



ANNUAL REPORT  
**2017-18**

**TULSYAN** NEC LTD

Strength of Steel, Flexibility of Plastic



# TULSYAN NEC LIMITED

CIN : L28920TN1947PLC007437

## Board of Directors

**Lalit Kumar Tulsyannec**  
Executive Chairman

**Sanjay Tulsyannec**  
Managing Director

**Sanjay Agarwalla**  
(Whole-time Director)

**C. Ramachandran**  
(Non-executive Independent Director)

**P.T. Rangamani**  
(Non-executive Independent Director)  
(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](mailto:investor@tulsyannec.in)  
Website: [www.tulsyannec.in](http://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, Muktarman 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, Udumalpet, Tamil Nadu.  
Pazhavor, Tirunelveli District, Tamil Nadu.  
Kavalakurichi, Tirunelveli District, Tamil Nadu.

## Synthetics Division

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

## Contents

|   |     |
|---|-----|
| Notice to the Shareholders                | 2   |
| Board's Report                            | 9   |
| Management Discussion and Analysis        | 26  |
| Report on Corporate Governance            | 29  |
| Independent Auditors' Report - Standalone | 40  |
| Financial - Standalone                    | 48  |
| Auditors' Report - Consolidated           | 99  |
| Financial - Consolidated                  | 104 |
| Attendance Slip                           | 153 |
| Proxy Form                                | 155 |
| Letter to Shareholders                    | 157 |
| Route Map                                 | 159 |

## NOTICE

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

|              |   |
|--------------|---|
| <b>Day</b>   | Friday  |
| <b>Date</b>  | 28 <sup>th</sup> September, 2018                                    |
| <b>Time</b>  | 10.30 A.M.  |
| <b>Place</b> | "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 Tulsyani (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 Tulsyani (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 74 <sup>th</sup> 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](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password to be used.
- (viii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

|  |  |
|--|--|
| PAN  | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> |
| Dividend Bank Details or Date of Birth DOB | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• 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).</li> </ul>  |

- (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](http://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](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### 20. General Instructions:

- 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.
- 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.

- 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.
- 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.
- 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.
- After all the items of the Notice have been discussed, the Chairman will order a poll in respect of all the Items. Poll will be conducted and supervised by the Scrutinizer appointed for e-voting as above. After the conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of e-voting will be announced by the Company on its website: [www.tulsiyannec.in](http://www.tulsiyannec.in) upon receipt of consolidated scrutinizer's report.

### Explanatory Statement in respect of the Special Business

(Pursuant to Section 102 of the Companies Act, 2013)

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:**

|                               |   |
|-------------------------------|---|
| <b>Particulars</b>            | Chitrakoot Steel and Power Private Limited  |
| <b>Nature of Relationship</b> | Subsidiary Company of Tulsyan NEC Limited   |
| <b>Nature of Transaction</b>  | i) Purchase of Iron ore, coal, sponge, lime and other related materials,<br>ii) Sale of coal and iron ore for manufacturing of Billet/ingot and<br>iii) availing of job work for manufacturing Billet/ingot |
| <b>Duration</b>               | From 08-08-2018 to the conclusion of the 74 <sup>th</sup> AGM   |
| <b>Monetary value</b>         | 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:**

|  |  |
|--|--|
| <b>Name of the Director</b>  | Mr. Sanjay Tulsyan<br>(DIN: 00632802)  |
| <b>Date of Birth</b>   | 12-01-1964   |
| <b>Date of Appointment in the Board</b>                                  | 01-10-1996   |
| <b>Qualification</b>   | B.Com  |
| <b>Nature of his expertise in specific functional areas</b>              | Business Management  |
| <b>Directorship held in other companies</b>                              | (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 |
| <b>Membership / Chairmanship of committees of other Public Companies</b> | Nil  |
| <b>Number of shares held in Company</b>                                  | 4475481  |
| <b>Relationships between Directors Inter-se.</b>                         | 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     |
| <b>Total Revenue</b>              |              | 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 unremunerative 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: