

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

V. Subramani
Company Secretary

Registered Office

61, Sembudoss Street,
Chennai - 600 001.

Corporate Office

Apex Plaza, I Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai - 600 034.
Tel. : 044-3918 1060, Fax : 044-3918 1097
E-mail: investor@tulsyanec.in
Web site: www.tulsyanec.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 Bank
Indian Overseas Bank
Shamrao Vithal Co-operative Bank

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.

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 - 563 130

Plot No.20, KIADB Industrial Area,
Malur - 563130, 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 65th Annual General Meeting of the Company will be held on **Friday the 28th September, 2012** at 02:00 pm 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, 2012 and the Statement of Profit and Loss 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 P.T. Rangamani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To Appoint a Director in place of Shri C. Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.

5. 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

6. To consider and if thought fit, to pass with or without modifications, the following as a **Special Resolution**.

"RESOLVED THAT in accordance with the provisions of section(s) 198, 269, 309 & 310 of the Companies Act read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals if required, the remuneration committee and the company be and is hereby approved the increase in remuneration not exceeding Rs. 4,00,000 per month payable to Shri A.P. VENKATESWARAN, Whole-time Director - Finance of the company with effect from 01.10.2012 for a period of 3 years."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Shri A.P. VENKATESWARAN within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary, as may be stipulated by the Central Government as may be agreed to accordingly between the Board and Shri A.P. VENKATESWARAN."

"RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year, Shri A.P. VENKATESWARAN shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), as may be applicable from time to time."

"RESOLVED FURTHER THAT Shri SANJAY TULSYAN, Managing Director of the Company be and is hereby authorized to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution."

7. To consider and if thought fit, to pass with or without modifications, 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.2,000 Crores (Rupees Two Thousand Crores only)."

8. To consider and if thought fit, to pass with or without modifications, the following as a **Special Resolution**.

"RESOLVED pursuant to Section 314(1)(b) of the Companies Act 1956 and vide MCA Notification No. G.S.R. 303(E) dated 06.04.2011 and other applicable provisions, if any, consent of the Company be and is hereby accorded subject to prior approvals if any required as provided under the Act as may be amended from time to time that Shri Manish Kumar Sharma a relative of Shri Lalit Kumar Tulsyan, Chairman of the company, to hold an office or place of profit as Vice President - Production, Quality Assurance and Export of the company at a monthly remuneration not exceeding Rs.2,49,999/- (Rupees two lakhs forty nine thousand nine hundred ninety nine only) for a period of five years commencing from 01st April 2012. During such tenure, he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities including revision of remuneration and the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the resolution and to settle any questions, difficulties or doubts that may arise in this regard."

9. To consider and if thought fit, to pass with or without modifications, the following as a **Special Resolution**.

"RESOLVED pursuant to Section 314(1)(b) of the Companies Act 1956 and vide MCA Notification No. G.S.R. 303(E) 06.04.2011 and other applicable provisions, if any, consent of the Company be and is hereby accorded subject to prior approvals if any required as provided under the Act as may be amended from time to time that Smt. Alka Tulsyan a relative of Shri Lalit Kumar Tulsyan, Chairman of the company, to hold an office or place of profit as Vice President - Administration of the company at a monthly remuneration not exceeding Rs.2,49,999/- (Rupees two lakhs forty nine thousand nine hundred ninety nine only) for a period of five years commencing from 01st April 2012. During such tenure, he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities

including revision of remuneration and the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the resolution and to settle any questions, difficulties or doubts that may arise in this regard."

For and on behalf of the Board

Place : Chennai

Date : 14.08.2012

Lalitkumar Tulsyan

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 22.09.2012 to 28.09.2012 (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 Limited, 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 2004-2005 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 Section 205A(5) of the Companies Act, 1956. Reminders are sent to members for encashing unclaimed and unpaid dividends, on regular basis, 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

Name of Director	Shri P.T. Rangamani	Shri C. Ramachandran
Date of Birth	26.08.1934	15.05.1938
Expertise in specific functional areas	56 Years	36 Years
Qualification	F.C.S., B.L.	I.A.S.
List of other companies in which directorship held as on 31 st March 2012	NIL	<ol style="list-style-type: none"> 1. Tamilnadu Petroproducts Limited 2. Elnet Technologies Limited 3. IG3 Infra Limited 4. Elnet Software City Limited 5. Grand Luxe Hotels Limited 6. The Great Indian Linen And Textile Infrastructure Company Private Limited 7. ETL Power Services Limited 8. Appu Hotels Limited
Chairman/ Member of the Committees of the Board of other companies in which he is a Director as on 31 st March 2012	NIL	<p>Tamilnadu Petroproducts Limited</p> <ul style="list-style-type: none"> • Share Transfer and Shareholders/ Investors Grievance Committee (Member) • Audit Committee (Chairman) • Remuneration Committee (Chairman) • Dis-Investments Committee (Member) • Project Evaluation Committee (Member) <p>Elnet Technologies Limited</p> <ul style="list-style-type: none"> • Audit Committee (Member) • Shareholders/ Investors Grievance Committee (Member) <p>IG3 Infra Limited</p> <ul style="list-style-type: none"> • Audit Committee (Member) • Appointment/ Remuneration Committee (Member) • Selection Committee (Chairman) <p>Grand Luxe Hotels Limited</p> <ul style="list-style-type: none"> • Audit Committee (Member) <p>Appu Hotels Limited</p> <ul style="list-style-type: none"> • Audit Committee (Member) • Share Allotment Committee (Chairman) • Remuneration Committee (Member)
Shareholding as on 31 st March 2012		
held individually	Nil	Nil
held jointly with other	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. 6

Shri A.P. Venkateswaran has been working for the growth of the organization since his inception. Lending credence to his excellent contribution to the Company, the Board felt it necessary to enhance his remuneration with effect from 01.10.2012, on the terms & conditions stipulated in the resolution specified in Item No. 6 in the Notice.

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

Your Directors recommend the special resolution for the approval of the members.

Statement in respect of ITEM No.6

Increase in Remuneration payable to Shri A.P. Venkateswaran as Whole-time Director

I.	GENERAL INFORMATION:	
1.	Nature of Industry:	Manufacturing Iron & Steel and Poly Woven Fabrics and Sacks
2.	Date or expected date of commencement of commercial production	Already in existence
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A
4.	Financial performance based on given indicators.	01.04.2011 – 31.03.2012 Sales: Rs. 113013.14 Lacs Profit after tax: Rs. 1328.65 Lacs Profit margin on sales: 1.18%
5.	Export performance and net foreign exchange collaborations.	01.04.2011 – 31.03.2012 Earnings in Foreign exchange: Rs. 5068.42 Lacs Expenses in Foreign currency: Rs. 13785.76 Lacs
6.	Foreign investments or collaborators, if any	NIL
II.	INFORMATION ABOUT THE APPOINTEE:	
1.	Background details :	B.Com., F.C.A. Experience : Having served the Company for more than two decades now and well experienced in the fields of Finance and Accounts, he has added enormous value to the Company through his educational qualification and professional experience.
2.	Past remuneration :	Rs.3,00,000/- p.m.
3.	Recognition or awards :	–
4.	Job profile and his suitability :	Responsible for the overall Finance and Accounts operations of the company
5.	Remuneration proposed :	Not exceeding Rs.4,00,000/- pm with effect from 01.10.2012 for a period of 3 years
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	–
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Shri A.P. Venkateswaran is directly related with the company in the capacity of Director - Finance only.



III OTHER INFORMATION:		
1.	Reasons of loss or inadequate profits	The year 2011-2012 witnessed drastic power cuts consequently affected company costs and also the production. Due to these power cuts Company could not utilize its capacities in full thus losing out on economies of large scale production.
2.	Steps taken or proposed to be taken for improvement	Situation Expected to improve this year 2012-13
3.	Expected increase in productivity and profits in measurable terms.	This year the Company will be completing one 35 MW captive thermal power plant at Gummidipoondi and the same expected to commence production from December 2012. During the current year Company proposes to set up an additional Power Plant of 35 MW capacity, additional Induction furnaces of 4 numbers of 20T each for billet manufacturing with annual installed capacity of 274000 MTPA which will be set up at the new site where the captive power plant of 35MW is under implementation. The company is setting up a Wire Rod Plant with a coal gasifier at the existing rolling mill division in Gummidipoondi.
IV. DISCLOSURES:		
1.	The shareholders of the company shall be informed of the remuneration package of the managerial person	
2.	The following disclosures shall be mentioned in the Board of director's report under the heading "Corporate Governance", if any, attached to the annual report :	
	(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	
	(ii) Details of fixed component and performance linked incentives along with the performance criteria;	
	(iii) Service contracts, notice period, severance fees;	
	(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	

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 plans for expansion and stabilization of our business, your Board thinks it necessary to acquire this power and recommends passing of this resolution.

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

Your Directors recommend the ordinary resolution for the approval of the members.

ITEM NO. 8

Shri Manish Kumar Sharma was born on 05.10.1983 in Kolkata and did his school education at Kolkata. In the year 2005 he graduated from Bhavanipur Gujarati Education Society, Kolkata and completed his Post Graduation in Computer Management (M.C.M.) from Maharashtra Institute of Technology, Pune. With his experience and educational qualification he is now planning to start new business in the field of Rubber Processing, Steel, Filler and Master Batch. Since he is related to Shri Lalit Kumar Tulsyan, Chairman, Section 314(1)(b) of the Companies Act 1956 requires a special resolution to be passed in the General Meeting for the purpose of inducting relatives of Directors into our organization to hold an office or place of profit as Vice President - Production, Quality Assurance and Export of the company at a monthly remuneration not exceeding Rs.2,49,999/- (Rupees two lakhs forty nine thousand nine hundred ninety nine only) for a period of five years commencing from 01st April 2012.



None of the Directors of the Company are interested or concerned in any of the above resolutions except Shri Lalitkumar Tulsyan, Chairman of the Company.

Your Directors recommend the special resolution for the approval of the members.

ITEM NO. 9

Smt. Alka Tulsyan was born on 19.04.1962 in Gorakhpur and did her School Education at Gorakhpur and she graduated in Science (B.Sc.) from Gorakhpur University. With her experience and educational background she would like to ensure proper supply of best quality material and services at the most competitive prices in our factories based at Bangalore. Since she is related to Shri Lalit Kumar Tulsyan, Chairman Section 314(1)(b) of the Companies Act 1956 requires a special resolution to be passed in the General Meeting for the purpose of inducting relatives of Directors into our organization to hold an office or place of profit as Vice President - Administration of the company at a monthly remuneration not exceeding Rs.2,49,999/- (Rupees two lakhs forty nine thousand nine hundred ninety nine only) for a period of five years commencing from 01st April 2012.

None of the Directors of the Company are interested or concerned in any of the above resolutions except Shri Lalitkumar Tulsyan, Chairman of the Company and Shri Sanjay Tulsyan, Managing Director of the Company.

Your Directors recommend the special resolution for the approval of the members.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We take pleasure in presenting the 65th Annual Report of the Company together with the Audited Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2012.

FINANCIAL RESULTS		₹ in Lakhs
	2011-2012	2010-2011
Profit before Depreciation and tax	2426.37	2365.39
Less: Depreciation	885.08	857.88
Profit for the year before exceptional items	1541.29	1507.51
Less: Exceptional Items	—	126.96
Profit for the year	1541.29	1380.55
Less: Provision for		
Current Tax	358.00	290.00
Deferred Tax	(145.36)	156.22
Add: Surplus brought forward	4050.36	3334.84
Amount available for appropriation	5379.01	4269.17
Appropriations:		
Interim dividend	—	50.00
Corporate Tax on Interim Dividend	—	8.50
Dividend	163.05	50.00
Corporate Tax on dividend	8.20	5.31
General Reserve	78.00	105.00
Balance carried forward	5129.76	4050.36

OPERATIONS AND OUTLOOK

During the year under review, Sales and other receipts grew 45.06% YOY to Rs. 113588.47 Lakhs. EBITDA grew by 2.58% YOY to Rs. 2426.37 Lakhs and PAT grew by 42.20% YOY to 1328.65 Lakhs. Your directors expect a growth of 40% in the top line for the FY 2013.

As in the past during the current year also there were drastic power cuts consequently affecting 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. The 35 MW Captive Thermal Power Plant at Gummudipoondi is in its final stage of installation and expected to start its trial production on or after November 2012 and consequently will start commercial production on or after December 2012. The other additional Power Plant of 35 MW capacity, additional Induction furnaces of 4 numbers of 20T each for billet manufacturing with annual installed capacity of 274000 MTPA will be set up at the new site where the Captive Power Plant of 35 MW is under implementation. The company is setting up a Wire Rod Plant with a coal gasifier at the existing

rolling mill division in Gummudipoondi.

RIGHTS ISSUE

The Rights Issue proceeds received during the year has been utilized for the purpose of setting up of Captive Power Plant (under construction) of 35 MW Capacity in Gummudipoondi Taluk, Tamil Nadu as provided in the Letter of Offer. The said 35 MW Capacity Captive Power Plant is in its final stage of installation and expected to start its trial production on or after November 2012 and consequently will start commercial production on or after December 2012.

DIVIDEND

Your Company now pleased to recommend a dividend of 15% on the equity paid-up capital of the Company as on 31.03.2012 subject to members' approval.

DIRECTORS

Shri P.T. Ranagamani, 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 reelection.

Shri S. Soundararajan, Director of the Company who retired by rotation not offered himself for reelection due to his pre-occupation.

Shri S. Soundararajan is associated with our organization for around two decades as an Independent Director of the Company and contributed in various Committees as well. During his entire tenure he has rendered invaluable services to the Company and we appreciate and respect his contribution to our organization. Since he chose to not to reelect himself as Director his Directorship shall expire in the ensuing AGM.

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 are 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.

DEMATERIALIZATION 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, 2012 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:

- Shri S. Soundararajan - Chairman
(till ensuing AGM - 27.09.2012)
- Shri S Ramakrishnan
- Shri A P Venkateswaran

Shri S. Soundararajan, Chairman of the Audit Committee who retires by rotation this ensuing Annual General Meeting has opted

out to be Director due to his pre-occupation. Hence Audit Committee has to be reconstituted.

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 under 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 per General Circular issued by the Ministry of Corporate Affairs the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company and that the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. On written request the copies of Annual Report of the subsidiary companies will be provided to the members of the 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
Date : 14.08.2012

LALITKUMAR TULSYAN
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, 2012

Sl. No.	Name of the Employee	Age (in Years)	Designation	Gross Rem. Received Rs.	Qualification	Experience (in years)	Share holding %	Date of Employment	Last Employment
1	Lalit Kumar Tulsyan	52	Executive Chairman	60,00,000	B. Com.,	31	30.75	27/01/1994	-
2	Sanjay Tulsyan	48	Managing Director	60,00,000	B. Com., (Hons)	26	29.84	06/09/1986	-

**ANNEXURE TO DIRECTORS' REPORT**

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

A. CONSERVATION OF ENERGY	2011-12	2010-11
I Electricity		
a. Purchase in units	72436560	68828051
Total Amount (Rs.in lakhs)	3726.02	3727.99
Rate per unit (Rs.)	5.14	5.42
b. Own generation in units	119820	17020
Unit per liter of diesel	3.22	2.80
Cost per unit	13.51	14.28
c. Windmill generation (units)	3648597	4369985
II Coal		
Consumption (MT)	17362.77	11700.35
Total Amount (Rs.in lakhs)	1021.44	577.25
Average Rate (Rs.)	5881.89	4933.61
III Furnace Oil		
Consumption (litres)	3434248	3386200
Total Amount (Rs.in lakhs)	1199.86	862.87
Average Rate (Rs.)	34.94	25.48
B. CONSUMPTION PER UNIT OF PRODUCTION		
Finished Steel Products	196786	174290
Electricity (Units)	99	97
Furnace Oil (Litres)	17	19
Coal (Kgs.)	88	89
MS Billets		
Production	72757	75679
Electricity	728	689
C. TECHNOLOGY ABSORPTION	Not Applicable	Not applicable
D. ACTIVITY RELATING TO EXPORTS		(Rs.in lakhs)
(i) Foreign Exchange earned	5068.42	3190.20
(ii) Foreign Exchange used	13785.76	12135.46

For and on behalf of the Board

Place : Chennai
Date : 14th August, 2012

LALITKUMAR TULSYAN
Executive Chairman