



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: tulsyanec@gmail.com

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
Indian Overseas 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.

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 - 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 64th Annual General Meeting of the Company will be held on **Wednesday the 14th September, 2011** 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, 2011 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 V. Kirubanandan**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To Appoint a Director in place of **Shri S. Ramakrishnan**, 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 pursuant to the provisions of Sections 2(26), 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modification(s) or re-enactment thereof and guideline issued by central Government from time to time and subject to the necessary approval if any, the Shareholders of the Company be and is hereby accorded their approval for the re-appointment of **Shri**

Sanjay Tulsyan as Managing Director of the Company for a period of 5 years with effect from 01.10.2011 and revision of remuneration not exceeding of Rs 10,00,000 per month for a period of 5 years with effect from 01.04.2011 as per the terms and conditions, including remuneration as set out in the draft of the agreement to be entered into by the Company with him, submitted to the meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement, so as not to exceed the limits and stipulations specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to between the Board and **Shri Sanjay Tulsyan** or as may be varied by the General Meeting."

"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 Sanjay Tulsyan** 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 Sanjay Tulsyan**."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, **Shri Sanjay Tulsyan**, 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 modifications or re-enactment thereof, for the time being in force), as may be applicable from time to time."

"RESOLVED FURTHER THAT Shri Sanjay Agarwalla, Whole-time 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 a Special Resolution.



"RESOLVED THAT pursuant to the provisions of Sections 2(26), 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modification(s) or re-enactment thereof and guideline issued by central Government from time to time and subject to the necessary approval if any, the Shareholders of the Company be and is hereby accorded their approval for the re-appointment of **Shri Lalitkumar Tulsyan** as Managing Director of the Company and designated as "Executive Chairman" for a period of 5 years with effect from 12.07.2011 and revision of remuneration not exceeding of Rs 10,00,000 per month for a period of 5 years with effect from 01.04.2011 as per the terms and conditions, including remuneration as set out in the draft of the agreement to be entered into by the Company with him, submitted to the meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement, so as not to exceed the limits and stipulations specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto as may be agreed to between the Board and Shri Lalitkumar Tulsyan or as may be varied by the General Meeting."

"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 Lalitkumar Tulsyan 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 Lalitkumar Tulsyan**"

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, **Shri Lalitkumar Tulsyan**, 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 modifications 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."

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

"RESOLVED THAT pursuant to the provisions of Sections 2(26), 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modification(s) or re-enactment thereof and guideline issued by central Government from time to time and subject to the necessary approval if any, the Shareholders of the Company be and is hereby accorded their approval for the re-appointment of **Shri Sanjay Agarwalla** as Whole time Director of the Company for a period of 5 years with effect from 22.09.2011 and revision of remuneration not exceeding of Rs 10,00,000 per month for a period of 5 years with effect from 01.04.2011 as per the terms and conditions, including remuneration as set out in the draft of the agreement to be entered into by the Company with him, submitted to the meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement, so as not to exceed the limits and stipulations specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to between the Board and **Shri Sanjay Agarwalla** or as may be varied by the General Meeting."

"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 Sanjay Agarwalla** 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 Sanjay Agarwalla.**"

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, **Shri Sanjay Agarwalla**, 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 modifications 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."

For and on behalf of the Board

Place : Chennai
Date : 12.08.2011

Lalitkumar Tulsyan
Executive Chairman

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 07.09.2011 to 14.09.2011 (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 2003-2004 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.

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.**



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

ITEM NO. 3, 4, 6, 7 AND 8

Name of Director	Shri Kirubanandan Venkatachalam	Shri Selvaganapathy Ramakrishnan	Shri Sanjay Tulsyan	Shri Lalitkumar Tulsyan	Shri Sanjay Aganwalla
Date of Birth	30.04.1948	15.07.1954	12.01.1964	18.02.1960	26.06.1963
Expertise in specific functional areas.	42 Years	32 Years	25 Years	30 Years	20 Years
Qualification	B.E., M.Tech., M.B.A	B.Com.	B.Com. (Hons.)	B.Com.	B.Com.
List of other companies in which directorship held as on 31st March 2011	NIL	1. Buildmet Fibers Pvt. Ltd. 2. Shakthi Kiran Foods Pvt. Ltd. 3. Good Creations Pvt. Ltd. 4. Transpac Asia Pvt. Ltd.	1. Tulsyan Smelters Pvt. Ltd. 2. Cosmic Global Ltd. 3. Tulsyan Power Ltd. 4. Balaji Engineering & Galvanizing Ltd. 5. Tulsyan Alloys Ltd. 6. Chitrakoot Steel & Power Pvt. Ltd. 7. Buildmet Fibers Pvt. Ltd. 8. Color Peppers Media Pvt. Ltd.	1. Tulsyan Smelters Pvt. Ltd. 2. Cosmic Global Ltd. 3. Tulsyan Power Ltd. 4. Balaji Engineering & Galvanizing Ltd. 5. Tulsyan Alloys Ltd. 6. Chitrakoot Steel & Power Pvt. Ltd. 7. Buildmet Fibers Pvt. Ltd.	1. Tulsyan Power Ltd. 2. Cosmic Global Ltd. 3. Balaji Engineering & Galvanizing Ltd. 4. Chitrakoot Steel & Power Pvt. Ltd. 5. Color Peppers Media Pvt. Ltd.
Chairman/Member of the Committees of the Board of other companies in which he is a director as on 31st March 2011	NIL	NIL	NIL	NIL	NIL
Shareholding as on 31st March 2011 held individually held jointly with other	NIL NIL	NIL NIL	1304732 NIL	1344693 NIL	100 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**

The term of office of **Shri Sanjay Tulsyan, Managing Director** of the Company is to expire on 30.09.2011. The Board of Directors of the Company has re-appointed at its meeting held on 12.08.2011 for a further period of 5 years with effect from 01.10.2011, and also revised his remuneration not exceeding of Rs 10,00,000/- per month for a period of 5 years with effect from 01.04.2011 by considering his knowledge, experience and contribution rendered by him to the growth and interest of the company and subject to the approval of the shareholders of the company and the Central Government under Sections 2(26), 198, 269, 309 and 310 read with Schedule XIII of the Companies Act 1956 as the case may be.

This may also be treated as an abstract of the terms of the contract and memorandum of interest in relation to reappointment of Shri Sanjay Tulsyan as Managing Director and revision of remuneration to Shri Sanjay Tulsyan pursuant to Sec 302 of the Companies Act, 1956.

None of the Directors of the Company are interested or concerned in any of the above resolutions except the proposed Appointees Shri Sanjay Tulsyan and Shri Lalit Kumar Tulsyan being Directors of the Company.

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

ITEM NO. 7

The term of office of **Shri Lalitkumar Tulsyan, Managing Director** of the Company is to expire on 11.07.2011. The Board of Directors of the Company has re-appointed at its meeting held on 07.07.2011 for a further period of 5 years with effect from 12.07.2011, and also revised his remuneration not exceeding of Rs 10,00,000/- per month for a period of 5 years with effect from 01.04.2011 by considering his knowledge, experience and contribution rendered by him to the growth and interest of the company and subject to the approval of the shareholders of the company and the Central Government under Sections

2(26), 198, 269, 309 and 310 read with Schedule XIII of the Companies Act 1956 as the case may be.

This may also be treated as an abstract of the terms of the contract and memorandum of interest in relation to reappointment of **Shri Lalitkumar Tulsyan** as Managing Director and revision of remuneration to Shri Lalitkumar Tulsyan pursuant to Sec 302 of the Companies Act, 1956.

None of the Directors of the Company are interested or concerned in any of the above resolutions except the proposed Appointees Shri Lalitkumar Tulsyan and Shri Sanjay Tulsyan being Directors of the Company.

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

ITEM NO. 8

The term of office of **Shri Sanjay Agarwalla, Whole-time Director** of the Company is to expire on 21.09.2011. The Board of Directors of the Company has re-appointed at its meeting held on 12.08.2011 for a further period of 5 years with effect from 22.09.2011, and also revised his remuneration not exceeding of Rs 10,00,000/- per month for a period of 5 years with effect from 01.04.2011 by considering his knowledge, experience and contribution rendered by him to the growth and interest of the company and subject to the approval of the shareholders of the company and the Central Government under Sections 2(26), 198, 269, 309 and 310 read with Schedule XIII of the Companies Act 1956 as the case may be.

This may also be treated as an abstract of the terms of the contract and memorandum of interest in relation to reappointment of Shri Sanjay Agarwalla as Whole time Director and revision of remuneration to Shri Sanjay Agarwalla pursuant to Sec 302 of the Companies Act, 1956.

None of the Directors of the Company are interested or concerned in any of the above resolutions except the members 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 64th Annual Report of the Company together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2011.

FINANCIAL RESULTS	Rupees in Lakhs	
	2010-2011	2009-2010
Profit before Depreciation and tax	2365.39	2258.48
Less: Depreciation	857.88	813.33
Profit for the year before exceptional items	1507.51	1445.15
Less: Exceptional Items	126.96	85.73
Profit for the year	1380.55	1359.42
Less: Provision for Current Tax	290.00	360.00
Deferred Tax	156.22	150.17
Add: Surplus brought forward	3334.84	2698.85
Amount available for appropriation	4269.17	3548.10
Appropriations:		
Interim dividend	50.00	–
Corporate Tax on Interim Dividend	8.50	–
Dividend	50.00	100.00
Corporate Tax on dividend	5.31	11.26
General Reserve	105.00	102.00
Balance carried forward	4050.16	3334.84

OPERATIONS AND OUTLOOK

During the year under review, Sales and other receipts grew 32.93% YOY to Rs. 84310.61 Lakhs. EBITDA grew by 4.73% YOY to Rs. 2365.39 Lakhs and PAT grew by 10.02% YOY to 934.33 Lakhs. Your directors expect a growth of 35% in the top line for the FY 2012.

As in the last year during the current year also there were drastic power cuts 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. The 35 MW captive thermal power plant at Gummudipoondi is expected to commence production from June 2012. During the current year your company proposes to set up an additional captive 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 this 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 and Bundling machine with a coal gasifier at the existing rolling mill division in Gummudipoondi.

DIVIDEND

Your Company paid interim dividend of 10% during January 2011. Your directors are now pleased to recommend a final dividend of 10% on the paid up capital of Rs. 5 Crore. This together with the interim dividend aggregated to a record total dividend of 20% for the financial year ended 31st March 2011, on the paid up capital of Rs. 5 Crore.

DIRECTORS

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

Shri S. Ramakrishnan, 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 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.



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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. 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, 2011 and of the Profit of the Company for the year ended on that date;
- iii. 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;
- iv. 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:

1. Shri S. Soundararajan - Chairman
2. Shri S Ramakrishnan
3. Shri 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 per the Resolution passed by the Board of Directors at their meeting held on 12th August 2011, the Balance Sheet, Profit & Loss Account and the reports of the Board of Directors and Auditors of the Subsidiary Companies have not been attached to the Balance Sheet of your Company. On written request the copies of Annual Report of the subsidiary companies will be provided to the shareholders.

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 : 12.08.2011

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 ENDED 31ST MARCH, 2011

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	Lalit Kumar Tulsyan	51	Executive Chairman	60,00,000	B. Com.,	30	26.89	1/27/1994	-
2	Sanjay Tulsyan	47	Managing Director	60,00,000	B. Com., (Hons)	25	26.10	9/6/1986	-



ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY	2010-2011	2009-2010
I Electricity		
a. Purchase in units	68828051	48666640
Total Amount (Rs.in lakhs)	3727.99	2286.58
Rate per unit (Rs.)	5.42	4.69
b. Own generation in units	17020	21020
Unit per liter of diesel	2.8	2.79
Cost per unit	14.28	11.66
c. Windmill generation (units)	4369985	4619828
II Coal		
Consumption (MT)	11700.35	2850.540
Total Amount (Rs.in lakhs)	577.25	72.75
Average Rate (Rs.)	4933.61	2552.14
III Furnace Oil		
Consumption (litres)	3386200	6056016
Total Amount (Rs.in lakhs)	862.87	1340.82
Average Rate (Rs.)	25.48	22.14
B. CONSUMPTION PER UNIT OF PRODUCTION		
Finished Steel Products	174290	155543
Electricity (Units)	97	97
Furnace Oil (Litres)	19	38
Coal (Kgs.)	89	18
MS Billets		
Production	75679	56894
Electricity	689	657
C. TECHNOLOGY ABSORPTION	Not Applicable	Not applicable
D. ACTIVITY RELATING TO EXPORTS		(Rs.in lakhs)
(i) Foreign Exchange earned	3190.20	1857.19
(ii) Foreign Exchange used	12135.46	6492.08

For and on behalf of the Board

Place : Chennai
Date : 12.08.2011

LALITKUMAR TULSYAN
Executive Chairman



**STATEMENT PURSUANT TO 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	31-03-2011	11,25,000 shares of Rs. 10/- each	76.71%	4659737	2972237	1687500
Tulsyan Power Ltd	31-03-2011	50,000 shares of Rs. 10/- each	100%	NIL	NIL	NIL
Chitrakoot Steel & Power Pvt. Ltd.	31-03-2011	64,89,200 shares of Rs. 10/- each	100%	857752	857752	NIL
Balaji Engineering & Galvanizing Ltd	31-03-2011	49,400 shares of Rs. 10/- each	98.80%	NIL	NIL	NIL
Color Peppers Media Private Limited	31-03-2011	50,000 shares of Rs. 10/- each	100%	163250*	163250	NIL

* Profit earned since the date from which it became subsidiary company - i.e. 09/12/2010



MANAGEMENT DISCUSSION AND ANALYSIS

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. During the year under review 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 thermal power plant at Gummudipoondi is likely to commence power generation during June 2012.

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.

Ours is 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 174290 MT compared to 155544 MT in the previous year. The

sale of rods during the year was 176603 MT compared to 143362 MT in the previous year

The production of synthetic products was 11696 MT compared to 11464 MT in the previous year. The sale of synthetic products during the year was 11013 MT compared to 11101 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. MS Scrap is being imported from various countries all across the globe; sponge iron is being supplied by our subsidiary company M/s. Chitrakoot Steels and Power Private Limited. The other major cost is power which cost the company is aiming to reduce by installing a 35MW thermal Power plant at Gummudipoondi. During the current year your company is planning to set up an additional captive Power Plant of 35 MW capacity, additional Induction furnaces of 4 numbers of 20 T each for billet manufacturing with annual installed capacity of 274000 MTPA this 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 and Bundling machine with a coal gasifier at the existing rolling mill division in Gummudipoondi

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 Certificates from Government agencies for their Products. Currently the Company is looking towards covering their quality under various international market standards, namely, Sri Lanka, United Kingdom and 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 involved 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. iv of the Annexure to the Auditors' Report.

VIII. Financial performance with respect to operational performance

Turnover for the year under review amounted to Rs. 84310.62 lakh as against Rs. 63420.39 Lakh for the previous year showing an increase of 32.93% over the last year. The profit during the year, after tax was Rs.934.33 lakh as against Rs.849.25 lakh last year, indicating an increase of 10.02%.

IX. Human Resources and Industrial Relations

The company, at the year-end had 1640 employees (including contract labour) as compared to 1550 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 attended	No. of Board Meetings attended	Whether last AGM	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 L.K. Tulsyan	Eight	Yes	Seven	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	Five	None	None
Shri V. Kirubanandan	Eight	Yes	None	None	None
Shri C. Ramachandran	Seven	Yes	Nine	Three	Ten



Number of Board Meetings held and the dates on which held:

Eight Board Meetings were held during the year, as against the minimum requirement of 4 meetings. The dates on which the meetings were held are as follows:

14/05/2010	10/07/2010	22/07/2010	04/08/2010
27/10/2010	27/01/2011	28/02/2011	14/03/2011

3. AUDIT COMMITTEE

The Board of the Company has constituted an Audit Committee. The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956

The terms of reference stipulated by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement, as follows:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies, (ii) major accounting entries based on exercise of judgment by management, (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors any significant findings and follow-up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividends) and creditors.

Composition and attendance of the meetings are as follows:-

Name of Member/director	Designation (Chairman/Independent)	Qualification	Date of Meeting	Meeting attended or not
Shri S Soundararajan	Chairman	I.A. & A.S.	14.05.2010	Yes
			04.08.2010	Yes
			20.09.2010	Yes
			27.10.2010	Yes
			27.01.2011	Yes
Shri A P Venkateswaran	Member	B.Com. FCA	14.05.2010	Yes
			04.08.2010	Yes
			20.09.2010	Yes
			27.10.2010	Yes
			27.01.2011	Yes
Shri S Ramakrishnan	Member	B.Com.	14.05.2010	Yes
			04.08.2010	Yes
			20.09.2010	Yes
			27.10.2010	Yes
			27.01.2011	Yes



4. REMUNERATION COMMITTEE

Board has constituted Remuneration Committee in its meeting. The Remuneration Committee presently consists of three Non-Executive Independent Directors. Payment of remuneration to the Executive directors is governed by the Agreement executed between them and the Company which was approved by the Committee Board and the Shareholders in terms of Schedule XIII of the Companies Act. Their remuneration structure comprises salary, perquisites and allowances and contribution to provident fund.

The Non-executive Directors do not draw any remuneration from the Company other than sitting fees. Details of the salary paid to the directors are shown below.

The Committee met on 14/05/2010, 04/08/2010, 27/10/2010 & 27/01/2011 during the year.

Composition of the Committee and the attendance of members are as follows:

Name of the Directors		No of Meeting attend
V Kirubanandan	Chairman	Four
P T Rangamani	Member	Four
C Ramachandran	Member	Four

Remuneration to Directors

Name and Designation	Total Remuneration (incl. incentive) (In Rs.)	Sitting Fee (In Rs.)	Relationship with other Directors
Shri Sanjay Tulsyan (Executive)	60,00,000	–	Brother of Lalitkumar Tulsyan
Shri Lalitkumar Tulsyan (Executive)	60,00,000	–	Brother of Shri Sanjay Tulsyan
Shri S Soundararajan (Non-Executive)	–	16,000	–
Shri P T Rangamani (Non-Executive)	–	16,000	–
Shri A P Venkateswaran (Executive)	22,84,576	–	–
Shri Sanjay Agarwalla (Executive)	21,94,962	–	–
Shri S Ramakrishnan (Non-Executive)	–	16,000	–
Shri V Kirubanandan (Non-Executive)	–	16,000	–
Shri C Ramachandran (Non-Executive)	–	14,000	–

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Committee met on 14/05/2010, 04/08/2010, 27/10/2010 & 27/01/2011 during the year.

The Committee, inter alia:

- approves and monitors transfers, transmission, splits and consolidation of shares of the company.
- reviews redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet, dividends etc., and
- reviews the compliances with various statutory and regulatory requirements.



Composition of the Committee and the attendance of members are as follows:

Name of Member		No. of Meetings attended
Shri P T Rangamani	Chairman	Four
Shri S Soundararajan	Member	Four
Shri V Kirubanandan	Member	Four

Details as to the total number of shareholder complaints received during the year and its status are given as under.

Complaints pending at beginning	-	1
Complaints received	-	120
Complaints resolved	-	119
Complaints pending at end	-	2

6. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings were:

Year	Location	Date	Time
2007-2008	Naradha Gana Sabha Mini Hall, 254 T T K Road, Chennai - 600 018.	08.09.2008	11.00 a.m.
2008-2009	Naradha Gana Sabha Mini Hall, 254 T T K Road, Chennai - 600 018.	16.09.2009	11.00 a.m.
2009-2010	Naradha Gana Sabha Mini Hall, 254 T T K Road, Chennai - 600 018.	16.06.2010	11.00 a.m.

No postal ballots were used/ invited for voting at these meetings in respect of special resolutions passed as there were no such provisions in the Companies Act, 1956. The Company shall comply with the requirements relating to postal ballot as and when the relevant guidelines in this connection are issued.

Special Resolutions passed in the last three years:

Date of AGM / EGM	Special Resolution Passed
08.09.2008	under Section 81(1A) of the Companies Act 1956, for 10,00,000 Equity Shares
16.09.2009	under Section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act 1956 for increase in remuneration to Shri Sanjay Agarwalla Whole-time Director of the Company under Section 198 and 309 of the Companies Act 1956 for payment of incentive to Shri Sanjay Agarwalla Whole-time Director of the company Increase in Authorised share capital of the company from Rs 10 Crore to Rs 22 Crore Under Section 81(1A) of the Companies Act 1956 for issue of 1,00,00,000 equity shares on right basis
16.09.2010	Nil

7. DISCLOSURES

- a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company



- b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. **NIL**
- c. The Company has laid down procedures about risk assessment and their minimization. **These procedures are periodically reviewed in the Board.**
- d. The Company proposes to adopt other non mandatory requirements as and when necessary.

8. MEANS OF COMMUNICATION

The quarterly results are published in 'in 'Financial Express' all Editions in English and in Tamil 'Malai Murasu'. Management Discussion & Analysis report is a part of Annual Report:

The Company has not made any presentations to any institutional investors/analyst during the year
The Company does post its results on the web site (www.tulsyannec.co.in)

9. GENERAL SHAREHOLDER INFORMATION

9.1. Annual General Meeting

- Date and Time : 14th September, 2011
Venue : Naradha Gana Sabha (Mini Hall)
254 T T K Road, Chennai - 600 018

- 9.2. Financial Calendar : Results for the quarter ended 30th June, 2011 - 12/08/2011
(Tentative) : Results for the quarter ended 30th Sept., 2011 - 31/10/2011
: Results for the quarter ended 31st Dec.r, 2011 - 31/01/2012
: Results for the quarter ended 31st March, 2012 - 30/04/2012

- 9.3. Book Closure : 07th September, 2011 to 14th September, 2011 (both days inclusive)

- 9.4. Dividend Payment Date : 13th October, 2011

- 9.5. Listing of Equity Shares on Stock Exchanges at : Madras, Mumbai, Calcutta.

- 9.6. a. Stock Code : Mumbai 513629

- Madras Tulsyan NEC
b. Demat ISIN Number in NSDL & CDSL for Equity Shares : INE463D01016

- 9.7. Stock Market Data : Monthly High/Low of Market price of the company's shares traded in the Stock Exchange; Mumbai during the year 2010 - 2011 is furnished below.

Month	High Rs.	Low Rs.
April 2010	84.85	73.05
May 2010	85.40	69.60
June 2010	83.00	73.60
July 2010	94.95	80.00
August 2010	87.00	72.65
September 2010	94.45	72.20
October 2010	93.50	78.70
November 2010	84.00	68.25
December 2010	78.90	65.00
January 2011	77.00	60.05
February 2011	67.90	50.00
March 2011	57.50	44.50

- 9.8. Registrar and Transfer Agent : Cameo Corporate Services Ltd.
Subramanian Building, #1 Club House Road,
Chennai - 600 002

DEMAT INFORMATION (as on 31.03.2011)

- No. of Shares Dematerialized : 2004765
% of Total Capital : 40.10



9.9. Distribution of holdings :

Share or Debenture holding of Nominal Value of		Share/Debenture holders		Share/Debenture Amount	
Rs.	Rs.	Number	% to Total	in Rs.	% to Total
Upto	– 5000	5815	92.287	6992990	13986
5001	– 10000	255	4.047	2107370	4.215
10001	– 20000	108	1.714	1668750	3.338
20001	– 30000	39	0.619	985120	1.970
30001	– 40000	16	0.254	590000	1.180
40001	– 50000	20	0.317	905740	1.811
50001	– 100000	23	0.365	1758750	3.518
100001	and above	25	0.397	34991280	69.983
Total		6301	100.000	50000000	100.00

9.10. Distribution of Shareholding

Category of Shareholder		No. of Holders	Total No. of Shares	Shares in Demat	Total Shareholding as a percentage of total number of shares		Shares Pledged or Otherwise encumbered	
(I)	(II)	(III)	(IV)	(V)	As a % of (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % (IX)=(VIII)/(IV) * 100
A. Shareholding of Promoter and Promoter Group								
1. INDIAN								
a. Individuals/ Hindu Undivided Family								
		16	3279700	639993	65.5940	65.5940	0	0.0000
b. Central Government/ State Government(s)								
		0	0	0	0.0000	0.0000	0	0.0000
c. Bodies Corporate								
		0	0	0	0.0000	0.0000	0	0.0000
d. Financial Institutions/ Banks								
		0	0	0	0.0000	0.0000	0	0.0000
e. Any other								
Sub-Total (A) (1)		16	3279700	639993	65.5940	65.5940	0	0.0000
2. FOREIGN								
a. Individuals (Non- resident Individuals / Foreign Individuals)								
		0	0	0	0.0000	0.0000	0	0.0000
b. Bodies Corporate								
		0	0	0	0.0000	0.0000	0	0.0000
c. Institutions								
		0	0	0	0.0000	0.0000	0	0.0000
d. Any other								
Sub-Total (A) (2)		0	0	0	0.0000	0.0000	0	0.0000
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)		16	3279700	639993	65.5940	65.5940	0	0.0000



Category of Shareholder		No. of Holders	Total No. of Shares	Shares in Demat	Total Shareholding as a percentage of total number of shares		Shares Pledged or Otherwise encumbered	
(I)	(II)	(III)	(IV)	(V)	As a % of (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % (IX)=(VIII)/(IV) * 100
B. Public Shareholding								
1. INSTITUTIONS								
a.	Mutual Funds / UTI	3	2000	0	0.0400	0.0400	NA	NA
b.	Financial Institutions/ Banks	0	0	0	0.0000	0.0000	NA	NA
c.	Central Government / State Government (s)	0	0	0	0.0000	0.0000	NA	NA
d.	Venture Capital Funds	0	0	0	0.0000	0.0000	NA	NA
e.	Insurance Companies	0	0	0	0.0000	0.0000	NA	NA
f.	Foreign Institutional Investors	1	24385	24385	0.4877	0.4877	NA	NA
g.	Foreign Venture Capital Investors	0	0	0	0.0000	0.0000	NA	NA
h.	Any other							
Sub-Total (B) (1)		4	26385	24385	0.5277	0.5277	NA	NA
2. NON-INSTITUTIONS								
a.	Bodies Corporate	138	95942	88642	1.9188	1.9188	NA	NA
b.	Individuals -							
I.	Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 lakh	5513	1241479	955551	24.8295	24.8295	NA	NA
II.	Individual Shareholders Holding Nominal Share Capital in Excess of Rs. 1 lakh	8	148443	148443	2.9688	2.9688	NA	NA
c.	Any other							
	Clearing Members	12	10533	10533	0.2106	0.2106	NA	NA
	Hindu Undivided Families	109	108940	108940	2.1788	2.1788	NA	NA
	Non Resident Indians	501	88578	28278	1.7715	1.7715	NA	NA
		622	208051	147751	4.1610	4.1610	NA	NA
Sub-Total (B) (2)		6281	1693915	1340387	33.8783	33.8783	NA	NA
Total Public Shareholding (B) = (B) (1) + (B) (2)		6285	1720300	1364772	34.4060	34.4060	NA	NA
Total (A) + (B)		6301	5000000	2004765	100.0000	100.0000	0	0.0000
c. Shares held by custodians and against which depository receipts have been issued								
Promoter and Promoter Group								
		0	0	0	0.0000	0.0000	NA	NA
Public								
		0	0	0	0.0000	0.0000	NA	NA
Grand Total (A) + (B) + (C)		6301	5000000	2004765	100.0000	100.0000	0	0.0000



9.11. Plant Locations

- a. Steel Division : 39, Dr. Harikrishna Naidu Street,
Ambattur, Chennai - 600 053.
15/N,(Pt) SIPCOT Industrial Complex, Gummidipoondi,
Tiruvallur District, Tamil Nadu.
D-4 Sipcot Indl. Complex, Gummidipoondi,
Tiruvallur District, Tamil Nadu.

Depot:

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

Windmill :

1. Kudimangalam, Udumalpet, TamilNadu
2. Pazhavoor, Tirunelveli District, TamilNadu
3. Kavalakurichi, Tirunelveli District, Tamil Nadu

- b. Synthetic Division : 7-A, Doddaballapura Industrial Area,
Kasba Hobli, Karnataka
2-B, Survey No.16, Korandanahalli
Malur Industrial Area, Malur,
Kolar District, Karnataka
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, Adakamaranahalli Village,
Dasanapura Hobli, Makali Post,
Dumkur Road, Bangalore
Survey No. 237 to 245, Boincheruvupalli Village,
Peapully Mandal, Kurnool District,
Andhra Pradesh - 581 220

Name of the Compliance Officer : Mr. K. Janakiraman

Address for Correspondence : 1 Floor, Apex Plaza, 3 Nungambakkam High Road,
(For your queries/ grievances/
Complaints Please conduct) Nungambakkam, Chennai - 600034
Phone: 044-3918 1060 Fax: 044-39181097

Web Site: www.tulsyannec.co.in

Email id: tulsyannec@gmail.com; investor@tulsyannec.com

9.12. Unclaimed Dividend:

Unclaimed dividend for the years prior to and including the financial year 2002 - 2003 has been transferred to the Investor Education and Protection Fund established by Central Government as per under section 205C of the Companies Act,1956.

Note: M/s Cameo Corporate Services Limited, Registrar and Share Transfer Agent of the company have attended to the share transfer formalities regularly. Registrar and Share Transfer Agent can be contacted by the investors at the following address:

Address : Subramanian Building, No-1, Club House Road, Chennai - 600 002
Phone : 044 2846 0390
Fax : 044 2846 0129
Email : investor@cameoindia.com
Contact Person : Shri K. Ranganathan



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Tulsyan NEC Limited

I have examined the compliance of conditions of corporate governance by TULSYAN NEC LIMITED for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investor grievances received during the year ended 31st March, 2011 no investor grievances are pending exceeding one month against the Company as on 31st March, 2011 as per records maintained by the Company and presented to Shareholders/ Investors Grievance Committee.

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

For **M. DAMODARAN & ASSOCIATES**

M. DAMODARAN, B.Com.,A.C.S.,L.L.B.,
Practicing Company Secretaries
CP No. 5081

Place : Chennai
Date : 12th August, 2011

CODE OF CONDUCT

PHILOSOPHY

The TULSYAN NEC LIMITED code of conduct, as adopted by the Board of Directors, is applicable to Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Code covers TULSYAN NEC LIMITED's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance, and the philosophy of leading by personal example.

Declaration pursuant to Clause 49 of the listing agreement regarding adherence to the Code of Conduct.

To

The Shareholders of **Tulsyan NEC Limited**

We hereby declare that all members of the Board and senior management personnel have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company formulated by the board of directors for the financial year ended 31st March 2011.

For Tulsyan NEC Limited

Place : Chennai
Date : 12th August, 2011

SANJAY AGARWALLA
Whole-time Director

**CFO CERTIFICATION**

We, Lalit Kumar Tulsyan, Executive Chairman and A.P. Venkateswaran, Whole-time Director - Finance, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year except as laid down in Accounting Standard (AS) - 15 (revised 2005) on Employee Benefits, requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Tulsyan NEC Limited

Place : Chennai
Date : 12th August, 2011

LALITKUMAR TULSYAN
Executive Chairman

A P VENKATESWARAN
Whole-time Director - Finance



REPORT OF THE AUDITORS TO THE MEMBERS OF M/s. TULSYAN NEC LIMITED

We have audited the attached Balance sheet of M/s. TULSYAN NEC LIMITED as at 31st MARCH 2011, and also the Profit & Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditor's Report) Order, 2003 [as amended by the companies (Auditor's Report) Amendment Order, 2004], issued by the Central Government of India in term of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 2 above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of Accounts, as required by law, have been kept by the Company, so far as appears from our examination of those books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account.

- d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting standards referred to in sub-section (3C) of sec 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2011, from being appointed as a Directors in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) As stated in Note No 6 of the Schedule 14 to the Notes on Accounts, we report that the company has paid Rs. 164.80 lacs as Managerial Remuneration, which exceeds the limits calculated under Schedule XIII of the Companies Act, 1956 and the Company has received the approval from the Central Government for the said remuneration paid over the limit.
- g) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with Significant Accounting Policies and notes appearing thereon as contained in schedule 14 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011
 - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date

For **C A PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

BHAVESH N PATEL
Partner
M. No. 26669

Place : Chennai
Date : 12th August, 2011



ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:-
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.
 - (c) No substantial part of fixed assets has been disposed off during the year.
 2. In respect of its inventories:
 - (a) As explained to us, physical verification have been conducted by the management at reasonable intervals in respect of finished goods, stores and raw materials.
 - (b) In our opinion & according to the information and explanation given to us, the procedures of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
 3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The company has granted Rs. 348.10 lacs to subsidiary companies as loan during the year.

(Rs in lacs)

SL No	Name of Party	Relationship with Party	Year end balance
1	Cosmic Global Limited	76.71% Subsidiary Company	Cr.89.05
2	Tulsyan Power Limited*	100% Subsidiary Company	Cr. 0.30
3	Chitrakoot Steel & Power P Ltd	100% Subsidiary Company	Dr. 400.15
4	Balaji Engineering & Galvanizing Ltd*	98.80% Subsidiary Company	Dr. 7.56
5	Color Peppers Media Pvt Ltd	100% Subsidiary Company	Dr. 29.74

* Commercial Operations not yet started for the above companies.

 - (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and
 - conditions are not prima facie prejudicial to the Interest of the Company.
 - (c) In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.
 - (d) There is no overdue amount in respect of loans granted, as the same are repayable on demand so the question of overdue amounts does not arise.
 - (e) The company has taken unsecured loans from 31 parties aggregating to Rs. 2156.59 lacs during the year (Excluding interest accrued & IFST), as stated in Note No 15. of schedule 14 to the Notes on Accounts.
 - (f) In our opinion and according to the information and explanation given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
4. In our opinion and according to the Information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and also sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control.
 5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, Particulars of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five lacs Only) or more in respect of these parties are prima facie not prejudicial to the interest of the Company and are as per the prevailing market rates.
 6. The Company has not accepted any deposit from the public, under section 58A and 58AA of the companies Act, 1956 and the companies (Acceptance of Deposit) Rules 1975. However for loans taken from Directors



- and their relatives and others the Companies regularly files statement in lieu of prospects after the AGM every year.
7. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of the business.
 8. We have reviewed the books of accounts related to Materials, Labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
 9. In respect of statutory dues:
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the Appropriate Authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and any other statutory dues were outstanding as at 31st March 2011 for a period of more than six months from the date of becoming payable.
 - (b) According to the information and explanation given to us, details of the disputed dues which have not been deposited as on March 31, 2011 are referred to in the Annexure - A.
 10. The Company has no accumulated losses as at March 31st 2011, and it has not incurred any cash losses in the financial year ended on the date or in the immediately preceding financial year.
 11. Based on our audit procedures and on information and explanation given by the management we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank as to the Balance sheet date.
 12. The Company has not granted any loans and Advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
 13. In our opinion, the company is not a Chit Fund or Nidhi / Mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the order are not applicable to the company.
 14. In our opinion, the Company is not dealer or trader in shares, securities, debentures and other investments. So, Clause 4 (xiv) of the order is not applicable to the company.
 15. According to the information and explanation given to us, the Company has given corporate guarantee for loans taken by M/s. Chitrakoot Steel & Power Pvt. Ltd from banks amounting to Rs. 20.00 crore as per point number 1.8 of the notes to Accounts.
 16. According to the information and explanation given to us, on an overall basis, the term loan taken from bank have been applied for the purposes for which they were obtained and the same have been mentioned in the Schedule 3 of the Balance Sheet.
 17. According to the information and explanation given to us, on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis which have been used for long term investment.
 18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (xviii) of the order is not applicable to the Company.
 19. During the period covered by our audit report the Company has not issued any debentures, therefore the clause 4 (xix) of the order is not applicable to the Company.
 20. The Company has not raised any money by way of public issues during the year, therefore clause 4 (xx) of the order is not applicable to the Company.
 21. Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **C A PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

BHAVESH N PATEL
Partner
M. No. 26669

Place : Chennai
Date : 12th August, 2011



ANNEXURE "A" TO AUDITORS' REPORT

Referred to in paragraph 9(b) of Annexure a statement on the matters specified in the Companies (Auditor's Report) Order, 2004 of **M/s TULSYAN NEC LIMITED** for the year ended 31st March, 2011

TAX LIABILITIES DISPUTED IN APPEAL

S.No.	Asst. Year	Order	Gross Reference	Disputed Demand	Undisputed Amount	Paid/ Amount	Remarks Adjusted
IN RELATION TO EXCISE							
1	2003-2004, 32/02	Order 25.09.02	201,989.00	201,989.00	0	100,000.00	Paid Disputed in Appeal before Commissionrate CESTAT
2	2002-2003	Order 2/1, 31.10.2001	3,987,205.00	3,987,205.00	0	1,422,316.00	Paid Disputed in Appeal before Commissionrate CESTAT



TULSYAN NEC LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in Lacs)

	Schedule	As at 31.03.2011	As at 31.03.2010
I Sources of Funds			
1. Shareholders' Funds			
(a) Share Capital	1	500.00	500.00
(b) Reserves & Surplus	2	6550.23	5733.06
2. Loan Funds			
(a) Secured Loans	3	24314.57	20307.69
(b) Unsecured Loans	4	2460.27	2070.19
Deferred Tax Adjustment		1538.11	1381.89
		<u>35363.18</u>	<u>29992.83</u>
II Application of Funds			
1. Fixed Assets			
Gross Block		16320.74	15673.52
Less: Depreciation		5787.12	4979.43
Net Block	5	<u>10533.62</u>	<u>10694.09</u>
Capital Work in Progress		4113.87	14.75
2. Investments	6	878.65	773.64
3. Current Assets, Loans & Advances			
(a) Current Assets		28301.25	25308.68
(b) Loans & Advances		9039.28	6322.30
		<u>37340.53</u>	<u>31630.99</u>
Less: Current Liabilities & Provisions	8		
(a) Current Liabilities		15386.08	11195.05
(b) Provisions		2159.63	1925.58
		<u>17545.71</u>	<u>13120.63</u>
NET CURRENT ASSETS		19794.82	18510.36
Miscellaneous Expenditure	9	42.22	-
		<u>35363.18</u>	<u>29992.83</u>
Significant Account Policies & Notes on Accounts	14		

Schedules 1 to 9 and 14 form integral part of this Balance Sheet and are to be read in conjunction therewith

As per our report of even date

For **M/s. C.A. PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

On Behalf of the Board

BHAVESH N PATEL
Partner
M. No. 26669

SANJAY TULSYAN
Managing Director

LALITKUMAR TULSYAN
Executive Chairman

Place : Chennai
Date : 12th August, 2011

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

K. JANAKIRAMAN
Company Secretary



TULSYAN NEC LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year ended 31.03.2011	(Rs. in Lacs) Year ended 31.03.2010
Sale and Other Receipts	10	84310.62	63420.39
Less: Excise Duty		6184.57	4119.43
		78126.05	59300.96
Other Income	11	177.67	175.24
		78303.72	59476.20
Deduct: Cost of Materials and other expenses	12	75938.33	57217.71
Depreciation		857.88	813.33
PROFIT BEFORE EXCEPTIONAL ITEMS		1507.51	1445.15
Exceptional Items Profit/Loss	13	126.96	85.73
Profit for the year		1380.55	1359.42
Less: Provision for Current Tax		290.00	360.00
Deferred Tax		156.22	150.17
PROFIT AFTER TAXATION		934.33	849.25
Add: Surplus brought forward		3334.84	2698.85
		4269.17	3548.10
APPROPRIATIONS:			
Transfer to General Reserve		105.00	102.00
Interim Dividend Paid		50.00	
Corporate Tax on Interim Dividend Paid		8.50	
Proposed Dividend Payable* / Paid		50.00	100.00
Corporate Tax on Dividend Payable / Paid		5.31	11.26
Balance Carried to Balance Sheet		4050.36	3334.84
* Subject to approval of the AGM			
Earning Per Share (basic)		18.69	16.98

Significant Account Policies & Notes on Accounts 14

Schedules 10 to 14 form integral part of this Profit & Loss Account and are to be read in conjunction therewith.

As per our report of even date

For **M/s. C.A. PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

On Behalf of the Board

BHAVESH N PATEL
Partner
M. No. 26669

SANJAY TULSYAN
Managing Director

LALITKUMAR TULSYAN
Executive Chairman

Place : Chennai
Date : 12th August, 2011

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

K. JANAKIRAMAN
Company Secretary



SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31.03.2011	(Rs. in lacs) As at 31.03.2010
Schedule - 1		
Share Capital		
Authorised:		
2,20,00,000 Equity Shares of Rs.10/- each (2,20,00,000 Equity Shares of Rs. 10/- each)	<u>2200.00</u>	<u>2200.00</u>
Issued, Subscribed & Paid-up:		
50,00,000 Equity Shares of Rs.10/- each fully paid-up	<u>500.00</u>	<u>500.00</u>
<p>Of the above, 5,06,660 Equity Shares of Rs.10/- each were issued as fully paid bonus shares by way of capitalisation of reserves</p>		
Schedule - 2		
Reserves & Surplus		
Share Premium	130.00	130.00
State Subsidy	10.00	10.00
Revaluation Reserve	13.48	16.83
Investment Allowance Reserve	59.39	59.39
General Reserve	2287.00	2182.00
Profit & Loss Account	<u>4050.36</u>	<u>3334.84</u>
	<u>6550.23</u>	<u>5733.07</u>

**Schedules - (Continued)**

	As at 31.03.2011	(Rs. in lacs) As at 31.03.2010
Schedule - 3		
Secured Loans		
From Banks		
Working Capital Loans from Banks - Refer Note 1		
Canara Bank	5313.97	4911.51
Syndicate Bank	4096.50	3220.77
State Bank of India	3087.43	2486.21
Andhra Bank	1528.92	1310.75
Term Loan form Banks		
Term Loan - Andhra Bank - Refer Note 2	823.92	225.81
Term Loan - Canara Bank - Refer Note 2	1457.50	246.28
Term Loan - Syndicate Bank - Refer Note 2	2138.76	1936.83
Term Loan - State Bank of India - Refer Note 2	166.52	224.64
Term Loan - State Bank of India (Wind Mill) - Refer Note 3	139.14	199.14
Term Loan - Indian Overseas Bank - Refer Note 2	979.00	-
From Financial Institutions		
Industrial Development Bank of India - Refer Note 4	2209.38	3899.66
Tata Capital	272.84	-
From Others	2100.69	1646.09
	24314.57	20307.69

Notes:

1. Against hypothecation of book debts, inventories & second charge on Fixed Assets of the Company
2. Secured by first charge on fixed assets on above loan
3. First Charge on Wind Mill. In addition, the above loans are also guaranteed by the directors
4. Secured by first charge on balance of fixed assets of the company. In addition, the above loans are also guaranteed by directors

Schedule - 4**Unsecured Loans**

From Bodies Corporate	1353.60	1658.60
From Directors	627.95	41.96
From Others	289.63	108.12
Interest Accrued and Due	84.74	86.91
IFST Loan	104.35	174.60
	2460.27	2070.19



Schedules - (Continued)

Schedule - 5

FIXED ASSETS

(Rs. in lacs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 1st April 2010	Additions upto March 2011	Sold upto March 2011	Cost as at 31st March 2011	As on 1st April 2010	For the year upto March 2011	Adjusted on upto March 2011	Upto 31st March 2011	As at 31st March 2011	As at 31st March 2010
Land	1242.78	97.97	-	1340.75	-	-	-	-	1340.75	1242.78
Land Leasehold	102.33	-	-	102.33	3.64	0.95	-	4.59	97.74	98.69
Factory Buildings	2507.46	59.89	20.79	2546.56	416.15	82.00	1.93	496.22	2050.34	2091.31
Office Premises	20.69	-	-	20.69	4.56	0.73	-	5.29	15.40	16.13
Plant & Machinery	10949.80	589.81	89.94	11449.67	4256.99	699.47	29.51	4926.95	6522.72	6692.81
Works Equipments	62.90	1.27	-	64.17	31.23	3.51	-	34.74	29.43	31.67
Lab Equipment	4.76	0.86	-	5.62	3.30	0.12	-	3.42	2.20	1.46
Office & Other Equip.	417.36	16.09	0.64	432.81	156.09	41.64	0.28	197.45	235.36	261.27
Vehicles	365.43	47.52	54.82	358.13	107.53	32.81	21.89	118.45	239.68	257.90
TOTAL	15673.51	813.41	166.19	16320.73	4979.49	861.23	53.61	5787.11	10533.62	10694.02
Previous Year	14032.58	1699.20	58.26	15673.52	4217.46	816.69	54.72	4979.43	10694.09	9815.12

Note : Interest on borrowed capital of Rs. 16,67,742/- for the purchase of Plant & Machinery has been capitalised

**Schedules - (Continued)**

	As at	(Rs. in lacs)
	31.03.2011	As at 31.03.2010
Schedule - 6		
Investments - Long Term		
Unquoted at Cost		
In Govt. Securities	0.09	0.09
- 10 Equity Shares of Rs.90/- each in Karnataka Woven Sacks Construction P Ltd.	0.01	0.01
- 11,25,000 Equity Shares of Rs.10/-each in Cosmic Global Limited *	112.50	112.50
- 50,000 Equity Shares of Rs. 10/- each in Tulsyan Power Limited **	5.00	5.00
- 7,500 Equity Shares of Rs. 10/- each Tulsyan Alloys Limited	0.75	0.75
- 49,400 Equity Shares of Rs. 10/- each Balaji Engineering & Galvanizing Limited *	4.94	4.94
- 64,89,200 Equity Shares of Rs.10/- each Chitrakoot Steel & Power P Limited **	648.92	648.92
- 25 Shares of Rs. 100/- each in The Shamrao Vithal Co-op Bank Ltd	0.03	-
- 50000 Equity Shares of Rs. 10/-each in Color Peppers Media P Ltd**	5.00	-
- In Bonds of Rs.100/- each in Krishana Bhagya Jaala Nigam Ltd. (17% Secured Redeemable NCB)	1.00	1.00
- 10,00,000 Equity Shares of Rs. 10/- each Buildmet Fibers P Limited	100.00	-
Quoted - Fully Paid		
- 864 Equity shares of Rs.10 each in Syndicate Bank (Market Value Rs. 105365)	0.43	0.43
	<u>878.67</u>	<u>773.64</u>
* Subsidiary Company		
** Wholly Owned Subsidiary Company		
Schedule - 7		
Current Assets, Loans & Advances		
A. Current Assets		
(a) Inventories		
(i) Raw Materials	3218.09	1588.16
(ii) Finished Goods	9190.56	7871.26
(iii) Stores, Spares & Others	285.78	288.05
	<u>12694.43</u>	<u>9747.47</u>
[b] Sundry Debtors - unsecured considered good Outstanding for more than six months	2401.13	1711.53
Other Debts	11145.69	11975.78
	<u>13546.82</u>	<u>13687.31</u>
[c] Cash and Bank Balances		
(i) Cash on hand	10.27	13.57
(ii) Balances with scheduled banks in Current Accounts	26.15	25.90
in Deposit Accounts	2023.58	1834.43
	<u>2060.00</u>	<u>1873.90</u>
	<u>28301.25</u>	<u>25308.68</u>

**Schedules - (Continued)**

	As at 31.03.2011	(Rs. in lacs) As at 31.03.2010
B. Loans and Advances		
Unsecured and considered good, recoverable in cash or in kind or for value to be received or pending adjustment		
Loans	2094.43	1781.11
Advance Tax	2354.50	1935.05
Deposits	1124.13	872.92
Advances to Suppliers	243.00	43.50
Advance for Fixed Assets	1437.66	194.09
Other Advances	1785.56	1495.63
	<u>9039.28</u>	<u>6322.30</u>
Total (A+B)	<u>37340.53</u>	<u>31630.98</u>

Schedule - 8**Current Liabilities & Provisions****Liabilities**

Sundry Creditors		
Micro and Small Enterprises	7.70	0.16
Other than Micro and Small Enterprises	4127.01	4650.78
Other Creditors	11251.37	6544.10
	<u>15386.08</u>	<u>11195.05</u>

Provisions

Provision for Taxation	2085.91	1795.91
Proposed Dividend	50.00	100.00
Corporate Dividend Tax	5.31	11.26
Fringe Benefit Tax Payable	18.41	18.41
	<u>2159.63</u>	<u>1925.58</u>
	<u>17545.71</u>	<u>13120.63</u>

Schedule - 9**Miscellaneous Expenditure (To the extent not written of)**

Right Issue Expenses	42.22	-
	<u>42.22</u>	<u>-</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT

	For the year ended 31.03.2011	(Rs. in lacs) For the year ended 31.03.2010
Schedule - 10		
Sales and Other Receipts		
Sales - Domestic	77821.39	56442.71
- Exports	3540.56	1872.97
- Export Trading	-	32.58
- Raw Material Sales Trading	2640.66	4360.48
Processing Charges & Other Receipts	216.89	441.49
Sale of Import Licence	-	126.80
Drawback	91.12	143.36
	<u>84310.62</u>	<u>63420.39</u>

**Schedules - (Continued)**

	For the year ended 31.03.2011	(Rs. in lacs) For the year ended 31.03.2010
Schedule - 11		
Other Income		
Interest Receipts	156.38	139.04
Dividend - Refer Note below	16.88	33.78
Miscellaneous Income	1.08	-
Profit on sale of Assets	3.33	2.42
	<u>177.67</u>	<u>175.24</u>

Note :- Rs. 16,87,500/- (Rs.33,75,000/-) received from Subsidiary Company, Cosmic Global Ltd

Schedule - 12**Cost of Materials and other expenses**

Stocks of Raw Materials and Finished Goods as at 1st April	9459.42	6206.62
Purchases	62494.46	46672.77
Material Inward Expenses	970.08	1247.68
Salaries, Wages, Labour Charges, Bonus & Gratuity	2084.05	1623.91
Contribution to Provident & Other Funds	91.99	82.79
Excise Duty	107.01	6.03
Workmen and staff welfare expenses	35.12	35.72
Power and Fuel	5417.39	4262.13
Stores and spares consumed	1877.18	1524.67
Repairs to Machinery	70.82	70.32
Repairs to Buildings	10.70	9.73
Other Manufacturing Overheads	35.56	30.89
Processing Charges	265.36	239.48
Insurance	22.59	23.77
Rent	86.77	96.00
Loss on Sale of Assets	16.37	1.74
Rates & Taxes	34.74	77.93
Remuneration to Directors	164.80	156.93
Legal Professional & Consultancy Charges	98.21	98.81
Payment to Auditors	5.00	6.05
Transportation Charges	368.78	291.86
Brokerage and Commission	144.61	120.02
Other Administration & Selling Expenses	618.71	681.26
Interest on Fixed Loans	892.88	783.09
Interest on Other Loans	1862.42	1354.84
Other Finance Charges	1111.96	972.08
Less: Stock of Raw Materials, Finished Goods as at 31st March	12408.65	9459.42
	<u>75938.33</u>	<u>57217.72</u>

Schedule - 13**Exceptional Items**

Foreign Curr Fluctn-Forward Contract Profit/Loss	126.96	85.73
	<u>126.96</u>	<u>85.73</u>



Schedules - (Continued)

Schedule - 14

NOTES ON ACCOUNTS (All amounts in Rupees in lacs unless otherwise stated)

Tulshyan NEC Limited is engaged in the Manufacturing TMT bars and Synthetics Woven Fabrics and Sacks. It has manufacturing plant at Chennai (Ambattur & Gummudipoondi) and Bangalore (Dodabalapur).

1. Significant Accounting Policies:

1.1 Basis of preparation of Financial Statements

- a. The financial statements are prepared under the historical cost convention on accrual basis of accounting to comply in all material respects with mandatory accounting standard as notified by the Companies(Accounting Standards) Rules, 2006 as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 ('the Act').
- b. Accounting policies have been consistently applied by the company and the accounting policies not referred to otherwise, are in conformity with Generally Accepted Accounting Principles (GAAP).

1.2 Fixed Assets and Depreciation

a. Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Own manufactured assets are capitalized inclusive of all direct costs and attributable overhead.

Capital work-in-progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

Assets held for disposal are stated at the lower of net book value and the estimated net realizable value.

- b. Financial costs incurred up to the date of commissioning of assets are capitalised.
- c. Depreciation has been provided as follows:
 - i) Under WDV method on assets acquired up to 31.12.1985 at the then prevailing rates.
 - ii) Under SLM method on assets acquired after 31.12.1985 and up to 15.12.1993 at the rates as originally prescribed in Schedule XIV to the Companies Act,1956, and on assets acquired thereafter at the revised rates as per Notification GSR 756(E) dated 16.12.1993.
 - iii) Depreciation on revaluation is adjusted against Revaluation Reserve.
 - iv) Cost of Leasehold land is amortised over the lease period.
 - v) Plant and Machinery and Furniture and Fittings which cost less than Rs 5000/- each are depreciable at the rate of 100% in the year of purchase.

Depreciation

Type of asset	Rate of Depreciation
Land	NIL
Factory buildings	3.34
Office premises	3.34
Pant and machinery:	
Double shift	7.42
Triple Shift	10.34
Computer	16.21
Lab equipments	4.75
Office and other equipments	6.33
Vehicles	9.50



Schedules - (Continued)

Amortisation

Type of assets	Basis
Land Leasehold	Period of lease
ERP software	Straight line basis over a period of five years

1.3 Retirement and other employee benefits: Defined contribution to provident fund and employee state insurance are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than contribution payable to the respective statutory authorities. Retirement benefits in the form of gratuity are considered as defined benefit obligation, and are provided in the year of separation.

1.4 Inventories

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

Raw Material, components, stores and spares	: At cost (Weighted Average)
Work-in-Progress	: At Material cost plus Conversion cost on the basis of absorption costing
Finished Goods	: At material cost plus conversion cost on the basis of absorption costing (including of excise Duty payable)

1.5 Sales

Sales comprises of sale of goods produced & purchased by the Company as also sales effected as agents and sale of raw materials, and are gross of duties. Consignment sales is accounted on receipt of consignment sale note from the consignee.

1.6 Revenue Recognition

All income and expenditure are recognised on accrual basis except rates & taxes, bonus on cash basis. Export benefits representing duty free imports of earlier years are accounted in proportion to materials consumed. The value of Advance Licence on hand at the end of the year as certified by the management is incorporated in the books of accounts.

1.7 Investments

Long Term Investments are carried at cost less provision for diminution in value other than temporary, if any. Current investments are valued at lower of cost and fair value.

1.8 Contingent Liabilities

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

	On 31/03/2011	On 31/03/2010
Guarantees Outstanding	Rs. 142.38	Rs. 133.88
FLC with Bank	Rs. 4813.67	–
Entry Tax	Rs. 80.44	Rs. 80.44
Excise Duty	Rs. 9.96	Rs. 9.96

The Company has executed (during the year 2009-10) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 20.00 crores



Schedules - (Continued)

1.9 Cash and Cash Equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.10 Foreign Exchange Transactions:

All foreign currency transactions are recorded at the average exchange rate prevailing during the transaction occur. Outstanding balance of foreign currency monetary items are reported using the period end rates. Pursuant to the notification of the companies (Accounting Standard) Amendment Rules 2009 issued by the Ministry of Corporate Affairs on March 31st ,2009 amending Accounting Standard-11(AS-11), the effect of changes in Foreign Exchange Rates(Revised 2003), exchange difference relating to long term monetary items are dealt with in the following manner

Exchange difference relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable capital asset are added to/deducted from the cost of the assets and depreciated over the balance life of the asset.

In other cases, such difference are accumulated in the " Foreign Currency Translation Difference Account" and amortised to the profit and loss account over the balance life of the long term monetary item but not beyond 31st March, 2011.

All other exchange difference are recognized as income or expenses in the profit and loss account (discloses separately under the head Exceptional items in the Schedule-VI, Part-II of the Companies Act, 1956). Foreign exchange transactions are as follows:

Transactions	31.03.2011	31.03.2010
a) CIF Value of imports (Raw materials)	12135.46	6492.08
b) Earnings in foreign Exchange (FOB)	3190.20	1857.19
c) Exchange in Foreign currency for other matters	19.18	9.09
c) Interest paid on \$ Loan	247.44	208.02
d) Loan Paid	4748.88	1189.47

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

2. Quantitative information in respect of class of goods manufactured including conversion

Class of Goods	Licensed Capacity	Installed Capacity	Production 2010-2011
Finished Steel Products (Chennai)	Delicensed	48000 MT (48000 MT)	43374 MT (48195 MT)
Finished Steel Products (Chennai-Gummudipoondi) (*150000 MT added during September, 2009)	Delicensed	300000* MT (300000 MT)	130916 MT (107348 MT)
MS Ingots	Delicensed	36000 MT (36000 MT)	----- MT (----- MT)
MS Billet	Delicensed	144000 MT (144000 MT)	75679 MT (56894) MT
HDPE/PP Woven Sack & Fabrics	Delicensed	25797 MT (20541 MT)	11696 MT (11464 MT)

Note: i) Installed Capacity being a technical matter is as certified by the Management and relied upon by the Auditors.

ii) Scrap generated 7733 MT (During the year 2009-10 - 6640 MT)



Schedules - (Continued)

3. Consumption of materials

(Rs. In Lacs)
2010-11 2009-10

Ingot, billets and rerollables

Indigenous	Qty	185865 MT	163884 MT
	Value	48156.25	37161.91
	Percent	100.00	98.74
Imported	Qty	-----	2090 MT
	Value	-----	449.27
	Percent	-----	1.26

Steel Scrap

Indigenous	Qty	28975 MT	23354 MT
	Value	3462.98	2829.52
	Percent	32.59	34.50
Imported	Qty	59940 MT	44343 MT
	Value	11282.26	6441.48
	Percent	67.41	65.50

PP/HDPE Granules

Imported	Qty	489 MT	744 MT
	Value	379.21	415.96
	Percent	3.98	7.28
Indigenous	Qty	11786 MT	9465 MT
	Value	7643.66	6333.92
	Percent	96.02	92.72
Stores & Spares	Indigenous	1875.66	1520.35
	Imported	1.51	4.32

4. Opening & Closing stocks and Sales

Finished Steel Products

Opening Stock	Qty	20757 MT	9992 MT
	Value	6606.43	3172.08
Closing Stock	Qty	20832 MT	20757 MT
	Value	7353.68	6606.43
Sales	Qty	176603 MT	143362 MT
	Value	54682.39	40109.88
Trading	Qty	26333 MT	20556 MT
	Value	9311.52	2997.70

MS Ingots

Opening Stock	Qty	---	9 MT
	Value	---	2.42
Closing Stock	Qty	---	---
	Value	---	---
Sales	Qty	---	9 MT
	Value	---	2.04

**Schedules - (Continued)****M S Billet**

Opening Stock	Qty	710 MT	370 MT
	Value	154.06	105.79
Closing Stock	Qty	46 MT	710 MT
	Value	11.71	154.06
Sales	Qty	1336MT	94 MT
	Value	349.98	20.05

Fabrics

Opening Stock	Qty	725 MT	751 MT
	Value	551.05	570.77
Closing Stock	Qty	720 MT	725MT
	Value	604.91	551.05
Sales	Qty	1344 MT	946 MT
	Value	975.73	701.87

Sacks

Opening Stock	Qty	288 MT	426 MT
	Value	220.02	340.76
Closing Stock	Qty	1161 MT	288 MT
	Value	1020.07	220.02
Sales	Qty	9669 MT	10155 MT
	Value	6477.25	9544.47

5. Other Information

a) CIF Value of Imports (Raw Materials)	12135.46	6492.08
b) Earnings in Foreign Exchange(FOB)	3190.20	1857.19
c) Expenditure in Foreign Currency for other matters	19.18	9.09
d) Interest paid on \$ Loan	247.44	208.02
e) Loan paid	4748.88	1189.47

6. Remuneration to the Directors:

a) Salary	164.80	169.69
b) Contribution to Provident & Other Funds	2.50	2.40
c) Monetary Value of perquisites	10.17	9.00
d) Sitting fees	0.78	0.76

Managerial Remuneration paid during the year 2010-11 Rs. 164.80 to the Managing Directors and Whole-time Directors exceeded the limits calculated under Schedule XIII to the Companies Act, 1956. The Company has got the approval from the Central Government for the remuneration paid over the limit



Schedules - (Continued)

7. Remuneration to Auditors (excluding Service Tax)

For Audit	5.00	5.00
For Tax Audit	0.75	0.75
For Certification and other works	2.00	2.00
For Internal Audit	10.80	8.55

8. During the year, Company has purchased a 100% shares of M/s Color Peppers Media Private Limited, and invested Rs. 5.00 lacs

9. Segment Reporting

A. Primary Segment Reporting - by Geographical Segment on Location of Assets

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

The Company has two products viz. Steel and Synthetic. Steel is in Chennai and Synthetic is in Bangalore.

Sales/ Other income	Chennai / Steel	Bangalore / Synthetic	Total
(i) Sales- External	69425.35	14885.26	84310.61
(ii) Sales- Inter-segment	252.39	0.00	252.39
(iii) Other Income-External	0.00	0.00	0.00
(iv) Other Income-Inter-segment	NIL	NIL	NIL
Total	69172.96	14885.26	84058.22
Segment Results			
Profit/(Loss) before interest & Tax	3285.57	850.28	4135.85
Less: Interest (unallocable charge)			2755.30
Profit/(Loss) after Interest			1380.55
Less: Other unallocable expenses			0.00
Profit/(Loss) before tax			1380.55
B. Other information			
Segment Assets	25229.57	10133.61	35363.18
Adj: Eliminations	17117.61	(17117.61)	0.00
	42347.18	(6984.00)	35363.18
Segment Liabilities	25229.47	10133.61	35363.18
Capital Employed	24409.77	10032.01	34442.31
Capital Expenditure (Fixed Assets)	348.17	465.24	813.41
Depreciation	581.95	275.93	857.88
C. Secondary Segments Reporting			
Sales to Customers within India			80770.05
Sales to Customers outside India			3540.56



Schedules - (Continued)

10. Related parties Disclosure

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

a) List of Related Parties

1. Cosmic Global Limited	Subsidiary
2. Chitrakoot Steel & Power P Ltd	Subsidiary
3. Tulsyan Power Limited	Subsidiary
4. Balaji Engineering & Galvanizing Ltd	Subsidiary
5. Color Peppers Media P Ltd.	Subsidiary
6. Tulsyan Smelters P Ltd	Associate
7. T G Logistics P Ltd	Associate
8. Shri Lalit Kumar Tulsyan	Executive Chairman/Key Management Person
9. Shri Sanjay Tulsyan	Managing Director/Key Management Person
10. Shri A P Venkateswaran	Director-Finance/Key Management Person
11. Shri Sanjay Agarwalla	Whole-time Director/Key Management Person

b) Transaction with related parties

Purchase of Goods - Subsidiary	2079.03 (Chitrakoot Steel & Power P Ltd)
Sale of Goods - Subsidiary	30.80 (Chitrakoot Steel & Power P Ltd)
Purchase of Fixed Assets - Associates	NIL
Sale of Fixed Assets - Associates	NIL
Rendering Services - Associates	NIL
Receiving Services - Associates	808.22(T G Logistics P Ltd & Tulsyan Smelters P Ltd)
Agency Arrangements	NIL
Leasing or Hire Purchase Arrangement - Associates	NIL
Transfer of Research & Development	NIL
Licence Agreements	NIL
Interest Paid	NIL

Outstanding balances as on 31.03.2011

Amount Receivable (Associates and Subsidiaries)	437.46
Amount Payable (Associates and Key Management Persons)	718.29
Equity Contribution in Subsidiary in Cash	878.67
Guarantees and collaterals	NIL
Payment towards Management (Employment) contracts Key Management Personnel	164.80

11. Earnings per Share

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net Profit attributable to Shareholders	934.33	849.25
Weighted average number of equity shares	50.00	50.00
Basic earnings per share of Rs. 10/- each	18.69	16.99

12. Taxes on Income:

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

Current tax has measured at the amount expected to be paid to the tax authority, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.



Schedules - (Continued)

Deferred tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognized only to the extent that is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized only to the extent that is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax resulting from timing differences which originate during the tax holiday period but are expected to be reversed after such tax holiday period is recognized in the year in which the timing difference originate using the tax rates and laws enacted or subsequently enacted at the balance sheet date.

At each Balance Sheet date, the company reassesses unrecognized deferred tax assets. It recognizes unrealized deferred tax assets to the extent it has become reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available against which the deferred tax can be realized.

As per Accounting Standard-22 (Accounting for tax on income), issued by the Institute of Chartered Accountants of India is as under:

Particulars	31.03.2011	31.03.2010
Deferred Tax (Liability)	1538.11	1381.89
Minimum Alternative Tax (MAT) :	275.04	231.03

13. Lease Payments and Receipts

Lease payments have been made towards land at Chennai and amortised on a straight line basis during the period of lease.

Lease payments have been made towards Hire Purchase of Vehicles. Lease charges have been debited to the Profit and Loss Account based on the certificate issued by the Lessor. The Principal amount of lease due has been disclosed in the Balance Sheet under Secured Loans

14. Details of Secured Loans

- Loans from Banks secured by exclusive charge on land, buildings and plant and machinery other than those specifically charged and hypothecation of inventories and book debts and are guaranteed by the Managing Director and two Directors of the Company
- Term Loan from Financial Institution is secured by assets purchased under the loan and are guaranteed by the Managing Director and two Directors of the Company
- Other Loans are secured by Hire Purchase/Hypothecation Agreements of vehicles and specific machinery and are guaranteed by the Managing Director.

15. Unsecured loans include **Rs.627.95** lakhs due to Directors (As at 31.03.2010 Rs. 41.96 lacs)

	Principal	Interest
Loan from the Directors:	588.24	39.71

16. Other contingent liabilities:

Guarantees given by bankers	142.39	133.88
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17. Liability under acceptances against Letter of Credit

	11946.91	5617.93
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18. The Company has confirmed balances with most of Sundry Debtors, Creditors & Loans and Advances.



Schedules - (Continued)

19. An amount of Rs.105.00 Lacs has been appropriated from Profit & Loss Appropriation A/c. to General Reserve A/c from profits.

20. Income tax deducted at source:

From interest received	16.44	21.96
From Job works received	12.27	9.75
From Others	0.00	0.35

21. Balances with bank in deposit accounts includes Rs.2023.58 Lacs being margin money for Letters of Credit/ Guarantees issued by Bank (As at 31.03.2010 Rs. 1834.42 lacs).

22. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made

23. As per the management representation there is no impairment loss on fixed assets during the year. So AS-28 is not applicable.

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

25. Borrowing Cost:

In respect of new units/major expansions, the interest paid/payable on borrowing funds, attributable to construction of building and acquisition/erection of Plant and machinery is capitalized up to the date of construction/acquisition/ erection of aforesaid assets all other borrowing costs are charged to profit and loss account. During the year under audit the below mention amount has been capitalized as per AS-16 issued by the Institute of chartered Accountants of India.

Qualifying Asset	Borrowing Cost
Plant & Machinery	Rs.16,67,742

26. Derivative Instruments: NIL

27. Advance Licence under DFRC (Duty Free Replenishment Certificate)/DEPB/DFIA/TARGET PLUS to the extent of Rs 614.35 lacs (balance as on 31/03/2011) for which exports have already been made and proceeds received, has been credited to Raw Material Purchase Account and debited to Loans & Advances.

28. Expenditure incurred Rs. 42,22,429/- towards Right Issue of Shares and the same has been disclosed in the Balance Sheet under the head Miscellaneous Expenditure and would be written off over a period of five years w.e.f. 01/04/2011

As per our report of even date

For **M/s. C.A. PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

On Behalf of the Board

BHAVESH N PATEL
Partner
M. No. 26669

SANJAY TULSYAN
Managing Director

LALITKUMAR TULSYAN
Executive Chairman

Place : Chennai
Date : 12th August, 2011

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

K. JANAKIRAMAN
Company Secretary

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE**I REGISTRATION DETAILS**

Registration Number **L 2 8 9 2 0 T N 1 9 4 7 P L C 0 0 7 4 3 7**
 Balance Sheet : **3 1** **0 3** **2 0 1 1** State Code **1 8**
 Date Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue **N I L** Rights Issue **N I L**
 Bonus Issue **N I L** Private Placement **N I L**

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities **3 5 3 6 3 1 8** Total Assets **3 5 3 6 3 1 8**

Sources of Funds

Paid-up Equity Share Capital **5 0 0 0 0** Reserves & Surplus **6 5 5 0 2 3**
 Secured Loans **2 4 3 1 4 5 7** Unsecured Loans **2 4 6 0 2 8**

Application Funds

Net Fixed Assets **1 0 5 3 3 6 2** Investments **8 7 8 6 7**
 Net Current Assets **1 9 7 9 4 8 2** Misc. Expenditure **4 2 2 2**
 Accumulated Losses **N I L**

IV PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turn Over (incl.other Income) **7 8 3 0 3 7 2** Total Expenditure **7 6 9 2 3 1 7**
 Profit before Tax **1 3 8 0 5 5** Profit After Tax **9 3 4 3 3**
 Earning Per Share Rs. **1 8 . 6 9** Dividend Rate **2 0 %**

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms)

Item Code No. (ITC Code) : **7 2 1 4 - 1 0 9 0**
 Product Description : **N O N A L L O Y B A R & R O D S**
 Item Code No. (ITC Code) : **3 9 2 3 - 2 9 9 0**
 Product Description : **H D P E / P P W O V E N S A C K S**
 Item Code No. (ITC Code) : **7 2 0 6 - 1 0 9 0**
 Product Description : **N O N A L L O Y I N G O T S**
 Item Code No. (ITC Code) : **7 2 0 7 - 1 9 2 0**
 Product Description : **N O N A L L O Y B I L L E T S**

As per our report of even date

For **M/s. C.A. PATEL & PATEL**
 Chartered Accountants
 FR No. 005026 S

On Behalf of the Board

BHAVESH N PATEL
 Partner
 M. No. 26669

SANJAY TULSYAN
 Managing Director

LALITKUMAR TULSYAN
 Executive Chairman

Place : Chennai
 Date : 12th August, 2011

A.P. VENKATESWARAN
 Whole-time Director - Finance

S. SOUNDARARAJAN
 Director

K. JANAKIRAMAN
 Company Secretary



CASH FLOW STATEMENTS FOR THE YEAR 2010-2011

(Pursuant to Clause 32 of Listing Agreement)

	31.03.2011	(Rs. in Lacs) 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax after adjustment of Loss on sale of assets	1380.55	1359.45
Adjustments for:		
Depreciation	857.88	813.33
Depreciation on old Assets sold	(53.61)	(54.72)
Right Issue Expenses incurred during the year	(42.22)	0.00
Interest/Dividend	2582.04	1965.11
Operating Profit before WC Changes	<u>4724.63</u>	<u>4083.17</u>
Adjustments for:		
Inventories	(2946.96)	(3311.79)
Sundry Debtors	140.48	(5822.83)
Loans & Advances	(2716.99)	1234.18
Current Liabilities	4191.03	3327.24
Working Capital Loans from Bank	2097.58	3583.26
Short Term Loans	454.60	86.20
Cash generated from operations	<u>5944.40</u>	<u>3179.43</u>
Income Tax Payable/Paid	(19.76)	0.00
Net Cash from Operating activities	<u>5924.64</u>	<u>3179.43</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4912.43)	(1230.67)
Sale of Fixed Assets	166.19	58.26
Purchase of Investments	(105.03)	(661.48)
Interest Received	156.38	139.04
Dividend Received	16.88	33.78
Net Cash used in investing activities	<u>(4678.01)</u>	<u>(1661.07)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long Term Loans	1454.69	413.85
Increase in Unsecured Loans	390.08	772.05
Interest paid	(2755.30)	(2137.93)
Dividend Payable/paid	(150.00)	(100.00)
Net Cash from financing activities	<u>(1060.52)</u>	<u>(1052.03)</u>
D NET INCREASE IN CASH & CASH EQUIVALENTS A+B+C	186.10	466.33
Opening Cash & Cash Equivalents	1873.90	1407.57
Closing Cash & Cash Equivalents	<u>2060.00</u>	<u>1873.90</u>

Note: State Subsidy received has been included in Reserve and Surplus

For and on Behalf of the Board

SANJAY TULSYAN
Managing Director

LALITKUMAR TULSYAN
Executive Chairman

S. SOUNDARARAJAN
Director

Place : Chennai
Date : 12th August, 2011

A.P. VENKATESWARAN
Whole-time Director - Finance

K. JANAKIRAMAN
Company Secretary

AUDITORS' CERTIFICATE

We have verified the above statement with the books and records maintained by Tulsyan NEC Limited and certify that in our opinion and according to the information and explanation given to us, the above statement is in accordance therewith

For **C A PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

BHAVESH N PATEL
Partner
M. No. 26669

Place : Chennai
Date : 12th August, 2011



REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF TULSYAN NEC LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TULSYAN NEC LIMITED AND ITS SUBSIDIARIES

We have examined the attached consolidated Balance Sheet of Tulsyan NEC Limited and its subsidiaries Cosmic Global Limited, Chitrakoot Steel & Power P Limited, Tulsyan Power Limited, Balaji Engineering & Galvanizing Limited and Color Peppers Media P Limited as at 31st March, 2011 and the Consolidated Profit & Loss Account for the year ending as on that date.

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identical reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of Tulsyan NEC Limited incorporate the accounts of Cosmic Global Limited, Chitrakoot Steel & Power P Limited, Tulsyan Power Limited, Balaji Engineering & Galvanizing Limited and Color Peppers Media P Limited as at 31st March, 2011 which has been audited by their auditors and whose report has been considered by us.

We did not audit the financial statements of the subsidiaries Cosmic Global Limited, Chitrakoot Steel & Power P Limited, Tulsyan Power Limited, Balaji Engineering & Galvanizing Limited and Color Peppers Media P Limited as at 31st March, 2011 whose financial statements reflect total assets of Rs. 2862.82 lakhs and gross revenue of Rs. 56.80 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of subsidiary, is based solely on report of the other auditors.

We report that the consolidated financial statements have been prepared in accordance with the requirements of AS-21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Tulsyan NEC Limited and its subsidiaries Cosmic Global Limited, Chitrakoot Steel & Power P Limited, Tulsyan Power Limited, Balaji Engineering & Galvanizing Limited and Color Peppers Media P Limited as at 31st March, 2011 included in the consolidated financial statements.

On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Tulsyan NEC Limited and its aforesaid subsidiaries, the consolidated financial statements gives a true and fair view in conformity with the accounting principles generally accepted in India :

- a. in the case of the consolidated Balance Sheet of the consolidated state of affairs of Tulsyan NEC Limited and its subsidiaries as at 31st March, 2011
- b. in the case of the consolidated Profit & Loss Account of the consolidated results of operation of Tulsyan NEC Limited and its subsidiaries for the year ended on that date, and
- c. in the case of consolidated Cash Flow Statement, of the consolidated cash flow of Tulsyan NEC Limited and its subsidiaries for the year ended on that date

For **C A PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

BHAVESH N PATEL
Partner
M. No. 26669

Place : Chennai
Date : 12th August, 2011



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in Lacs)

		As at 31.03.2011	As at 31.03.2010
I Sources of Funds			
1. Shareholders' Fund			
(a) Share Capital	1	500.00	500.00
(b) Reserves & Surplus	2	6723.77	5939.05
Minority Interest		75.41	2.48
2. Loan Funds			
(a) Secured Loans	3	26337.27	21558.14
(b) Unsecured Loans	4	3051.47	3271.97
Deferred Tax Adjustment		1538.11	1381.89
		<u>38226.03</u>	<u>32653.53</u>
II Application of Funds			
1. Fixed Assets			
Gross Block		18655.02	17919.32
Less: Depreciation		6366.15	5451.51
Net Block	5	<u>12288.87</u>	<u>12467.81</u>
Capital Work in Progress		4113.87	39.48
2. Investments	6	102.33	2.31
3. Current Assets, Loans & Advances	7		
(a) Current Assets		29448.74	26040.59
(b) Loans & Advances		9555.91	7054.14
		<u>39004.65</u>	<u>33094.73</u>
Less: Current Liabilities & Provisions	8		
(a) Current Liabilities		15686.17	11528.16
(b) Provisions		2201.07	1991.74
		<u>17887.24</u>	<u>13519.90</u>
NET CURRENT ASSETS		21117.41	19574.83
Deferred Tax Asset		101.88	101.88
Miscellaneous Expenditure	9	44.72	1.69
Profit & Loss Account		456.95	465.53
		<u>38226.03</u>	<u>32653.53</u>
Significant Account Policies & Notes on Accounts	14		

Schedules 1 to 9 and 14 form integral part of this Balance Sheet and are to be read in conjunction therewith

As per our report of even date

For **M/s. C.A. PATEL & PATEL**

On Behalf of the Board

Chartered Accountants

FR No. 005026 S

BHAVESH N PATEL

SANJAY TULSYAN

LALITKUMAR TULSYAN

Partner

Managing Director

Executive Chairman

M. No. 26669

Place : Chennai

A.P. VENKATESWARAN

S. SOUNDARARAJAN

K. JANAKIRAMAN

Date : 12th August, 2011

Whole-time Director - Finance

Director

Company Secretary



**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	Year ended 31.03.2011	(Rs. in Lacs) Year ended 31.03.2010
Sales and Other Receipts	10	87543.49	64799.67
Less : Excise Duty		<u>6403.44</u>	<u>4170.91</u>
		81140.05	60628.76
Other Income	11	<u>179.48</u>	<u>203.71</u>
		<u>81319.53</u>	<u>60832.47</u>
Deduct: Cost of Materials and other expenses	12	78790.41	58395.58
Depreciation		<u>964.82</u>	<u>846.15</u>
Profit for the Year before Exceptional Items		1564.30	1590.74
Exceptional Items Profit/Loss	13	<u>126.96</u>	<u>85.73</u>
Profit for the Year		1437.34	1505.01
Less: Provision for Current Tax		<u>305.79</u>	386.62
Deferred Tax		<u>156.22</u>	<u>173.47</u>
Profit after taxation		975.33	944.92
Add: Surplus brought forward		<u>3055.82</u>	<u>2372.03</u>
		4031.15	3316.95
Appropriations:			
Transfer to General Reserve		108.13	110.34
Interim Dividend Paid		50.00	-
Dividen Tax Paid (Interim)		8.50	-
Proposed Dividend Payable* / Paid		72.00	133.79
Corporate Tax on Dividend Payable / Paid		8.96	17.00
		<u>3783.56</u>	<u>3055.82</u>

* Subject to approval of the AGM

Notes on Accounts

14

Schedules 10 to 14 form integral part of this Profit & Loss Account and are to be read in conjunction therewith.

As per our report of even date

For **M/s. C.A. PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

On Behalf of the Board

BHAVESH N PATEL
Partner
M. No. 26669

SANJAY TULSYAN
Managing Director

LALITKUMAR TULSYAN
Executive Chairman

Place : Chennai
Date : 12th August, 2011

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

K. JANAKIRAMAN
Company Secretary



**SCHEDULES TO CONSOLIDATED BALANCE SHEET
AND PROFIT & LOSS ACCOUNT**

	As at 31.03.2011	(Rs. in lacs) As at 31.03.2010
Schedule - 1		
Share Capital		
Authorised:		
2,20,00,000 Equity Shares of Rs. 10/- each	<u>2200.00</u>	<u>2200.00</u>
Issued, Subscribed & Paid-up:		
50,00,000 Equity Shares of Rs. 10/- each fully paid-up	<u>500.00</u>	<u>500.00</u>
<p>Of the above, 5,06,660 Equity Shares of Rs. 10/- each were issued as fully paid bonus shares by way of capitalisation of reserves</p>		
 Schedule - 2		
Reserves & Surplus		
Share Premium	130.00	130.00
State Subsidy	10.00	10.00
Revaluation Reserve	13.48	16.83
Investment Allowance Reserve	59.39	59.39
General Reserve	2287.00	2182.00
Profit & Loss Account	4051.48	3334.84
Share Application Money	50.00	50.00
Capital Reserve	122.42	155.99
	<u>6723.77</u>	<u>5939.05</u>

**Schedules - (Continued)**

	As at 31.03.2011	(Rs. in lacs) As at 31.03.2010
Schedule - 3		
Secured Loans		
From Banks		
Working Capital Loans from Banks - Refer Note 1		
Canara Bank	5313.97	4911.51
Syndicate Bank	4096.50	3220.77
State Bank of India	3087.43	2486.21
Andhra Bank	1528.92	1310.75
Indian Overseas Bank*	-	732.82
The Shamrao Vithal Co-op Bank Ltd	252.59	-
Interest accrued and due	20.11	5.06
Term Loan form Banks*		
Term Loan - Andhra Bank - Refer Note 2	823.92	225.81
Term Loan - Canara Bank - Refer Note 2	1457.50	246.28
Term Loan - Syndicate Bank - Refer Note 2	2138.76	1936.83
Term Loan - State Bank of India - Refer Note 2	166.52	224.64
Term Loan - State Bank of India (Wind Mill) - Refer Note 3	139.14	199.14
Term Loan - Indian Overseas Bank - Refer Note 2	979.00	512.57
From Financial Institutions		
Industrial Development Bank of India - Refer Note 4	2209.38	3899.66
Tata Capital	272.84	-
Term Loan - The Shamrao Vithal Co-op Bank Ltd	1750.00	-
From others	<u>2100.69</u>	<u>1646.09</u>
	<u>26337.27</u>	<u>21558.14</u>

- Notes : 1. Against hypothecation of book debts, inventories & second charge on Fixed Assets of the Company
 2. Secured by first charge on fixed assets on above loan
 3. First Charge on Wind Mill. In addition, the above loans are also guaranteed by the directors
 4. Secured by first charge on balance of fixed assets of the company. In addition, the above loans are also guaranteed by directors

Schedule - 4**Unsecured Loans**

From Bodies Corporate	1944.79	2860.37
From Directors	627.95	41.96
From Others	289.63	108.12
Interest Accrued and Due	84.75	86.92
IFST Loan	104.35	174.60
	<u>3051.47</u>	<u>3271.97</u>

Schedules - (Continued)

Schedule - 5

FIXED ASSETS

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost as at 1st April 2010	Additions upto March 2011	Sold upto March 2011	Cost as at 31st March 2011	As on 1st April 2010	For the year upto March 2011	Adjusted on upto March 2011	Upto 31st March 2011	As at 31st March 2011	As at 31st March 2010		
Land	1354.79	97.97	-	1452.76	-	-	-	-	1452.76	1354.79		
Land Leasehold	102.33	-	-	102.33	3.64	0.95	-	4.59	97.74	98.69		
Factory Buildings	3251.61	109.09	20.79	3339.91	507.53	107.64	1.93	613.24	2726.67	2744.08		
Office Premises	20.69	-	-	20.69	4.56	0.73	-	5.29	15.40	16.13		
Plant & Machinery	12149.38	618.66	89.94	12678.10	4511.73	766.04	29.51	5248.26	7429.84	7637.65		
Works Equipments	97.41	1.27	-	98.68	48.84	7.41	-	56.25	42.43	48.57		
Lab Equipment	6.95	5.95	-	12.90	4.02	0.40	-	4.42	8.48	2.93		
Office & Other Equip.	570.69	21.42	0.64	591.47	263.60	52.19	0.28	315.59	275.88	307.01		
Vehicles	365.48	47.52	54.82	358.18	107.58	32.81	21.89	118.50	239.76	257.99		
TOTAL	17919.33	901.88	166.19	18655.02	5451.50	968.17	53.61	6366.06	12288.96	12467.84		
Previous Year	16224.20	1768.66	73.53	17919.33	4596.81	915.59	60.91	5451.49	12467.84	11627.39		

Note: Interest on borrowed capital of Rs. 16,67,742/- for the purchase of Plant & Machinery has been capitalised





Schedules - (Continued)	As at	(Rs. in lacs)
	31.03.2011	As at 31.03.2010
Schedule - 6		
Investments - Long Term		
Unquoted at Cost		
In Govt. Securities	0.09	0.09
- 10 Equity Shares of Rs.90/- each in Karnataka Woven Sacks Construction P Ltd	0.01	0.01
- 7,500 Equity Shares of Rs. 10/- each Tulsyan Alloys Limited	0.75	0.75
- In Bonds of Rs.100/- each in Krishana Bhagya Jaala Nigam Ltd (17% Secured Redeemable NCB)	1.00	1.00
- 10,00,000 Equity Shares of Rs. 10/- each in Buildmet Fibers P Limited	100.00	-
Quoted - Fully Paid		
- 864 Equity shares of Rs.10 each in Syndicate Bank (Market Value Rs. 105365)	0.43	0.43
- 50 Equity Shares of Rs.100 each in The Shamrao Vithal Co-operative Bank Ltd	0.05	0.03
	<u>102.33</u>	<u>2.31</u>
Schedule - 7		
Current Assets, Loans & Advances		
A. Current Assets		
(a) Inventories		
(i) Raw Materials	3601.48	1904.69
(ii) Finished Goods	9200.97	7935.77
(iii) Stores, Spares & Others	349.58	301.27
	<u>13152.03</u>	<u>10141.73</u>
[b] Sundry Debtors - Outstanding for more than six months		
Unsecured Considered Good	2532.39	1811.24
Unsecured Considered Doubtful	17.05	15.35
Other Debts	11596.19	12165.82
	<u>14145.63</u>	<u>13992.41</u>
(c) Cash and Bank Balances		
(i) Cash on hand	16.35	25.40
(ii) Balances with scheduled banks:		
In Current Accounts	83.20	45.09
In Deposit Accounts	2051.53	1835.96
	<u>2151.08</u>	<u>1906.45</u>
	<u>29448.74</u>	<u>26040.59</u>

**Schedules - (Continued)**

	As at 31.03.2011	(Rs. in lacs) As at 31.03.2010
B. Loans and Advances		
Unsecured and considered good, Considered doubtful recoverable in cash or in kind or for value to be received or pending adjustment		
Loans	2390.96	2243.82
Advance Income-tax	2354.50	1935.05
Deposits	1165.13	908.82
Advances to Suppliers	243.00	43.50
Advance for Fixed Assets	1437.66	194.09
Other Advances	1964.66	1728.86
	<u>9555.91</u>	<u>7054.14</u>
Total (A+B)	<u>39004.66</u>	<u>33094.72</u>

Schedule - 8**Current Liabilities & Provisions****Liabilities**

Sundry Creditors

Micro and Small Enterprises

7.70

0.16

Other than Micro and Small Enterprises

4400.46

4948.27

Other Creditors

11278.01

6579.73

15686.1711528.16**Provisions**

Provision for Taxation

2101.70

1822.53

Proposed Dividend

72.00

133.80

Corporate Dividend Tax

8.96

17.00

Fringe Benefit Tax Payable

18.41

18.41

2201.071991.7417887.2413519.90**Schedule - 9****Miscellaneous Expenditure (To the extent not written of)**

Right Issue Expenses

42.22

-

Pre-operative Expenses

2.49

1.69

Total

44.711.69**MINORITY INTEREST**

75.41

2.48

SCHEDULES TO PROFIT & LOSS ACCOUNT

	year ended 31.03.2011	(Rs. in lacs) year ended 31.03.2010
Schedule - 10		
Sales and Other Receipts		
Sales - Domestic	80396.24	57243.72
- Exports	3540.56	1872.97
- Export Trading	-	32.59
- Raw Material Trading	2640.66	4360.48
- Processing Charges & Other Receipts	216.89	441.49
- Sale of Import Licence	-	126.80
- Drawback	91.12	143.36
- Services	658.02	578.26
	<u>87543.49</u>	<u>64799.67</u>

**Schedules - (Continued)**

	year ended 31.03.2011	(Rs. in lacs) year ended 31.03.2010
Schedule - 11		
Other Income		
Interest Receipts	158.15	140.46
Dividend - Refer Note below	16.88	33.78
Miscellaneous Income	1.12	27.06
Profit on sale of fixed assets	3.33	2.42
	<u>179.48</u>	<u>203.71</u>

Note :- Rs. 16,87,500/- (Rs. 33,75,000/-) received from
Subsidiary Company, Cosmic Global Ltd

Schedule - 12**Cost of Materials and other expenses**

Stocks of Raw Materials and Finished Goods as at 1st April	9799.15	6383.51
Purchases	64178.41	47384.09
Material Inward Expenses	970.63	1247.68
Salaries, Wages, Labour Charges, Bonus & Gratuity	2414.04	1822.33
Contribution to Provident & Other Funds	101.49	89.72
Excise Duty	101.95	8.09
Workmen and staff welfare expenses	39.52	38.47
Power and Fuel	5488.58	4305.90
Stores and spares consumed	1989.77	1524.67
Repairs to Machinery	73.71	70.40
Repairs to Buildings	11.70	11.62
Other Manufacturing Overheads	79.76	71.92
Processing Charges	265.36	239.48
Translation Charges Paid	258.13	218.19
Event Charges Paid	7.19	-
Insurance	24.29	23.89
Rent	100.23	110.20
Loss on Sale of Assets	16.37	1.74
Rates & Taxes	43.00	82.03
Remuneration to Managing Director	164.80	156.93
Legal Professional & Consultancy Charges	133.66	117.19
Payment to Auditors	7.23	8.18
Transportation Charges	368.78	291.86
Brokerage and Commission	144.61	120.02
Other Administration & Selling Expenses	671.81	711.77
Interest on Fixed Loans	1145.73	815.11
Interest on Other Loans	1862.42	1357.36
Other Finance Charges	1132.84	982.37
Less: Stock of Raw Materials, Finished Goods as at 31st March	12804.75	9799.15
	<u>78790.41</u>	<u>58395.58</u>

Schedule - 13**Exceptional Items**

Foreign Curr Fluctn-Forward Contract Profit/Loss	126.96	85.73
	<u>126.96</u>	<u>85.73</u>



Schedules - (Continued)

Schedule - 14

NOTES ON ACCOUNTS (All amounts in Rupees in lacs unless otherwise stated)

Tulsyan NEC Limited (hereinafter known as the Parent Company) holds 76.71% of the Shares of Cosmic Global Limited, 100% of the Shares of Tulsyan Power Limited, 100% of the Shares of Chitrakoot Steel & Power P Limited, 98.80% of the Shares of Balaji Engineering & Galvanizing Limited and 100% of the Shares of Color Peppers Media Private Limited (hereinafter known as the Subsidiaries) with a common reference to the companies being made as "Group" or "Group Companies".

Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Parent Company and its Subsidiary companies has been combined on a line to line basis by adding together the book values of like items of Assets, liabilities, Income and Expenditure after fully eliminating intra group balances.
- The Consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate Financial Statement.
- The Excess of Cost to the Parent Company of its investment in the Subsidiary is recognized in the financial statements as Goodwill, which is amortised on a straight line basis over a period of five years. At the end of every year, a review of the balancing amount of goodwill would be made and if it is considered that the goodwill is impaired then only it would be written down.

1. Significant Accounting Policies:

1.1 Basis of preparation of Financial Statements

- a. The financial statements are prepared under the historical cost convention on accrual basis of accounting to comply in all material respects with mandatory accounting standard as notified by the Companies (Accounting Standards) Rules,2006 as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 ('the Act').
- b. Accounting policies have been consistently applied by the company and the accounting policies not referred to otherwise, are in conformity with Generally Accepted Accounting Principles (GAAP).

1.2 Fixed Assets and Depreciation

- a. Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Own manufactured assets are capitalized inclusive of all direct costs and attributable overhead.

Capital work-in-progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

Assets held for disposal are stated at the lower of net book value and the estimated net realizable value.
- b. Financial costs incurred up to the date of commissioning of assets are capitalised.
- c. Depreciation has been provided as follows:
 - i) Under WDV method on assets acquired up to 31.12.1985 at the then prevailing rates.
 - ii) Under SLM method on assets acquired after 31.12.1985 and up to 15.12.1993 at the rates as originally prescribed in Schedule XIV to the Companies Act,1956, and on assets acquired thereafter at the revised rates as per Notification GSR 756(E) dated 16.12.1993.
 - iii) Depreciation on revaluation is adjusted against Revaluation Reserve.
 - iv) Cost of Leasehold land is amortised over the lease period.
 - v) Plant and Machinery and Furniture and Fittings which cost less than Rs. 5000/- each are depreciable at the rate of 100% in the year of purchase.



Schedules - (Continued)

Depreciation

Type of asset	Rate of Depreciation
Land	NIL
Factory buildings	3.34
Office premises	3.34
Pant and machinery:	
Double shift	7.42
Triple Shift	10.34
Computer	16.21
Lab equipments	4.75
Office and other equipments	6.33
Vehicles	9.50

Amortisation

Type of assets	Basis
Land Leasehold	Period of lease
ERP software	Straight line basis over a period of five years

1.3 **Retirement and other employee benefits:** Defined contribution to provident fund and employee state insurance are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than contribution payable to the respective statutory authorities. Retirement benefits in the form of gratuity are considered as defined benefit obligation, and are provided in the year of separation.

1.4 Inventories

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

Raw Material, components, stores and spares : At cost (Weighted Average)

Work-in-Progress : At Material cost plus Conversion cost on the basis of absorption costing

Finished Goods : At material cost plus conversion cost on the basis of absorption costing (including of excise Duty payable)

1.5 Sales

Sales comprises of sale of goods produced & purchased by the Company as also sales effected as agents and sale of raw materials, and are gross of duties. Consignment sales is accounted on receipt of consignment sale note from the consignee. Export/Consultancy Services are billed at mutually discussed rates wherever the terms have not been reduced to writing.

1.6 Revenue Recognition

All income and expenditure are recognised on accrual basis except rates & taxes, bonus on cash basis. Export benefits representing duty free imports of earlier years are accounted in proportion to materials consumed. The value of Advance Licence on hand at the end of the year as certified by the management is incorporated in the books of accounts.



Schedules - (Continued)

1.7 Investments

Long Term Investments are carried at cost less provision for diminution in value other than temporary, if any. Current investments are valued at lower of cost and fair value.

1.8 Contingent Liabilities

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

	On 31/03/2011	On 31/03/2010
Guarantees Outstanding	Rs. 142.38	Rs. 133.88
FLC with Bank	Rs. 4813.67	–
Entry Tax	Rs. 80.44	Rs. 80.44
Excise Duty	Rs. 9.96	Rs. 9.96

1.9 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.10 Foreign Exchange Transactions

All foreign currency transactions are recorded at the average exchange rate prevailing during the transaction occur. Outstanding balance of foreign currency monetary items are reported using the period end rates. Pursuant to the notification of the companies (Accounting Standard) amendment Rules 2009 issued by the Ministry of Corporate Affairs on March 31st ,2009 amending Accounting Standard-11 (AS-11), the effect of changes in Foreign Exchange Rates(Revised 2003), exchange difference relating to long term monetary items are dealt with in the following manner

Exchange difference relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable capital asset are added to/deducted from the cost of the assets and depreciated over the balance life of the asset.

In other cases, such difference are accumulated in the " Foreign Currency Translation Difference Account" and amortised to the profit and loss account over the balance life of the long term monetary item but not beyond 31st March, 2011.

All other exchange difference are recognized as income or expenses in the profit and loss account (discloses separately under the head Exceptional items in the Sch-VI, Part-II of the Companies Act, 1956). Foreign exchange transactions are as follows:

Transactions	31.03.2011	31.03.2010
a) CIF Value of imports (Raw materials)	12135.46	6492.08
b) Earnings in foreign Exchange (FOB)	3520.81	2350.21
c) Exchange in Foreign currency for other matters	226.55	164.85
c) Interest paid on \$ Loan	247.44	208.02
d) Loan Paid	4748.88	1189.47

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



Schedules - (Continued)

2. Quantitative information in respect of class of goods manufactured including conversion

Class of Goods	Licensed Capacity	Installed Capacity	Production 2010-2011
Finished Steel Products (Chennai)	Delicensed	48000 MT (48000 MT)	44374 MT (48195 MT)
Finished Steel Products (Chennai-Gummudipoondi) (*150000 MT added during September, 2009)	Delicensed	300000* MT (300000 MT)	130916 MT (107348 MT)
MS Ingots	Delicensed	36000 MT (36000 MT)	----- MT (-----MT)
MS Billet	Delicensed	144000 MT (144000 MT)	75679 MT (56894) MT
HDPE/PP Woven Sack & Fabrics	Delicensed	25797 MT (20541 MT)	11696 MT (11464MT)

Note: i) Installed Capacity being a technical matter is as certified by the Management and relied upon by the Auditors.

ii) Scrap generated 7733 MT (During the year 2009-10 - 6640 MT)

3. Consumption of materials

		2010-11	(Rs. In Lacs) 2009-10
Ingot, billets and rerollables			
Indigenous	Qty	185865 MT	163884 MT
	Value	48156.25	37161.91
	Percent	100.00	98.74
Imported	Qty	-----	2090 MT
	Value	-----	449.27
	Percent	-----	1.26
Steel Scrap			
Indigenous	Qty	28975 MT	23354 MT
	Value	3462.98	2829.52
	Percent	32.59	34.50
Imported	Qty	59940 MT	44343 MT
	Value	11282.26	6441.48
	Percent	67.41	65.50
PP/HDPE Granules			
Imported	Qty	489 MT	744 MT
	Value	379.21	415.96
	Percent	3.98	7.28
Indigenous	Qty	11786 MT	9465 MT
	Value	7643.66	6333.92
	Percent	96.02	92.72
Stores & Spares	Indigenous	1875.66	1520.35
	Imported	1.51	4.32



Schedules - (Continued)

4. Opening & Closing stocks and Sales

Finished Steel Products

Opening Stock	Qty	20757 MT	9992 MT
	Value	6606.43	3172.08
Closing Stock	Qty	20832 MT	20757 MT
	Value	7353.68	6606.43
Sales	Qty	176603 MT	143362 MT
	Value	54682.39	40109.88
Trading	Qty	26333 MT	20556 MT
	Value	9311.52	2997.70

MS Ingots

Opening Stock	Qty	---	9 MT
	Value	---	2.42
Closing Stock	Qty	---	-
	Value	---	-
Sales	Qty	---	9 MT
	Value	---	2.04

M S Billet

Opening Stock	Qty	710 MT	370 MT
	Value	154.06	105.79
Closing Stock	Qty	46 MT	710 MT
	Value	11.71	154.06
Sales	Qty	1336MT	94 MT
	Value	349.98	20.05

Fabrics

Opening Stock	Qty	725 MT	751 MT
	Value	551.05	570
Closing Stock	Qty	720 MT	725MT
	Value	604.91	551.05
Sales	Qty	1344 MT	946 MT
	Value	975.73	701.87

Sacks

Opening Stock	Qty	288 MT	426 MT
	Value	220.02	340.76
Closing Stock	Qty	1161 MT	288 MT
	Value	1020.07	220.02
Sales	Qty	9669 MT	10155 MT
	Value	6477.25	9544.47



Schedules - (Continued)

1. Quantitative particulars for the year 2010-11

i. Capacity Utilisation, Production & Turnover

Description	Financial Year			
	2010-11		2009-10	
	Qty in MT	Value in Rs	Qty in MT	Value in Rs
a. Licensed /Installed Capacity (per day) Sponge Iron Lumps, Fines	100.000		100.000	
b. Actual Production				
Sponge Iron Lumps & Fines	12660.700		6006.510	
Dolochar	8123.420		3,755.370	
Iron Ore Fines (Generated during initial segregation of raw materials)	1967.340		1,699.170	
c. Turnover				
Sponge Iron Lumps	12997.900	243,718,424	6402.875	87,804,835
Dolochar #	9799.960	3,913,111	6,515.520	736,901
Iron Ore Fines *	681.550	315,770	1,571.430	338,655
Others	3603.42	19,803,065	3,508.78	22,547,856
Total Turnover		267,750,370		111,428,247

Includes NIL (P.Y - 3134.580 MT) used for Captive consumption

* Includes NIL (P.Y - 402.830 MT) used internally for land leveling purpose.

ii. Consumption of Raw materials and Closing Stock

Description	Financial Year			
	2010-11		2009-10	
	Qty in MT	Value in Rs	Qty in MT	Value in Rs
a. Raw Materials Purchases				
Iron Ore	32,221.735	49,732,466	14,390.610	33,023,478
Coal	18913.940	66,317,115	18,625.490	59,726,293
Dolomite /Lime Stone	694.310	1,149,483	414.250	739,270
Stores & Spares				20,20,121
Total Purchases		117,199,064		95,509,162



Schedules - (Continued)

b. OPENING STOCK				
Raw Materials				
Iron Ore	117.517	263,603	1,423.987	2,299,656
Coal	7,916.140	26,452,943	3,170.110	13,483,214
Dolomite /Lime Stone	105.615	171,039	224.965	295,497
Stores & Spares		4,765,757		6,438,435
Total (A)		31,653,342		22,516,802
Finished Goods				
Sponge Iron Lumps & Fines	397.890	6,451,428	794.255	13,574,170
Dolochar	1,450.450	588,469	4,210.600	2,105,300
Iron Ore Fines	1,54.230	45,796	26.490	2,649
Total (B)		7,085,693		15,682,119
Total value of Opening Stock (A + B)		38,739,034		38,198,921
c. CLOSING STOCK				
Raw Materials				
Iron Ore	4213.650	14,024,628	117.517	263,603
Coal	3736.900	24,168,812	7,916.140	26,452,943
Dolomite /Lime Stone	74.720	145,940	105.615	171,039
Stores & Spares		5,462,067		4,765,757
Total (A)		43,801,447		31,653,342
Finished Goods				
Sponge Iron Lumps*	60.740	1,040,635	397.890	6,451,428
Dolochar	38.250	7,132	1,450.450	588,469
Iron Ore Fines	1440.020	222,794	1,54.230	45,796
Total (B)		1,270,561		7,085,693
Total value of Closing Stock (A +B)		45,072,016		38,739,034

* Includes Excise Duty Provision on Finished Goods Rs. 0.97 lakhs (Pr. Year Rs. 6.02 lakhs)

The above information is provided from the books of Tulsyan NEC Limited. Since, the nature of business of Cosmic Global Limited is technical and not quantifiable in terms of any particular unit of conversion, it is not possible to give the quantitative details (as prescribed under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956) of transcription charges received, export and consultancy services.



Schedules - (Continued)

5. Other Information

a) CIF Value of Imports (Raw Materials)	12135.46	6492.08
b) Earnings in Foreign Exchange(FOB)	3520.81	2350.21
c) Expenditure in Foreign Currency for other matters	226.55	164.85
d) Interest paid on \$ Loan	247.44	208.02
e) Loan paid	4748.88	1189.47

6. Remuneration to the Directors:

a) Salary	164.80	169.69
b) Contribution to Provident & Other Funds	2.50	2.40
c) Monetary Value of perquisites	10.17	9.00

Managerial Remuneration paid during the year 2010-11 Rs. 164.80 to the Managing Directors and Whole-time Directors exceeded the limits calculated under Schedule XIII to the Companies Act, 1956. The Company has got the approval from the Central Government for the remuneration paid over the limit

7. Remuneration to Auditors

For Audit	6.90	7.13
For Tax Audit	0.75	0.75
For Certification and other works	2.00	2.00
For Internal Audit	10.17	8.55

8. During the year, Company has purchased a 100% shares of M/s Color Peppers Media Private Limited, and invested Rs. 5.00 lacs

9. Sitting Fees paid to Directors 0.78 0.76

10. Details of Secured Loans

- Loans from Banks secured by exclusive charge on land, buildings and plant and machinery other than those specifically charged and hypothecation of inventories and book debts and are guaranteed by the Managing Director and two Directors of the Company
- Term Loan from Financial Institution is secured by assets purchased under the loan and are guaranteed by the Managing Director and two Directors of the Company
- Others Loans are secured by Hire Purchase/Hypothecation Agreements of vehicles and specific machinery and are guaranteed by the Managing Director/secured by a charge on the specific equipment.

11 Unsecured loans include Rs.627.95 lakhs due to Directors (As at 31.03.2010 Rs.41.96 lacs)

	Principal	Interest
Loan from the Directors:	588.24	39.71

12. Other contingent liabilities:

Guarantees given by bankers	142.39	133.88
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13. Liability under acceptances against Letter of Credit established by Bankers

11946.91	5617.93
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14. The Company has confirmed balances with most of Sundry Debtors, Creditors & Loans and Advances.

15. An amount of Rs.105.00 Lacs has been appropriated from Profit & Loss Appropriation A/c. to General Reserve A/c from profits.



Schedules - (Continued)

16 Income tax deducted at source:

From interest received	16.44	21.93
From Job works received	12.27	9.75
From Others	18.31	11.49

17. Balances with bank in deposit accounts includes Rs.2023.58 Lacs being margin money for Letters of Credit/ Guarantees issued by Bank (As at 31.03.2010 Rs. 1834.42lacs).

18. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made

19. As per the management representation there is no impairment loss on fixed assets during the year. So AS-28 is not applicable.

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

21. Borrowing Cost:

In respect of new units/major expansions, the interest paid/payable on borrowing funds, attributable to construction of building and acquisition/erection of Plant and machinery is capitalized upto the date of construction/acquisition/ erection of aforesaid assets all other borrowing costs are charged to profit and loss account. During the year under audit the below mention amount has been capitalized as per AS-16 issued by the Institute of chartered Accountants of India.

Qualifying Asset	Borrowing Cost
Plant & Machinery	Rs.16,67,742

22. Derivative Instruments: NIL

23. Advance Licence under DFRC (Duty Free Replenishment Certificate)/DEPB/DFIA/TARGET PLUS to the extent of Rs 614.35 lacs (balance as on 31/03/2011) for which exports have already been made and proceeds received, has been credited to Raw Material Purchase Account and debited to Loans & Advances.

24. Accounting Policies and Notes on Accounts of the Financial Statements of the Parent Company is set out seperately.

25. Expenditure incurred Rs. 42,22,429/- towards Right Issue of Shares and the same has been disclosed in the Balance Sheet under the head Miscellaneous Expenditure and would be written off over a period of five years w.e.f. 01/04/2011

As per our report of even date

For **M/s. C.A. PATEL & PATEL**

On Behalf of the Board

Chartered Accountants

FR No. 005026 S

BHAVESH N PATEL

Partner

M. No. 26669

SANJAY TULSYAN

Managing Director

LALITKUMAR TULSYAN

Executive Chairman

Place : Chennai

Date : 12th August, 2011

A.P. VENKATESWARAN

Whole-time Director - Finance

S. SOUNDARARAJAN

Director

K. JANAKIRAMAN

Company Secretary



CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR 2010-2011

(Pursuant to Clause 32 of Listing Agreement)

	31.03.2011	(Rs. in Lacs) 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Adjusted Profit Before Tax after adjustment of Loss on sale of assets	1445.92	1505.04
Adjustments for:		
Depreciation	964.82	846.15
Depreciation on old Assets sold	(53.61)	(60.91)
Right Issue Expenses incurred during the year	(43.03)	0.93
Interest/Dividend	2833.13	1998.23
Operating Profit before WC Changes	<u>5147.23</u>	<u>4289.44</u>
Adjustments for:		
Inventories	(3010.30)	(3699.19)
Sundry Debtors	(153.22)	(5912.23)
Loans & Advances	(2501.77)	768.28
Current Liabilities	4158.01	3532.89
Working Capital Loans from Bank	1632.39	4321.14
Short Term Loans	454.60	86.20
Cash generated from operations	<u>5726.94</u>	<u>3386.53</u>
Income Tax Payable/Paid	(25.50)	(19.14)
Fringe Benefit Tax Paid	-	(3.03)
Net Cash from Operating activities	<u>5701.44</u>	<u>3364.36</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4977.67)	(3023.03)
Sale of Fixed Assets	166.19	73.53
Purchase of Investments	(100.02)	(661.51)
Interest Received	158.15	140.46
Dividend Received	16.88	33.78
Net Cash used in investing activities	<u>(4736.47)</u>	<u>(3436.77)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long Term Loans	2692.13	926.43
Increase in Unsecured Loans	(220.49)	2008.54
Interest paid	(3008.15)	(2172.47)
Dividend Payable/paid	(183.80)	(212.65)
Net Cash from financing activities	<u>(720.32)</u>	<u>549.85</u>
D. NET INCREASE IN CASH & CASH EQUIVALENTS A+B+C	244.63	477.43
Opening Cash & Cash Equivalents	1906.45	1429.02
Closing Cash & Cash Equivalents	<u>2151.08</u>	<u>1906.45</u>

For and on Behalf of the Board

SANJAY TULSYAN
Managing Director

LALITKUMAR TULSYAN
Executive Chairman

S. SOUNDARARAJAN
Director

Place : Chennai
Date : 12th August, 2011

A.P. VENKATESWARAN
Whole-time Director - Finance

K. JANAKIRAMAN
Company Secretary

AUDITORS' CERTIFICATE

We have verified the above statement with the books and records maintained by Tulsyan NEC Limited and certify that in our opinion and according to the information and explanation given to us, the above statement is in accordance therewith

For **C A PATEL & PATEL**
Chartered Accountants
FR No. 005026 S

BHAVESH N PATEL
Partner
M. No. 26669

Place : Chennai
Date : 12th August, 2011



UPDATION OF BANK DETAILS

In ensuring timely credit of dividend to the shareholders, the shareholders are advised to update their bank details for Direct ECS credit. For this purpose investors are requested to update their Bank details with their Depository Participant in case of holding shares through Demat and by way of written request with our Registrar & Transfer Agent "Cameo Corporate Services Limited, Subramanian Building, 1 Club House Road, Chennai - 600 002" in case of holding shares in physical form

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholder,

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) which now permits companies to send various notices / documents / reports to its shareholders through electronic mode. The Circulars also provide that a Company would have complied with Section 53 of the Companies Act, if the service of document is made through electronic mode.

This is a welcome initiative from MCA as it will immensely benefit the society for Sustainable Development through reduced paper consumption and contribution towards a Greener Environment. It will also facilitate prompt receipt of communication and avoid delay/ loss in postal transit. Keeping in view the underlying objective and the circular issued by MCA, the company shall send all communication/ documents/ reports to be sent to Shareholders like General Meeting Notices (including AGM), Annual Reports containing annual Audited Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report, etc., henceforth to the shareholders in electronic mode to the e-mail address you have registered in your Demat Account through your Depository (in case of shares held through Demat) or you will register with us (in case shares held in physical form) and the same shall be in compliance of Section 53 & 219 of Companies Act, 1956 among other provisions.

Please note that these documents will also be available on the Company's website <http://www.tulsyanec.co.in> for download by the shareholders. The physical copies of the Annual Report will also be available at our Registered Office of the Company for inspection during office hours. If you do not wish to avail this facility, you can at any point of time, write to us for receiving the hard copy of documents among other communications.

Shareholders who hold shares in Demat (electronic form) are requested to update their email address to their respective Depository through your Depository Participant. Your email address registered with Depository Participant will be taken into consideration for serving notices and documents including Annual Reports.

Shareholders who hold shares in physical form are requested to intimate their email address for registration to our Registrars and Transfer Agent M/s Cameo Corporate Services Limited, Unit Tulsyan Nec Limited, Subramanian Building, No. 1, Club House Road, Chennai - 600 002, (Phone: 044-2846 0390) mentioning Folio Number.



TULSYAN NEC LIMITED

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

ANNUAL GENERAL MEETING - 14TH SEPTEMBER, 2011 AT 11.00 A.M.

Dip. ID	
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Client ID/ Folio No.	
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No. of Shares	
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NAME & ADDRESS OF THE REGISTERED SHAREHOLDERS

I certify that I am registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at Narada Gana Sabha, Mini Hall, 254, T.T.K. Road, Chennai - 600 018 on Wednesday the 14th September, 2011 at 11.00 a.m.

Member's/Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.



TULSYAN NEC LIMITED

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

I/We of in the district of being a member/members of TULSYAN NEC LIMITED appoint of in the district of or / failing him of in the district of as my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Wednesday the 14th September, 2011 and at any adjournment thereof.

Signed this..... day of2011

Dip. ID	
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Client ID/ Folio No.	
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No. of Shares	
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Signature

Affix a
Re. 1
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

