVC					30.63	61.26	91.89	122.52
SBI					102.75	205.50	308.25	411.00
Total	873.94	1747.88	2621.82	3495.76	4980.13	6464.52	7948.90	9433.28
No of Days Delay	630	540	450	360	270	180	90	0

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

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

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

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

(K Parthasarathy)
Partner
Membership No. 08394

Place : Chennai
Date : August 8, 2018

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Tulsyan NEC Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tulsyan NEC Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 in 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 control 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.

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 of 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

(K Parthasarathy)
Partner
Membership No. 08394

Place : Chennai
Date : August 8, 2018

TULSYAN NEC LIMITED
BALANCE SHEET AS AT MARCH 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(₹ In Lacs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	71,804.28	73,714.98	44,464.96
Capital work in progress	5	-	93.94	29,211.56
Financial assets				
Investments	6	649.30	649.82	663.92
Other financial assets	7	37.95	50.78	71.14
Other non-current assets	8	593.44	610.57	1,304.11
Total non-current assets		**73,084.97**	**75,120.09**	**75,715.69**
Current assets				
Inventories	9	9,231.92	12,848.03	12,651.65
Financial assets				
Investments	10	0.50	0.50	0.50
Trade receivables	11	24,138.62	20,506.30	27,383.16
Cash and cash equivalents	12	774.72	430.36	201.39
Bank balances other than above	13	91.87	1,166.96	1,605.84
Other financial assets	14	1,177.54	1,179.31	1,095.47
Other current assets	15	4,530.55	7,777.64	6,963.84
Total current assets		**39,945.72**	**43,909.10**	**49,901.85**
Total Assets		**113,030.69**	**119,029.19**	**125,617.54**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	1,470.26	1,470.26	1,469.52
Other equity	17	(18,026.30)	(2,348.86)	6,270.23
Total equity		**(16,556.04)**	**(878.60)**	**7,739.75**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	18	42,851.67	50,118.73	58,497.06
Other financial liabilities	19	723.26	531.52	343.13
Provisions	20	399.01	358.90	-
Deferred Tax Liabilities (net)	21	-	-	2,195.28
Total non-current liabilities		**43,973.94**	**51,009.15**	**61,035.47**
Current liabilities				
Financial liabilities				
Borrowings	22	45,452.30	44,030.98	25,044.72
Trade payables	23	5,799.20	7,087.00	26,309.26
Other financial liabilities	24	218.05	68.98	92.61
Provisions	25	278.78	0.27	-
Other current liabilities	26	33,864.46	17,711.41	5,395.73
Total current liabilities		**85,612.79**	**68,898.64**	**56,842.32**
Total liabilities		**129,586.73**	**119,907.79**	**117,877.79**
Total Equity and Liabilities		**113,030.69**	**119,029.19**	**125,617.54**

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

TULSYAN NEC LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

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

(₹ In Lacs)

	Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
	Continuing Operations			
A	**Income**			
	Revenue from Operations	27	**72,514.91**	58,107.49
	Other Income	28	**436.15**	123.13
	Total income		**72,951.06**	58,230.62
B	**Expenses**			
	Cost of materials consumed	29	**52,024.32**	40,275.02
	Purchases of stock in trade	30	**11.66**	3,445.97
	Changes in inventories of finished goods	31	**6,305.94**	(1,906.52)
	Employee benefits expense	32	**2,917.01**	2,646.17
	Power & fuel	33	**1,763.52**	1,644.64
	Depreciation and amortisation expense	34	**2,562.51**	2,456.13
	Excise duty expenses		**1,514.08**	4,197.35
	Finance costs	35	**13,709.44**	11,395.13
	Other expenses	36	**6,750.51**	4,712.67
	Total expenses		**87,558.99**	**68,866.56**
C	**Profit before exceptional items and tax**		**(14,607.93)**	**(10,635.94)**
	Exceptional items	37	**1,145.62**	290.32
D	**Profit/ (Loss) before tax from continuing operations**		**(15,753.55)**	**(10,926.26)**
	Income tax expense	38		
	Current tax		**-**	-
	Deferred tax credit/ (charge)		**-**	2,195.28
	Profit/ (Loss) for the year		**(15,753.55)**	**(8,730.98)**
E	**Other comprehensive income**			
	Items that will be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		**76.10**	109.05
	Income tax relating to these items		**-**	-
	Other comprehensive income for the year, net of tax		**76.10**	109.05
	Total comprehensive income/ (Loss) for the year		**(15,677.45)**	**(8,621.93)**
	Earnings per share	39		
	Basic earnings per share		**(107.15)**	(59.38)
	Diluted earnings per share		**(107.15)**	(59.38)

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

TULSYAN NEC LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

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

(₹ In Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow From Operating Activities		
Profit before income tax	**(15,753.55)**	(10,926.26)
Adjustments for		
Depreciation and amortisation expense	**2,562.51**	2,456.13
(Profit)/ loss on sale of fixed assets	**3.95**	15.34
Profit on sale of Investments	**(217.80)**	(63.45)
Finance cost	**13,709.44**	11,395.13
Interest Income	**(95.85)**	(52.73)
Operating Profit before Working Capital Changes	**208.70**	**2,824.16**
Change in operating assets and liabilities		
(Increase) / Decrease in loans	**-**	-
(Increase) / Decrease in other financial assets	**1.77**	(83.84)
(Increase) / Decrease in inventories	**3,616.11**	(196.38)
(Increase) / Decrease in trade receivables	**(3,632.32)**	6,876.86
(Increase) / Decrease in other assets	**3,285.13**	(826.12)
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	**12,485.54**	12,511.10
Increase / (Decrease) in trade payables	**(1,287.80)**	(19,222.26)
Cash generated from operations	**14,677.13**	1,883.52
Less : Income taxes paid (net of refunds)	**(20.91)**	(15.83)
Net cash from/ (used in) operating activities (A)	**14,656.22**	**1,867.69**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	**(566.57)**	(1,892.07)
Sale proceeds of PPE	**4.75**	9.89
(Investments in)/ Maturity of fixed deposits with banks (net)	**1,075.09**	438.88
(Purchase)/ disposal proceeds of Investments (net)	**218.33**	77.55
Interest received	**95.85**	52.73
Net cash from/ (used in) investing activities (B)	**827.45**	**(1,313.02)**
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital (net of share application money)	**-**	3.58
Proceeds from/ (repayment of) long term borrowings (net)	**(7,267.06)**	(8,378.33)
Proceeds from/ (repayment of) short term borrowings (net)	**1,421.32**	18,986.26
Finance cost	**(9,293.57)**	(10,937.21)
Net cash from/ (used in) financing activities (C)	**(15,139.31)**	**(325.70)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	**344.36**	228.97
Cash and cash equivalents at the beginning of the financial year	**430.36**	201.39
Cash and cash equivalents at end of the year	**774.72**	**430.36**
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	**762.31**	422.04
Cash on hand	**12.41**	8.32
	774.72	**430.36**

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

TULSYAN NEC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

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

(A) Equity Share Capital	
Balance at the beginning of April 1, 2016	1,469.52
Changes in equity share capital during the year	
Balance at the end of March 31, 2017	1,470.26
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	1,470.26

(B) Other Equity

Particulars	General Reserve	Investment Allowance reserve	Securities Premium Reserve	Other Comprehensive Income	Statement of Profit and Loss	Total
Balance as at April 1, 2016	2,390.00	59.39	11,866.47	-	(8,045.63)	6,270.23
Additions/ (Deductions) during the year	-	-	2.84	(109.05)	109.05	2.84
Total Comprehensive Income for the year	-	-	-	109.05	(8,730.98)	(8,621.93)
Balance as at March 31,2017	**2,390.00**	**59.39**	**11,869.31**	**-**	**(16,667.56)**	**(2,348.86)**
Additions/ (Deductions) during the year	-	-	-	(76.10)	76.10	-
Total Comprehensive Income for the year	-	-	-	76.10	(15,753.54)	(15,677.44)
Balance as at March 31, 2018	**2,390.00**	**59.39**	**11,869.31**	**-**	**(32,345.00)**	**(18,026.30)**

The accompanying notes form an integral part of the financial statements

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

For and on behalf of the board

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

Tulsyan NEC Limited

Notes to Financial Statements for the year ended March 31, 2018

1 Corporate Information

The company is engaged in the manufacturing of TMT bars, Coal Based Power Plant and Synthetics Wovenfabrics and sacks. It has manufacturing plants in Chennai (Gummudipoondi) and Bangalore (Doddaballapura).

2 Basis of preparation of financial statements

Statement of compliance

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

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 52 for information on how the Company adopted Ind AS.

Use of estimates

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

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on 08th August, 2018."

2A Critical accounting estimates and management judgments

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

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

Property, Plant and Equipment (PPE)

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

Current tax

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

Deferred Tax Assets

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

Fair value

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

Impairment of Trade Receivables

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

Impairment of Non-financial assets - PPE

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

Defined Benefit Plans and other long term employee benefits

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

Fair value measurement of financial instruments

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

Provisions and contingencies

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

2B Recent accounting pronouncements

Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

a. Ind AS 115 – Revenue from Contracts with Customers (effective April 1, 2018)

b. Ind AS 116 – Leases (effective April 1, 2019)

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

3 Significant Accounting Policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

b) Fair value measurement

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

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

i) In the principal market for the asset or liability;

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

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

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

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

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

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

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

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

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

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

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

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

c) Revenue Recognition

Sale of goods

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

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

Sale of services

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

Power Generation

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

Export entitlements

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

Interest Income

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

Dividend income

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

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

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to fair value its land and building as the deemed cost as at the date of transition, viz.,1 April 2016 and applied Ind AS 16 retrospectively for all other classes of property, plant and equipment.

Presentation

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

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

Component Cost

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

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

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

Derecognition

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

e) Depreciation on property, plant and equipment

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

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

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

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

f) Inventories

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

(i) Raw materials, components, stores and spares: At lower of weighted average cost and net realizable value.

(ii) Work-in-process : At lower of cost of raw material and component including related overheads and net realizable value.

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

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

g) Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets are classified into the following categories:

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

Financial instruments (other than equity instruments) at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash ows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

Financial Instruments (other than equity instruments) at FVTOCI

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

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

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

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

Financial instruments (other than equity instruments) at FVTPL

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

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

Equity investments

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

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

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

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

Derecognition

A financial asset is primarily derecognised when:

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

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

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

Impairment of financial assets

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

a) Financial assets other than equity instruments, and that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

b) Financial assets, other than equity instruments that are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

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

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

Financial liabilities at FVTPL

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

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

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

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

Derivative financial instruments

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

Derivatives fair valued through profit or loss

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

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

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

Derecognition of financial liabilities

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

Reclassification of financial assets

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

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

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

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

h) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

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

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

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

i) Borrowing Costs

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

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

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

k) Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

l) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

n) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

o) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provisions for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

q) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

r) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

TULSYAN NEC LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

4 Property, plant and equipment

(₹ In Lacs)

Particulars	Tangible Assets									
	Land	Land Leasehold	Factory Buildings	Plant and Machinery	Vehicles	Works Equipments	Lab Equipments	Office Premises	Office and Other Equipments	Total
Deemed Cost as at April 1, 2016	11,443.03	87.56	7,776.18	24,780.79	145.12	113.36	1.97	11.26	105.69	44,464.96
Additions	-	-	4,099.33	27,578.66	1.11	-	34.61	-	17.67	31,731.38
Disposals	-	-	-	(17.45)	(34.18)	-	-	-	-	(51.63)
Cost as at March 31, 2017	**11,443.03**	**87.56**	**11,875.51**	**52,342.00**	**112.05**	**113.36**	**36.58**	**11.26**	**123.36**	**76,144.71**
Additions	4.00	-	171.66	397.29	0.53	1.33	-	-	85.70	660.51
Disposals	-	-	-	-	(19.83)	-	-	-	(0.65)	(20.48)
Cost as at	**11,447.03**	**87.56**	**12,047.17**	**52,739.29**	**92.75**	**114.69**	**36.58**	**11.26**	**208.41**	**76,784.74**
Depreciation/Amortisation										
Charge for the year	-	0.88	393.86	1,975.37	43.91	6.53	2.66	0.96	31.96	2,456.13
Disposals	-	-	-	(7.15)	(19.25)	-	-	-	-	(26.40)
As at March 31, 2017	**-**	**0.88**	**393.86**	**1,968.22**	**24.66**	**6.53**	**2.66**	**0.96**	**31.96**	**2,429.73**
Charge for the year	-	0.88	441.24	2,056.21	20.92	6.60	3.74	0.99	31.93	2,562.51
Disposals					(11.15)				(0.63)	(11.78)
Reversal										-
As at March 31, 2018	**-**	**1.76**	**835.10**	**4,024.43**	**34.43**	**13.13**	**6.40**	**1.95**	**63.26**	**4,980.46**
Net Block										
As at April 1, 2016	11,443.03	87.56	7,776.18	24,780.79	145.12	113.36	1.97	11.26	105.69	44,464.96
As at March 31, 2017	11,443.03	86.68	11,481.65	50,373.78	87.39	106.83	33.92	10.30	91.40	73,714.98
As at March 31, 2018	11,447.03	85.80	11,212.07	48,714.86	58.32	101.56	30.18	9.31	145.15	71,804.28

Notes - (Contd)

(₹ In Lacs)

Note No. 5	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Work-in-progress			
Capital work in progress	-	93.94	29,211.56
	-	**93.94**	**29,211.56**

Note No. 6			
Non-current investments			
Investments in Equity Instruments at FVTPL			
Unquoted			
i. Investments in Subsidiaries			
Cosmic Global Limited (1,25,000 Equity Shares of Rs.10/- each)	-	-	-
Chitrakoot Steel & Power P Limited (64,89,200 Equity Shares of Rs.10/- each)	648.92	648.92	648.92
Vyshali Energy P Ltd (3810 Shares of Rs 10/- each)	0.38		
ii. Investments in Other Companies			
T.G. Logistics P Ltd (1,50,000 Equity Shares of Rs. 10/- each)	-	0.90	15.00
Investments in Debt Instruments at FVTPL			
Unquoted			
Bonds in Krishana Bhagya Jala Nigam Ltd (17% Secured Redeemable NCB of Rs. 10/- each)	-	-	-
	649.30	**649.82**	**663.92**
Total non-current investments			
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate cost of unquoted investments	649.30	649.82	663.92
Aggregate amount of impairment in value of investments	-	-	-

Note No. 7			
Other non-current financial assets			
(Unsecured, considered good)			
Unamortised finance expense	37.95	50.78	71.14
	37.95	**50.78**	**71.14**

Note No. 8			
Other non-current assets			
(Unsecured, considered good)			
Advance for Suppliers	-	-	721.69
Advance income-tax and TDS (net of provision for tax)	432.94	412.03	396.20
Advance Fringe Benefit tax	2.41	2.41	2.41
Advance TCS	1.67	1.68	1.67
Other non-current assets	156.42	194.45	182.14
	593.44	**610.57**	**1,304.11**

Notes - (Contd)

(₹ In Lacs)

Note No. 9	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Inventories			
(Valued at lower of cost and net realisable value)			
Raw Materials	**3,478.34**	1,610.97	3,318.25
Finished Goods	**4,644.07**	10,618.92	8,712.40
Stores	**1,109.51**	618.14	621.00
	9,231.92	**12,848.03**	**12,651.65**
Inventory comprise of			
Raw Materials			
Steel scrap	**2,111.01**	597.35	1,991.71
Ingot, billet and re-rollables	**694.13**	264.66	178.75
Coal	**612.78**	659.35	1,130.14
PP/HDPE Granules	**60.42**	89.61	17.65
	3,478.34	**1,610.97**	**3,318.25**
Finished Goods			
TMT Bar	**2,661.41**	8,495.13	6,911.35
Poly Woven Sacks/ Bags	**1,783.39**	1,792.71	1,775.62
Power	**199.27**	331.08	25.43
	4,644.07	**10,618.92**	**8,712.40**

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

Note No. 11			
Trade receivables			
(Unsecured, considered good)			
Outstanding for a period exceeding six months from the date they are due for payment	**12,902.98**	17,945.01	17,638.77
Other debts	**11,805.35**	7,288.01	14,471.11
	24,708.33	25,233.02	32,109.88
Allowance for Expected credit Loss	**(569.71)**	(4,726.72)	(4,726.72)
	24,138.62	**20,506.30**	**27,383.16**

Notes - (Contd) (₹ In Lacs)

Note No. 12	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
Cash on Hand	**12.41**	8.32	8.17
Balances with Banks			
- In Current Account	**762.31**	422.04	193.22
	774.72	**430.36**	**201.39**

Note No. 13			
Other Bank Balances			
In fixed deposits	**7.03**	6.60	6.39
In margin money with banks *	**84.84**	1,160.36	1,599.45
	91.87	**1,166.96**	**1,605.84**

* lien marked against outstanding letters of credit

Note No. 14			
Other current financial assets			
(Unsecured, considered good)			
Deposits	**1,177.54**	1,179.31	1,095.47
	1,177.54	**1,179.31**	**1,095.47**

Note No. 15			
Other current assets			
(Unsecured, considered good)			
Advance for Supplies and expenses	**30.40**	777.64	749.93
Staff advances & Prepaid expenses	**82.03**	37.06	136.19
Advances to Subidiaries	**0.21**	0.44	-
Advance Paid	**329.50**	329.50	310.50
Deposits	**-**	-	0.08
Dividend	**-**	5.63	5.62
Drawback	**19.12**	310.79	440.99
Excise	**256.68**	3,039.61	2,849.72
Import Licence	**82.12**	242.25	238.31
Windmill gegeration compensation receivable	**12.47**		
Insurance Prepaid	**-**	-	2.53
Balances with Statutory Authorities	**3,718.02**	3,034.72	2,229.97
	4,530.55	**7,777.64**	**6,963.84**

Notes - (Contd) (₹ In Lacs)

Note No. 16	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Capital			
Authorised Share Capital			
1,60,00,000 Equity shares of Rs. 10/- each	**1,600.00**	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	2,000.00
	3,600.00	**3,600.00**	**3,600.00**
Issued & Subscribed Share Capital			
1,50,00,000 (previous year 1,50,00,000) Equity shares of Rs. 10/- each	**1,500.00**	1,500.00	1,500.00
	1,500.00	**1,500.00**	**1,500.00**
Paid-up share capital			
1,44,78,486 (previous year 1,44,78,486) Equity shares of Rs. 10/- each (fully paid-up)	**1,447.85**	1,447.85	1,446.02
2,25,293 (previous year 2,25,293) Equity shares of Rs. 10/- each (Rs. 6/- paid-up)	**13.52**	13.52	14.61
2,96,221 (previous year 2,96,221) Equity shares of Rs. 10/- each (Rs. 3/- paid-up)	**8.89**	8.89	8.89
	1,470.26	**1,470.26**	**1,469.52**

Notes:

i. Reconciliation of number of equity shares subscribed

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

ii. Shares issued for consideration other than cash

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

iii. Redeemable Preference Shares

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

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

Name of the share holder	**March 31, 2018**		March 31, 2017		April 1, 2016	
	No. of shares held	**% of holding**	No. of shares held	% of holding	No. of shares held	% of holding
Lalit Kumar Tulsyan	4,046,645	26.98	4,046,645	26.98	4,046,645	26.98
Sanjay Tulsyan	4,475,481	29.84	4,475,481	29.84	4,475,481	29.84
Priya Tulsyan	954,982	6.37	954,982	6.37	954,982	6.37
Alka Tulsyan	751,130	5.01	751,130	5.01	751,130	5.01

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

a. The company has issued only one class of equity shares having a par value of Rs. 10 each. The equity shares of the company having par value of Rs. 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.

b. All equity shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares. However as far as the share held by the promoters/ promoters group is concerned, the same has been pledged in favour of the lenders as part of CDR compiliance (Refer Note 44)

c. The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.

d. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. NIL per equity share held (previous year Rs. Nil per equity share held)

e. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their shareholding.

(₹ In Lacs)

Note No. 17	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Other Equity			
General Reserve	**2,390.00**	2,390.00	2,390.00
Investment Allowance reserve	**59.39**	59.39	59.39
Securities Premium Reserve	**11,869.31**	11,869.31	11,866.47
Other Comprehensive Income	**-**	-	-
Profit and Loss Account	**(32,345.00)**	(16,667.56)	(8,045.63)
	(18,026.30)	**(2,348.86)**	**6,270.23**
a) General reserve			
Balance at the beginning and end of the year	**2,390.00**	**2,390.00**	**2,390.00**
b) Investment Allowance Reserve			
Balance at the beginning and end of the year	**59.39**	**59.39**	**59.39**
c) Securities Premium Reserve			
Balance at the beginning of the year	**11,869.31**	11,866.47	11,866.47
Additions during the year	**-**	2.84	-
Balance at the end of the year	**11,869.31**	**11,869.31**	**11,866.47**
d) Other Comprehensive Income			
Balance at the beginning of the year	**-**	-	-
Additions during the year	**76.10**	109.05	-
Deductions/Adjustments during the year	**(76.10)**	(109.05)	-
Balance at the end of the year	**-**	-	-
e) Retained earnings			
Balance at the beginning of the year	**(16,667.55)**	(8,045.63)	(7,233.57)
Net profit for the period	**(15,753.55)**	(8,730.98)	-
Transfer from Other Comprehensive Income	**76.10**	109.05	-
Ind AS Adjustments	**-**	-	(812.06)
Balance at the end of the year	**(32,345.00)**	**(16,667.56)**	**(8,045.63)**

Notes - (Contd)

(₹ In Lacs)

Note No. 18	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current Liabilities - Financial Liabilities: Borrowings			
Secured			
Preference Shares			
6% Non convertible redeemable preference shares	**884.30**	884.30	884.30
Term Loans *			
From Banks	**69,681.45**	64,397.86	60,859.59
From Financial Institutions	**-**	4.55	22.88
Vehicle Loans	**-**	3.59	9.78
Unsecured			
From Directors	**685.92**	656.43	630.51
	71,251.67	65,946.73	62,407.06
Less: Current maturities of long-term debt (included in note 26)	**(28,400.00)**	(15,828.00)	(3,910.00)
	42,851.67	**50,118.73**	**58,497.06**

* refer note 47 for terms and conditions and security details

Note No. 19			
Other non-current financial liabilities			
Premium on redemption of preference shares payable	**722.83**	530.92	342.86
Unamortised rental income	**0.43**	0.60	0.27
	723.26	**531.52**	**343.13**

Note No. 20			
Provisions (Non-current)			
Provision for employee benefits			
Gratuity	**351.32**	318.98	-
Compensted absence	**47.69**	39.92	-
	399.01	**358.90**	**-**

Note No. 21			
Deferred Tax Liability/ (Asset) - Net			
Deferred tax liabilities			
Related to Fixed Assets	**-**	-	-
Related to Others	**-**	-	2,195.28
	-	-	2,195.28
Deferred tax assets			
Related to Fixed Assets	**-**	-	-
Related to Others	**-**	-	-
	-	-	-
Net deferred tax liability/ (asset)	**-**	**-**	**2,195.28**

Notes - (Contd) (₹ In Lacs)

Note No. 22	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Current liabilities - Financial Liabilities: Borrowings *			
Secured			
From banks - Working capital term loans	**39,683.81**	38,557.32	19,243.64
Unsecured			
Loans from body corporate	**4,220.68**	4,161.37	4,061.37
Loans from others	**1,547.81**	1,312.29	1,739.71
	45,452.30	**44,030.98**	**25,044.72**

*Refer Note no 47 for terms and conditions and security details

Note No. 23			
Trade payables *			
Supplies and Services	**2,869.53**	6,457.05	25,753.12
Expenses and others	**2,929.67**	629.95	556.14
	5,799.20	**7,087.00**	**26,309.26**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 43

Note No. 24			
Other current financial liabilities			
Deposits for power	**218.05**	68.98	92.61
	218.05	**68.98**	**92.61**

Note No. 25			
Provisions (Current)			
Provision for Expenses / Tax	**278.78**	0.27	-
	278.78	**0.27**	**-**

Note No. 26			
Other current liabilities			
Current maturities of long-term debt	**28,400.00**	15,828.00	3,910.00
Interest accrued but not due on secured loans	**524.85**	823.60	793.85
Interest Payable	**4,742.80**	531.67	282.17
Statutory Dues Payable	**59.48**	70.55	112.50
Advanced & deposits from customer etc.	**-**	95.03	114.03
Employee	**-**	4.00	4.00
TDS	**-**	172.60	7.47
Calamity Relief Fund	**-**	-	0.33
Other current liabilities	**74.00**	-	-
Employee Payables	**63.33**	185.96	171.38
	33,864.46	**17,711.41**	**5,395.73**

Notes - (Contd) (₹ In Lacs)

Note No. 27	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Revenue from Operations		
Domestic sales FG	**67,588.07**	51,483.49
High sea sales	**69.30**	1,269.25
Export sales	**2,766.85**	888.78
Excise duty	**1,514.08**	4,187.34
Domestic Sales RM	**2.15**	-
Processing charges	**574.46**	278.63
	72,514.91	**58,107.49**

Note No. 28		
Other Income		
Income from windmills	**221.21**	88.49
Interest		
Interest on term deposit	**52.97**	33.14
Other interest income	**42.88**	19.59
Profit on sale of Fixed asset	**1.03**	-
Profit on sale of Investment	**217.80**	63.45
Duty drawback/Rate difference	**-**	-
Foreign Exchange Fluctuation	**40.16**	-
Miscellaneous Income	**81.31**	6.95
Less: Income from wind mill set-off against Power & Fuel	**(221.21)**	(88.49)
	436.15	**123.13**

Note No. 29	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Cost of Materials Consumed		
Raw Materials		
Opening inventory of raw materials	**620.54**	2,162.67
Raw Materials purchased	**40,448.63**	26,358.71
Materials Inward	**350.14**	1,710.31
Customs Duty	**356.42**	650.30
Expenses for Import Licence	**-**	-
Less: Discount/Licence	**(57.16)**	(94.78)
Less: Closing Stock	**(2,865.56)**	(620.54)
	38,853.01	**30,166.67**

Notes - (Contd) (₹ In Lacs)

Note No. 29	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Stores		
Opening Stock	**618.14**	621.00
Purchases	**3,572.59**	2,624.57
Materials Inward	**61.65**	52.70
Less: Re-classified to PPE	**-**	(114.02)
Less: Closing Stock	**(1109.51)**	(618.14)
	3,142.87	2,566.11
Power Plant		
Opening Stock	**659.35**	1,155.58
Purchases	**8,476.04**	7,433.63
Materials Inward	**2,854.79**	1,078.47
Customs Duty/Exchange Difference	**1,264.65**	-
Less: Discount / License	**(107.98)**	-
Less: Closing Stock	**(612.78)**	(990.43)
Less: Charged to Power Plant Operation/Power Stock	**(2,505.63)**	(1,135.01)
	10,028.44	**7,542.24**
Total cost of materials consumed	**52,024.32**	**40,275.02**

Note No. 30		
Purchase of stock-in-trade - Traded goods		
Purchase of stock-in-trade - Traded goods	**11.66**	3,445.97
	11.66	**3,445.97**

Note No. 31		
Changes in inventories of finished goods		
Closing balance	**4,644.07**	10,618.92
Opening balance	**10,950.01**	8,712.40
	6,305.94	**(1,906.52)**

Note No. 32		
Employee benefit expenses		
Salaries and Wages	**2,729.30**	2,487.90
Contribution to provident and other funds	**122.64**	109.05
Welfare Expenses	**65.07**	49.22
	2,917.01	**2,646.17**

Notes - (Contd)

(₹ In Lacs)

Note No. 33	For the year ended March 31, 2018	For the year ended March 31, 2017
Power & Fuel		
Power & Fuel expense	**1,763.52**	1,644.64
	1,763.52	**1,644.64**

Note No. 34		
Depreciation and amortization expense		
Depreciation on property, plant and equipment	**2,562.51**	2,456.13
	2,562.51	**2,456.13**

Note No. 35		
Finance costs		
Interest	**13,683.18**	11,374.56
Other Finance Charges	**26.26**	20.57
	13,709.44	**11,395.13**

Note No. 36		
Other expenses		
Power Plant Charges	**3,348.59**	2,689.61
Repairs:		
Machinery	**316.48**	269.52
Building	**38.27**	8.91
Other Manufacturing Expenses	**47.67**	56.85
Processing Charges	**592.90**	60.48
Insurance	**20.67**	36.00
Rent	**63.69**	46.09
Loss on sale of fixed assets	**3.95**	15.34
Rates & Taxes	**66.68**	65.55
Legal & consultancy charges	**89.79**	123.23
Payment to auditors	**5.50**	5.50
Transport charges	**257.60**	205.77
Brokerage & commission	**149.91**	127.68
Selling & administration expenses	**873.34**	424.44
Excise duty expenses	**45.00**	1.75
Bank charges	**260.76**	550.26
Foreign exchange loss (net)	**-**	25.69
Provision for Expected credit loss	**569.71**	-
	6,750.51	**4,712.67**

Notes - (Contd)

(₹ In Lacs)

Note No. 36 (a)	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Payment to auditors		
Statutory Audit fees	**4.00**	4.00
Taxation fee	**1.50**	1.50
	5.50	**5.50**

Note No. 37		
Exceptional Items		
Exceptional Item	**1,145.62**	290.32
	1,145.62	**290.32**

Note No. 38 (a)		
Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	**-**	-
MAT credit entitlement/reversal	**-**	-
Adjustments for current tax of prior periods	**-**	-
Total current tax expense	**-**	-
Deferred tax		
Deferred tax adjustments		2,195.28
Total deferred tax expense/(benefit)	**-**	2,195.28
Income tax expense	**-**	**2,195.28**

Note No. 38 (b)		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	**(15,753.54)**	(10,926.26)
Income tax expense calculated at 34.608% (2016-17: 34.608)	**-**	-
Tax Rate Changes (34.608%-34.608%) *		
Effect of expenses that are not deductible in determining taxable profit		
Income tax expense	**-**	-

Note No. 38 (c)		
Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	**-**	-
Total income tax recognised in other comprehensive income	**-**	-

Notes - (Contd) (₹ In Lacs)

Note No 38 (d) Movement of deferred tax expense during the year ended March 31, 2018

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognized in profit or loss	Recognized in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	-	-	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	-	-	-	-
	-	-	-	-
MAT Credit entitlement	-	-		-
Total	-	-	-	-

Note No. 38 (e) Movement of deferred tax expense during the year ended March 31, 2017

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognized in profit or loss	Recognized in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	-	-	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Remeasurement of financial instruments under Ind AS			-	-
Other temporary differences	2,195.28	(2,195.28)	-	-
	2,195.28	(2,195.28)	-	-
MAT Credit entitlement		-		-
Total	2,195.28	(2,195.28)	-	-

Note No. 39	For the year ended March 31, 2018	For the year ended March 31, 2017
Earnings per share		
Profit/ (loss) for the year attributable to owners of the Company	**(15,753.55)**	(8,730.98)
Weighted average number of ordinary shares outstanding	**14,702,528**	14,702,528
Basic earnings per share (Rs)	**(107.15)**	(59.38)
Diluted earnings per share (Rs)	**(107.15)**	**(59.38)**

Note No. 40(a)		
Earnings in foreign currency		
FOB value of exports	**2,102.17**	840.78
	2,102.17	**840.78**

Notes - (Contd)

(₹ In Lacs)

Note No. 40(b)	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Expenditure in foreign currency		
Exchange in foreign currency for other matters	**29.11**	10.79
	29.11	10.79

Note No. 41		
CIF value of imports		
Raw Materials	**1,138.60**	6,358.73
	1,138.60	6,358.73

42 Value of imported and indigenous Raw material, Stores and Coal Consumed during the financial year and the percentage of each to the total consumption

Particulars	**Year ended March 31, 2018**		Year ended March 31, 2017	
	Rs. In Lakhs	**Percentage (%)**	Rs. In Lakhs	Percentage (%)
Raw Materials				
Imported				
Steel scrap	**11,428.58**	**30.87**	10,945.80	36.28
Ingot, billet and re-rollables	**-**	**-**	-	-
PP/HDPE Granules	**928.13**	**2.51**	2,197.39	7.28
Others				
Steel scrap	**13,647.28**	**36.87**	10,148.96	33.64
Ingot, billet and re-rollables	**7,979.32**	**21.55**	4,007.81	13.29
PP/HDPE Granules	**3,036.24**	**8.20**	2,866.72	9.50
Coal				
Imported	**9,977.24**	**88.67**	7,542.24	100.00
Others	**1,274.97**	**11.33**	-	-
Stores				
Imported	**485.59**	**12.94**	186.61	7.27
Others	**3,266.97**	**87.06**	2,379.49	92.73
Total consumption	**52,024.32**		**40,275.02**	

Notes - (Contd) (₹ In Lacs)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) The principal amount remaining unpaid at the end of the year	-	
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	
(c) Interest actually paid under Section 16 of MSMED Act	-	
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	
(e) Total interest accrued during the year and remaining unpaid	-	

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 overdues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made

44 Commitments and contingent liabilities

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contingent Liabilities		
Guarantees outstanding	**NIL**	5.09
Entry Tax	**NIL**	81.33
Excise duty*	**1,738.72**	1,738.72
VAT*	**540.49**	540.49
Income Tax	**29.02**	29.02
Towards payment received from one Customer who has been declared as CIRP by NCLT	**525.00**	-
Related to TNEB	**1177.71**	**1177.71**
Commitments		

Notes:

During the Financial Year 2015-16, the company's loans and liabilities with the Banks were restructured under the "Corporate Debt Restructuring" Scheme. As per the said scheme, the company repayment obligations were deferred/ restructured. The Scheme was exited during the year 2017-18 . This was communicated by the CDR Cell vide their letter dated 12.09.2017 wherein it was stated that " The account of Tulsyan NEC Ltd stands exited from the CDR Mechanism on account of failure of the CDR approved package". This decision was discussed at the CDR EG Meeting held on 25.07.2017 and minutes of the same were confirmed on 31.08.2017. No provision has been made towards any liability arising on account of any changes in the rate of interest consequent to exit from the CDR Scheme as the same has not been determined been yet, except however, the interest has been accounted on the basis of the debits to the respective loan account.

Notes - (Contd) (₹ In Lacs)

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly-owned subsidiary of the Company, for Rs. 25 crores

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 licences for alleged non completion of the export obligations in respect of those licences. 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 in individual case or when clubbed with other licence/ licences in accordance with the Foreign Trade Policy and Procedures with or without relaxation of the norms as may be applicable has been completed. Export Obligation Discharge Certificate in respect of 16 Licences out of 44 licences has been received and the balance are pending to be received and are under various stages of consideration at the DGFT. Based on the representation given by the company the name of the company was removed from the Denied Entity List, however company has not received any communication from the DGFT in this regard dropping the show cause notice.

* The liability in respect of Excise and VAT is subject to the levy of additional interest till the date adjudication from the due date, incase the liability is confirmed by the Appellate Authority.

However no estimation of such interest payable, if any, has been made or has not been provided. Hence, no liability will accrue in respect of the interest, if the order is in favour of the company and in the opinion of the management, the decision will be in favour of the company.

45 Operating Segments

The business of the Company falls under three segments i.e., (a) Steel Division; (b) Synthetic Division; and (c) Power in accordance with Ind AS 108 ''Operating Segments" and segment information is given below:

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Segment Revenue		
Steel Division	**53,230.98**	39,679.77
Synthetic Division	**6,424.51**	8,131.46
Power	**12,859.42**	10,296.26
Revenue from operations (Net)	**72,514.91**	58,107.49
Segment Results		
Profit (+) / Loss (-) before tax and finance cost		
Steel Division	**(1,763.61)**	(1,072.54)
Synthetic Division	**(361.76)**	(202.97)
Power	**81.26**	1,744.38
Total	**(2,044.11)**	468.87
Add/ Less : Finance Cost	**13,709.44**	11,395.13
Profit /(Loss) from continuing operations	**(15,753.55)**	(10,926.26)
Profit/(Loss) from discontinuing operations		
Profit Before Tax	**(15,753.55)**	(10,926.26)

Notes - (Contd)

(₹ In Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Assets		
Steel Division	**45,251.51**	68,559.60
Synthetic Division	**10,994.26**	12,283.72
Power	**56,784.92**	38,185.87
Other unallocable corporate assets		-
Total assets	**1,13,030.69**	1,19,029.19
Segment Liabilities		
Steel Division	**78,483.80**	83,124.95
Synthetic Division	**13,276.26**	3,466.14
Power	**37,826.68**	33,316.70
Other unallocable corporate assets		-
Total liabilities	**1,29,586.74**	1,19,907.79
Capital Employed (Segment assets-Segment liabilities)		
Steel Division	**(33,232.29)**	(14,565.35)
Synthetic Division	**(2,282.00)**	8,817.58
Power	**18,958.24**	4,869.17
Total capital employed in segments	**(16,556.05)**	(878.60)
Unallocable corporate assets less corporate liabilities		-
Total Capital Employed	**(16,556.05)**	(878.60)

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	**68,418.57**	50,230.88
Outside India	**2,225.28**	888.78
Total	**70,643.85**	**51,119.66**

(b) Non current asset

The manufacturing facilities of the Company are situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Number of external customers each contributing more than 10% of total revenue	**1.00**	-
Total revenue from the above customers	**6,743.71**	-
Total	**6,744.71**	**-**

Notes - (Contd) (₹ In Lacs)

46 Operating lease arrangements

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As Lessor		
The Company has not entered into any operating lease arrangements as lessor.	-	-
As Lessee		
The Company has not entered into operating lease arrangements for certain facilities . The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.	-	-
Lease payments recognised in the Statement of Profit and Loss	-	-

47 Borrowing Details

Schedule for long term borrowings from banks and financial institutions:

Particulars	As at March 31, 2018	As at March 31, 2017
i. From Banks		
a. Term Loans		
Andhra Bank	**9,627.15**	8,676.35
Canara Bank	**13,856.22**	12,471.83
Syndicate Bank	**4,684.06**	4,211.36
Indian Overseas Bank	**9,173.96**	9,169.90
Shamrao Vithal Co-op Bank Limited	**1,528.25**	1,551.79
b. Working Capital Term Loan/ Funded Interest Term Loan		
Andhra Bank	**2,235.46**	1,998.20
Canara Bank	**11,494.70**	10,322.87
Syndicate Bank	**8,627.43**	7,748.78
State Bank of India	**3,166.32**	3,166.32
Indian Overseas Bank	**3,037.84**	3,037.84
Shamrao Vithal Co-op Bank Limited	**238.32**	238.32
IDBI	**2,011.74**	1,804.30
ii. From Financial Institutions		
Electronica Finance Limited	**-**	4.55
Total	**69,681.45**	**64,402.41**

Notes - (Contd) (₹ In Lacs)

Schedule for short term borrowings:

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
From Banks - Working Capital Loans		
Canara Bank	**15,851.68**	14,823.37
Syndicate Bank	**9,290.64**	8,754.30
State Bank of India	**4,746.65**	4,810.87
Andhra Bank	**1,587.20**	2,781.28
IDBI Bank Limited	**2,160.53**	1,930.91
Indian Overseas Bank	**4,861.71**	5,456.59
Andhra Bank LCs devolved	**1,185.40**	
Loans from others	**1,547.81**	-
Unsecured		
Loans from body corporate	**4,220.68**	4,161.37
Loans from others	**-**	1,312.29
Total Short term borrowings	**45,452.30**	**44,030.98**

Terms and conditions of loans
i. Term Loan\Working Capital Term Loan\Funded Interest Term Loan\Fresh Term Loan shall have pari-passu first charge on entire fixed assets and Pari-passu second charge on entire current assets (including of slow moving \ non-moving stock and non-current debtors) of the company.
ii. Working Capital shall have pari-passu first charge on entire current assets and pari-passu second charge on entire fixed assets of the company. Existing exclusive security shall be continued with respective lenders.
iii. Personal Guarantee of Shri Lalit Kumar Tulsyan and Shri Sanjay Kumar Tulsyan.
iv. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.
v. Promoter and promoter group shall pledge their entire unencumbered shareholding in favour of lender in demat form with voting right.
vi. Vehicles are secured by their Hypothecation.

Notes - (Contd) (₹ In Lacs)

48 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Categories of Financial Instruments	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets			
a. Measured at amortised cost			
Other non-current financial assets	**37.95**	50.78	71.14
Trade receivables	**24,138.62**	20,506.30	27,383.16
Cash and cash equivalents	**774.72**	430.36	201.39
Bank balances other than above	**91.87**	1,166.96	1,605.84
Other financial assets	**1,177.54**	1,179.31	1,095.47
b. Mandatorily measured at fair value through profit or loss (FVTPL)			
Investments	**649.30**	649.82	663.92
Financial liabilities			
a. Measured at amortised cost			
Long term borrowings	**42,851.67**	50,118.73	58,497.06
Other non-current financial liabilities	**723.26**	531.52	343.13
Short term borrowings	**45,452.30**	44,030.98	25,044.72
Trade payables	**5,799.20**	7,087.00	26,309.26
Other current financial liabilities	**218.05**	68.98	92.61

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division.

Notes - (Contd) (₹ In Lacs)

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a treasury division and uses natural hedging principles to mitigate the risks from such exposures.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2018 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	-	-	-	-	-	-	-
EUR	-	-	-	-	-	-	-
In INR	-	-	-	-	-	-	-

As on March 31, 2017 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	467,202.00	-	467,202.00	1,182,902.78		1,182,902.78	715,700.78
EUR	-	-	-	-	-	-	-
in INR	-		-			-	-

As on April 1, 2016 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	643,125.00	-	643,125.00	2,638,391.04		2,638,391.04	1,995,266.04
EUR	-	-	-	-	-	-	-
in INR	-		-			-	-

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation

Notes - (Contd) (₹ In Lacs)

of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 224.13 Lakhs for the year (Previous INR 224.40 Lakhs)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables consists of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Notes - (Contd) (₹ In Lacs)

Investments of surplus funds are made only with approved financial institutions/ counterparty. Investments primarily include bank deposits. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits and restricts the exposure in equity markets. Investments of surplus funds does not arise in the case of the Company

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the loan agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counterparty's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2018	**Due in 1st year**	**Due in 2nd to 5th year**	**Due after 5th year**	**Carrying amount**
Trade payables	5,799.20	-	-	5,799.20
Borrowings	28,400.00	31,261.67	11,590.00	71,251.67
	34,199.20	**31,261.67**	**11,590.00**	**77,050.87**

March 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	7,087.00	-	-	7,087.00
Borrowings	15,828.00	28,897.23	21,221.50	65,946.73
	22,915.00	**28,897.23**	**21,221.50**	**73,033.73**

April 1, 2016	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	26,309.26	-	-	26,309.26
Borrowings	3,910.00	27,334.28	31,162.78	62,407.06
	30,219.26	**27,334.28**	**31,162.78**	**88,716.32**

	March 31, 2018	March 31, 2017	April 1, 2016
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	**Nil**	Nil	Nil

Notes - (Contd) (₹ In Lacs)

49 Related party disclosure

a) List of related parties	
Subsidiaries	Chitrakoot Steel & Power P Ltd
	Balaji Engineering & Galvanizing Ltd
	Color Peppers Media P Ltd
Key management personnel	Shri Lalit Kumar Tulsyan (Executive Chairman)
	Shri Sanjay Tulsyan (Managing Director)
	Shri Sanjay Agarwalla (Whole Time Director)
	Shri Shanta Kumar RP (Chief Financial Officer)
	Shri Rakhal Panigrahi (Company Secretary)
Companies in which Directors are interested	Tulsyan Smelters Private Ltd
	Tulsyan Power Limited
	Cosmic Global Limited

b) Transactions during the year

S.No.	Nature of transactions	**Year ended March 31, 2018**	Year ended March 31, 2017
1	**Purchase of goods**		
	Chitrakoot Steel & Power P Ltd	**3,016.06**	3,420.45
	Tulsyan Smelters Private Ltd	**12,469.40**	-
2	**Sale of Goods**		
	Chitrakoot Steel & Power P Ltd	**97.02**	104.71
	Tulsyan Smelters Private Ltd	**18,156.12**	970.64
3	**Short term borrowings during the year**		
	Tulsyan Power Limited	**-**	0.15
	Balaji Engineering & Galvanizing Ltd	**-**	0.22
4	**Services Received**		
	Chitrakoot Steel & Power P Ltd	**519.38**	-
	Tulsyan Smelters Private Ltd	**22.82**	62.50
5	**Managerial Remuneration**		
	Lalit Kumar Tulsyan	**60.29**	60.29
	Sanjay Tulsyan	**60.00**	60.00
	Sanjay Agarwalla	**39.29**	39.29
	Shanta Kumar RP	**30.94**	24.44

Notes - (Contd) (₹ In Lacs)

c) Balances with related parties

S.No.	Name of the Related Party	As at March 31, 2018	As at March 31, 2017
1	Outstanding Receivables		
	Cosmic Global Limited	**-**	0.05
	Tulsyan Power Ltd	**0.21**	0.97
	Balaji Engineering & Galvanizing Ltd	**-**	8.71
	Color Peppers Media Pvt Ltd	**0.00**	258.83
	Chitrakoot Steel & Power P Ltd	**-**	1,258.65
2	Outstanding Payables		
	Lalit Kumar Tulsyan	**511.28**	486.14
	Sanjay Tulsyan	**198.34**	193.97

d) Guarantees and Collaterals

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee in favour of Tulsyan NEC Limited to comply the CDR Terms.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly-owned subsidiary of the Company, for Rs. 25 Crores.

50 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, the Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme, which are defined contribution plans, for qualifying employees.

The total expense recognised in profit or loss of Rs. 136.26 lakhs (previous year Rs. 125.21 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favorable terms in this regard the same has been adopted.

Notes - (Contd) (₹ In Lacs)

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**March 31, 2018**	March 31, 2017
Mortality Table	**Indian Assured Lives Mortality(2006-08)**	Indian Assured Lives Mortality(2006-08)
Attrition Rate	**5.00% p.a.**	5.00% p.a.
Discount Rate	**7.52% p.a.**	7.29% p.a.
Rate of increase in compensation level	**5.00% p.a.**	5.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	**81.11**	95.18
Net interest expense	**23.28**	21.50
Return on plan assets (excluding amounts included in net interest expense)	**-**	-
Components of defined benefit costs recognised in profit or loss	**104.39**	116.68
Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	**(72.05)**	(71.22)
Components of defined benefit costs recognised in other comprehensive income	**(72.05)**	(71.22)
Total	**32.34**	45.46

Notes - (Contd) (₹ In Lacs)

	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	**351.32**	318.98
Fair value of plan assets	**-**	-
Net liability arising from defined benefit obligation	**351.32**	318.98
Non - Funded	**351.32**	318.98
	351.32	318.98

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

	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	**318.98**	273.52
Current service cost	**81.11**	95.18
Interest cost	**23.28**	21.50
Actuarial (gains)/losses	**(72.05)**	(71.22)
Closing defined benefit obligation	**351.32**	318.98

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

Company is following the practice of valuing the compensated absence as per Ind AS 19 "Employee Benefits" based on the leave balance outstanding on the employees account on March 31st every year by an independent actuary and has provided the same in the accounts. The payment is done as and when claims are received from the employees or on the date of retirement/ relieving from the service of the company.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2018	March 31, 2017
Mortality Table	**Indian Assured Lives Mortality(2006-08)**	Indian Assured Lives Mortality(2006-08)
Attrition Rate	**5.00% p.a.**	5.00% p.a.
Discount Rate	**7.52% p.a.**	7.29% p.a.
Rate of increase in compensation level	**5%F5Y**	5%F5Y

Notes - (Contd) (₹ In Lacs)

	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	**8.87**	7.18
Net interest expense	**2.91**	5.14
Components of defined benefit costs recognised in profit or loss	**11.78**	12.32

	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	**(4.02)**	(37.84)
Components of defined benefit costs recognised in other comprehensive income	**(4.02)**	(37.84)
Total	**7.76**	(25.52)

	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	**47.68**	39.92
Net liability arising from defined benefit obligation	**47.68**	39.92
Non - Funded	**47.68**	39.92
	47.68	39.92

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

	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	**39.92**	65.44
Current service cost	**8.87**	7.18
Interest cost	**2.91**	5.14
Actuarial (gains)/losses	**(4.02)**	(37.84)
Closing defined benefit obligation	**47.68**	39.92

Notes - (Contd) (₹ In Lacs)

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

Due Date	Amt of Default (Principal)	No of Days Delay	Amt of Default (Interest)	No of Days Delay
30-04-2016			662.45	695
31-05-2016			1,341.65	665
30-06-2016	559.74	630	2,042.81	635
31-07-2016			2,779.81	605
31-08-2016			3,559.34	575
30-09-2016	975	540	4,359.06	545
31-10-2016			5,269.20	515
30-11-2016			6,191.62	485
31-12-2016	975	450	7,152.50	455
31-01-2017			8,016.57	425
28-02-2017			8,802.51	395
31-03-2017	986	360	9,625.10	365
30-04-2017			10,467.10	335
31-05-2017			11,331.10	305
30-06-2017	1,484.38	270	13,411.10	275
31-07-2017			14,261.10	245
31-08-2017			15,111.10	215
30-09-2017	1,484.38	180	17,157.10	185
31-10-2017			17,994.10	155
30-11-2017			18,803.10	125
31-12-2017	1,484.38	90	20,866.10	95
31-01-2018			21,689.10	65
28-02-2018			22,433.10	35
31-03-2018	1,484.38	0	**24,478.16**	5
Total	**9,433.26**			

52 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended , the comparative information presented in these financial statements for the year ended and in the preparation of an opening Ind AS balance sheet at (The company's date of transition).

Notes - (Contd) (₹ In Lacs)

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for PPE

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

The company has elected to fair value its land and building as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment.

A.1.2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.1.3. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

B. Notes to first-time adoption

B.1 Fair valuation impact of PPE as deemed cost

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment as at the date of transition to Ind AS as its deemed cost as per Ind AS at the date of transition.

Notes - (Contd) (₹ In Lacs)

The company has elected to fair value its land and building as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment.

B.2 Remeasurement of depreciation on PPE

The company applied Ind AS 16 retrospectively on property, plant and equipment, except land and building and accordingly, recomputed the related depreciation impact and accounted in the Ind AS financials.

B.3 Re-classification of spares as PPE

Machinery spares which meet the recognition criteria of property, plant and equipment as per Ind AS 16 are re-classified from inventory. The related depreciation impact has been considered in the opening and comparative period financial statements.

B.4 Re-classification of preference shares as financial liability

Under previous GAAP, financial instruments were classified based on legal form and preference shares were classified under equity. However, under Ind AS, financial instrumensts are classified as liability or equity according to the substance of the contractual agreement and accordingly, redeemable preference shares are classified as a financial liability and subsequently remeasured as per Ind AS 109.

B.5 Fair valuation of financial assets and liabilities

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

B.6 Transaction costs in respect of financial instruments

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred.

As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements."

B.7 Trade receivables

As per Ind AS 109, The company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, the Company has developed an assessment for allowance for expected credit loss. The same has been considered in the opening and comparative period financial statements.

B.8 Write off of other assets

Items not meeting the recognition criteria of an asset as per Ind AS are written off in the opening balance sheet to retained earnings.

B.9 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.

Notes - (Contd) (₹ In Lacs)

53 Key reconciliation required as per Ind AS 101 on transition to Ind AS

Note No. 53 (a)	As at March 31, 2017	As at April 1, 2016
Reconciliation of equity		
Total equity / shareholders' funds as per Indian GAAP	**1,264.97**	**9,446.11**
Ind AS Adjustments		
Fair valuation of PPE as deemed cost	12,944.54	12,944.54
Remeasurement of depreciation	(750.82)	(522.36)
Re-classification of preference shares as financial liabilitiy	(884.30)	(884.30)
Fair valuation of financial assets and liabilities	(3,255.95)	(3,047.20)
Provision for expected credit losses on trade receivables	(4,994.85)	(4,994.85)
Re-measurement of entry tax payable	(2.49)	(2.49)
Write off of other assets not recoverable	(5,199.70)	(5,199.70)
Total equity/ shareholders' funds as per Ind AS	**(878.60)**	**7,739.75**

Note No. 53 (b)	For the year ended March 31, 2017
Reconciliation of Profits	
Total comprehensive income as per Indian GAAP	**(8,184.72)**
Ind AS Adjustments	
Remeasurement of depreciation	(228.46)
Fair valuation of financial assets and liabilities	(208.75)
Total comprehensive income as per Ind AS	**(8,621.93)**

As per our report of even date attached

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Tulsyan NEC Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Tulsyan NEC Limited, (hereinafter referred to as "the Holding Company") and its subsidiaries (the holding Company and its subsidiaries referred to as "the Groups") , which comprise the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. In conducting 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 and the Order issued under section 143 (11) of the Act.

We conducted our audit of the Consolidated financial statements 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 Consolidated 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. 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 Consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Basis of qualified opinion

We draw attention to the fact that the Holding Company is continuously incurring losses and its net worth is totally eroded as at March 31, 2018. The possible erosion in the carrying value of investments and the recover ability of loans/ advances given to subsidiaries and related parties is not presently ascertainable and the possible provision required, if any, is also not presently determinable. We were informed that the Holding Company is in the process of implementation cost optimisation and alternative business plans which will result in profits in the near future. The company's ability to continue as a going concern is depended upon the successful implementation of such business plans. The above indicates a significant uncertainty and doubt about the Holding Company's ability to continue as a going concern.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and subject matters given on the basis of qualified opinion paragraph, 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, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Other Matters:

We did not audit the financial statement of three subsidiaries, whose financial statements reflect total assets of Rs 2786.13 lakhs as at 31st March 2018, total revenues of Rs 3188.93 lakhs and nett cash amounting to Rs 21.12 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 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulator 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 have been kept by the Company so far as it appears from our examination of those books;

c) the Consolidated balance sheet, the Consolidated statement of profit and loss including other consolidated comprehensive income, statement of consolidated changes in equity and the statement of consolidated cash flow dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2018 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 separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

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

   i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – refer note 40 to the financial statements;

   ii. The Group has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

(K Parthasarathy)
Partner
Membership No. 08394

Place : Chennai
Date : August 8, 2018

Annexure “A” to the Independent Auditor’s Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Tulsyan NEC Limited (“the Holding Company”) and its subsdiairy Companies which are Companies incorporated in India as of March 31, 2018 in conjunction with our audit of the Consoldiated 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 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. 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, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 in 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 control 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.

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 of 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, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

(K Parthasarathy)
Partner
Membership No. 08394

Place : Chennai
Date : August 8, 2018

TULSYAN NEC LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

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

(₹ In Lacs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	**72,573.14**	74,533.52	45,314.76
Capital work in progress	5	**-**	93.94	29,211.56
Investments	6	**0.41**	0.93	15.03
Other financial assets	7	**37.95**	50.78	71.14
Other non-current assets	8	**697.02**	718.66	1,451.39
Total non-current assets		**73,308.52**	**75,397.83**	**76,063.88**
Current assets				
Inventories	9	**9,721.12**	13,766.45	13,361.80
Financial assets				
Investments	10	**0.50**	0.50	0.50
Trade receivables	11	**24,296.43**	20,671.83	27,559.11
Cash and cash equivalents	12	**781.52**	439.43	225.70
Bank balances other than above	13	**106.21**	1,181.24	1,620.07
Other financial assets	14	**1,177.54**	1,179.31	1,095.47
Other current assets	15	**4,703.41**	8,377.15	7,765.51
Total current assets		**40,786.73**	**45,615.91**	**51,628.16**
Total Assets		**1,14,095.25**	**1,21,013.74**	**1,27,692.04**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	**1,470.32**	1,470.32	1,469.58
Other equity	17	**(21,188.11)**	(5,152.66)	4,150.03
Total equity		**(19,717.79)**	**(3,682.34)**	**5,619.61**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	18	**43,106.29**	50,647.80	59,023.13
Other financial liabilities	19	**723.26**	531.52	343.13
Provisions	20	**399.01**	358.90	-
Deferred Tax Liabilities (net)	21	**(1,081.14)**	(937.12)	1,282.28
Total non-current liabilities		**43,147.42**	50,601.10	60,648.54
Current liabilities				
Financial liabilities				
Borrowings	22	**47,438.32**	46,026.31	25,817.29
Trade payables	23	**8,788.89**	10,141.62	28,758.24
Other financial liabilities	24	**218.05**	68.98	92.61
Provisions	25	**297.07**	13.42	7.75
Other current liabilities	26	**33,923.29**	17,844.65	6,748.00
Total current liabilities		**90,665.62**	**74,094.98**	**61,423.89**
Total liabilities		**1,33,813.04**	**1,24,696.08**	**1,22,072.43**
Total Equity and Liabilities		**1,14,095.25**	**1,21,013.74**	**1,27,692.04**

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

TULSYAN NEC LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

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

(₹ In Lacs)

	Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing Operations				
A	**Income**			
	Revenue from Operations	27	**72,054.32**	57,558.50
	Other Income	28	**453.20**	138.14
	Total income		**72,507.52**	57,696.64
B	**Expenses**			
	Cost of materials consumed	29	**52,140.70**	39,828.19
	Purchases of stock in trade	30	**59.13**	3,445.97
	Changes in inventories of finished goods	31	**6,209.69**	(1,920.76)
	Employee benefits expense	32	**3,025.63**	2,757.03
	Power & fuel	33	**1,789.04**	1,776.36
	Depreciation and amortisation expense	34	**2,612.34**	2,510.50
	Excise duty expenses		**1,514.08**	4,197.35
	Finance costs	35	**13,957.53**	11,645.82
	Other expenses	36	**6,309.36**	4,782.33
	Total expenses		**87,617.50**	69,022.79
C	**Profit before exceptional items and tax**		**(15,109.98)**	(11,326.15)
	Exceptional items	37	**1,145.62**	307.87
D	**Profit/ (Loss) before tax from continuing operations**		**(16,255.60)**	(11,634.02)
	Income tax expense	38		
	Current tax		**-**	-
	Deferred tax credit/ (charge)		**144.02**	2,219.41
	Profit/ (Loss) for the year		**(16,111.58)**	(9,414.61)
E	**Other comprehensive income**			
	Items that will be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		**76.10**	109.05
	Income tax relating to these items		**-**	-
	Other comprehensive income for the year, net of tax		**76.10**	109.05
	Total comprehensive income/ (Loss) for the year		**(16,035.48)**	(9,305.56)
	Earnings per share	39		
	Basic earnings per share		**(70.08)**	(72.49)
	Diluted earnings per share		**(70.08)**	(72.49)

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

TULSYAN NEC LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

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

(₹ In Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow From Operating Activities		
Profit before income tax	**(16,255.60)**	(11,634.02)
Adjustments for		
Depreciation and amortisation expense	**2,612.34**	2,510.50
(Profit)/ loss on sale of fixed assets	**2.92**	15.34
Profit on sale of Investments	**(217.80)**	(63.45)
Finance cost	**13,957.53**	11,645.82
Interest Income	**(97.44)**	(54.34)
Operating Profit before Working Capital Changes	**1.95**	2,419.85
Change in operating assets and liabilities		
(Increase) / Decrease in loans	**-**	-
(Increase) / Decrease in other financial assets	**1.77**	(83.84)
(Increase) / Decrease in inventories	**4,045.33**	(404.65)
(Increase) / Decrease in trade receivables	**(3,624.58)**	6,887.28
(Increase) / Decrease in other assets	**3,707.01**	(620.99)
Increase / (Decrease) in provisions, other financial liabilities and other liabilities	**12,416.26**	11,312.21
Increase / (Decrease) in trade payables	**(1,352.73)**	(18,616.62)
Cash generated from operations	**15,195.01**	893.24
Less : Income taxes paid (net of refunds)	**(20.91)**	(15.83)
Net cash from/ (used in) operating activities (A)	**15,174.10**	**877.41**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	**(557.43)**	(1,878.93)
Sale proceeds of PPE	**5.78**	9.89
(Investments in)/ Maturity of fixed deposits with banks (net)	**1,075.03**	438.83
(Purchase)/ disposal proceeds of Investments (net)	**218.33**	77.54
Interest received	**97.44**	54.34
Net cash from/ (used in) investing activities (B)	**839.15**	**(1,298.33)**
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital (net of share application money)	**-**	3.58
Proceeds from/ (repayment of) long term borrowings (net)	**(7,541.51)**	(8,375.32)
Proceeds from/ (repayment of) short term borrowings (net)	**1,412.01**	20,209.02
Finance cost	**(9,541.66)**	(11,202.63)
Net cash from/ (used in) financing activities (C)	**(15,671.16)**	634.65
Net increase (decrease) in cash and cash equivalents (A+B+C)	**342.09**	**213.73**
Cash and cash equivalents at the beginning of the financial year	**439.43**	225.70
Cash and cash equivalents at end of the year	**781.52**	**439.43**

Notes:

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

Balances with banks		
- in current accounts	**763.47**	422.90
Cash on hand	**18.05**	16.53
	781.52	439.43

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

Statement of Changes in Equity for the year ended March 31, 2018

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

(A) Equity Share Capital

	TNL	Chitrakoot	Color Peppers	Balaji Engg.	Total
Balance at the beginning of April 1, 2016	1,469.52	648.92	5.00	5.00	**2,128.44**
Changes in equity share capital during the year					
Balance at the end of March 31, 2017	1,470.26	648.92	5.00	5.00	**2,129.18**
Changes in equity share capital during the year	-				
Balance at the end of March 31, 2018	1,470.26	648.92	5.00	5.00	**2,129.18**

(B) Other Equity

Particulars	General Reserve	Investment Allowance reserve	Securities Premium Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at April 1, 2016	2,390.00	59.39	11,866.47	-	(10,165.83)	4,150.03
Additions/ (Deductions) during the year	-	-	2.84	(109.05)	(574.55)	(680.76)
Total Comprehensive Income for the year	-	-	-	109.05	(8,730.98)	(8,621.93)
Balance as at March 31,2017	**2,390.00**	**59.39**	**11,869.31**	**-**	**(19,471.36)**	**(5,152.66)**
Additions/ (Deductions) during the year	-	-	-	(76.10)	(281.91)	(358.01)
Total Comprehensive Income for the year	-	-	-	76.10	(15,753.55)	(15,677.45)
Balance as at March 31, 2018	**2,390.00**	**59.39**	**11,869.31**	**-**	**(35,506.82)**	**(21,188.12)**

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

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Executive Chairman

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Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amounts in Rupees in lacs unless otherwise stated)

1 Corporate Information

The Company "Tulsyan NEC Limited" is engaged in the manufacturing of TMT bars, Coal Based Power Plant and Synthetics Woven fabrics and sacks. It has manufacturing plants in Chennai (Gummudipoondi) and Bangalore (Doddaballapura)."

The company has invested in the following companies

S.NO	Name of the company	Nature of Business	Shareholding(%)
1	Chitrakoot Steel & Power Pvt.Ltd	Sponge Iron Manufacturing	100%
2	Balaji Engineering & Galvanizing Ltd	Galvanizing	98.80%
3	Color Peppers Media Pvt.Ltd	Media	100%

The Compamy, its subsidairies are collectively referred to as "The Group"

2 Basis of preparation of financial statements

Statement of compliance

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

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to Note 52 for information on how the Company adopted Ind AS.

Use of estimates

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

Basis of consolidation

a. The financial statements of the following subsidiary company have been consolidated as per Ind As-110 on 'Consolidated Financial Statement"

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest(%)
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 subsidary 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 transactions resulting in unrealized profits or losses

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals). The financial statements are approved for issue by the Company's Board of Directors on 08th August, 2018.

2A Critical accounting estimates and management judgments

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

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

Property, Plant and Equipment (PPE)

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

Current tax

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

Deferred Tax Assets

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

Fair value

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

Impairment of Trade Receivables

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

Impairment of Non-financial assets - PPE

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

Defined Benefit Plans and other long term employee benefits

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

Fair value measurement of financial instruments

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

Provisions and contingencies

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

2B Recent accounting pronouncements

Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

a. Ind AS 115 – Revenue from Contracts with Customers (effective from April 1, 2018)

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

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

3 Significant Accounting Policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

b) Fair value measurement

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

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

i) In the principal market for the asset or liability;

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

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

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

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

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

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

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

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

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

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

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

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

c) Revenue Recognition

Sale of goods

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

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

Power Generation

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

Export entitlements

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

Interest Income

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

Dividend income

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

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

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to fair value its land and building as the deemed cost as at the date of transition, viz.,1 April 2016 and applied Ind AS 16 retrospectively for all other classes of property, plant and equipment.

Presentation

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

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

Component Cost

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

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

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

Derecognition

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

e) Depreciation on property, plant and equipment

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

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

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

f) Inventories

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

(i) **Raw materials, components, stores and spares:** At lower of weighted average cost and net realizable value.

(ii) **Work-in-process :** At lower of cost of raw material and component including related overheads and net realizable value.

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

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

g) Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets are classified into the following categories:

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

Financial instruments (other than equity instruments) at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

Financial Instruments (other than equity instruments) at FVTOCI

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

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

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

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

Financial instruments (other than equity instruments) at FVTPL

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

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

Equity investments

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

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

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

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

Derecognition

A financial asset is primarily derecognised when:

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

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

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

Impairment of financial assets

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

a) Financial assets other than equity instruments, and that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

b) Financial assets, other than equity instruments that are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

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

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

Financial liabilities at FVTPL

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

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

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

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

Derivative financial instruments

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

Derivatives fair valued through profit or loss

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

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

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

Derecognition of financial liabilities

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

Reclassification of financial assets

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

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

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

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

h) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Group uses an average rate, if the average approximates the actual rate at the date of the transaction.

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

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

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

i) Borrowing Costs

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

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

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

k) Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

l) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

n) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

o) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Contingent assets

Where an inflow of economic benefits is probable, the Group discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

q) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

r) Earnings per share

"The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate"

Notes - (Contd)

(₹ In Lacs)

4 Property, plant and equipment

Particulars	Tangible Assets											
	Land	Land Leasehold	Factory Buildings	Plant and Machinery	Vehicles	Works Equipments	Lab Equipments	Office Premises	Office and Other Equipments	Furniture &Fixtures	Projector	Computer	Total
Deemed Cost as at April 1, 2016	11,549.18	87.56	8,348.11	24,907.51	154.17	134.15	7.77	11.26	113.37	0.77	0.87	0.04	45,314.76
Additions	-	-	4,099.33	27,582.44	15.76	4.00	34.61	-	18.32	-	-	-	31,754.46
Disposals	-	-	-	(17.45)	(34.18)	-	-	-	-	-	-	-	(51.63)
Cost as at March 31, 2017	**11,549.18**	**87.56**	**12,447.44**	**52,472.50**	**135.75**	**138.15**	**42.38**	**11.26**	**131.69**	**0.77**	**0.87**	**0.04**	**77,017.59**
Additions	4.00	-	171.66	397.29	0.53	1.33	-	-	85.84	-	-	-	660.65
Disposals	-		-	-	(19.83)	-	-	-	(0.65)	-	-	-	(20.48)
Cost as at	**11,553.18**	**87.56**	**12,619.10**	**52,869.79**	**116.45**	**139.48**	**42.38**	**11.26**	**216.88**	**0.77**	**0.87**	**0.04**	**77,657.76**
Depreciation/ Amortisation													
Charge for the year	-	0.88	419.78	1,994.94	46.24	9.50	3.63	0.96	34.10	0.24	0.20	-	2,510.47
Disposals	-	-	-	(7.15)	(19.25)	-	-	-	-	-	-	-	(26.40)
As at March 31, 2017	**-**	**0.88**	**419.78**	**1,987.79**	**26.99**	**9.50**	**3.63**	**0.96**	**34.10**	**0.24**	**0.20**	**-**	**2,484.07**
Charge for the year	-	0.88	467.17	2,071.98	23.55	9.01	4.69	0.99	33.75	0.16	0.15	-	2,612.33
Disposals	-	-	-	-	(11.15)	-	-	-	(0.63)	-	-	-	(11.78)
Reversal	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**1.76**	**886.95**	**4,059.77**	**39.39**	**18.51**	**8.32**	**1.95**	**67.22**	**0.40**	**0.35**	**-**	**5,084.62**
Net Block													
As at April 1, 2016	11,549.18	87.56	8,348.11	24,907.51	154.17	134.15	7.77	11.26	113.37	0.77	0.87	0.04	45,314.76
As at March 31, 2017	11,549.18	86.68	12,027.66	50,484.71	108.76	128.65	38.75	10.30	97.59	0.53	0.67	0.04	74,533.52
As at March 31, 2018	11,553.18	85.80	11,732.15	48,810.02	77.06	120.97	34.06	9.31	149.66	0.37	0.52	0.04	72,573.14

Notes - (Contd)

(₹ In Lacs)

Note No. 5	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Capital Work-in-progress			
Capital work in progress	**-**	93.94	29,211.56
	-	93.94	29,211.56

Note No. 6			
Non-current investments			
Investments in Equity Instruments at FVTPL			
Unquoted			
i. Investments in Subsidiaries			
Cosmic Global Limited (1,25,000 Equity Shares of Rs.10/- each)	**-**	-	-
Vyshali Energy P Ltd (3810 Shares of Rs 10/- each)	**0.38**	-	-
ii. Investments in Other Companies			
T.G. Logistics P Ltd (1,50,000 Equity Shares of Rs. 10/- each)	**-**	0.90	15.00
Investments in Debt Instruments at FVTPL			
Unquoted			
Shamrao Vithal Co-op Bank Ltd (25 Shares of Rs.100/- each)	**0.03**	0.03	0.03
Bonds in Krishana Bhagya Jala Nigam Ltd (17% Secured Redeemable NCB of Rs. 10/- each)	**-**	-	-
	0.41	0.93	15.03
Total non-current investments			
Aggregate amount of quoted investments		-	-
Aggregate market value of quoted investments		-	-
Aggregate cost of unquoted investments	**-**	-	-
Aggregate amount of impairment in value of investments		-	-

Note No. 7			
Other non-current financial assets			
(Unsecured, considered good)			
Unamortised finance expense	**37.95**	50.78	71.14
	37.95	50.78	71.14

Notes - (Contd) (₹ In Lacs)

Note No. 8	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Other non-current assets			
(Unsecured, considered good)			
Advance for Suppliers	**50.55**	59.83	817.74
Advance income-tax and TDS (net of provision for tax)	**432.94**	412.03	396.20
MAT Credit Entitlement	**38.03**	38.04	38.04
Advance recoverable in cash or in kind or for value to be received	**-**	-	-
Advance Fringe Benefit tax	**2.41**	2.41	2.41
Advance TCS	**1.67**	1.68	1.67
Other non-current assets	**171.42**	204.67	195.33
	697.02	718.66	1,451.39

Note No. 9			
Inventories			
(Valued at lower of cost and net realisable value)			
Raw Materials	**3,479.45**	2,029.75	3,663.99
Finished Goods	**5,069.75**	11,036.34	9,076.81
Stores	**1,171.92**	700.36	621.00
	9,721.12	13,766.45	13,361.80
Inventory comprise of			
Raw Materials		-	
Steel scrap	**2,111.01**	597.35	1,991.71
Ingot, billet and re-rollables	**694.13**	264.66	178.75
Coal	**612.78**	659.35	1,130.14
PP/HDPE Granules	**60.42**	89.61	17.65
Iron Ore	**-**	121.37	138.37
Coal	**0.12**	295.98	140.54
Dolomite	**0.99**	1.43	2.42
	3,479.45	2,029.75	3,663.99
Finished Goods			
TMT Bar	**2,661.41**	8,495.13	6,911.35
Poly Woven Sacks/ Bags	**1,783.39**	1,792.71	1,775.62
Power	**199.27**	331.08	25.43
Sponge Iron Lumps	**424.23**	324.14	303.73
Dolochar - Scrap	**-**	3.68	9.06
Iron Ore Fine - Scrap	**1.46**	1.60	2.42
	5,069.75	11,036.34	9,076.81

Notes - (Contd) (₹ In Lacs)

Note No. 10	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Current Investments			
Investments in Equity Instruments at FVTPL			
Investments in companies other than subsidiaries, associates and joint ventures			
Quoted			
Syndicate Bank (864 Equity Shares of Rs.10 each)	**0.43**	0.43	0.43
Unquoted			
Shamrao Vithal Co-op Bank Ltd (50 Shares of Rs.100/- each)	**0.05**	0.05	0.05
		-	
Investments in Debt Instruments at FVTPL			
Unquoted			
National Savings Certificates	**0.02**	0.02	0.02
	0.50	0.50	0.50

Note No. 11			
Trade receivables			
(Unsecured, considered good)			
Outstanding for a period exceeding six months from the date they are due for payment	**13,045.45**	18,095.20	17,799.38
Other debts	**11,822.40**	7,305.06	14,488.16
	24,867.85	25,400.26	32,287.54
Allowance for Expected credit Loss	**(571.42)**	(4,728.43)	(4,728.43)
	24,296.43	20,671.83	27,559.11

Note No. 12			
Cash and cash equivalents			
Cash on Hand	**18.05**	16.53	27.72
Cheque and Demand Drafts on Hand	**-**		
Balances with Banks			
- In Current Account	**763.47**	422.90	197.98
- In Collection Account	**-**		-
- In Deposit Account	**-**		-
	781.52	439.43	225.70

Note No. 13			
Other Bank Balances			
In fixed deposits	**21.37**	20.88	20.62
In margin money with banks *	**84.84**	1,160.36	1,599.45
	106.21	1,181.24	1,620.07
* lien marked against outstanding letters of credit			

Notes - (Contd) (₹ In Lacs)

Note No. 14	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Other current financial assets			
(Unsecured, considered good)			
Deposits	**1,177.54**	1,179.31	1,095.47
	1,177.54	1,179.31	1,095.47

Note No. 15			
Other current assets			
(Unsecured, considered good)			-
Income and claims receivable	**3.18**	3.18	3.12
Interest accrued on Deposits	**-**	-	-
Advance recoverable in cash or in kind or for value to be received	**-**	-	-
Advance for Supplies and expenses	**91.92**	931.63	1,015.82
Staff advances & Prepaid expenses	**85.41**	54.27	148.06
Advances to Subidiaries	**8.70**	267.75	267.31
Advances for Fixed Assets	**-**	-	0.51
Advance Paid	**329.98**	329.98	310.98
CST paid under protest	**-**	-	-
CVD	**-**	-	-
Deposits	**2.30**	2.30	2.38
Dividend	**-**	5.63	5.62
Drawback	**19.12**	310.79	440.99
Excise	**256.68**	3,039.61	2,849.72
Import Licence	**82.12**	242.25	238.31
GST	**-**	-	-
Windmill gegeration compensation receivable	**12.47**	-	-
Insurance Prepaid	**-**	-	2.53
Balances with Statutory Authorities:	**3,811.53**	3,189.76	2,480.16
	4,703.41	8,377.15	7,765.51

Note No. 16			
Capital			
Authorised Share Capital			
1,60,00,000 Equity shares of Rs. 10/- each	**1,600.00**	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	2,000.00
	3,600.00	3,600.00	3,600.00
Issued & Subscribed Share Capital			
1,50,00,000 (previous year 1,50,00,000) Equity shares of Rs. 10/- each	**1,500.06**	1,500.06	1,500.06

Notes - (Contd)

(₹ In Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	1,500.06	1,500.06	1,500.06
Paid up share capital			
1,44,78,486 (previous year 1,44,78,486) Equity shares of Rs. 10/- each (fully paid up)	**1,447.91**	1,447.91	1,446.08
2,25,293 (previous year 2,25,293) Equity shares of Rs. 10/- each (Rs. 6/- paid up)	**13.52**	13.52	14.61
2,96,221 (previous year 2,96,221) Equity shares of Rs. 10/- each (Rs. 3/- paid up)	**8.89**	8.89	8.89
	1,470.32	1,470.32	1,469.58

Notes:

i. Reconciliation of number of equity shares subscribed

(₹ In Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance as at the beginning of the year	**1,50,00,600**	1,50,00,600	1,50,00,600
Add: Issued during the year			-
Balance at the end of the year	**1,50,00,600**	1,50,00,600	1,50,00,600

ii. Shares issued for consideration other than cash

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

iii. Redeemable Preference Shares

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

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

Name of the share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Lalit Kumar Tulsyan	**40,46,645**	**26.98**	40,46,645	26.98	40,46,645	**26.98**
Sanjay Tulsyan	**44,75,481**	**29.84**	44,75,481	29.84	44,75,481	**29.84**
Priya Tulsyan	**9,54,982**	**6.37**	9,54,982	6.37	9,54,982	**6.37**
Alka Tulsyan	**7,51,130**	**5.01**	7,51,130	5.01	7,51,130	**5.01**

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

a. The company has issued only one class of equity shares having a par value of Rs. 10 each. The equity shares of the company having par value of Rs. 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.

b. All equity shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares. However as far as the share held by the promoters/ promoters group is concerned, the same has been pledged in favour of the lenders as part of CDR compiliance (Refer Note 44)

Notes - (Contd)

c. The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.

d. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. per equity share held (previous year Rs. Nil per equity share held)

e. In the event of liquidation, the Equity Share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

(₹ In Lacs)

Note No. 17	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Equity			
General Reserve	**2,390.00**	2,390.00	2,390.00
Investment Allowance reserve	**59.39**	59.39	59.39
Securities Premium Reserve	**11,869.31**	11,869.31	11,866.47
Other Comprehensive Income	**-**	-	-
Profit and Loss Account	**(35,506.82)**	(19,471.36)	(10,165.83)
	(21,188.12)	(5,152.66)	4,150.03
a) General reserve			
Balance at the beginning and end of the year	**2,390.00**	2,390.00	2,390.00
b) Investment Allowance Reserve			
Balance at the beginning and end of the year	**59.39**	-	-
c) Securities Premium Reserve			
Balance at the beginning of the year	**11,869.31**	11,866.47	11,866.47
Additions during the year	**-**	2.84	-
		-	
Balance at the end of the year	**11,869.31**	11,869.31	11,866.47
d) Other Comprehensive Income			
Balance at the beginning of the year	**-**	-	-
Additions during the year	**76.10**	109.05	-
Deductions/Adjustments during the year	**(76.10)**	(109.05)	-
Balance at the end of the year	**-**	-	-
e) Retained earnings			
Balance at the beginning of the year	**(19,471.36)**	(10,165.83)	(8,904.00)
Net profit for the period	**(16,111.56)**	(9,414.58)	(727.02)
Transfer from Other Comprehensive Income	**76.10**	109.05	-
Ind AS Adjustments	**-**	-	(534.81)
Balance at the end of the year	**(35,506.82)**	(19,471.36)	(10,165.83)

Notes - (Contd) (₹ In Lacs)

Note No. 18	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current Liabilities - Financial Liabilities: Borrowings			
Secured			
Preference Shares			-
6% Non convertible redeemable preference shares	**884.30**	884.30	884.30
Term Loans *		-	-
From Banks	**69,681.45**	64,397.86	60,859.59
From Financial Institutions	**-**	4.55	22.88
Vehicle Loans	**-**	3.59	9.78
HDFC Bank Ltd	**0.45**	7.36	4.58
Unsecured	**-**	-	-
From Directors	**685.92**	656.43	630.51
From others	**254.17**	521.71	521.49
			-
	71,506.29	66,475.80	62,933.13
Less: Current maturities of long-term debt (included in note 26)	**(28,400.00)**	(15,828.00)	(3,910.00)
	43,106.29	50,647.80	59,023.13
* refer note 46 for terms and conditions and security details			

Note No. 19			
Other non current financial liabilities			
Premium on redemption of preference shares payable	**722.83**	530.92	342.86
Unamortised rental income	**0.43**	0.60	0.27
	723.26	531.52	343.13

Note No. 20			
Provisions (Non-current)			
Provision for employee benefits		-	
Gratuity	**351.32**	318.98	-
Compensted absence	**47.69**	39.92	-
	399.01	358.90	-

Note No. 21			
Deferred Tax Liability/ (Asset) - Net			
Deferred tax liabilities			
Related to Fixed Assets			-
Related to Others			2,195.28
	-		2,195.28
Deferred tax assets			
Related to Fixed Assets	**(37.53)**	(30.61)	(26.34)
Related to Others	**1,118.67**	967.73	939.34
	1,081.14	937.12	913.00
Net deferred tax liability/ (asset)	**(1,081.14)**	(937.12)	1,282.28

Notes - (Contd)

(₹ In Lacs)

Note No. 22	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Current liabilities - Financial Liabilities: Borrowings *			
Secured			
From banks - Working capital term loans	**41,669.84**	40,552.65	20,016.21
Unsecured	**-**	-	-
Loans from body corporate	**4,220.68**	4,161.37	4,061.37
Loans from others	**1,547.81**	1,312.29	1,739.71
	47,438.33	46,026.31	25,817.29

* refer note 46 for terms and conditions and security details

Note No. 23			
Trade payables *			
Supplies and Services	**5,799.83**	9,413.93	28,001.13
Expenses and others	**2,989.06**	727.69	757.11
	8,788.89	10,141.62	28,758.24

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 42.

Note No. 24			
Other current financial liabilities			
Deposits for power	**218.05**	68.98	92.61
	218.05	68.98	92.61

Note No. 25			
Provisions (Current)			
Provision for Expenses / Tax	**297.07**	13.42	7.75
	297.07	13.42	7.75

Note No. 26			
Other current liabilities			
Current maturities of long-term debt	**28,406.91**	15,836.44	5,127.68
Interest accrued but not due on secured loans	**646.57**	888.70	854.05
Interest Payable	**4,742.80**	531.67	296.90
Statutory Dues Payable	**59.48**	70.55	112.50
Advanced & deposits from customer etc.	**-**	154.59	173.59
Employee	**-**	4.00	4.00
TDS	**-**	172.60	7.47
Calamity Relief Fund	**-**	-	0.33
Other current liabilities	**4.20**	0.15	0.10
Employee Payables	**63.33**	185.95	171.38
	33,923.29	17,844.65	6,748.00

Notes - (Contd) (₹ In Lacs)

Note No. 27	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations		
Domestic sales FG	**67,646.87**	50,934.50
High sea sales	**69.30**	1,269.25
Export sales	**2,766.85**	888.78
Excise duty	**1,514.08**	4,187.34
Domestic Sales RM	**2.15**	-
Processing charges	**55.07**	278.63
	72,054.32	57,558.50

Note No. 28		
Other Income		
Income from windmills	**221.21**	88.49
Interest	**-**	-
Interest on term deposit	**52.97**	33.14
Other interest income	**44.47**	21.20
Profit on sale of Fixed asset	**1.03**	-
Profit on sale of Investment	**217.80**	63.45
Duty drawback/Rate difference	**-**	-
Foreign Exchange Fluctuation	**40.16**	-
Miscellenous Income	**96.77**	20.35
Less: Income from wind mill set-off against Power & Fuel	**(221.21)**	(88.49)
	453.20	138.14

Note No. 29		
Cost of Materials Consumed		
Raw Materials		
Opening inventory of raw materials	**1,039.32**	2,444.00
Raw Materials purchased	**40,053.30**	25,990.73
Materials Inward	**350.14**	1,710.31
Customs Duty	**356.42**	650.30
Expenses for Import Licence	**-**	-
Less: Discount/Licence	**(57.16)**	(94.78)
Less: Closing Stock	**(2,866.67)**	(1,039.32)
	38,875.35	29,661.24
Stores		
Opening Stock	**618.14**	621.00
Purchases	**3,666.64**	2,683.17
Materials Inward	**61.65**	52.70
Less: Re-classified to PPE	**-**	(114.02)
Less: Closing Stock	**(1109.51)**	(618.14)
	3,236.92	2,624.71

Notes - (Contd) (₹ In Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Power Plant		
Opening Stock	**659.35**	1,155.58
Purchases	**8,476.04**	7,433.63
Materials Inward	**2,854.79**	1,078.47
Customs Duty/Exchange Difference	**1,264.65**	-
Less: Discount / License	**(107.98)**	-
Less: Closing Stock	**(612.78)**	(990.43)
Less: Charged to Power Plant Operation/Power Stock	**(2,505.63)**	(1,135.01)
	10,028.44	7,542.24
Total cost of materials consumed	**52,140.71**	39,828.19

Note No. 30		
Purchase of stock-in-trade - Traded goods		
Purchase of stock-in-trade - Traded goods	**59.13**	3,445.97
	59.13	3,445.97

Note No. 31		
Changes in inventories of finished goods		
Closing balance	**5,110.27**	10,986.32
Opening balance	**11,319.96**	9,065.56
	6,209.69	(1,920.76)

Note No. 32		
Employee benefit expenses		
Salaries and Wages	**2,836.07**	2,597.16
Contribution to provident and other funds	**123.66**	110.00
Welfare Expenses	**65.90**	49.87
	3,025.63	2,757.03

Note No. 33		
Power & Fuel		
Power & Fuel expense	**1,789.04**	1,776.36
	1,789.04	1,776.36

Note No. 34		
Depreciation and amortization expense		
Depreciation on property, plant and equipment	**2,612.34**	2,510.50
	2,612.34	**2,510.50**

Notes - (Contd) (₹ In Lacs)

Note No. 35	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance costs		
Interest	**13,931.05**	11,624.84
Other Finance Charges	**26.48**	20.98
	13,957.53	**11,645.82**

Note No. 36		
Other expenses		
Power Plant Charges	**3,348.59**	2,689.61
Repairs	**-**	-
Machinery	**323.38**	277.45
Building	**38.98**	10.96
Other Manufacturing Expenses	**49.58**	58.69
Processing Charges	**73.51**	60.48
Insurance	**23.45**	38.01
Rent	**63.69**	46.09
Loss on sale of fixed assets	**3.95**	15.34
Rates & Taxes	**93.87**	76.26
Legal & consultancy charges	**93.77**	129.00
Payment to auditors	**7.58**	7.58
Transport charges	**257.60**	205.77
Brokerage & commission	**149.91**	127.68
Selling & administration expenses	**903.66**	453.95
Excise duty expenses	**45.00**	1.75
Bank charges	**263.13**	558.02
Foreign exchange loss (net)	**-**	25.69
Provision for Expected credit loss	**569.71**	-
	6,309.36	**4,782.33**

Note No. 36 (a)		
Payment to auditors		
Statutory Audit fees	**6.08**	6.08
Taxation fee	**1.50**	1.50
	7.58	**7.58**

Notes - (Contd) (₹ In Lacs)

Note No. 37	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Exceptional Items		
Exceptional Item	**1,145.62**	307.87
	1,145.62	**307.87**

Note No. 38		
Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	**-**	-
MAT credit entitlement/reversal	**-**	-
Adjustments for current tax of prior periods	**-**	-
Total current tax expense	**-**	-
Deferred tax		
Deferred tax adjustments	**144.02**	2,219.41
Total deferred tax expense/(benefit)	**144.02**	2,219.41
Income tax expense	**144.02**	2,219.41

Note No. 39		
Earnings per share		
Profit/ (loss) for the year attributable to owners of the Company	**(16,111.58)**	(9,414.61)
Weighted average number of ordinary shares outstanding	**21,291,728**	21,291,728
Basic earnings per share (Rs)	**(70.08)**	(72.49)
Diluted earnings per share (Rs)	**(70.08)**	(72.49)

Note No. 40(a)		
Earnings in foreign currency		-
FOB value of exports	**2,102.17**	840.78
	2,102.17	840.78

Note No. 40(b)		
Expenditure in foreign currency		
Exchange in foreign currency for other matters	**29.11**	10.79
	29.11	10.79

Note No. 41		
CIF value of imports		
Raw Materials	**1,138.60**	6,358.73
	1,138.60	6,358.73

Notes - (Contd) (₹ In Lacs)

42 Value of imported and indigenous Raw material, Stores and Coal Consumed during the financial year and the percentage of each to the total consumption

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials				
Imported				
Steel scrap	11,428.59	29.57	10,945.80	33.44
Ingot, billet and re-rollables	-	-	-	-
PP/HDPE Granules	928.13	2.40	2,197.39	6.71
Others				-
Steel scrap	13,647.28	35.31	10,148.96	31.01
Ingot, billet and re-rollables	7,979.32	20.65	4,007.81	12.25
PP/HDPE Granules	3,036.24	7.86	2,866.72	8.76
Iron ore	1,629.66	4.22	2,561.68	7.83
Coal				
Imported	9,977.23	78.80	7,542.24	88.58
Others	2,670.17	21.09	962.84	11.31
Dolomite	13.54	0.11	9.33	0.11
Stores				
Imported	485.59	12.62	186.61	7.11
Others	3,361.02	87.38	2,438.09	92.89
Total consumption	55,156.77		43,867.47	
Less : RM Purchases Inter Company	3,016.06		4,039.28	
AS per Note 29	52,140.71		39,828.19	

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) The principal amount remaining unpaid at the end of the year	-	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made

Notes - (Contd) (₹ In Lacs)

44 Commitments and contingent liabilities

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contingent Liabilities		
Guarantees outstanding	**NIL**	5.09
Entry Tax	**NIL**	81.33
Excise duty*	**1,738.72**	1,738.72
VAT*	**540.49**	540.49
Income Tax	**29.02**	29.02
Towards payment received from one Customer who has been declared as CIRP by NCLT	**525.00**	-
Related to TNEB	**1177.71**	**1177.71**
Commitments		

Notes:

During the Financial Year 2015-16, the company's loans and liabilities with the Banks were restructured under the "Corporate Debt Restructuring" Scheme. As per the said scheme, the company repayment obligations were deferred/ restructured. The Scheme was exited during the year 2017-18 . This was communicated by the CDR Cell vide their letter dated 12.09.2017 wherein it was stated that " The account of Tulsyan NEC Ltd stands exited from the CDR Mechanism on account of failure of the CDR approved package". This decision was discussed at the CDR EG Meeting held on 25.07.2017 and minutes of the same were confirmed on 31.08.2017. No provision has been made towards any liability arising on account of any changes in the rate of interest consequent to exit from the CDR Scheme as the same has not been determined been yet, except however, the interest has been accounted on the basis of the debits to the respective loan account.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25 crores

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 licences 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 in individual case or when clubbed with other licence/ licences in accordance with the Foreign Trade Policy and Procedures with or without relaxation of the norms as may be applicable has been completed. Export Obligation Discharge Certificate in respect of 16 Licences out of 44 licences has been received and the balance are pending to be received and are under various stages of consideration at the DGFT. Based on the representation given by the company the name of the company was removed from the Denied Entity List, however company has not received any communication from the DGFT in this regard dropping the show cause notice.

* The liability in respect of Excise and VAT is subject to the levy of additional interest till the date adjudication from the due date, incase the liability is confirmed by the Appellate Authority.

However no estimation of such interest payable, if any, has been made or has not been provided. Hence, no liability will accrue in respect of the interest, if the order is in favour of the company and in the opinion of the management, the decision will be in favour of the company.

Notes - (Contd)

45 Operating Segments

The business of the Company falls under three segments i.e., (a) Steel Division; (b) Synthetic Division; (c) Power in accordance and (d) Media with Ind AS 108 ''Operating Segments" and segment information is given below:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue		
Steel Division	**56,332.86**	43,170.06
Synthetic Division	**6,424.51**	8,131.46
Power	**12,859.42**	10,296.26
Media	**70.00**	
Revenue from operations (Net)	**72,054.32**	57,696.64
Segment Results		
Profit (+) / Loss (-) before tax and finance cost		
Steel Division	**2,865.41**	(1,529.61)
Synthetic Division	**(361.76)**	(202.97)
Power	**(4,823.50)**	1,744.38
Media	**21.77**	
Total	**(2,298.08)**	11.80
Add/ Less : Finance Cost	**13,957.53**	11,645.82
Profit /(Loss) from continuing operations	**(16,255.61)**	(11,634.02)
Profit/(Loss) from discontinuing operations		
Profit Before Tax	**(16,255.61)**	(11,634.02)
Segment Assets		
Steel Division	**46,250.92**	70,430.99
Synthetic Division	**10,994.26**	12,283.72
Power	**56,784.92**	38,185.87
Media	**65.15**	113.17
Other un-allocable corporate assets	**-**	-
Total assets	**1,14,095.25**	1,21,013.75
Segment Liabilities		
Steel Division	**82,520.71**	87,654.06
Synthetic Division	**13,276.26**	3,466.14
Power	**37,826.69**	33,316.70
Media	**189.39**	259.19
Other un-allocable corporate assets	**-**	-
Total liabilities	**1,33,813.05**	1,24,696.09
Capital Employed (Segment assets-Segment liabilities)		
Steel Division	**(36,269.79)**	(17,223.07)
Synthetic Division	**(2,282.00)**	8,817.58
Power	**18,958.23**	4,869.17
Media	**(124.24)**	(146.02)
Total capital employed in segments	**(19,717.80)**	(3,682.34)
Unallocable corporate assets less corporate liabilities		
Total Capital Employed	**(19,717.80)**	(3,682.34)

Notes - (Contd) (₹ In Lacs)

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	**68,418.57**	50,230.88
Outside India	**2,225.28**	888.78
Total	**70,643.85**	51,119.66

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Number of external customers each contributing more than 10% of total revenue	**2**	1
Total revenue from the above customers	**9,759.77**	3,420.45
Total	**9,759.79**	3,420.46

46 Operating lease arrangements

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As Lessor		
The Company has not entered into any operating lease arrangements as lessor.		
As Lessee		
The Company has not entered into operating lease arrangements for certain facilities . The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	**-**	-

47 Borrowing Details

Schedule for long term borrowings from banks and financial institutions:

Particulars	As at March 31, 2018	As at March 31, 2017
i. From Banks		
a. Term Loans		
Andhra Bank	**9,627.15**	8,676.35
Canara Bank	**13,856.22**	12,471.83
Syndicate Bank	**4,684.06**	4,211.36
Indian Overseas Bank	**9,173.96**	9,169.90
Shamrao Vithal Co-op Bank Limited	**1,528.25**	1,551.79
b. Working Capital Term Loan/ Funded Interest Term Loan		
Andhra Bank	**2,235.46**	1,998.20

Notes - (Contd) (₹ In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Canara Bank	**11,494.70**	10,322.87
Syndicate Bank	**8,627.43**	7,748.78
State Bank of India	**3,166.32**	3,166.32
Indian Overseas Bank	**3,037.84**	3,037.84
Shamrao Vithal Co-op Bank Limited	**238.32**	238.32
IDBI	**2,011.74**	1,804.30
ii. From Financial Institutions		
Electronica Finance Limited	**-**	4.55
Total	**69,681.45**	**64,402.41**

Schedule for short term borrowings:

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
From Banks - Working Capital Loans		
Canara Bank	**15,851.68**	14,823.37
Syndicate Bank	**9,290.64**	8,754.30
State Bank of India	**4,746.65**	4,810.87
Andhra Bank	**1,587.20**	2,781.28
IDBI Bank Limited	**2,160.53**	1,930.91
Indian Overseas Bank	**4,861.71**	5,456.59
Andhra Bank LCs devolved	**1,185.40**	
Shamrao Vithal Co-op Bank Limited*	**1,986.02**	1,995.33
Loans from others	**1,547.81**	-
Unsecured		
Loans from body corporate	**4,220.68**	4,161.37
Loans from others	**-**	1,312.29
Total Short term borrowings	**47,438.33**	**46,026.31**

Terms and conditions of loans

i. Term Loan\Working Capital Term Loan\Funded Interest Term Loan\Fresh Term Loan shall have pari-passu first charge on entire fixed assets and Pari-passu second charge on entire current assets (including of slow moving \ non-moving stock and non-current debtors) of the company.

ii. Working Capital shall have pari-passu first charge on entire current assets and pari-passu second charge on entire fixed assets of the company. Existing exclusive security shall be continued with respective lenders.

iii. Personal Guarantee of Shri Lalit Kumar Tulsyan and Shri Sanjay Kumar Tulsyan.

iv. Corporate Guarantee of M/s Chitrakoot Steel & Power Pvt. Ltd.

v. Promoter and promoter group shall pledge their entire unencumbered share holding in favour of lender in demat form with voting right.

vi. Vehicles are secured by their Hypothecation.

*Secured against hypothecation of paid Stocks and book debts not exceeding 90 Days and linkage on the factory land & building.

Notes - (Contd) (₹ In Lacs)

48 Financial Instruments

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Categories of Financial Instruments	**March 31, 2018**	March 31, 2017	April 1, 2016
Financial assets			
a. Measured at amortised cost			
Other non-current financial assets	**37.95**	50.78	71.14
Trade receivables	**24,296.43**	20,671.83	27,559.11
Cash and cash equivalents	**781.52**	439.43	225.70
Bank balances other than above	**106.21**	1,181.24	1,620.07
Other financial assets	**1,177.54**	1,179.31	1,095.47
b. Mandatorily measured at fair value through profit or loss (FVTPL)			
Investments	**0.41**	0.93	15.03
Financial liabilities			
a. Measured at amortised cost			
Long term borrowings	43,106.29	50,647.80	59,023.13
Other non-current financial liabilities	723.26	531.52	343.13
Short term borrowings	47,438.33	46,026.31	25,817.29
Trade payables	8,788.89	10,141.62	28,758.24
Other current financial liabilities	218.05	68.98	92.61

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group actively manages its currency and interest rate exposures through its finance division.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Notes - (Contd) (₹ In Lacs)

As on March 31, 2018 (all amounts are in equivalent

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	-	-	-	-	-	-	-
EUR	-	-	-	-	-	-	-
In INR	-	-	-	-	-	-	-

As on March 31, 2017 (all amounts are in equivalent

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	467,202.00	-	467,202.00	1,182,902.78		1,182,902.78	715,700.78
EUR	-	-	-	-	-	-	-
in INR	-		-			-	-

As on April 1, 2016 (all amounts are in equivalent

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	643,125.00	-	643,125.00	2,638,391.04		2,638,391.04	1,995,266.04
EUR	-	-	-	-	-	-	-
in INR	-		-			-	-

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes - (Contd)

Interest rate risk management

The Group is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Group also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 229.09 lakhs for the year (Previous INR 229.40 lakhs)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Group has no significant concentration of credit risk with any counter party.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables consist of a large number of customers. The Group has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Group does not have higher concentration of credit risks to a single customer. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved financial institutions/ counter party. Investments primarily include bank deposits. These bank deposits and counter parties have low credit risk. The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the loan agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Notes - (Contd) (₹ In Lacs)

Liquidity risk management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

March 31, 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	8,788.89	-	-	8,788.89
Borrowings	28,406.91	31,516.29	11,590.00	71,513.20
	37,195.80	31,516.29	11,590.00	80,302.09

March 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	10,141.62	-	-	10,141.62
Borrowings	15,836.44	29,426.30	21,221.50	66,484.24
	25,978.06	29,426.30	21,221.50	76,625.86

April 1, 2016	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	28,758.24	-	-	28,758.24
Borrowings	5,127.68	27,860.35	31,162.78	64,150.81
	33,885.92	27,860.35	31,162.78	92,909.05

	March 31, 2018	March 31, 2017	April 1, 2016
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	**Nil**	Nil	Nil

49 Related Party Disclosure	
(a) List of related parties	
Subsidiaries	Chitrakoot Steel & Power P Ltd
	Balaji Engineering & Galvanizing Ltd
	Color Peppers Media P Ltd
Key management personnel	Shri Lalit Kumar Tulsyan (Executive Chairman)
	Shri Sanjay Tulsyan (Managing Director)
	Shri Sanjay Agarwalla (Whole Time Director)
	Shri Shanta Kumar RP (Chief Financial Officer)
	Shri Rakhal Panigrahi (Company Secretary)
Companies in which Directors are interested	Tulsyan Smelters Private Ltd
	Tulsyan Power Limited
	Cosmic Global Limited

Notes - (Contd) (₹ In Lacs)

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2018	Year ended March 31, 2017
1	Purchase of goods		
	Tulsyan Smelters Private Ltd	**12,469.40**	-
2	Sale of Goods		
	Tulsyan Smelters Private Ltd	**18,156.12**	970.64
3	Short term borrowings during the year		
	Tulsyan Power Limited	**-**	0.15
4	Services Received		
	Tulsyan Smelters Private Ltd	**22.82**	62.50
5	Managerial Remuneration		
	Lalit Kumar Tulsyan	**60.29**	60.29
	Sanjay Tulsyan	**60.00**	60.00
	Sanjay Agarwalla	**39.29**	39.29
	Shanta Kumar RP	**30.94**	24.44

c) Balances with related parties

S.No.	Name of the Related Party	As at March 31, 2018	As at March 31, 2017
1	Outstanding Receivables		
	Cosmic Global Limited	**-**	0.05
	Tulsyan Power Ltd	**0.21**	0.97
2	Outstanding Payables		
	Lalit Kumar Tulsyan	**511.28**	486.14
	Sanjay Tulsyan	**198.34**	193.97

d) Guarantees and Collaterals

Chitrakoot Steel and Power P Ltd executed Corporate Guarantee in favour of Tulsyan NEC Limited to comply the CDR Terms.

The Company has executed (During the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25 Crores.

Notes - (Contd)

50 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, the Group makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme, which are defined contribution plans, for qualifying employees.

The total expense recognised in profit or loss of Rs. 137.28 lakhs (previous year Rs. 126.16 lakhs) represents contribution payable to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(₹ In Lacs)

Particulars	**March 31, 2018**	March 31, 2017
Mortality Table	**Indian Assured Lives Mortality(2006-08)**	Indian Assured Lives Mortality(2006-08)
Attrition Rate	**5.00% p.a.**	5.00% p.a.
Discount Rate	**7.52% p.a.**	7.29% p.a.
Rate of increase in compensation level	**5.00% p.a.**	5.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes - (Contd)

(₹ In Lacs

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	**81.11**	95.18
Net interest expense	**23.28**	21.50
Return on plan assets (excluding amounts included in net interest expense)	**-**	-
Components of defined benefit costs recognised in profit or loss	**104.39**	116.68
Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	**(72.05)**	(71.22)
Components of defined benefit costs recognised in other comprehensive income	**(72.05)**	(71.22)
Total	**32.34**	45.46

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:	March 31, 2018 Rs. Lakhs	March 31, 2017 Rs. Lakhs
Present value of defined benefit obligation	**351.32**	318.98
Fair value of plan assets	**-**	-
Net liability arising from defined benefit obligation	**351.32**	318.98
Funded	**351.32**	318.98
	351.32	318.98
The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 20].		
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	**318.98**	273.52
Current service cost	**81.11**	95.18
Interest cost	**23.28**	21.50
Actuarial (gains)/losses	**(72.05)**	(71.22)
Closing defined benefit obligation	**351.32**	318.98

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

Company is following the practice of valuing the compensated absence as per Ind AS 19 “Employee Benefits” based on the leave balance outstanding on the employees account on March 31st every year by an independent actuary and has provided the same in the accounts. The payment is done as and when claims are received from the employees or on the date of retirement/ relieving from the service of the company.

Notes - (Contd) (₹ In Lacs)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2018	March 31, 2017
Mortality Table	**Indian Assured Lives Mortality(2006-08)**	Indian Assured Lives Mortality(2006-08)
Attrition Rate	**5.00% p.a.**	5.00% p.a.
Discount Rate	**7.52% p.a.**	7.29% p.a.
Rate of increase in compensation level	**5%F5Y**	5%F5Y

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2018	March 31, 2017
	Rs. Lakhs	Rs. Lakhs
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	**8.87**	7.18
Net interest expense	**2.91**	5.14
Components of defined benefit costs recognised in profit or loss	**11.78**	12.32
Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	**(4.02)**	(37.84)
Components of defined benefit costs recognised in other comprehensive income	**(4.02)**	(37.84)
Total	**7.76**	(25.52)

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:	March 31, 2018	March 31, 2017
	Rs. Lakhs	Rs. Lakhs
Present value of defined benefit obligation	**47.68**	39.92
Net liability arising from defined benefit obligation	**47.68**	39.92
Funded	**47.68**	39.92
	47.68	39.92
The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 20].		

Movements in the present value of the defined benefit obligation in the current year were as follows:	March 31, 2018	March 31, 2017
	Rs. Lakhs	Rs. Lakhs
Opening defined benefit obligation	**39.92**	65.44
Current service cost	**8.87**	7.18
Interest cost	**2.91**	5.14
Actuarial (gains)/losses	**(4.02)**	(37.84)
Closing defined benefit obligation	**47.68**	39.92

Notes - (Contd) (₹ In Lacs)

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

Due Date	Amt of Default (Principal)	No of Days Delay	Amt of Default (Interest)	No of Days Delay
30-04-2016			662.45	695
31-05-2016			1,341.65	665
30-06-2016	559.74	630	2,042.81	635
31-07-2016			2,779.81	605
31-08-2016			3,559.34	575
30-09-2016	975	540	4,359.06	545
31-10-2016			5,269.20	515
30-11-2016			6,191.62	485
31-12-2016	975	450	7,152.50	455
31-01-2017			8,016.57	425
28-02-2017			8,802.51	395
31-03-2017	986	360	9,625.10	365
30-04-2017			10,467.10	335
31-05-2017			11,331.10	305
30-06-2017	1,484.38	270	13,411.10	275
31-07-2017			14,261.10	245
31-08-2017			15,111.10	215
30-09-2017	1,484.38	180	17,157.10	185
31-10-2017			17,994.10	155
30-11-2017			18,803.10	125
31-12-2017	1,484.38	90	20,866.10	95
31-01-2018			21,689.10	65
28-02-2018			22,433.10	35
31-03-2018	1,484.38	0	24,478.16	5
Total	**9,433.26**			

52 First-time adoption of Ind AS

Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended , the comparative information presented in these financial statements for the year ended and in the preparation of an opening Ind AS balance sheet at (The Group's date of transition).In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Notes - (Contd)

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for PPE

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

The Group has elected to fair value its land and building as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment.

A.1.2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity investments.

A.1.3. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Group has elected to apply this exemption for such contracts/ arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

B. Notes to first-time adoption

B.1 Fair valuation impact of PPE as deemed cost

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment as at the date of transition to Ind AS as its deemed cost as per Ind AS at the date of transition. The Group has elected to fair value its land and building as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment.

B.2 Remeasurement of depreciation on PPE

The Group applied Ind AS 16 retrospectively on property, plant and equipment, except land and building and accordingly, recomputed the related depreciation impact and accounted in the Ind AS financials.

B.3 Re-classification of spares as PPE

Machinery spares which meet the recognition criteria of property, plant and equipment as per Ind AS 16 are re-classified from inventory. The related depreciation impact has been considered in the opening and comparative period financial statements.

Notes - (Contd)

B.4 Re-classification of preference shares as financial liability

Under previous GAAP, financial instruments were classified based on legal form and preference shares were classified under equity. However, under Ind AS, financial instrumensts are classified as liability or equity according to the substance of the contractual agreement and accordingly, redeemable preference shares are classified as a financial liability and subsequently remeasured as per Ind AS 109.

B.5 Fair valuation of financial assets and liabilities

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Group's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Group has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

B.6 Transaction costs in respect of financial instruments

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred. As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements.

B.7 Trade receivables

As per Ind AS 109, The Group is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, the Group has developed an assessment for allowance for expected credit loss. The same has been considered in the opening and comparative period financial statements.

B.8 Write off of other assets

Items not meeting the recognition criteria of an asset as per Ind AS are written off in the opening balance sheet to retained earnings.

B.9 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.

53 Key reconciliation required as per Ind AS 101 on transition to Ind AS

(₹ In Lacs)

(a)	Reconciliation of equity	As at March 31, 2017	As at April 1, 2016
	Total equity / shareholders' funds as per Indian GAAP	(1,720.44)	7,323.82
	Ind AS Adjustments		
	Fair valuation of PPE as deemed cost	12,944.54	12,944.54
	Remeasurement of depreciation	(750.82)	(522.36)
	Re-classification of preference shares as financial liabilitiy	(884.30)	(884.30)
	Fair valuation of financial assets and liabilities	(3,246.01)	(3,037.26)
	Provision for expected credit losses on trade receivables	(4,727.54)	(4,727.54)
	Re-measurement of entry tax payable	(2.49)	(2.49)
	Write off of other assets not recoverable	(5,199.70)	(5,199.70)
	Total equity/ shareholders' funds as per Ind AS	**(3,586.76)**	**5,894.71**

Notes - (Contd)

(₹ In Lacs)

(b)	Reconciliation of Profits	For the year ended March 31, 2017
	Total comprehensive income as per Indian GAAP	(8,978.24)
	Ind AS Adjustments	
	Remeasurement of depreciation	(228.46)
	Fair valuation of financial assets and liabilities	(208.75)
	Total comprehensive income as per Ind AS	**(9,415.45)**

As per our report of even date attached

For and on behalf of the board

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

Sanjay Tulsyan
Managing Director

Lalit Kumar Tulsyan
Executive Chairman

C.Ramachandran
Director

K Parthasarathy
Partner
M.No. 08394

CA Shanta Kumar RP
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Chennai, India
Date : 08th August, 2018

TULSYAN

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 71st Annual General Meeting of the Company held on Friday, the 28th day of September, 2018 at 10.30 A.M. at “Narada Gana Sabha (Mini Hall)”, No. 254, TTK Road, Chennai - 600018.

Signature of Shareholder / Proxy

Note :

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

TULSYAN

Form No. MGT-11

PROXY FORM

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

Name of the Company	**TULSYAN NEC LIMITED**
CIN	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 71st Annual General Meeting of the Company to be held on Friday, the 28th day of September, 2018 at 10: 30 A.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, 2018		
2	Appointment of a Director in place of Mr. Sanjay Tulsyan, who retires by rotation and being eligible, seeks reappointment.		

Resolution No.	Description	Optional	
		For	Against
3	Ratification of Remuneration payable Messrs Murthy & Co. LLP as Cost Auditor for the Financial Year 2018-2019		
4	Fixing the fee chargeable for serving documents thought any particular mode as may be specified by a member		
5	Approval of Related Party Transaction		

Affix Revenue Stamp Rs. 1

Signed this ....day of 2018

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;

LETTER TO SHAREHOLDERS

Registered Office: 61, Sembudoss Street, Chennai - 600 001
Corporate Office: I Floor, Apex Plaza, 3, Nungambakkam, Highway Road, Chennai – 600034,
Phone: 044-39181060, 39120756, Fax: 044-39181097, email: investor@tulsyannec.in
Website: www.tulsyannec.in, CIN No: L28920TN1947PLC007437

Dear Shareholder(s), 14.08.2018

Sub: Transfer of Equity Shares in case of unclaimed Final dividend for the year 2010-11 of the Company to Investor Education and Protection Fund (IEPF)-Reg

This has reference to the captioned subject.

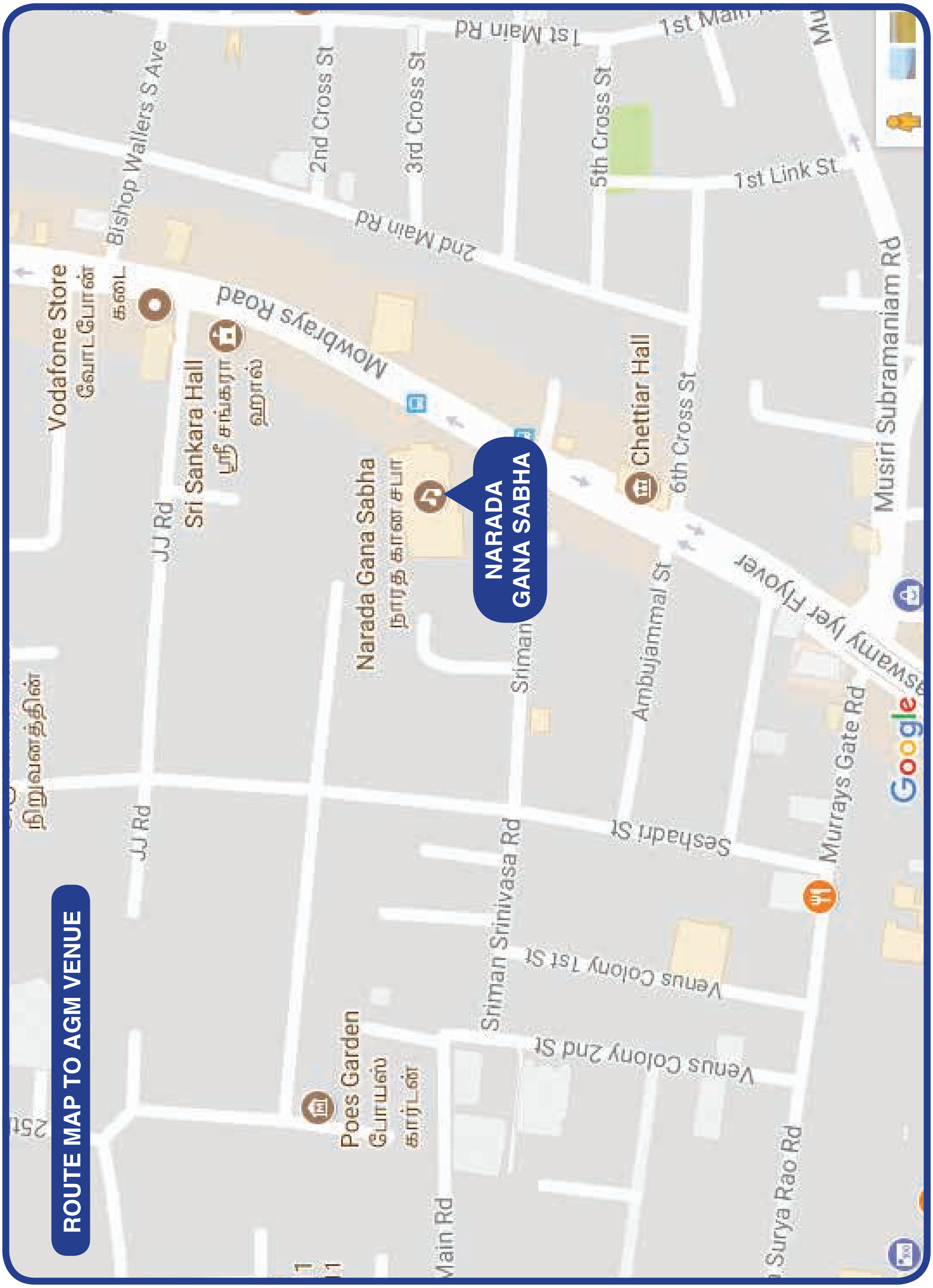
- Ministry of Corporate Affairs (MCA) has notified new Rules viz. 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016' which have come into force from 7th September, 2016 and subsequently amended by Notification dated 28th February, 2017 ('the Rules').The said Rules, inter-alia, contain provisions for transfer of all shares to IEPF in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more.
- As per the applicable provisions of the Companies Act, 2013 (the Act), all unpaid dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven years from the date they became due. Details of such unclaimed dividends are regularly updated on the Company's website.
- You are, therefore, requested to claim the unencashed dividend due to you, by writing to Cameo Corporate Services Limited, the Registrar and Transfer Agents of the Company, on or before 18th November, 2018.
- In case we do not receive the Request from you on or before 31st October, 2018, we shall initiate necessary action to transfer the above shares to IEPF, as per the said Rules.
- In case you hold shares in physical form: Duplicate share certificate(s) will be issued and transferred to IEPF. The original share certificate(s) which stand registered in your names and held by you will stand automatically cancelled.
- In case you hold shares in electronic form: Your demat account will be debited for the shares liable for transfer to the IEPF.
- However, both the unclaimed dividend amount and the shares can be claimed from the IEPF Authority by making an application in the prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents enumerated in the Form IEPF-5 to the Company. Please note that no claim shall lie against the Company in respect of shares / dividend transferred to IEPF pursuant to the said Rules.
- The Rules and the application form (Form IEPF-5), as prescribed by the MCA for claiming back the shares/dividend, are available on the website of MCA (www.iepf.gov.in.)
- Please feel free to contact the Company / the Registrar & Transfer Agent (Cameo Corporate Services Limited) in case you have any queries, as per details furnished hereunder.

Rakhal Panigrahi Company Secretary Tulsyan NEC Limited 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	Cameo Corporate Services Ltd. "Subramanian Building", 1 Club House Road, Chennai - 600 002. Tel. : 044-28460390, Fax : 044-28460129

Note-Concerned Shareholders please ignore if already claimed the Final Dividend for the FY 2010-11.
Assuring you of our best services at all times.

Yours faithfully,
For Tulsyan NEC Limited

Rakhal Panigrahi
Company Secretary


ROUTE MAP TO AGM VENUE
NARADA GANA SABHA
Narada Gana Sabha
Mowbrays Road
Vodafone Store
Sri Sankara Hall
Bishop Wallers S Ave
2nd Main Rd
1st Main Rd
2nd Cross St
3rd Cross St
5th Cross St
1st Link St
Chettiar Hall
6th Cross St
Musiri Subramaniam Rd
JJ Rd
Ambujammal St
Seshadri St
Sriman Srinivasa Rd
Venus Colony 1st St
Venus Colony 2nd St
Murrays Gate Rd
Poes Garden
Surya Rao Rd
Main Rd
Google

Notes:

TULSYAN NEC LTD

CIN: L28920TN1947PLC007437
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