



## TULSYAN NEC LIMITED

### Board of Directors

**Lalitkumar Tulsyan**  
Executive Chairman

**Sanjay Tulsyan**  
Managing Director

**S. Soundararajan**

**P.T. Rangamani**

**A.P. Venkateswaran**

**S. Ramakrishnan**

**Sanjay Agarwalla**

**V. Kirubanandan**

**C. Ramachandran**

**K. Janakiraman**  
Company Secretary

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

**Corporate Office**  
Apex Plaza, I Floor, New No. 77,  
(Old No. 3), Nungambakkam High Road,  
Chennai - 600 034.  
Tel. : 044-3918 1060, Fax : 044-3918 1097  
E-mail: tulsyannec@gmail.com  
Web site: www.tulsyannec.co.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

### Auditors

C.A. Patel & Patel, Chennai.

### Share Transfer Agents

Cameo Corporate Services Ltd.  
Subramanian Building,  
1 Club House Road, Chennai - 600 002.

### Steel Division

39, Dr. Harikrishna Naidu Street,  
Ambattur, Chennai - 600 053.

Plot No. A 15/N,(pt)  
SIPCOT Industrial Complex,  
Gummudipoondi,  
Tiruvallur District, Tamil Nadu.

D-4, SIPCOT Industrial Complex,  
Gummudipoondi,  
Tiruvallur District, Tamil Nadu.

### Depot

55/2, Cuddalore Main Road,  
Ariyankuppam,  
Pondicherry - 605 007.

### Windmill

Kudimangalam, Udumalpet,  
Tamil Nadu.

Pazhavor, Tirunelveli District,  
Tamil Nadu.

Kavalakurichi, Tirunelveli District,  
Tamil Nadu.

### Synthetics Division

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

2-B, Survey No. 16, Korandanahalli  
Malur Industrial Area, Malur Kolar District,  
Karnataka.

Plot No. E-4, Madkaim Industrial Area,  
Madkaim Village, Ponda Taluk, Goa.

Survey No. 4/1-P-1,  
Adakamaranahully Village,  
Dasanapura Hobli Makali Post,  
Tumkur Road, Bangalore.

Survey No. 237 to 245,  
Boincheruvupalli Village,  
Peapully Mandal, Kurnool District,  
Andhra Pradesh - 518 220.



### NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 63rd Annual General Meeting of the Company will be held on Wednesday, the 16th June, 2010 at 11.00 a.m. at NARADA GANA SABHA MINI HALL, 254, T.T.K. Road, CHENNAI - 600 018, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To Appoint a Director in place of Shri S. Soundararajan, who retires by rotation and being eligible, offers himself for re-appointment
4. To Appoint a Director in place of Shri P. T. Rangamani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To Appoint a Director in place of Shri C.Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

"**RESOLVED THAT** M/s. C.A. Patel and Patel, Chartered Accountants, Chennai, retiring auditors of the Company be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors of the Company"

#### SPECIAL BUSINESS

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

"**RESOLVED THAT** the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company, for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's

Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the amounts so borrowed and to be borrowed and outstanding at any time (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed Rs 1000 Crores (Rupees Thousand Crores only)."

For and on behalf of the Board

Place : Chennai

**Lalitkumar Tulsyan**

Date : 14th May, 2010

Executive Chairman

#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER.**
2. The Proxies to be valid should be lodged with the Share Transfer Agents, not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 9th June, 2010 to 16th June, 2010 (both days inclusive).
4. Members are requested to forward transfer requests, change of address, power of attorney, etc., to the Share Transfer Agents, viz., Cameo Corporate Services Ltd., Subramaniam Building , 1 Club House Road, Chennai - 600 002.
5. Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting and also their copy of the Annual Report.
6. Dividend including Dividend for the year 2002-2003 and subsequent years, remaining unclaimed for a period of 7 years, are transferable to the Investor Education and Protection Fund established by Central Government as per under Section 205A(5) of the Companies Act, 1956. Members who have not yet preferred a claim are, therefore, requested to contact the Registrar and Share Transfer Agents immediately. No claim shall lie against the fund or the Company in respect of unclaimed and unpaid dividends transferred to the IEPF as per section 205C of the Companies Act 1956.



**PARTICULARS OF THE DIRECTORS SEEKING REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

**ITEM NO. 3, 4, 5**

Name of Director	Shri S Soundararajan	Shri P T Rangamani	Shri C Ramachandran
Date of Birth	21/04/1926	26/08/1934	15/05/1938
Expertise in specific functional areas.	59 Years	54 Years	50 Years
Qualification	I.A. & A.S	F.C.S., B.L.,	I.A.S
List of other companies in which directorship held as on 31st March 2010.	NIL	NIL	1. Tamil Nadu Petroproducts Ltd 2. Elnet Technologies Ltd. 3. ETL Infrastructure Services Ltd., 4. Elnet Software City Ltd., 5. ETL Hospitality Services Ltd., 6. The Great Indian Linen & Textile Infrastructure Company P Ltd., 7. ETL Corporate Services P Ltd., 8. ETL Power Services Ltd., 9. Appu Hotels Ltd.
Chairman/Member of the Committees of the Board of other companies in which he is a Director as on 31st March 2010.	NIL	NIL	1. Tamilnadu Petroproducts Ltd. 2. Elnet Technologies Ltd. 3. ETL Infrastructure Services Ltd. 4. ETL Hospitality Services Ltd.
Shareholding as on 31st March 2010			
a) held individually	400	NIL	NIL
b) held jointly with other	NIL	NIL	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS IN THE NOTICE IS ANNEXED:**

**ITEM NO. 7**

The sanction of the Shareholders is sought to permit the Board to borrow moneys in excess of the Company's capital and free reserves. This is permissible under section 293(1)(d) of the Companies Act, 1956, if the shareholders approve in their meeting. With the company's plans for expansions and diversification, your Board thinks it necessary to acquire this power and recommends passing of this resolution.

None of the Directors are in any way concerned or interested in this resolution proposed to be passed.



## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We take pleasure in presenting the 63rd Annual Report of the Company together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2010

### FINANCIAL RESULTS

	2009-2010	2008-2009
	Rupees in Lacs	
Profit before Depreciation and tax	2258.51	2933.32
Less: Depreciation	813.33	725.02
Profit for the year before Exceptional items	1445.18	2208.30
Less: Exceptional Items	85.73	722.10
Profit for the year	1359.45	1486.20
Less: Provision for Current Tax	360.00	390.00
Deferred Tax	150.17	131.33
Fringe Benefit Tax	—	14.08
Add: Surplus brought forward	2698.83	1963.04
Amount available for appropriation	3548.11	2913.83
Appropriations:		
Dividend	100.00	100.00
Corporate Tax	11.26	—
General Reserve	102.00	115.00
Balance carried forward	3334.85	2698.83

### OPERATIONS AND OUTLOOK

The economic crisis and slowdown witnessed in all the sectors during 2008-09 continued during 2009-10 as well. While developed countries continue to reel under recession, it is believed that Asian countries are back on the growth track. Your company is well poised in terms of capacity and marketing infrastructure to capitalize on growth opportunities as they arise.

During the year under review, your company has surpassed the figure of production and sales in quantitative terms, as compared to the previous year. However, the profit during the year, before tax was Rs.1359.45 lacs as against Rs.1486.20 lakh last year, indicating a decrease of 8.53%. The decline in performance is on account of decrease in sales values.

The expansion in the rolling capacity by 150000 Mt/p.a. at Gummudipondi undertaken during 2008-09 has been successfully completed during 2009-2010, with this the Cumulative rolling capacity of the company will be 348000 Mt/p.a. The cost of Raw Material and availability of Power

are two major factors effecting our performance, with this in mind during the year 2009-10, the company has acquired M/s Chitrakoot Steel and Power Pvt Ltd. which is manufacturing sponge iron a basic raw-material for TMT bars. The installed capacity of this plant is 36000 Mt / p.a.. During the year under review there were drastic power cuts to the tune of about 40%, consequently effecting our costs and also the production. Due to these power cuts we could not utilize our capacities in full thus losing out on economies of large scale production. During the current year, your company would be commencing the installation work on the 35 MW thermal power plant at Gummudipondi for which land has already been acquired and term loan sanctions have been received from the Bankers. The rights issue for which necessary approvals were obtained from the share holders in the last AGM, will be done in due course during this year.

### DIVIDEND

Our Directors are pleased to recommend a dividend of 20% on the Equity Capital subject to members' approval.

### DIRECTORS

Mr S Soundararajan, Director of the Company, retires by rotation and being eligible, offers himself for re-election.

Mr P T Rangamani, Director of the Company, retires by rotation and being eligible, offers himself for re-election.

Shri C Ramachandran, Director of the Company, retires by rotation and being eligible, offers himself for re-election.

### AUDITORS

The Auditors of the Company M/s. C.A. Patel & Patel., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment

### PERSONNEL

Your Directors wish to express their appreciation to the employees at all levels for their contribution to the Company's performance during the year under review.

### COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988 AND PARTICULARS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

The Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo required to be disclosed as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are enclosed with the report.

### FIXED DEPOSITS

The Company has complied with the provisions of Section 58A of the Companies Act, 1956 and Rules made there



under in respect of acceptance of deposits from public. There are no unpaid/unclaimed deposits.

#### DEMATERIALISATION OF SHARES

Your Company has entered into an arrangement with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for dematerialization of the Company's shares in accordance with the provisions of the Depositories Act, 2001. Accordingly, our company's shares can be dematerialized in the CDSL and NSDL under the ISIN - INE463D01016

#### DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

#### AUDIT COMMITTEE

In compliance of Section 292A of the Companies Act, 1956, an Audit Committee of the Board is consisting of the following Directors:

- Mr S. Soundararajan - Chairman
- Mr. S Ramakrishnan
- Mr. A P Venkateswaran

#### CORPORATE GOVERNANCE

The Company has complied with the mandatory requirements of Corporate Governance as prescribed in the Listing Agreement entered into with the Stock Exchanges to the extent possible, taking into account, the operational requirements, financial position of the Company etc. A separate report on Corporate Governance along with the Auditor's Certificate on its compliance is attached as Annexure to this report.

#### PARTICULARS OF EMPLOYEES

The statement of particulars of employees as required section 217(2A) of the Companies Act, 1956, read with the Companies(Particulars of Employees) Rules, 1975 as amended is appended.

#### STATUTORY DISCLOSURES

None of the Directors are disqualified under the provisions of Section 274(1)(g) of the companies Act, 1956. The Directors have made the requisite disclosures, as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement

#### SUBSIDIARY COMPANIES

As required under section 212 of the Companies Act, 1956 the Balance Sheet, Profit & Loss Account and the reports of the Board of Directors and Auditors of the Subsidiary Companies have been attached to the Balance Sheet of your Company.

#### GENERAL

The Directors take this opportunity to convey their appreciation of the services rendered and support given by the Company's Bankers, Financial Institutions, suppliers and customers.

Your Directors thank you, the Shareholders for your continued patronage.

For and on behalf of the Board

Place : Chennai      **LALITKUMAR TULSYAN**  
Date : 14th May, 2010      Executive Chairman

#### INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR YEAR ENDED 31ST MARCH, 2010

Sl. No.	Name of the Employee	Age Years	Designation	Gross Rem. Received Rs.	Qualification	Experience in years	Share holding %	Date of Employment	Last Employment
1	Lalitkumar Tulsyan	50	Executive Chairman	60,00,000	B. Com.,	25	26.89	27/01/1994	-
2	Sanjay Tulsyan	46	Managing Director	60,00,000	B. Com., (Hons)	24	26.10	06/09/1986	-
3	Sanjay Agarwalla	47	Whole-time Director	33,10,591	B. Com.,	15	0.002	27/04/2006	-

**ANNEXURE TO DIRECTORS' REPORT**

Information under Section 217 (1) (e) of the Companies Act, 1956

<b>A. CONSERVATION OF ENERGY</b>	<b>2009-2010</b>	<b>2008-2009</b>
I Electricity		
a. Purchase in units	48666640	56533764
Total Amount (Rs.in lacs)	2286.58	2591.24
Rate per unit (Rs.)	4.69	4.58
b. Own generation in units	21020	17647
Unit per liter of diesel	2.79	3.50
Cost per unit	12.88	11.66
c. Windmill generation (units)	4619828	4519009
II Coal		
Consumption (MT)	2850.540	6757.225
Total Amount (Rs.in lacs)	72.75	317.36
Average Rate (Rs.)	2552.14	4869.16
III Furnace Oil		
Consumption (litres)	6056016	2835142
Total Amount (Rs.in lacs)	1340.82	590.94
Average Rate (Rs.)	22.14	20.93
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Finished Steel Products	155543	120158
Electricity	97	112
Furnace Oil	38	23
Coal	18	28
MS Ingots		
Production	—	19818
Electricity	—	726
MS Billets		
Production	56894	41096
Electricity	657	720
<b>C. TECHNOLOGY ABSORPTION</b>	Not Applicable	Not applicable
<b>D. ACTIVITY RELATING TO EXPORTS</b>	(Rs.in lacs)	
(i) Foreign Exchange earned	1857.19	3770.17
(ii) Foreign Exchange used	6492.08	7085.71

For and on behalf of the Board

Place : Chennai  
Date : 14th May, 2010

**LALITKUMAR TULSYAN**  
Executive Chairman

**STATEMENT PURSUANT OT SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST  
IN THE SUBSIDIARY COMPANY**

Name of the Subsidiary company	Financial Year of the Subsidiary company ended on	Number and face value of shares held by Tulsyan NEC Limited in the subsidiary company at the end of financial year of the subsidiary company	Extent of Interest of Holding company at the end of financial year of the subsidiary company	Profit of the subsidiary company for the financial year since it became subsidiary company	Amount of profit of the subsidiary company not dealt within the books of holding company	Amount of profit of the subsidiary company dealt within the books of holding company
Cosmic Global Ltd	31.03.2010	11,25,000 shares of Rs. 10/- each	99.87%	56,79,959	23,04,959	33,75,000
Tulsyan Power Ltd	31.03.2010	50,000 shares of Rs. 10/- each	100%	NIL	NIL	NIL
Chitrakoot Steel & Power P Ltd	31.03.2010	64,89,200 shares of Rs. 10/- each	100%	62,17,313*	62,17,313	NIL
Balaji Engineering & Galvanizing Ltd	31.03.2010	4,94,000 shares of Rs. 10/- each	98.80%	NIL	NIL	NIL

\* Profit earned since the date from which it became subsidiary company - i.e. 23/12/2009







## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The past couple of years have been difficult for the steel industry, following a sharp slump across industries worldwide in the wake of the US sub-prime crisis of 2007.

Despite global crisis the Indian Industries seem to have weathered the storm, most of whom have posted fairly good results.

#### I. Industry Structure and Developments

The Company's products are TMT Bars, sponge, 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 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.

#### II. Opportunities and Threats

The Cost of Raw Material and power are major costs incurred for producing Steel Rods. Volatility in the price of scrap / sponge affects the company's margin. With a view to overcome this constraint the company has acquired M/s Chitrakoot Steel and Power Pvt Ltd. which is manufacturing sponge iron a basic raw-material for TMT bars. The installed capacity of this plant is 36000 Mt / p.a.. During the year under review there were drastic power cuts to the tune of about 40%, consequently effecting our costs and also the production. Due to these power cuts we could not utilize our capacities in full thus losing out on economies of large scale production. During the current year, your company would be commencing the installation work on the 35 MW thermal power plant at Gummudipondi

With globalization and liberalization the demand gap is ever increasing. With almost 3 decades of presence in the industry the company has earned a good name for its commitment to quality and timely supply. With the enhancement in production capacities the company is well poised to cater to a Bigger market.

Fragmented industry with more SSI units. Speculation and uncertainty does not allow price to settle and this scenario synchronizes well when the going is good.

#### III. Segment-wise/Product-wise

The production of steel rods was 155544 MT compared to 124205 MT in the previous year. The sale of rods during the year was 143362 MT compared to 120315 MT in the previous year

The production of synthetic products was 11464 MT compared to 11188 MT in the previous year. The sale of synthetic products during the year was 11101 MT compared to 11094 MT in the previous year

#### IV. Future Outlook

With various infrastructure facilities coming up both in private and public sectors including nuclear power and water, across the country, the management envisages huge demand for its products especially steel. The company has emerged stronger in the last three four years and is well set to capitalize on growth prospects as they arise. The main Raw Material for our Steel making is Scrap / Sponge Iron and Power, the Company has acquired M/s Chitrakoot Steel and Power Pvt Ltd., a manufacturer of Sponge Iron with a capacity of about 36000 / TPA to reduce the cost of its input. The other major cost is power which also the company is aiming to reduce by installing a 35MW thermal Power plant at Gummudipondi.

#### V. Quality

The Company continues to strive to be a quality manufacturer in both its Steel and Plastic Division. Both the divisions are covered under ISO Certificate. The Company has also procured all Certificates from Govt. agency for their Products. Currently the Company is looking towards covering their quality under various international market standards, namely, Sri Lanka, U.K., Middle East. We are getting the Rebars certified from CRM, Belgium. The company has a Microsoft ERP Solution which will further add to the quality Systems

#### VI. Risk and Concerns

Both the economy and the industry are on the growth trajectory. However, increasing prices and





availability of key input and raw material, 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 this entails and has put in place a mechanism for minimizing and mitigating the same. The process is reviewed periodically.

#### **VII. 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.

The Company has an Internal Audit Department, which conducts audit of various departments and areas. In line with international trend, planning and conduct is oriented towards a review of controls in the management of risks and opportunities in the Company's activities. The annual audit programme is developed by the Internal Audit Department and approved by the Audit Committee of the Board. The Internal Audit Department reports its findings and observations to the Audit Committee, which met four times during the year to review the audit observations and to follow up implementation of corrective actions. The Committee also consults the Company's statutory auditors to ascertain their views on the adequacy of the internal control systems in the Company. The Audit Committee has majority of independent directors to maintain the objectivity.

The Auditors' remarks regarding adequacy of internal controls can be seen in Clause No. 4 of the Annexure to the Auditors' Report.

#### **VIII. Financial performance with respect to operational performance**

Turnover for the year under review amounted to Rs. 63420.40 Lakh as against Rs. 69970.06 Lakh for the previous year showing a decrease of 9.36% over the last year. We would like to mention here that in quantitative terms the company has surpassed the figure of production and sales as compared to the previous year. The profit during the year, before tax was Rs.1359.45 lacs as against Rs.1486.21 lakh last year, indicating a decrease of 8.53%. The decline in performance is on account of decrease in sales values.

#### **IX. Human Resource and Industrial Relations**

The company, at the year-end had 1550 employees (including contract labour) as compared to 1420 in the previous year and industrial relations remained cordial during the year. To meet ongoing challenges in the market place, employees are trained continuously to upgrade both their knowledge and skills.

#### **X. 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.



## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

Your Company aspires to follow the best practices in the area of corporate governance and the principles of fair representation and full disclosure in all its dealings and communications.

Your Company's annual reports, results presentations and other forms of corporate and financial communications, provide extensive details.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's Philosophy on the code of Governance is to enhance the Long Term Economic value of the Company, its Shareholders and all its Stakeholders by adopting better Corporate Practices with highest levels of transparency, accountability and equity in all facets of its operation.

### 2. THE BOARD OF DIRECTORS

The Board of Directors consists of Nine Directors. Your company has an optimum combination of Executive and Non-Executive Directors with not less than 50 Percent of the Board of Directors comprising of Non-Executive Directors. All the members of Board are eminent persons with expertise and extensive experience in different field and have made outstanding contribution to the Industry. Composition and Category of Directors is as follows:

Category	Name of the Directors
Executive Chairman	Shri Lalitkumar Tulsyan
Executive - Non Independent, Managing Director	Shri Sanjay Tulsyan
Executive - Non Independent, Director - Finance	Shri A P Venkateswaran
Executive-Non Independent, Whole-time Director	Shri Sanjay Agarwalla
Non-Executive-Independent Directors*	Shri S. Soundararajan
	Shir P. T. Rangamani
	Shri S Ramakrishnan
	Shri V Kirubanandan
	Shri C Ramachandran

\* As per the judgment of the Board these are Independent Directors within the meaning of explanation to Clause 49-1A of the Listing Agreement.

Attendance of each Director at the Board Meeting, last Annual General Meeting and Number of other Directorship and Chairmanship of Committee of each Director in various companies

Name of directors	No. of Board Meetings attended	Whether last AGM attended	Directorships (Other than Tulsyan NEC Limited)	No. of Committee in which Chairman/Member (other than Tulsyan NEC Limited)	
				Chairman	Member
Shri Sanjay Tulsyan	Eight	Yes	Eight	None	None
Shri Lalitkumar Tulsyan	Eight	Yes	Eight	None	None
Shri S Soundararajan	Eight	Yes	None	None	None
Shri P T Rangamani	Eight	Yes	None	None	None
Shri A P Venkateswaran	Eight	Yes	None	None	None
Shri S Ramakrishnan	Eight	Yes	Four	None	None
Shri Sanjay Agarwalla	Eight	Yes	Four	None	None
Shri V Kirubanandan	Eight	Yes	None	None	None
Shri C Ramachandran	Six	Yes	Nine	Two	Eight