



TULSYAN NEC LIMITED

Board of Directors

Lalitkumar Tulsyan
Executive Chairman

Sanjay Tulsyan
Managing Director

S. Soundararajan

P.T. Rangamani

A.P. Venkateswaran

S. Ramakrishnan

Sanjay Agarwalla

V. Kirubanandan

C. Ramachandran

V. Subramani
Company Secretary

Registered Office

61, Sembudoss Street,
Chennai - 600 001.

Corporate Office

Apex Plaza, 1 Floor, New No. 77,
(Old No. 3), Nungambakkam High Road,
Chennai - 600 034.
Tel. : 044-3918 1060, Fax : 044-3918 1097
E-mail: investor@tulsyanec.in
Web site: www.tulsyanec.co.in

Administrative Office

37, Kaveriappa Layout,
Miller Tank Bund Road,
Vasanth Nagar, Bangalore - 560 052.

Bankers

Canara Bank
Syndicate Bank
Andhra Bank
State Bank of India
IDBI Bank
Indian Overseas Bank
Shamrao Vithal Co-operative Bank

Auditors

C.A. Patel & Patel, Chennai.

Share Transfer Agents

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

Steel Division

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

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

Depot

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

Windmill

Kudimangalam, Udumalpet,
Tamil Nadu.

Pazhavor, Tirunelveli District,
Tamil Nadu.

Kavalakurichi, Tirunelveli District,
Tamil Nadu.

Synthetics Division

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

2-B, Survey No. 16, Korandanahalli
Malur Industrial Area, Malur Kolar District
Karnataka - 563 130

Plot No.20, KIADB Industrial Area,
Malur - 563130, Kolar District, Karnataka

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

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

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



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 65th Annual General Meeting of the Company will be held on **Friday the 28th September, 2012** at 02:00 pm at Narada Gana Sabha Mini Hall, 254, T.T.K. Road, Chennai - 600 018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To Appoint a Director in place of Shri P.T. Rangamani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To Appoint a Director in place of Shri C. Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:
"RESOLVED THAT M/s. C.A. Patel and Patel, Chartered Accountants, Chennai, retiring auditors of the Company be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors of the Company"

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following as a **Special Resolution**.
"RESOLVED THAT in accordance with the provisions of section(s) 198, 269, 309 & 310 of the Companies Act read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals if required, the remuneration committee and the company be and is hereby approved the increase in remuneration not exceeding Rs. 4,00,000 per month payable to Shri A.P. VENKATESWARAN, Whole-time Director - Finance of the company with effect from 01.10.2012 for a period of 3 years."

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

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

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

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

"RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company, for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the amounts so borrowed and to be borrowed and outstanding at any time (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed Rs.2,000 Crores (Rupees Two Thousand Crores only)."



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

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

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

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

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

For and on behalf of the Board

Place : Chennai

Date : 14.08.2012

Lalitkumar Tulsyan

Executive Chairman

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER.**
2. The Proxies to be valid should be lodged with the Share Transfer Agents, not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22.09.2012 to 28.09.2012 (both days inclusive).
4. Members are requested to forward transfer requests, change of address, power of attorney, etc., to the Share Transfer Agents, viz., Cameo Corporate Services Limited, Subramaniam Building, 1, Club House Road, Chennai - 600 002.
5. Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting and also their copy of the Annual Report.
6. Dividend including Dividend for the year 2004-2005 and subsequent years, remaining unclaimed for a period of 7 years, are transferable to the Investor Education and Protection Fund established by Central Government as per Section 205A(5) of the Companies Act, 1956. Reminders are sent to members for encashing unclaimed and unpaid dividends, on regular basis, Members who have not yet preferred a claim are, therefore, requested to contact the Registrar and Share Transfer Agents immediately. No claim shall lie against the fund or the Company in respect of unclaimed and unpaid dividends transferred to the IEPF as per section 205C of the Companies Act 1956.



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

ITEM No. 3, 4

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



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

ITEM NO. 6

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

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

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

Statement in respect of ITEM No.6

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

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



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

ITEM NO. 7

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

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

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

ITEM NO. 8

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



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

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

ITEM NO. 9

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

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

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



REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

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

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

OPERATIONS AND OUTLOOK

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

As in the past during the current year also there were drastic power cuts consequently affecting our costs and also the production. Due to these power cuts we could not utilize our capacities in full thus losing out on economies of large scale production. The 35 MW Captive Thermal Power Plant at Gummidipoondi is in its final stage of installation and expected to start its trial production on or after November 2012 and consequently will start commercial production on or after December 2012. The other additional Power Plant of 35 MW capacity, additional Induction furnaces of 4 numbers of 20T each for billet manufacturing with annual installed capacity of 274000 MTPA will be set up at the new site where the Captive Power Plant of 35 MW is under implementation. The company is setting up a Wire Rod Plant with a coal gasifier at the existing

rolling mill division in Gummidipoondi.

RIGHTS ISSUE

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

DIVIDEND

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

DIRECTORS

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

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

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

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

AUDITORS

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

PERSONNEL

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

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

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

FIXED DEPOSITS

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



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

DEMATERIALIZATION OF SHARES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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, 2012 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
(till ensuing AGM - 27.09.2012)
2. Shri S Ramakrishnan
3. Shri A P Venkateswaran

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

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

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

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

STATUTORY DISCLOSURES

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

SUBSIDIARY COMPANIES

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

GENERAL

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

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

For and on behalf of the Board

Place : Chennai
Date : 14.08.2012

LALITKUMAR TULSYAN
Executive Chairman

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR YEAR ENDED 31ST MARCH, 2012

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



ANNEXURE TO DIRECTORS' REPORT

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

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

For and on behalf of the Board

Place : Chennai
Date : 14th August, 2012

LALITKUMAR TULSYAN
Executive Chairman

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

In ₹

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 Limited	31-03-2012	11,25,000 shares of Rs. 10/- each	76.17%	29553972	18303972	11250000
Tulsyan Power Limited	31-03-2012	50,000 shares of Rs. 10/- each	100%	NIL	NIL	NIL
Chitrakoot Steel & Power Private Limited	31-03-2012	64,89,200 shares of Rs. 10/- each	100%	16799962	16799962	NIL
Balaji Engineering & Galvanizing Limited	31-03-2012	49,400 shares of Rs. 10/- each	98.80%	NIL	NIL	NIL
Color Peppers Media Private Limited	31-03-2012	50,000 shares of Rs. 10/- each	100%	(2263625)	NIL	NIL
TG Logistics Private Limited*	31-03-2012	150,000 shares of Rs. 10/- each	100%	3274179	3274179	NIL

* Profit earned since the date from which it became subsidiary company - i.e. 07.07.2011





MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Structure and Developments

The Company's products are TMT Bars, Sponge Iron, Billets and Ingots in the steel division and in synthetic division it is PP Woven Sacks, FIBC and Woven Fabric. TMT Bars are used in the Construction Sector and the plastic products cater to the packaging needs of various industries such as Cement, Fertilizers, Food grains, Sugar, etc.

The raw materials for Steel Making are M.S. scrap, Sponge 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. The power situation during the current year has worsened compared to the previous year there were more power cuts of 40 to 60%. Due to these power cuts we could not utilize our capacities in full thus losing out on economies of large scale production. The first phase of the 35 MW Captive Power Plant at Gummidipoondi is in its final stage of installation and will commence power generation on or after December 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 196786 MT compared to 174290 MT in the previous year. The sale of rods during the year was 205623 MT compared to 176603 MT in the previous year.

The production of synthetic products was 12548 MT compared to 11881MT in the previous year. The sale of synthetic products during the year was 12659 MT compared to 11013 MT in the previous year.

IV. Future Outlook

The economic revival will bring in lots of opportunities for growth. With various infrastructure facilities lined up both in private and public sectors including nuclear power and water, across the country, the management envisages 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 the company is aiming to reduce by installing in the 1st Phase a 35MW thermal Power plant at Gummidipoondi. The second phase of 35 MW power plant will commence production by about 6 months from the date of commercial production of the 1st phase. The planned additional Induction furnaces of 4 numbers of 20 Tones each for billet manufacturing with annual installed capacity of 274000 MTPA will be set up at the new site where the captive power plant of 35 MW is under implementation.

V. Quality

The Company continues to strive to be a quality manufacturer in both its Steel and Plastic Division. Both the divisions are covered under ISO Certificate. The Company has also procured all Certificates from 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

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. 4 of the Annexure to the Auditors' Report.

VIII. Financial performance with respect to operational performance

Turnover for the year under review amounted to Rs. 113013.14 Lakh as against Rs. 78126.05 Lakh for the previous year showing an increase of 44.65% over the last year. The profit during the year, after tax was Rs.1328.65 lakhs as against Rs.934.33 lakhs last year, indicating an increase of 42.20%.

IX. Human Resources and Industrial Relations

The company, at the year-end had 1650 employees (including contract labour) as compared to 1640 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:

Sl. No.	Name of the Director	Category of the Director	Designation	Date of Appointment	Date of cessation	Share holding in Company	
						No. of Shares	% of shares
1	Lalit Kumar Tulsyan	Executive chairman	Managing Director	12.07.1996	–	46,12,555	30.750
2	Sanjay Tulsyan	Executive - Non Independent	Managing Director	01.10.1996	–	44,75,481	29.837
3	A.P. Venkateswaran	Executive - Non Independent	Whole Time Director	09.01.2004	–	11,100	0.074
4	Sanjay Agarwalla	Executive - Non Independent	Whole Time Director	27.04.2006	–	5,100	0.034
5	S. Soundararajan	Non Executive - Independent	Director	18.01.1993	–	400	0.003
6	P.T. Rangamani	Non Executive - Independent	Director	30.03.1994	–	–	–
7	S. Ramakrishnan	Non Executive - Independent	Director	31.01.2005	–	36,609	0.244
8	V. Kirubanandan	Non Executive - Independent	Director	27.04.2006	–	5,000	0.033
9	C. Ramachandran	Non Executive - Independent	Director	12.12.2007	–	–	–

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



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

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

11.04.2011	26.04.2011	08.06.2011	07.07.2011
12.08.2011	31.10.2011	14.12.2011	08.02.2012

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 has 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.	11.04.2011	Yes
			12.08.2011	Yes
			31.10.2011	Yes
			08.02.2012	Yes
Shri A P Venkateswaran	Member	B.Com. FCA	11.04.2011	Yes
			12.08.2011	Yes
			31.10.2011	Yes
			08.02.2012	No
Shri S Ramakrishnan	Member	B.Com.	11.04.2011	Yes
			12.08.2011	Yes
			31.10.2011	Yes
			08.02.2012	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 11.04.2011, 12.08.2011, 31.10.2011 & 08.02.2012 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	Four
P T Rangamani	Four
C Ramachandran	Three

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 Shri 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)	35,12,577	–	–
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	–

Managerial Remuneration paid during the year 2011-2012 is Rs.177.08 lakhs to the Managing Directors and Whole-time Directors in excess of limited provided under Schedule XIII of the Companies Act, 1956 for which the Company has duly got necessary approvals from the Central Government for the remuneration paid over the limit.



5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Committee met on 11.04.2011, 12.08.2011, 31.10.2011 & 08.02.2012 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 the Directors		No. of Meeting 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/ Requests received during the year and its status are given as under.

Complaints/ Requests pending at beginning	-	2
Complaints/ Requests received	-	184
Complaints/ Requests resolved	-	186
Complaints/ Requests pending at end	-	0

6. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings were:

Year	Location	Date	Time
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.
2010-2011	Naradha Gana Sabha Mini Hall, 254 T T K Road, Chennai - 600 018.	14.09.2011	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:

Financial Year	Date of AGM / EGM	Special Resolution Passed
2008 -2009	AGM: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
2009-2010	AGM:16.06.2010	Nil



Financial Year	Date of AGM / EGM	Special Resolution Passed
2010 - 2011	AGM:14.09.2011	under Section 2(26), 198, 269, 309 and 310 read with Schedule XIII of the Companies Act 1956 for increase in remuneration to Shri Lalit Kumar Tulsyan, Chairman of the Company
		under Section 2(26), 198, 269, 309 and 310 read with Schedule XIII of the Companies Act 1956 for increase in remuneration to Shri Sanjay Tulsyan Managing Director of the Company
		under Section 2(26), 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

7. DISCLOSURES

- 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.
- 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**
- The Company has laid down procedures about risk assessment and their minimization. These procedures are periodically reviewed in the Board.
- The Company proposes to adopt other non mandatory requirements as and when necessary.

8. MEANS OF COMMUNICATION

The quarterly results are published 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 will post its results on the website (www.tulsyanec.co.in)

9. GENERAL SHAREHOLDER INFORMATION

9.1. Annual General Meeting

Date and Time	: 28 th September, 2012
Venue	: Naradha Gana Sabha (Mini Hall) 254 T T K Road, Chennai - 600 018

9.2. Financial Calendar	: Results for the quarter ended 30 th June, 2012 - 14.08.2012
(Tentative)	: Results for the quarter ended 30 th September, 2012 - 09.11.2012
	: Results for the quarter ended 31 st December, 2012 - 15.02.2013
	: Results for the quarter ended 31 st March, 2013 - 15.05.2013

9.3. Book Closure : 22.09.2012 to 28.09.2012 (both days inclusive)

9.4. Dividend Payment Date : 27th October, 2012

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 2011 - 2012 is furnished below.

Month	High Rs.	Low Rs.
April 11	56.00	47.20
May 2011	52.95	44.55
June 2011	49.70	42.15
July 2011	49.40	44.00
August 2011	45.80	38.10
September 2011	47.05	36.65
October 2011	41.10	35.50
November 2011	40.95	33.10
December 2011	36.00	28.70
January 2012	42.45	31.05
February 2012	42.20	36.45
March 2012	49.00	37.55

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

DEMAT INFORMATION (as on 31.03.2012)

No. of Shares Dematerialized : 9429149
% of Total Capital : 62.86

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
10	– 5000	6177	88.2680	7777720	5.1851
5001	– 10000	383	5.4729	3183070	2.1220
10001	– 20000	178	2.5435	2806610	1.8710
20001	– 30000	58	0.8288	1487850	0.9919
30001	– 40000	23	0.3286	849170	0.5661
40001	– 50000	44	0.6287	2070280	1.3801
50001	– 100000	69	0.9859	5660190	3.7734
100001	and above	66	0.9436	126165110	84.1104
Total		6998	100.0000	150000000	100.0000

Shareholders holding more than 1% of the equity share capital

Sl. No.	Name of the shareholder	No of Shares	% of Shareholding
1	Lalith Kumar Tulsyan	4,612,555	30.75
2	Sanjay Tulsyan	4,475,481	29.84
3	Priya Tulsyan	954,982	6.37
4	Alka Tulsyan	751,130	5.01

9.10. Distribution of Shareholding

CLAUSE 35 (Introductory sub-table (I)(a))

Shareholding Pattern as on : 31-March-2012

Class of Security : Equity

Partly paid-up shares	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter / promoter group	7940340	79.40	52.93
Held by public	2059660	20.60	13.73
Total - D	10000000	100.00	66.66



Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter / promoter group	NA	NA	NA
Held by public	NA	NA	NA
Total - E	NA	NA	NA

Warrants	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter / promoter group	NA	NA	NA
Held by public	NA	NA	NA
Total - F	NA	NA	NA
Total paid-up capital of the company assuming full conversion of warrants and convertible securities	15000000		

STATEMENT SHOWING SHAREHOLDING PATTERN TABLE (I) (A)

Category Code	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	
					As a % of (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % (IX)=(VIII)/(IV) * 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
A. Shareholding of Promoter and Promoter Group								
1. INDIAN								
a. Individuals/ Hindu Undivided Family								
		20	11220040	6917926	74.8002	74.8002	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)		20	11220040	6917926	74.8002	74.8002	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)		20	11220040	6917926	74.8002	74.8002	0	0.0000



Category Code	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	
					As a % of (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % (IX)=(VIII)/(IV) * 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
B. Public Shareholding								
1. INSTITUTIONS								
	a. Mutual Funds / UTI	3	2000	0	0.0133	0.0133	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	0.1625	0.1625	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	0.1759	0.1759	NA	NA
2. NON-INSTITUTIONS								
	a. Bodies Corporate	146	160444	153144	1.0696	1.0696	NA	NA
	b. Individuals -							
	I. Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 lakh	6145	2013930	1574854	134262	134262	NA	NA
	II. Individual Shareholders Holding Nominal Share Capital in Excess of Rs. 1 lakh	43	1292866	532305	8.6191	8.6191	NA	NA
	c. Any other							
	Clearing Members	5	1366	1366	0.0091	0.0091	NA	NA
	Hindu Undivided Families	141	186864	186864	1.2457	1.2457	NA	NA
	Non Resident Indians	494	98105	38305	0.6540	0.6540	NA	NA
	Sub-Total (B) (2)	640	286335	226535	1.9089	1.9089	NA	NA
	Total Public Shareholding (B) = (B) (1) + (B) (2)	6974	3753575	2486838	25.0238	25.0238	NA	NA
	Total (A) + (B)	6998	15000000	9429149	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)	6998	15000000	9429149		100.0000	0	0.0000



9.11. Plant Locations

- a. Steel Division : 39, Dr. Harikrishna Naidu Street,
Ambattur, Chennai - 600 053.
D-4 Sipcot Indl. Complex, Gumudipoondi,
Tiruvallur District, Tamil Nadu.
Depot:
55/2, Cuddalore Main Road,
Ariyankuppam, Pondicherry - 605 007.
Windmill :
1. Kudimangalam, Udumalpet, TamilNadu
2. Pazhavor, 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 : Shri V. Subramani

Address for Correspondence : First Floor, Apex Plaza, 3 Nungambakkam High Road,
(For your queries/ grievances/ 3, Nungambakkam, Chennai - 600 034
Complaints Please conduct) Phone: 044-3918 1060 Fax: 044-39181097
Web Site: www.tulsyannec.co.in
Email id: investor@tulsyannec.in

9.12. Unclaimed Dividend:

Unclaimed dividend for the years prior to and including the financial year 2004 - 2005 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 P. Muralidharan



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, 2012 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, 2012 no investor grievances are pending exceeding one month against the Company as on 31-03-2012 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 : 14th August, 2012

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 2012.

For Tulsyan NEC Limited

Place : Chennai
Date : 14th August, 2012

SANJAY AGARWALLA
Whole-time Director

**CFO CERTIFICATION**

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

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 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 2012 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 : 14th August, 2012

LALITKUMAR TULSYAN
Executive Chairman

A P VENKATESWARAN
Whole-time Director - Finance & Accounts



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 2012, and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
- d) In our opinion the Balance Sheet, Statement of Profit and Loss 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 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2012, from being appointed as a Directors in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
- f) 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 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 2012
 - (ii) In the case of the Statement of Profit and Loss, 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 : 14th August, 2012



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. However, the Plant and Machineries of Ingot Manufacturing Division which was not functioning for more than 2 years were sold for Rs.325 lakhs during the year 2011-2012.
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 / received Rs.130.21 lacs (net) to subsidiary companies as loan during the year.
- (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 take 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 29 parties aggregating to Rs.3553 lacs during the year (Excluding interest accrued & IFST),as stated in Note No 4.
- (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 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

(₹ in lacs)

SL No	Name of Party	Relationship with Party	Year end balance
1	Cosmic Global Limited	76.17% Subsidiary Company	Cr. 342.39
2	Tulsyan Power Limited*	100% Subsidiary Company	Cr. 0.18
3	Chitrakoot Steel & Power P Ltd	100% Subsidiary Company	Dr. 400.39
4	Balaji Engineering & Galvanizing Ltd*	98.80% Subsidiary Company	Dr. 7.67
5	Color Peppers Media Pvt Ltd	100% Subsidiary Company	Dr. 104.28
6	T.G. Logistic Pvt Ltd	100% Subsidiary Company	Cr. 39.56

* Commercial Operations not yet started for the above companies.



- 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 2012 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, 2012 are referred to in the Annexure A.
 10. The Company has no accumulated losses as at March 31st 2012, 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, (100% Subsidiary Company) from banks amounting to Rs.25.00 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 Note No. 3.
 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 : 14th August, 2012



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, 2012

TAX LIABILITIES DISPUTED IN APPEAL

S.No.	Asst. Year	Order Reference	Gross Demand	Disputed Amount	Undisputed Amount	Paid/ Adjusted	Remarks
IN RELATION TO EXCISE							
1	2002-2003	Order 2/01, dt. 31.10.2001	3,987,205.00	3,987,205.00	0	1,422,316.00	Paid & disputed in Appeal before Commissionrate CESTAT
2	2003-2004,	Order 32/02, dt. 25.09.2002	201,989.00	201,989.00	0	100,000.00	Paid & disputed in Appeal before Commissionrate CESTAT



TULSYAN NEC LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at March 31, 2012	(₹ in Lacs) As at March 31, 2011
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1087.00	500.00
Reserves & Surplus	3	10618.54	6508.00
		11705.54	7008.00
Non-Current Liabilities			
Long Term Borrowings	4	22200.17	8250.58
Deferred Tax Liabilities (Net)		1392.75	1538.14
Other Long Term Liabilities	5	3733.60	2460.27
Long Term Provisions	6	2104.32	2104.32
		29430.84	14353.31
Current Liabilities			
Short Term Borrowings	7	18831.71	16063.99
Trade Payables	8	24291.72	14544.64
Other Current Liabilities	9	318.08	203.12
Short Term Provisions	10	1482.87	896.75
		44924.38	31708.50
TOTAL		86060.76	53069.81
II. ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible assets	11	10302.76	10533.62
(ii) Capital work-in-progress		21932.77	4113.87
Non-Current Investments	12	907.36	878.11
Long Term Loans and Advances	13	2568.89	2354.50
Other Non-Current Assets	14	219.70	-
		35931.48	17880.10
Current assets			
Current Investment	15	21.58	0.56
Inventories	16	10162.22	12694.43
Trade Receivables	17	27500.75	13749.94
Cash and Cash Equivalents	18	2060.33	2060.01
Short Term Loans and Advances	19	5045.52	3418.57
Other Current Assets	20	5338.88	3266.20
		50129.28	35189.71
TOTAL		86060.76	53069.81

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 : 14th August, 2012

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

V. SUBRAMANI
Company Secretary



TULSYAN NEC LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Year ended 31.03.2012	(₹ in Lacs) Year ended 31.03.2011
I. Revenue from operations	21	113013.14	78126.05
II. Other Income	22	575.33	177.66
III. Total Revenue (I +II)		<u>113588.47</u>	<u>78303.71</u>
IV. Expenses:			
Cost of materials consumed	23	75705.55	62426.23
Purchase of Stock-in-Trade	23	18287.48	2931.99
Increase/Decrease in Stocks	23	2781.63	(1319.30)
Employee benefit expense	24	2716.53	2375.96
Financial costs	25	5005.50	3867.26
Other expenses	26	6665.41	5656.18
Depreciation and amortization expense	11	885.08	857.88
Total Expenses		<u>112047.18</u>	<u>76796.20</u>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1541.29	1507.51
VI. Exceptional Items		-	126.96
VII. Profit before extraordinary items and tax (V - VI)		1541.29	1380.55
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<u>1541.29</u>	<u>1380.55</u>
X. Tax expense:			
(1) Current tax		358.00	290.00
(2) Deferred tax		(145.36)	156.22
XI. Profit(Loss) from the perid from continuing operations	(IX-X)	<u>1328.65</u>	<u>934.33</u>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<u>1328.65</u>	<u>934.33</u>
XVI. Earning per equity share:			
(1) Basic		12.22	18.69
(2) Diluted		12.22	18.69

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 : 14th August, 2012

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

V. SUBRAMANI
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012
(Pursuant to Clause 32 of Listing Agreement)

	2011-12	(₹ in Lacs) 2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit & Loss	1541.29	1380.55
Non-cash Adjustments		
Depreciation	885.08	857.88
Depreciation on old assets sold	(245.27)	(53.61)
Dividend Income	(120.03)	(16.88)
Interest Expense	2791.39	2755.30
Interest Income	(205.02)	(156.38)
Right Issue Expenses incurred during the year	(18.44)	(42.22)
Operating Profit before Working Capital Changes	4629.00	4724.64
Adjustments for:		
Inventories	2532.21	(2946.96)
Trade Receivables	(13750.81)	140.48
Short-term Loans and Advances	(3699.62)	(2280.54)
Long-term Loans and Advances	(434.10)	(419.45)
Other Long-Term Liabilities	1273.32	390.08
Short-term Borrowing	2767.72	2487.66
Trade Payables	9747.08	(516.23)
Other Current Liabilities	114.95	4707.27
Short Term Provisions	112.18	47.53
Net Cash from Operating Activities before Income-tax	3291.93	6334.48
Income-tax Paid	-	(8.50)
NET CASH FROM OPERATING ACTIVITIES (A)	3291.93	6325.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets and Payment towards CWIP	(18723.73)	(4912.42)
Proceeds from Sale of Fixed Assets	492.55	166.19
Current/Non-current Investments	(50.28)	(105.03)
Interest Income	205.02	156.38
Dividend Income	120.03	16.88
NET CASH USED IN INVESTING ACTIVITIES (B)	(17956.41)	(4678.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Proceeds from Long-term Borrowings	13949.59	1454.69
Interest Paid	(2791.39)	(2755.30)
Dividend Paid	(50.00)	(150.00)
Tax on Proposed Dividend	(5.31)	(11.26)
Share Capital/Premium Received	3561.91	-
NET CASH USED IN FINANCING ACTIVITIES (C)	14664.80	(1461.87)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (D) = (A+B+C)	0.32	186.11
Cash and Cash Equivalents at the beginning of the year	2060.01	1873.90
Cash and Cash Equivalents at the end of the year	2060.33	2060.01

As per our report of even date

On Behalf of the Board

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

SANJAY TULSYAN
Managing Director

LALITKUMAR TULSYAN
Executive Chairman

BHAVESH N PATEL
Partner

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

V. SUBRAMANI
Company Secretary

M. No. 26669

Place : Chennai, Date : 14th August, 2012



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(All amounts in ₹ in lacs unless otherwise stated)

Note No. 1

NATURE OF OPERATION

Tulsyan 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 and Capital work-in Progress

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 amount 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 are 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


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012 - (continued)

(All amounts in ₹ in lacs unless otherwise stated)

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 Financial Statements wherever practicable.

	On 31/03/2012	On 31/03/2011
Guarantees Outstanding	76.08	142.38
FLC with Bank	Nil	4813.67
Entry Tax	80.44	80.44
Excise Duty	9.96	9.96

The Company has executed (during the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vithal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25.00 crores.


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012 - (continued)

(All amounts in ₹ in lacs unless otherwise stated)

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, 2012.

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	31.03.2012	31.03.2011
CIF Value of imports (Raw materials)	13785.76	12135.46
Earnings in foreign Exchange (FOB)	5068.42	3190.20
Exchange in Foreign currency for other matters	4.55	19.18
Interest paid on \$ Loan	254.83	247.44
Loan Paid	4851.05	4748.88
Tangible Assets in Capital Work-in-progress	656.06	-

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. Segment Reporting
A. Primary Segment Reporting - by Business Segment on Type of Products.

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the type of products and differential risk and returns of the segments.

The Company has two products viz. Steel and Synthetic.

Sales/ Other income	Steel	Synthetic	Total
(i) Sales - External	98069.06	14944.08	113013.14
(ii) Sales - Inter-segment	-	-	-
(iii) Other Income - External	329.45	245.88	575.33
(iv) Other Income - Inter-segment	-	-	-
Total	<u>98398.51</u>	<u>15189.96</u>	<u>113588.47</u>


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012 - (continued)
(All amounts in ₹ in lacs unless otherwise stated)

Sales/ Other income	Steel	Synthetic	Total
Segment Results			
Profit/(Loss) before interest & Tax	3475.42	857.26	4332.68
Less: Interest (unallocable charge)			2791.39
Profit/(Loss) after Interest			1541.29
Less: Other unallocable expenses			-
Profit/(Loss) before tax			1541.29
B. Other information			
Segment Assets	73718.32	12342.44	86060.76
Adj: Eliminations	30497.19	(30497.19)	-
	104215.51	(18154.75)	86060.76
Segment Liabilities	75927.15	10133.61	86060.76
Capital Employed	32346.15	5273.44	37619.59
Capital Expenditure (Fixed Assets)	545.81	359.04	904.85
Depreciation	590.88	294.20	858.08

3. 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. T G Logistics P Ltd	Subsidiary
7. Tulsyan Smelters 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	3194.73 (Chitrakoot Steel & Power P Ltd)
Sale of Goods - Subsidiary	80.45 (Chitrakoot Steel & Power P Ltd)
Purchase of Fixed Assets - Associates	NIL
Sale of Fixed Assets - Associates	NIL
Rendering Services - Associates	NIL
Receiving Services - Subsidiary	710.67 (T G Logistics P Ltd)
Receiving Services - Associates	153.50 (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


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012 - (continued)

(All amounts in ₹ in lacs unless otherwise stated)

Outstanding balances as on 31.03.2012

Amount Receivable (Associates and Subsidiaries)	512.35
Amount Payable (Associates and Key Management Persons)	354.23
Equity Contribution in Subsidiary in Cash	893.67
Guarantees and collaterals	NIL
Payment towards Management (Employment) contracts to Key Management Personnel	177.08

4. Earnings per Share

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net Profit attributable to Shareholders	1328.65	934.33
Weighted average number of equity shares	108.70	50.00
Basic earnings per share of Rs. 10/- each	12.22	18.69

5. 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.

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 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	31.03.2012	31.03.2011
Deferred Tax (Liability)	1392.75	1538.14
Minimum Alternative Tax (MAT) :	299.82	275.04

6. 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 Statement of Profit and Loss based on the certificate issued by the Lessor. The Principal amount of lease due has been disclosed in the Balance Sheet under Secured Loans.


NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012 - (continued)

(All amounts in ₹ in lacs unless otherwise stated)

7. 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

8. Impairment of Fixed Assets:

There being no indication of impairment of Asset determined by the Company, no loss has been recognized on impairment loss.

9. 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 Statement of Profit and Loss. During the year under audit the below mentioned amount has been capitalized as per AS-16 issued by the Institute of chartered Accountants of India.

Borrowing Cost	Qualifying Asset
Plant & Machinery	56,07,828
Building	7,70,564

10. Expenditure incurred Rs. 60,66,154/- 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 after the completion of Rights Issues.

11. Previous year figures are regrouped and reclassified whenever necessary to conform to the current year classification as per Revised Schedule VI of the Companies Act, 1956.

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 : 14th August, 2012

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

V. SUBRAMANI
Company Secretary



NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
Note No. 2		
SHARE CAPITAL		
Authorised Share Capital		
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 (50,00,000) Equity Shares of Rs. 10/- each	<u>1087.00</u>	<u>500.00</u>
95,66,565 Equity Shares of Rs. 6/- each paid up	<u>1087.00</u>	<u>500.00</u>
4,33,435 Equity Shares of Rs. 3/- each paid up		
Shareholders holding more than 5% of the Share Capital		
Name of the shareholders	No. of Shares	No. of Shares
Lalitkumar Tulsyan	4612555	1344693
Sanjay Tulsyan	4475481	1304732
Priya Tulsyan	954982	278405
Allka Tulsyan	751130	227710
Note No. 3		
RESERVES AND SURPLUS		
Reserves & Surplus		
Share Premium	2477.99	130.00
State Subsidy	10.00	10.00
Revaluation Reserve	10.13	13.48
Investment Allowance Reserve	59.39	59.38
General Reserve	2365.00	2287.00
Statement of Profit and Loss	<u>5129.76</u>	<u>4050.36</u>
	10052.27	6550.22
Less: Right Issue Expenses	<u>60.66</u>	<u>42.22</u>
	9991.61	6508.00
Share Call Money received pending for Conversion	<u>626.93</u>	-
Total	<u>10618.54</u>	<u>6508.00</u>
Note No. 4		
LONG TERM BORROWINGS		
Secured Loans		
From Banks		
- Term loans <i>Ref Sub Note 1</i>	22102.68	8187.05
- Vehicle loans	<u>97.49</u>	<u>63.53</u>
	<u>22200.17</u>	<u>8250.58</u>



Notes - (Continued)

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
Note No. 5		
OTHER LONG TERM LIABILITIES		
UnSecured Loans		
From Body Corporate	3453.69	1353.60
From Directors	11.75	627.95
From Others	87.56	289.63
Interest Accured & Due	146.50	84.74
	<u>3699.50</u>	<u>2355.92</u>
IFST	34.10	104.35
	<u>3733.60</u>	<u>2460.27</u>
Note No. 6		
LONG TERM PROVISIONS		
Provision for Taxation	2085.91	2085.91
Fringe Benefit Tax Payable	18.41	18.41
	<u>2104.32</u>	<u>2104.32</u>
Note No. 7		
SHORT TERM BORROWINGS		
Secured Working Capital Loans from Banks:		
Banks <i>Ref Sub Note 1</i>	16615.12	14026.83
Others	2216.59	2037.16
	<u>18831.71</u>	<u>16063.99</u>
Note No. 8		
TRADE PAYABLES		
Sundry Creditors:		
For Supplies and Services	24291.72	14544.64
	<u>24291.72</u>	<u>14544.64</u>
Note No. 9		
OTHER CURRENT LIABILITIES		
Other Current Liabilities	318.08	203.12
	<u>318.08</u>	<u>203.12</u>
Note No. 10		
SHORT TERM PROVISIONS		
Provision for Expenses / Taxes	1311.62	841.44
Provision for Dividend	163.05	50.00
Corporate Dividend Tax	8.20	5.31
	<u>1482.87</u>	<u>896.75</u>



Notes - (Continued)

Note No. 11

FIXED ASSETS

(₹ in lacs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 1st April 2011	Additions upto 31st March 2012	Sold upto 31st March 2012	Cost as at 31st March 2012	As on 1st April 2011	For the year upto 31st March 2012	Adjusted up to 31st March 2012	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
Land	1340.76	12.45	-	1353.21	-	-	-	-	1353.21	1340.76
Land Leasehold	102.33	-	6.85	95.48	4.59	0.88	1.07	4.40	91.08	97.74
Factory Buildings	2546.56	90.48	67.77	2569.27	496.22	83.74	24.47	555.49	2013.78	2050.34
Office Premises	20.69	-	-	20.69	5.30	0.73	-	6.03	14.66	15.39
Plant & Machinery	11449.67	688.53	358.54	11779.66	4926.96	724.44	188.33	5463.07	6316.59	6522.71
Works Equipments	64.17	-	-	64.17	34.74	3.27	-	38.01	26.16	29.43
Lab Equipment	5.62	-	0.85	4.77	3.42	0.15	0.55	3.02	1.75	2.20
Office & Other Equip.	432.81	18.78	1.69	449.90	197.45	42.65	0.81	239.29	210.61	235.36
Vehicles	358.14	94.61	56.85	395.90	118.45	32.57	30.04	120.98	274.92	239.69
TOTAL	16320.75	904.85	492.55	16733.05	5787.13	888.43	245.27	6430.29	10302.76	10533.62
Previous Year	15673.51	813.41	166.19	16320.73	4979.49	861.23	53.61	5787.11	10533.62	10694.02

Note : Interest on borrowed capital of Rs. 63,78,392/- for the purchase of Fixed Assets has been capitalised as detailed below

Plant and Machinery 5607828

Building 770564

Total 6378392



Notes - (Continued)

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
Note No. 12		
NON-CURRENT INVESTMENTS		
Long term, Unquoted, at cost	907.36	878.11
<i>Ref Sub Note 2</i>	<u>907.36</u>	<u>878.11</u>
Note No. 13		
LONG TERM LOANS AND ADVANCES		
<i>Ref Sub Note 3</i>	2568.89	2354.50
	<u>2568.89</u>	<u>2354.50</u>
Note No. 14		
OTHER NON-CURRENT ASSETS		
	219.70	-
	<u>219.70</u>	<u>-</u>
Note No. 15		
CURRENT INVESTMENTS	21.58	0.56
<i>Ref Sub Note 2</i>	<u>21.58</u>	<u>0.56</u>
Note No. 16		
INVENTORIES		
(As valued and certified by the Management)		
Rawmaterials	3612.87	3218.09
Finished Goods	5837.69	9190.56
Stores	711.66	285.78
	<u>10162.22</u>	<u>12694.43</u>
Note No. 17		
TRADE RECEIVABLES		
(Unsecured & considered good)		
- Debts outstanding for more than six months	175.13	2401.13
Other Debtors	27325.62	11348.81
	<u>27500.75</u>	<u>13749.94</u>



Notes - (Continued)

	As at / For the Year ended 31.03.2012	(₹ in Lacs) As at/ For the Year ended 31.03.2011
Note No. 18		
CASH AND CASH EQUIVALENTS		
Cash in hand	14.80	10.27
Balances with scheduled banks		
- in Current Accounts	38.74	26.15
- in Deposit Accounts	2006.79	2023.59
	<u>2060.33</u>	<u>2060.01</u>
Note No. 19		
SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good; recoverable in cash or in kind or for value to be received)		
Deposits	1350.75	1124.13
Advance for supplies and expenses	95.74	243.00
Staff advances & Prepaid Expenses	228.86	265.92
Advances to Subsidiaries	169.78	347.86
Advances for Fixed Assets	3200.39	1437.66
	<u>5045.52</u>	<u>3418.57</u>
Note No. 20		
OTHER CURRENT ASSETS	<u>5338.88</u>	<u>3266.20</u>
Note No. 21		
REVENUE FROM OPERATIONS		
Domestic Sales FG	107443.81	74277.48
Export Sales	5141.73	3540.56
Excise Duty	8315.58	6184.57
Processing Charges	116.84	216.89
Duty Drawback	357.57	91.12
	<u>121375.53</u>	<u>84310.62</u>
Excise Duty Collected	8362.39	6184.57
	<u>113013.14</u>	<u>78126.05</u>



Notes - (Continued)

	For the year ended 31.03.2012	(₹ in Lacs) For the year ended 31.03.2011
Note No. 22		
OTHER INCOME		
Income from Windmills	134.37	154.09
Interest Receipts	205.02	156.37
Dividend Received	120.03	16.88
Profit on sale of Fixed Assets	104.57	3.33
Rent Received	13.89	-
Service Charges received	67.20	-
Sales Tax Incentive Received	64.62	-
Miscellaneous Income	-	1.08
	<u>709.70</u>	<u>331.75</u>
Less: Income from Wind Mill Set-off against Power & Fuel	<u>134.37</u>	<u>154.09</u>
	<u>575.33</u>	<u>177.66</u>
Note No. 23		
CONSUMPTION OF MATERIALS		
Raw Materials		
Opening Stock - 01/04/2011	2718.94	1588.16
Purchases	71315.74	59562.47
Materials Inward	865.08	970.08
Customs Duty/Exchange Difference	140.67	-
Expenses for Import Licence	3.21	-
	<u>72324.70</u>	<u>60532.55</u>
Less: Discount/Licence	<u>249.47</u>	<u>-</u>
	<u>72075.23</u>	<u>60532.55</u>
Closing Stock - 31/03/2012	<u>3395.39</u>	<u>3218.09</u>
(A) Cost of Materials Consumed	<u>71398.78</u>	<u>58902.62</u>
Stores		
Opening Stock - 01/04/2011	612.69	288.05
Purchases	4405.74	3521.34
Closing Stock - 31/03/2012	711.66	285.78
	<u>4306.77</u>	<u>3523.61</u>
(B) Cost of Materials Consumed	<u>75705.55</u>	<u>62426.23</u>
Cost of Materials Consumed -(A+B)	<u>18287.48</u>	<u>2931.99</u>
Purchase of Stock-in-trade		
Increase / Decrease in Stock		
Finished Goods as on 31/03/2012	6049.97	9190.56
Finished Goods as on 01/04/2011	9357.61	7871.26
Change	<u>3307.64</u>	<u>(1319.30)</u>
Add: Own Consumption	<u>526.01</u>	<u>-</u>
Net Change	<u>2781.63</u>	<u>(1319.30)</u>



Notes - (Continued)

	For the year ended 31.03.2012	(₹ in Lacs) For the year ended 31.03.2011
Consumption of Materials		
Steel Scrap		
Imported	12801.52	11282.26
Percentage	72.57	67.41
Indegenous	4839.13	3462.98
Percentage	27.43	32.59
Ingot, Billet, Re-rollables		
Indegenous	43654.61	44992.64
Percentage	100.00	100.00
Stores		
Imported	1.72	1.51
Percentage	0.04	0.04
Indegenous	4305.05	3522.10
Percentage	99.96	99.96
PP/HDPE Granules		
Imported	1021.23	379.21
Percentage	10.87	3.98
Indegenous	8374.23	7643.66
Percentage	89.13	96.02
Note No. 24		
EMPLOYEE BENEFIT EXPENSE		
Salaries and Wages	2668.47	2340.84
Welfare Expenses	48.06	35.12
	<u>2716.53</u>	<u>2375.96</u>
Note No. 25		
FINANCIAL COSTS		
Interest	2791.39	2755.30
Other Finance Charges	2214.11	1111.96
	<u>5005.50</u>	<u>3867.26</u>
Note No. 26		
OTHER EXPENSES		
Power & Fuel	4714.52	3770.96
Repairs Machinery	115.76	70.82
Repairs Building	4.74	10.70
Other Mfg Expenses	38.98	35.55
Processing Charges	273.79	265.36
Insurance	27.67	22.59
Rent	97.98	86.77
Loss on Sale of Fixed Assets	9.16	16.37
Rates & Taxes	52.70	34.74
Legal & Consultancy Charges	108.52	98.21
Payment to Auditors	4.00	5.00
Transport Charges	322.44	368.78
Brokerage & Commission	191.21	144.61
Selling & Administration Expenses	693.86	618.71
Excise Duty Expenses	10.08	107.01
	<u>6665.41</u>	<u>5656.18</u>



Notes - (Continued)

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
Sub Note 1		
LONG TERM BORROWINGS		
Secured Loans		
Term Loan form Banks		
Andhra Bank	3414.44	823.92
Canara Bank	6408.24	1457.50
Syndicate Bank	3330.84	2138.76
State Bank of India	1535.52	166.52
State Bank of India (Wind Mill)	79.14	139.14
Indian Overseas Bank	3460.80	979.00
Shamrao Vithal Co-op Bank Ltd	1862.35	-
From Financial Institutions		
Industrial Development Bank of India	1750.64	2209.38
	<u>21841.97</u>	<u>7914.22</u>
Tata Capital	260.72	272.84
	<u>22102.68</u>	<u>8187.05</u>
SHORT-TERM BORROWINGS		
Working Capital		
Canara Bank	5734.55	5313.97
Syndicate Bank	4603.28	4096.50
State Bank of India	3073.30	3087.43
Andhra Bank	1703.99	1528.92
IDBI Bank Ltd	1500.00	-
	<u>16615.12</u>	<u>14026.83</u>
Others	2216.59	2037.16
	<u>18831.71</u>	<u>16063.99</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



Notes - (Continued)

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
Sub Note 2		
NON-CURRENT INVESTMENTS		
- 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
- 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
- 50000 Equity Shares of Rs.10/-each in Color Peppers Media P Ltd**	5.00	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	115.00	100.00
- 1,50,000 Equity Shares of Rs.10/- in T. G. Logistics P Ltd**	15.00	-
	<u>907.36</u>	<u>878.11</u>
* Subsidiary Company		
** Wholly Owned Subsidiary Company		
CURRENT INVESTMENTS		
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
- 864 Equity shares of Rs.10/- each in Syndicate (Market Value Rs. 95947/-)	0.43	0.43
- 25 Shares of Rs.100/- each in The Shamrao Vithal Co-op Bank Ltd	0.05	0.03
- 2,10,00,000 Equity Shares of Re.0.10 per share TVH Energy Resources Pvt Ltd.	21.00	-
	<u>21.58</u>	<u>0.56</u>
Sub Note 3		
LONG TERM LOANS AND ADVANCES		
Advance Income Tax Paid	2484.15	2284.04
Advance Income tax TDS	63.51	49.63
Advance Fringe Benefit tax	20.83	20.83
Advance TCS	0.40	-
	<u>2568.89</u>	<u>2354.50</u>



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, Color Peppers Media P Limited and T.G. Logistic Pvt Ltd as at 31st March, 2012 and the Consolidated Statement of Profit and Loss 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 Pvt Limited, Tulsyan Power Limited, Balaji Engineering & Galvanizing Limited, Color Peppers Media Pvt Limited & T.G. Logistic Pvt Ltd as at 31st March, 2012 which has been audited by their auditors and whose report has been considered by us.

We did not audit the financial statements of their subsidiaries Cosmic Global Limited, Chitrakoot Steel & Power P Limited, Tulsyan Power Limited, Balaji Engineering & Galvanizing Limited and Color Peppers Media P Limited and T.G. Logistic Pvt Ltd as at 31st March, 2012 whose financial statements reflect total assets of Rs.4716.07 lakhs and gross revenue of Rs.594.82 lakhs for the year then ended. These financial statements have been audited by another auditor 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 auditor.

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, Color Peppers Media P Limited and T.G. Logistic Pvt Ltd as at 31st March, 2012 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, 2012
- b. in the case of the consolidated Statement of Profit and Loss 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 : 14th August, 2012



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Note No.	As at March 31, 2012	(₹ in Lacs) As at March 31, 2011
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1087.00	500.00
Reserves & Surplus	3	10566.44	6222.10
		11653.44	6722.10
Minority Interest			
		84.58	75.41
Non-Current Liabilities			
Long Term Borrowings	4	23624.97	10000.58
Deferred Tax Liabilities		1392.75	1538.11
Other Long Term Liabilities	5	4295.26	3051.46
Long Term Provisions	6	2104.32	1807.14
		31417.30	16397.29
Current Liabilities			
Short Term Borrowings	7	19512.25	16336.69
Trade Payables	8	24595.48	14641.61
Other Current Liabilities	9	843.12	203.12
Short Term Provisions	10	1833.60	1235.37
		46784.45	32416.79
TOTAL		89939.77	55611.59
II. ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible assets	11	12004.91	12288.86
(ii) Capital work-in-progress		21932.76	4113.87
Non-Current Investments	12	116.00	101.75
Deferred tax assets (net)		6.22	101.88
Long Term Loans and Advances	13	2816.61	2354.50
Other Non-Current Assets	14	221.05	-
		37097.55	18960.86
Current assets			
Current Investment	15	21.61	0.58
Inventories	16	10732.26	13152.02
Trade Receivables	17	28620.25	14145.63
Cash and Cash Equivalents	18	2097.08	2151.09
Short Term Loans and Advances	19	6014.97	3552.92
Other Current Assets	20	5356.05	3648.49
		52842.21	36650.73
TOTAL		89939.77	55611.59

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 : 14th August, 2012

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

V. SUBRAMANI
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Year ended March 31, 2012	(₹ in Lacs) Year ended March 31, 2011
I. Revenue from operations	21	121414.66	81140.05
II. Other Income	22	601.58	179.48
III. Total Revenue (I +II)		122016.24	81319.53
IV. Expenses:			
Cost of materials consumed/Services Rendered	23	82298.47	62731.73
Purchase of Stock-in-Trade	23	18287.48	2931.99
Increase/Decrease in Stocks	23	2594.18	(1265.19)
Employee benefit expense	24	3041.32	2719.84
Financial costs	25	5312.77	4140.99
Other expenses	26	7331.45	7531.03
Depreciation and amortization expense	11	1003.15	964.82
Total Expenses		119868.82	79755.21
V. Profit before exceptional and extraordinary items and tax	(III - IV)	2147.42	1564.32
VI. Exceptional Items		11.31	126.96
VII. Profit before extraordinary items and tax (V - VI)		2136.11	1437.36
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		2136.11	1437.36
X. Tax expense:			
(1) Current tax		512.50	305.79
(2) Deferred tax		(47.59)	156.22
(3) MAT Credit Entitlement/Previous Year Tax		(34.07)	-
XI. Profit(Loss) from the perid from continuing operations	(IX-X)	1705.27	975.35
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit(Loss) for the period (XI + XIV)		1705.27	975.35
XVI. Earning per equity share:			
(1) Basic		15.69	19.51
(2) Diluted		15.69	19.51

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 : 14th August, 2012

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

V. SUBRAMANI
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Pursuant to Clause 32 of Listing Agreement)

	2011-12	2010-11
		(₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit & Loss	2136.11	1445.92
Non-cash Adjustments		
Depreciation	1003.15	964.82
Depreciation on old assets sold	(245.27)	(53.61)
Dividend Income	(120.03)	(16.88)
Interest Expense	3082.28	3008.16
Interest Income	(211.90)	(158.15)
Right Issue/ Misc. Expenses incurred during the year	(18.44)	(43.03)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5625.90	5147.23
Adjustments for:		
Inventories	2419.76	(3010.30)
Trade Receivables	(14474.62)	(153.22)
Short-term Loans and Advances	(4169.61)	(2921.21)
Long-term Loans and Advances	(683.16)	419.44
Long-term Provisions	(15.79)	-
Other Long-Term Liabilities	1243.79	454.60
Short-term Borrowing	3175.56	1632.39
Trade Payables	9953.88	2975.10
Other Current Liabilities	640.00	903.75
Short Term Provisions	206.73	279.16
Net Cash from Operating Activities before Income-tax	3922.44	5726.94
Income-tax Paid	-	(25.50)
NET CASH FROM OPERATING ACTIVITIES (A)	3922.44	5701.44
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets and Payment towards CWIP	(18788.72)	(4977.67)
Proceeds from Sale of Fixed Assets	492.55	166.19
Current/Non-current Investments	(35.28)	(100.02)
Interest Income	211.90	158.15
Dividend Income	120.03	16.88
NET CASH USED IN INVESTING ACTIVITIES (B)	(17999.52)	(4736.47)
C CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Proceeds from Short-term Borrowings	-	(220.50)
(Repayment)/Proceeds from Long-term Borrowings	13624.39	2692.13
Interest Paid	(3082.28)	(3008.16)
Dividend Paid	(72.00)	(166.80)
Tax on Proposed Dividend	(8.96)	(17.00)
Share Capital/Premium Received	3561.92	-
NET CASH USED IN FINANCING ACTIVITIES (C)	14023.07	(720.33)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (D) =(A+B+C)	(54.01)	244.64
Cash and Cash Equivalents at the beginning of the year	2151.09	1906.45
Cash and Cash Equivalents at the end of the year	2097.08	2151.09

As per our report of even date

On Behalf of the Board

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

SANJAY TULSYAN
Managing Director

LALITKUMAR TULSYAN
Executive Chairman

BHAVESH N PATEL
Partner

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

V. SUBRAMANI
Company Secretary

M. No. 26669

Place : Chennai, Date : 14th August, 2012


CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(All amounts in ₹ in lacs unless otherwise stated)

Note No. 1
NATURE OF OPERATION

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

Sl. No.	Name of the Company	Nature of Business	Shareholding
1	Cosmic Global Limited	IT Enabled Services	76.71%
2	Chitrakoot Steel & Power P Limited	Sponge Iron Manufacturing	100%
3	T. G. Logistics P Limited	Logistics	100%
4	Color Peppers Media P Limited	Media	100%
5	Tulshyan Power Limited	Power *	100%
6	Balaji Engineering & Galvanizing Limited	Galvanizing*	98.80%

* Commercial Operation not yet commenced

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 Principles of Consolidation:

- a. Consolidated Financial Statements relate to Tulshyan NEC Limited, Chennai and its Subsidiaries (The Company).
- b. The Consolidated Financial Statements have been prepared on the following basis:
 - i) The Financial Statements of the Company and its Subsidiaries have been prepared on a line by line consolidation by adding the book values of like items of assets, liabilities, income and expenses as per the respective audited financial statements of the respective companies.
 - ii) The Consolidated Financial Statements have been prepared using 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 Company's individual financial statement.
 - iii) Minority Interest consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in equity subsequent to the dates of investments.

1.3 Fixed Assets and Depreciation

- a. Fixed Assets & Capital work in Progress:

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 amount 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.


CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(All amounts in ₹ in lacs unless otherwise stated)

- 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 are 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

Amortisation

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

1.4 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 to the Financial Statements wherever practicable.

	On 31/03/2012	On 31/03/2011
Guarantees Outstanding	76.08	142.38
FLC with Bank	Nil	4813.67
Entry Tax	80.44	80.44
Excise Duty	9.96	9.96

The Company has executed (during the year 2009-10 and 2011-12) Corporate Guarantee in favour of the Shamrao Vitthal Co-operative Bank Limited, Mumbai for the loan taken by M/s. Chitrakoot Steel and Power Pvt. Ltd., wholly owned subsidiary of the Company, for Rs. 25.00 crores.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(All amounts in ₹ in lacs unless otherwise stated)

1.5 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, 2012.

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	31.03.2012	31.03.2011
CIF Value of imports (Raw materials)	13785.76	12135.46
Earnings in foreign Exchange (FOB)	5753.77	3190.20
Exchange in Foreign currency for other matters	340.78	19.18
Interest paid on \$ Loan	254.83	247.44
Loan Paid	4851.05	4748.88
Tangible Assets in Capital Work-in-progress	656.06	—

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

1.6 Other Significant Accounting Policies:

These are set out in the Notes to the Financial Statements of the Company and its Subsidiaries.

2. Segment Reporting

A. Primary Segment Reporting - by Business Segment on Type of Products

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

The Company and its subsidiaries have two products viz. Steel and Synthetic and three services viz. IT Enabled Services, Logistics and Media.

1.	Sales/ Other income	Steel	Synthetic	ITES	Logistics	Media	Total
(i) Sales - External	103009.57	14944.08	1034.28	2326.19	100.54	121414.66	
(ii) Sales - Inter-segment	—	—	—	—	—	—	
(iii) Other Income - External	334.40	245.88	21.27	0.03	—	601.58	
(iv) Other Income - Inter-segment	—	—	—	—	—	—	
Total	103343.97	15189.96	1055.55	2326.22	100.54	122016.24	


CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012
(All amounts in ₹ in lacs unless otherwise stated)

Sales/ Other income	Steel	Synthetic	ITES	Logistics	Media	Total
2. Segment Results						
Profit/(Loss) before interest & Tax	4035.87	857.26	295.54	52.36	(22.64)	5218.39
Less: Interest (unallocable charge)						3082.28
Profit/(Loss) after interest						2136.11
Less: Other unallocable expense						-
Profit/(Loss) before Tax						2136.11
B Other Information*						
Segment assets	77171.82	12342.44	922.30	166.98	105.55	90709.09
Adj: Eliminations	30096.80	(30497.19)	342.39	162.28	(104.28)	-
	<u>107268.62</u>	<u>(18154.75)</u>	<u>1264.69</u>	<u>329.26</u>	<u>1.27</u>	<u>90709.09</u>
Segment Liabilities	79380.65	10133.61	922.30	166.98	105.55	90709.09
Capital Employed	32706.11	5273.44	408.22	57.62	(16.50)	38428.89
Capital Expenditure (Fixed Assets)	553.64	359.04	30.08	-	5.91	948.67
Depreciation	691.72	294.20	8.52	8.43	0.28	1003.15

* Figures related to Tulsyan Power Limited and Balaji Engineering & Galvanizing Limited have not been included, since commercial operation not yet commenced.

3. 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. T G Logistics P Ltd	Subsidiary
7. Tulsyan Smelters 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	3194.73 (Chitrakoot Steel & Power P Ltd)
Sale of Goods - Subsidiary	80.45 (Chitrakoot Steel & Power P Ltd)
Purchase of Fixed Assets - Associates	NIL
Sale of Fixed Assets - Associates	NIL
Rendering Services - Associates	NIL
Receiving Services - Subsidiary	710.67 (T G Logistics P Ltd)
Receiving Services - Associates	153.50 (Tulsyan Smelters P Ltd)


CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012
(All amounts in ₹ in lacs unless otherwise stated)

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 31.03.2012

Amount Receivable (Associates and Subsidiaries)	512.35
Amount Payable (Associates and Key Management Persons)	354.23
Equity Contribution in Subsidiary in Cash	893.67
Guarantees and collaterals	NIL
Payment towards Management (Employment) contracts to Key Management Personnel	177.08

- 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.
- Previous year figures are regrouped and reclassified whenever necessary to conform to the current year classification as per Revised Schedule VI of the Companies Act, 1956.

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 : 14th August, 2012

A.P. VENKATESWARAN
Whole-time Director - Finance

S. SOUNDARARAJAN
Director

V. SUBRAMANI
Company Secretary



CONSOLIDATED NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
Note No. 2		
SHARE CAPITAL		
Authorised Share Capital		
2,20,00,000 Equity Shares of Rs.10/- each	2200.00	2200.00
Issued, Subscribed & Paid-up:		
50,00,000 (50,00,000) Equity Shares of Rs. 10/- each	1087.00	500.00
95,66,565 Equity Shares of Rs. 6/- each paid up	1087.00	500.00
4,33,435 Equity Shares of Rs. 3/- each paid up		
Shareholders holding more than 5% of the Share Capital		
Name of the shareholders	No. of Shares	No. of Shares
Lalitikumar Tulsyan	4612555	1344693
Sanjay Tulsyan	4475481	1304732
Priya Tulsyan	954982	278405
Allka Tulsyan	751130	227710
Note No. 3		
RESERVES AND SURPLUS		
General Reserve		
Share Premium	2477.99	130.00
State Subsidy	10.00	10.00
Revaluation Reserve	10.13	13.48
Investment Allowance Reserve	59.39	59.39
General Reserve	2365.00	2287.00
Statement of Profit and Loss	4862.14	3592.04
Share Application Money	50.00	50.00
Capital Reserve	165.51	122.41
	10000.16	6264.32
Less: Right Issue Expenses	60.66	42.22
	9939.50	6222.10
Share Call Money received pending for Conversion	626.94	-
	10566.44	6222.10
Note No. 4		
LONG TERM BORROWINGS		
Secured Loans		
From Banks		
- Term loans <i>Ref Sub Note 1</i>	23502.68	9937.05
- Vehicle loans	122.29	63.53
	23624.97	10000.58



Consolidated Notes - (Continued)

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
Note No. 5		
OTHER LONG TERM LIABILITIES		
UnSecured Loans		
From Body Corporate	3461.19	1944.79
From Directors	11.75	627.95
From Others	641.72	289.63
Interest Accured & Due	146.50	84.74
	<u>4261.16</u>	<u>2947.11</u>
IFST	34.10	104.35
	<u>4295.26</u>	<u>3051.46</u>
Note No. 6		
LONG TERM PROVISIONS		
Provision for Taxation	2085.91	1788.73
Fringe Benefit Tax Payable	18.41	18.41
	<u>2104.32</u>	<u>1807.14</u>
Note No. 7		
SHORT TERM BORROWINGS		
Secured Working Capital Loans from Banks:		
Banks <i>Ref. Sub. Note 1</i>	17187.19	14299.53
Others	2325.06	2037.16
	<u>19512.25</u>	<u>16336.69</u>
Note No. 8		
TRADE PAYABLES		
Sundry Creditors:		
- For Supplies and Services	24535.38	14641.61
- For Expenses and Others	60.10	-
	<u>24595.48</u>	<u>14641.61</u>
Note No. 9		
OTHER CURRENT LIABILITIES		
Other Current Liabilities	843.12	203.12
	<u>843.12</u>	<u>203.12</u>
Note No. 10		
SHORT TERM PROVISIONS		
Provision for Current Tax	512.36	312.98
Provision for Expenses	979.55	841.43
Provision for Dividend	309.70	72.00
Corporate Dividend Tax	31.99	8.96
	<u>1833.60</u>	<u>1235.37</u>



Consolidated Notes - (Continued)

Note No. 11

FIXED ASSETS

(₹ in Lacs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 1st April 2011	Additions upto 31st March 2012	Sold upto 31st March 2012	Cost as at 31st March 2012	As on 1st April 2011	For the year upto 31st March 2012	Adjusted on up to 31st March 2012	Upto 31st March 2012	As at 31st March 2011	As at 31st March 2012
Land	1452.76	12.45	-	1465.21	-	-	-	-	1452.76	1465.21
Land Leasehold	102.33	-	6.85	95.48	4.59	0.88	1.07	4.40	97.74	91.08
Factory Buildings	3339.91	90.48	67.77	3362.62	613.25	110.24	24.47	699.02	2726.66	2663.60
Office Premises	20.69	-	-	20.69	5.30	0.73	-	6.03	15.39	14.66
Plant & Machinery	12678.10	688.86	358.54	13008.42	5248.27	791.56	188.33	5851.50	7429.83	7156.92
Works Equipments	98.68	-	-	98.68	56.25	7.17	-	63.42	42.43	35.26
Lab Equipment	12.90	-	0.85	12.05	4.42	0.66	0.55	4.53	8.48	7.52
Office & Other Equip.	591.66	33.73	1.69	623.70	315.66	53.98	0.81	368.83	276.00	254.87
Vehicles	416.60	123.16	56.85	482.91	155.88	41.28	30.04	167.12	260.73	315.79
Total	18713.63	948.68	492.55	19169.76	6403.62	1006.50	245.27	7164.85	12310.02	12004.91
Previous Year	17919.33	901.88	166.19	18655.02	5451.50	988.17	53.61	6366.06	12467.83	12288.96

Note :Interest on borrowed capital of Rs.63,78,392/- for the purchase of Fixed Assets has been capitalised as detailed below

Plant and Machinery	5607828
Building	770564
Total	6378392



Consolidated Notes - (Continued)

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
Note No. 12		
NON-CURRENT INVESTMENTS		
Long term, Unquoted, at cost	116.00	101.75
<i>Ref Sub Note 2</i>	<u>116.00</u>	<u>101.75</u>
Note No. 13		
LONG TERM LOANS AND ADVANCES		
<i>Ref Sub Note 3</i>	2816.61	2354.50
	<u>2816.61</u>	<u>2354.50</u>
Note No. 14		
OTHER NON-CURRENT ASSETS		
	221.05	-
	<u>221.05</u>	<u>-</u>
Note No. 15		
CURRENT INVESTMENTS	21.61	0.58
<i>Ref Sub Note 2</i>	<u>21.61</u>	<u>0.58</u>
Note No. 16		
INVENTORIES		
(As valued and certified by the Management)		
Rawmaterials	3982.78	3601.47
Finished Goods	6037.82	9200.97
Stores	711.66	349.58
	<u>10732.26</u>	<u>13152.02</u>
Note No. 17		
TRADE RECEIVABLES		
(Unsecured & considered good)		
- Debts outstanding for more than six months	503.31	2549.44
Other Debtors	28116.94	11596.19
	<u>28620.25</u>	<u>14145.63</u>


Consolidated Notes - (Continued)

	As at / For the Year ended 31.03.2012	(₹ in Lacs) As at / For the Year ended 31.03.2011
Note No. 18		
CASH AND CASH EQUIVALENTS		
Cash in hand	42.16	16.35
Balances with scheduled banks		
- in Current Accounts	4.78	83.20
- in Deposit Accounts	2050.14	2051.54
	<u>2097.08</u>	<u>2151.09</u>
Note No. 19		
SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good; recoverable in cash or in kind or for value to be received)		
Deposits	1387.63	1165.13
Advance for supplies and expenses	675.60	243.00
Staff advances & Prepaid Expenses	239.18	268.98
Advances to Subsidiaries	512.17	438.15
Advances for Fixed Assets	3200.39	1437.66
	<u>6014.97</u>	<u>3552.92</u>
Note No. 20		
OTHER CURRENT ASSETS		
	<u>5356.05</u>	<u>3648.49</u>
Minority Interest	<u>84.58</u>	<u>75.41</u>
Note No. 21		
REVENUE FROM OPERATIONS		
Domestic Sales FG	112384.32	76633.47
Export Sales	5141.73	3540.56
Excise Duty	8815.68	6403.44
Processing Charges	116.84	216.89
Duty Drawback	357.57	91.12
Service Charges/Sponsorship Received	3461.02	658.01
	<u>130277.16</u>	<u>87543.49</u>
Excise Duty Collected	8862.48	6403.44
	<u>121414.66</u>	<u>81140.05</u>



Consolidated Notes - (Continued)

	For the year ended 31.03.2012	(₹ in Lacs) For the year ended 31.03.2011
Note No. 22		
OTHER INCOME		
Income from Windmills	134.37	154.09
Interest Receipts	211.90	158.15
Dividend Received	120.03	16.88
Profit on sale of FA	104.57	3.33
Rent Received	13.89	-
Service Charges received	67.20	-
Sales Tax Incentive Received	64.62	-
Miscellaneous Income	19.37	1.12
	<u>735.95</u>	<u>333.57</u>
Less: Income from Wind Mill	134.37	154.09
	<u>601.58</u>	<u>179.48</u>
Note No. 23		
CONSUMPTION OF MATERIALS		
Raw Materials		
Opening Stock - 01/04/2011	3102.33	1588.16
Purchases	75076.36	59337.33
Materials Inward	865.08	970.08
Customs Duty	140.67	-
Expenses for Import Licence	3.21	-
	<u>76085.32</u>	<u>60307.41</u>
Less: Discount/Licence	249.47	-
	<u>75835.85</u>	<u>60307.41</u>
Closing Stock - 31/03/2012	3677.65	3218.09
Cost of Materials Consumed (A)	<u>75260.53</u>	<u>58677.48</u>
Stores		
Opening Stock - 01/04/2011	612.69	288.05
Purchases	4405.74	3521.34
Closing Stock - 31/03/2012	711.66	285.78
Cost of Materials Consumed (B)	<u>4306.77</u>	<u>3523.61</u>
Cost of Services Rendered (C)	<u>2731.17</u>	<u>530.64</u>
Cost of Materials Consumed -(A+B+C)	<u>82298.47</u>	<u>62731.73</u>
Purchase of Stock-in-trade	18287.48	2931.99
Increase / Decrease in Stock		
Finished Goods as on 31/03/2012	6250.12	9200.97
Finished Goods as on 01/04/2011	9370.31	7935.78
Change	3120.19	(1265.19)
Add: Own Consumption	526.01	-
Net Change	<u>2594.18</u>	<u>(1265.19)</u>



Consolidated Notes - (Continued)

	For the year ended 31.03.2012	(₹ in Lacs) For the year ended 31.03.2011
Consumption of Materials		
Steel Scrap		
Imported	12801.52	11282.26
Percentage	72.57	67.41
Indegenous	4839.13	3462.98
Percentage	27.43	32.59
Ingot, Billet, Re-rollables		
Indegenous	43654.61	44992.64
Percentage	100.00	100.00
Stores		
Imported	1.72	1.51
Percentage	0.04	0.04
Indegenous	4305.05	3522.10
Percentage	99.96	99.96
PP/HDPE Granules		
Imported	1021.23	379.21
Percentage	10.87	3.98
Indegenous	8374.23	7643.66
Percentage	89.13	96.02
Iron Ore		
Indegenous	1434.58	361.04
Percentage	100.00	100.00
Coal		
Indegenous	1897.92	578.58
Percentage	100.00	100.00
Dolomite		
Indegenous	7.51	11.74
Percent	100.00	100.00
Note No. 24		
EMPLOYEE BENEFIT EXPENSE		
Salaries and Wages	2989.06	2680.32
Welfare Expenses	52.26	39.52
	<u>3041.32</u>	<u>2719.84</u>
Note No. 25		
FINANCIAL COSTS		
Interest	3082.28	3008.15
Other Finance Charges	2230.49	1132.84
	<u>5312.77</u>	<u>4140.99</u>



Consolidated Notes - (Continued)

	For the year ended 31.03.2012	(₹ in Lacs) For the year ended 31.03.2011
Note No. 26		
OTHER EXPENSES		
Power & Fuel	4731.01	5488.57
Repairs Machinery	120.12	73.71
Repairs Building	4.74	11.70
Other Mfg Expenses	412.46	79.76
Processing Charges	273.79	265.36
Insurance	30.15	24.29
Rent	112.61	100.23
Loss on Sale of Fixed Assets	9.16	16.37
Rates & Taxes	62.87	43.00
Legal & Consultancy Charges	113.98	133.66
Payment to Auditors	7.50	7.23
Transport Charges	322.44	368.78
Brokerage & Commission	196.78	144.61
Selling & Administration Expenses	918.74	671.81
Excise Duty Expenses	15.10	101.95
	<u>7331.45</u>	<u>7351.03</u>
Sub Note 1	As at 31.03.2012	As at 31.03.2011
LONG TERM BORROWINGS		
Secured Loans		
Term Loan form Banks		
Andhra Bank	3414.44	823.92
Canara Bank	6408.24	1457.50
Syndicate Bank	3330.84	2138.76
State Bank of India	1535.52	166.52
State Bank of India (Wind Mill)	79.14	139.14
Indian Overseas Bank	3460.80	979.00
Shamrao Vithal Co-op Bank Ltd	3262.35	1750.00
From Financial Institutions		
Industrial Development Bank of India	1750.64	2209.38
	<u>23241.97</u>	<u>9664.22</u>
Tata Capital	260.72	272.84
	<u>23502.68</u>	<u>9937.05</u>



Consolidated Notes - (Continued)

	As at 31.03.2012	(₹ in Lacs) As at 31.03.2011
SHORT-TERM BORROWINGS		
Working Capital		
Canara Bank	5734.55	5313.97
Syndicate Bank	4603.28	4096.50
State Bank of India	3073.30	3087.43
Andhra Bank	1703.99	1528.92
IDBI Bank Ltd	1500.00	-
The Shamrao Vithal Co-operative Bank Ltd	572.08	272.70
	<u>17187.19</u>	<u>14299.53</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.

Sub Note 2

NON-CURRENT INVESTMENTS

- 7,500 Equity Shares of Rs.10/- each Tulsyan Alloys Limited	-	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 Buildmet Fibers P Limited	115.00	100.00
	<u>116.00</u>	<u>101.75</u>

CURRENT INVESTMENTS

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
- 864 Equity shares of Rs.10 each in Syndicate (Market Value Rs. 95947/-)	0.43	0.43
- 25 Shares of Rs. 100/- each in The Shamrao Vithal Co-op Bank Ltd	0.08	0.05
- 2,10,00,000 Equity Shares of Re.0.10 per share TVH Energy Resources Pvt Ltd.	21.00	-
	<u>21.61</u>	<u>0.58</u>

Sub Note 3

LONG TERM LOANS AND ADVANCES

Advance Income Tax Paid	2686.11	2284.04
Advance Income tax TDS	63.51	49.63
Advance Fringe Benefit tax	20.83	20.83
Advance TCS	0.40	-
Others	45.76	-
	<u>2816.61</u>	<u>2354.50</u>



TULSYAN NEC LIMITED

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

ANNUAL GENERAL MEETING - 28TH SEPTEMBER, 2012 AT 02.00 P.M.

DP 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 Friday the 28th September, 2012 at 02.00 p.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 Friday the 28th September, 2012 and at any adjournment thereof.

Signed this..... day of2012

DP 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.