

TULSI EXTRUSIONS LIMITED

14TH ANNUAL REPORT : 2007 - 2008

BOARD OF DIRECTORS

MR. OMPRAKASH JHAVAR

Chairman

MR. PRADIP MUNDHRA

Managing Director

MR. SANJAY TAPARIA

Chief Executive Officer

MR. OMPRAKASH AGRAWAL

Executive Director

MR. GOPALDAS MAHESHWARI

independent Director

MR. RAJESH JHUNJHUNWALA

independent Director

MR. JAIPRAKASH KABRA

independent Director

MR. TILOK BANWAT

independent Director

COMPANY SECRETARY

MR. PAWAN KUMAR BAID

AUDITORS

M/s. K. K. KABRA & CO.,

Chartered Accountants, Jalgaon.

REGISTERED OFFICE

N-99, MIDC Area,

Jalgaon - 425 003

Maharashtra

MUMBAI OFFICE

104, Janki Centre,

29, Shah Industrial Estate,

Off Veera Desai Road,

Andheri (W), Mumbai - 400 053.

BANKERS

Punjab National Bank, Jalgaon

Axis Bank, Jalgaon

HDFC Bank, Mumbai

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Intime Spectrum Registry Limited,

C-13 Pannalal Silks Mills Compound,

LBS Marg, Bhandup (West),

Mumbai - 400 078.

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NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of Tulsi Extrusions Limited will be held as under :

DAY : Monday

VENUE: N-99, MIDC Area, Jalgaon - 425 003

DATE: 29th September 2008

TIME: 11.00 a.m

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Omprakash Jhavar and Mr. Jaiprakash Kabra, who retires by rotation and being eligible offers themselves for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.
4. To declare dividend.

By Order of the Board

**Pawan Kumar Baid
Company Secretary**

Registered Office:

N-99, MIDC Area,
Jalgaon-425 003
Maharashtra

Dated : September 06, 2008

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT N-99, MIDC AREA, JALGAON - 425003 NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 22nd September 2008 to Saturday 27th September 2008 (both day's inclusive) .
3. In compliance with SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002 read with circular No. D&CC/FITTC/CIR-18/2003 dated February 12, 2003, mandating a Common Agency for Share Registry Work (Physical & Electronic), the company has already appointed

M/s. Intime Spectrum Registry Limited as the Registrar & Share Transfer Agents , having their office at C-13 Pannalal Silks Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078.

4. Members are requested to notify immediately any change in their address to the share transfer agent M/s. Intime Spectrum Registry Limited office at C-13 Pannalal Silks Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078.
5. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
6. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. Members are requested to bring the copy of the Annual Report sent to them.

By Order of the Board

**Pawan Kumar Baid
Company Secretary**

Registered Office:

N-99, MIDC Area,
Jalgaon-425 003
Maharashtra

Dated : September 06, 2008

DIRECTORS' REPORT

To
The Members

Your directors have pleasure in presenting the 14th Annual Report on the business and operations of your Company together with the Audited Statement of Financial Statements for the year ended March 31, 2008:

FINANCIAL RESULTS

	Year ended March 31, 2008	Year ended March 31, 2007
	Rs. in Lakhs	Rs. in Lakhs
Gross Turnover Including other income	6579.29	6461.03
Profit before Interest, Depreciation and Tax	934.87	830.43
Less: Interest and other charges	299.46	162.49
Depreciation	37.83	23.17
Adjustment for Extraordinary Items		
Add : Depreciation Written Back	-	100.75
Profit Before Tax	597.57	745.52
Provision for Current & Old Tax	186.56	199.67
Deferred Tax	18.07	42.65
Fringe Benefit Tax (Net)	3.00	1.41
Net Profit available for appropriation	389.94	501.79
Add : Profit Transfer From Last Year	568.96	191.42
Less:		
Appropriation to General Reserve	300.00	-
Issue of Bonus Share	-	124.25
Proposed Dividend	124.95	-
Dividend Distribution Tax	21.24	-
Balance Carried Forward	512.72	568.96

PERFORMANCE AND BUSINESS OPERATIONS

For the fiscal year 2007-08, our total sales from products manufactured were Rs. 5730.21 lakhs as compared to Rs. 4176.25 lakhs for fiscal year 2006-07, which is an increase of 37.21 %. During 2007-08 our total installed capacity utilization was increased to 8829.61 metric tonnes from 6889.48 metric tonnes, which is an increase from 65.72% to 84.22%.

The production level increased due to increase in production as we have more extrusion lines leading to reduction in down-time and our ability to manufacture different product range.

During 2007-08, our branches made trading of construction input items like tore-steel, MS angles, MS channels, MS plates etc. which accounted for Rs. 839.49 lakhs in comparison to trading income of Rs. 2281.58 lakhs during 2006-07. The trading in construction input items facilitated our entry in construction sector by offering the buyer / contractor different product range from one point contact. The reason for decrease in trading sales was primarily on account of focus on increasing our manufacturing activities.

Profit before tax during 2007-08 was Rs. 597.57 Lakhs as compared to Rs. 745.52 Lakhs during 2006-07, which shows a decrease of 19.85%. The decrease was mainly due to significant decrease in trading activities by branches.

OVERSEAS EXPANSION

With a view to expand its business in South Africa the Company has already entered into JV agreement with Tulusi Plastics SA (Pty) Ltd in the fiscal year 2005-2006. The company is further advancing the money as per the terms and condition of the said JV agreement.

PUBLIC ISSUE

Your company has appointed Almondz Global Securities Limited as Book Running Lead Manager and Intime Spectrum Registry Ltd (ISRL) as Registrar to the Issue.

The Bid/Issue opened for subscription on February 1, 2008 and closed on February 5, 2008. The Issue was oversubscribed by 1.83 times After the closure of the Issue, the Company in consultation with the BRLM has finalised the Issue price at Rs. 85/- per Equity Share.

1. ICICI Bank Limited, Standard Chartered Bank, ABN Amro Bank N.V., Axis Bank Limited and Punjab National Bank collectively referred to as "Escrow Bankers" or "Escrow Banks", through their selected branches have acted as the Escrow Collection Bankers for receiving the application money payable by various category of investors at the time of bidding.
2. The final certificates of collections received in response to the Public Issue, issued by the controlling branches of the Escrow Banks were tabled before the meeting for perusal and verification.
3. The Registrar to the Issue confirmed that applications received from Escrow Collection Banks were processed by them and the total collections were reconciled with the final certificates Issued by Banks.
4. The Registrar informed the Meeting that as per the Final certificates Issued by the Escrow Collection Banks 10,598 applications for 10,441,950 Shares are received and the amount collected on such applications is Rs.557,672,415/-.
5. The Registrar further informed the Meeting that the split up of the applications received from Non-QIBs (Retail Individual Bidders, Non Institutional Bidders) QIBs and Employees based on the application processed by Registrar after rejecting cheque returned cases is as under:

Sr. No.	CATEGORY	Number of Applications received	Number of Shares Bidded
A	Retail Individual Bidders	10,524	4,533,525
B	Non Institutional Bidders	44	1,481,025
C	Qualified Institutional Bidders	6	4,313,400
D	Employee	24	114,000
	Total	10,598	10,441,950

6. Non-QIB Category (Non-institutional and Retail categories)

In the aforesaid category, the Issue has received 10,568 applications for 6,014,550 Shares aggregating to application money of Rs. 511,318,515/-. The Registrar to the Issue confirmed that the applications so received have been reconciled with the final certificates Issued by the controlling branches of the Escrow Banks as under:-

Collections of Non-QIB Applications by the Escrow Bank:

Particulars	No. of Applications	Amount (Rs.)
ICICI Bank Ltd.	3,760	149,975,185
Standard Chartered Bank	1,367	57,345,970
ABN Amro Bank N.V.	4,069	248,619,735
Axis Bank Limited	1,364	55,039,750
Punjab National Bank	8	337,875
Total	10,568	511,318,515

7. QIB Category

The Registrar informed the Meeting that in QIB category, the Issue has received 6 applications for 4,313,400 Shares aggregating for which Margin Money of Rs 36,663,900/- is received. The Registrar confirmed that the applications so received have been reconciled with the final certificates Issued by the controlling branches of the Escrow Banks.

Collections of QIB Applications by the Escrow Bank:

Particulars	No. of Applications	Margin Amount (Rs.)	Balance Amount Received (Rs.)
ICICI Bank Ltd.	-	-	-
Standard Chartered Bank	-	-	-
ABN Amro Bank N.V.	-	-	-
Axis Bank Limited	6	36,663,900	201,336,100
Punjab National Bank	-	-	-
Total	6	36,663,900	201,336,100

8. Employee Category

In the aforesaid category, the Issue has received 24 applications for 114,000 Shares aggregating to application money of Rs.9,690,000/-. The Registrar to the Issue confirmed that the applications so received have been reconciled with the final certificates Issued by the controlling branches of the Escrow Banks as under:-

Collections of Employee Applications by the Escrow Bank:

Particulars	No. of Applications	Amount (Rs.)
ICICI Bank Limited.	-	-
Standard Chartered Bank	1	548,250
ABN Amro Bank N.V.	2	82,875
AXIS Bank Limited	15	5,845,875
Punjab National Bank	6	3,213,000
Total	24	9,690,000

9. After removing technical rejections (details of which are given in the subsequent paragraphs), the total number of valid applications (for all the categories) eligible to be considered for allotment are as per the table given below:

Sr. No.	Particulars	No. of Applications	No. of Shares	Particulars
1.	Collections (after considering cheque return)	10,598	10,441,950	557,672,415
2.	Rejections	223	180,300	15,280,425
3.	Net Quantum eligible for allotment	10,375	10,261,650	542,391,990

Summary of valid applications:

Non-QIB Category: The Registrar informed that in Non-QIB category, overall 10,345 valid applications for 5,834,250 Shares were received against total of 2,800,000 shares reserved, which is divided in two categories as under:

Retail Individual Investors Category (up to Rs. 1,00,000/-)

No. of Applications	Shares Applied allotment	Shares available for Oversubscribed	No. of times
10,308	4,451,775	1,960,000	2.27

Non-institutional Investors Category (> Rs. 1,00,000/-)

No. of Applications	Shares Applied allotment	Shares available for Oversubscribed	No. of times
37	1,382,475	840,000	1.64

QIB Category

The Registrar informed that in this category 6 valid applications for 4,313,400 Shares were received against 28,00,000 Equity shares reserved resulting in over subscription of 1.54 times. 5% of Equity Shares were reserved for Mutual Funds, however there were No applications in Mutual Fund category, hence all 2,800,000 Equity Shares are allocated to other QIBs .

Mutual Funds:

No. of applications	Shares Applied	Shares Reserved	Oversubscribed
Nil	Nil	140,000	0.00

Balance of QIB portion (including Mutual Funds):

No. of applications	Shares Applied	Shares Reserved	Oversubscribed
6	4,313,400	2,800,000	1.54

Employee Category : The Registrar informed that in Employee category, overall 24 valid applications for 114,000 Shares were received against total of 100,000 shares reserved, as under:

No. of Applications	Shares Applied	Shares Reserved	Oversubscribed
24	114,000	100,000	1.14

10. The break-up of applications liable to be rejected in the Issue are given below:

(a) **Public Category** (Non-institutional, and Retail Individual categories):

Sr. No.	Particulars	No. of Applications	No. of Shares
1	Multiple Applications		
	a. Common Name, Address & Status, Beneficiary accounts name mismatch	Nil	Nil
	b. Common Demat	14	4,350
	c. Common PAN	8	2,775
2	Applications withdrawn by the applicants	54	44,475
3	Applications below the Issue Price of Rs. 85/- discovered by the Book Building Method	79	10,725
4	Non-Institutional with Cut-off	3	6,450
5	Applications not appearing in Exchange book data	44	12,375
6	Applications by Minors	Nil	Nil
7	Tainted Demat Accounts	Nil	Nil
8	Incomplete / Missing Demat Details	8	1,950
9	Corporate Applications in Retail Category	3	3,375
10	Short Paid Applications	4	300
11	PAN details missing	2	1,425
12	Late Bidded Applications	1	57,000
13	Sign /Stamps Missing	3	35,100
	TOTAL	223	180,300

(b) **QIB Category:** There were no rejections in QIB category

(c) **Employee Category:** There were no rejections in Employee category

DIVIDEND

The Board recommends dividend @ 10% on equity shares for the year ended March 31, 2008.

FIXED DEPOSITS

The Company during the year under review has not accepted any deposits from Public under the Companies (Acceptance of Deposits) Rule 1975. The Company had no unclaimed (overdue) deposits as on March 31, 2008.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

A detailed review of the progress of the Project and the future outlook of the Company and its business, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to 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 is annexed hereto and forms part of this report.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Company's Articles of Association, Mr. Om Prakash Jhavar and Mr. Jai Prakash Kabra retires by rotation at the Annual General Meeting and being eligible, offers themselves for re-appointment.

PERSONNEL

The Company has not paid any remuneration attracting the provisions (Particulars of Employees) Rules, 1975 read along with section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

AUDITOR'S REPORT

The auditor's report includes the following qualifications:

- a. Attention is invited to the following in Schedule 18:
Note No. (e) Regarding valuation of inventory at market value. This is not in accordance with Accounting Standard (AS) - 2 on "Valuation of Inventory". However, the same has been consistently followed by the company and during the year the variation between cost and market value is immaterial.
- b. We further report that in respect of observation made in Notes to Account - Schedule 19- Note No. for non compliance of Accounting Standard (AS) 15- "Employees Benefit", the effect of same on financial result is unascertainable and hence cannot be reported.

Your board will like to clarify as follows:

- 1. The basis of valuation of inventory at market value has been consistently followed by the company since its incorporation and accordingly effect of same on financial performance has been disclosed by way of notes to account and auditor's report. During the year under review, the variation between the market value and cost value is materially insignificant.
- 2. The Board has not followed the AS-15 for "Employees Benefit" as the same has been accounted for as and when paid. The Board has implemented the same during next fiscal year and will take necessary independent advisory services for determination of necessary facts and figures.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) the Directors to the best of their knowledge and belief confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. Appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31st 2008 and of the Profit and Loss Account for the year ended March 31, 2008;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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.

INTERNAL AUDIT

Your Company has adequate internal audit system commensurate with the size of our industry and is carried out by M/s Badale Mahale Lanke & Co., Chartered Accountants.

AUDITORS

M/s K.K. Kabra & Co., Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Accordingly they are proposed to be re-appointed as Statutory Auditors of the Company for the year 2008-09.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges.

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

Certificate from Mr. Ramesh Mishra confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

Attached herewith please find a copy of the Corporate Governance Report for the period ended March 31, 2008.

ACKNOWLEDGEMENT

The Board of Directors place their sincere thanks to the Government, Bankers, and various other statutory authorities, customers, suppliers, shareholders and stakeholders of the Company for their continued co-operation and support.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

By Order of the Board

**Pradip Mundhra
Managing Director**

Registered Office:

N-99, MIDC Area,
Jalgaon-425 003
Maharashtra

Dated : September 06, 2008

ANNEXURE

Information pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988.

1. CONSERVATION OF ENERGY :-

- a) Energy Conservation measures taken : NIL
- b) Additional investments and proposals, If any, being implemented for reduction Of consumption of energy : NIL
- c) Impact of the measures of (a) and (b) above for reduction of energy consumption and consequent impact on cost of production : NIL
- c) Total energy consumption and energy consumption per unit of production : As per details below

A. Power and fuel consumption :	March 31, 2008	March 31, 2007
(i) Electricity Consumed		
Amount (Rs)	124.76 lakhs	93.92 lakhs
Units (Kwh)	24.15 lakhs	20.48 lakhs
Average rate per Unit	5.17	4.59
(ii) Coal Consumed (M.T.)		
Amount (Rs)	NA	NA
Quantity (M.T.)		
Average rate per M.T.		

2. TECHNOLOGY ABSORPTION :-

<u>Research & Development</u>	
[A] Specific areas in which R & D work was carried out	Presently Company do not have any activity relating to R & D
[B] Benefits derived as a result of above R & D	Not Applicable
[C] Future plan of action	Not Applicable
[D] Expenditure on R & D	Nil
[E] Technology Absorption, adaptation and innovation	Technology developments will be absorbed as and when they take place.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :-

Foreign exchange earnings	US \$ NIL
Foreign exchange outgo	US \$ 768700

By Order of the Board

**Pradip Mundhra
Managing Director**

Registered Office:

N-99, MIDC Area,
Jalgaon-425 003
Maharashtra

Dated : September 06, 2008

CORPORATE GOVERNANCE REPORT**(As Required Under Clause 49 of the Listing Agreement with Stock Exchange)****1 Company philosophy on Code of Governance:**

The Company's philosophy on Corporate Governance envisages on preserving core values, ethical business conduct, maximization of shareholders value and welfare of stakeholders.

For, Tulsi Extrusions Limited, corporate governance is a continuous process that seeks to provide an enabling environment to achieve the objectives of maximizing values coupled with transparency, accountability and integrity. The business aims of the company are aimed at overall well being and welfare of all the constituents of the system.

2 Board of Directors:**Composition of the Board**

The Company's Board comprised of eight members out of which three are Executive Directors namely Mr. Pradip Jasraj Mundhra, Mr. Sanjay Ramgopal Taparia and Mr. Om Prakash Agrawal and five are Non-Executive Directors namely Mr. Omprakash Jhavar, Mr. Gopal Das Maheshwari, Mr. Jaiprakash Kabra, Mr. Tilok M. Banwat and Mr. Rajesh Jhunjunwala. The Chairman of the Board is a Non-executive director.

Board Meetings

The meetings of the Board of Directors are scheduled well in advance. The notice convening the meeting and the detailed agenda is sent at least seven days in advance to all the Directors. The Board meets at least once a quarter to review the quarterly performance and financial results.

Number of Board Meetings

The Board of Directors met 25 times during the year on 14th April 2007, 26th April 2007, 29th April 2007, 05th May 2007, 16th May 2007, 20th July 2007, 31st July 2007, 03rd August 2007, 16th August 2007, 28th August 2007, 31st August 2007, 16th September 2007, 16th October 2007, 26th November, 2007, 28th November 2007, 02nd December 2007, 24th December 2007, 06th January 2008, 10th January 2008, 22nd January 2008, 30th January 2008, 04th February 2008, 06th February 2008, 16th February 2008 and 10th March 2008.

None of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

The following table gives the details of designation, category of Directors, number of Board Meetings attended, attendance at last Annual General Meeting (AGM) and the number of other Directorships and Committee Memberships as at March 31, 2008:

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Name of the Director	Category of Directorship	No. of Board Meetings during the year 2007-08		Last A.G. M.	No. of other Directorship & Committee Membership / Chairmanship held#		
		Held	Attended		Other Directorship	Other Committee Membership	Other Committee Chairmanship
Mr Omprakash Jhavar	Non Executive Director & Chairman	25	15	Yes	Nil	Nil	Nil
Mr. Pradip Mundhra	Executive Director & Managing Director	25	25	Yes	2	Nil	Nil
Mr. Sanjay Taparia	Executive Director & Chief Executive officer	25	25	Yes	1	Nil	Nil
Mr Gopal Das Maheshwari	Non Executive Director & Non Independent Director	25	16	Yes	Nil	Nil	Nil
Mr. Omprakash Agrawal	Executive Director	25	25	Yes	Nil	Nil	Nil
Mr. Jaiprakash Kabra	Non Executive Director & Independent Director	25	11	Yes	1	Nil	Nil
Mr. Tilok Banwat	Non Executive Director & Independent Director	25	8	Yes	Nil	Nil	Nil
Mr. Rajesh Jhunjhunwala	Non Executive Director & Independent Director	25	10	Yes	Nil	Nil	Nil

3. Audit Committee

The audit Committee has met five times during the year on 16th May 2007, 31st July 2007, 28th November 2007, 10th January 2008 and 10th March 2008 respectively.

The broad terms of reference of the Audit Committee includes the following as has been mandated in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956:

- (i) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- (iv) Appointment, removal and terms of remuneration of internal auditors
Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgement by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to the financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
- (v) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- (vi) Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- (vii) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- (ix) Discussions with internal auditors on any significant findings and follow up thereon.
- (x) Reviewing internal audit reports and adequacy of the internal control systems.
- (xi) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (xii) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors.
- (xiii) Discussion with internal auditors any significant findings and follow up there on.
- (xiv) 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.
- (xv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (xvi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (xvii) To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- (xviii) Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

The present Audit Committee comprises of the following members:

Name of Directors	Status in Committee	Nature of Directorship
Mr. Tilok M. Banwat	Chairman	Non-Executive & Independent
Mr. Rajesh Jhunjunwala	Member	Non-Executive & Independent
Mr. Gopal Das Maheshwari	Member	Non-Executive & Non- Independent

4. Remuneration Committee :

The Remuneration Committee has met five times during the year on 16th May 2007, 31st July 2007, 28th November 2007, 10th January 2008 and 10th March 2008 respectively.

The broad term of reference of remuneration committee is to ensure the following:

- a. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc).
- b. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Wholetime/ Executive Directors, including pension rights and any compensation payment.

The present Committee comprises of the following members

Name of Directors	Status in Committee	Nature of Directorship
Mr. Jaiprakash Kabra	Chairman	Non Executive & Independent
Mr. Tilok M. Banwat	Member	Non Executive & Independent
Mr. Gopal Das Maheshwari	Member	Non Executive & Non-Independent

5. Shareholders/Investor's Grievances Committee

The broad terms of reference of the shareholders/investors Grievance committee is to supervise and ensure the following:

- a. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- b. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- c. Issue of duplicate / split / consolidated share certificates;
- d. Allotment and listing of shares;
- e. Review of cases for refusal of transfer / transmission of shares and debentures;
- f. Reference to statutory and regulatory authorities regarding investor grievances;
- g. And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

The Shareholders' / Investors' Grievances Committee comprises of the following members:

Name of Directors	Status in Committee	Nature of Directorship
Mr. Omprakash Jhavar	Chairman	Non Executive & Independent
Mr. Gopal Das Maheshwari	Member	Non Executive
Mr. Jaiprakash Kabra	Member	Non Executive & Independent

Name and designation of the compliance officer: Mr. Sudarshan Taparia, Finance Controller

The Shareholders/Investor's Grievances Committee has met six times during the year on 16th May 2007, 31st July 2007, 28th November 2007, 10th January 2008, 10th March 2008 and 24th March 2008 respectively.

The number of complaints/requests received from the shreholders during the last financial year and the number of pending complaints is given below:

Received during the year 2007-2008	NIL
Pending as on 31.03.2008	NIL

During the year, the Company has consitituted a Committee of its Executives to attend the share transfer formalties etc., as and when required.

No. of Pending Shares Transfer as on 31.03.2008:	NIL
--	-----

6. General Body Meetings:

Year	Date	Venue Time
2004-2005	30th September, 2005	N-99, MIDC Area, Jalgaon - 425 003 at 11.00 AM
2005-2006	30th September 2006	N-99, MIDC Area, Jalgaon - 425 003 at 4.00 PM
2006-2007	25th August, 2007	N-99, MIDC Area, Jalgaon - 425 003 at 11.00 AM

No special resolutions were put through postal ballot last year and nor is any resolution proposed for this year through postal ballot.

7. Disclosures:

Disclosure on materially significant related party transactions

None of the materially significant transactions with related parties were in conflict with the interest of the Company.

Disclosures of transactions with related parties are set out in Schedule 19 to Annual Accounts, forming part of the Annual Report.

Details of non-compliance by the Company

No instance of non-compliance by the Company on any matter related to capital markets during the last three years has been reported and therefore no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

Code for prevention of insider trading practices

The Company has instituted a code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Tuls Extrusions Limited, and cautioning them of the consequences of violations.

Details of Code of Conduct

A code of conduct for all Board members and senior management of the Company has been laid and adopted by the Board. The code of conduct is available on the website of the company www.tulsigroup.biz. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

CEO/CFO certification

The CEO/CFO and Managing Directors certification of the financial statements and the cash flow statement for the year is enclosed at the end of the report.

Risk Management

The Company has established risk assessment and minimization procedures, which are reviewed by the Board periodically.

8. Means of Communication:

Tulsi Extrusions Limited has its own web-site www.tulsigroup.biz and all important information relating to the Company, including results, press releases etc. are posted on web-site. The results of the Company are published in leading newspapers like Business Standard and Lokmat .

9. Shareholders

Reappointment/Appointment of Directors

According to the Articles of Association of the Company, one-third of its Directors retire every year, and if eligible, offer themselves for re-election at the Annual General Meeting.

Mr Omprakash Jhavar and Mr. Jai Prakash Kabra would retire this year at the forthcoming Annual General Meeting.

12. General Shareholders' Information:

a) Annual General Meeting

Date and time : 29th September, 2008, 11.00 a.m.
Venue : N-99, MIDC Area, Jalgaon - 425 003

- b) Financial Calendar** (tentative) : 1st April to 31st March
For the financial year 2008-2009 (1st April, 2008 to 31st March, 2009)
First Quarter : End of July, 2008.
Second Quarter : End of October, 2008.
Third Quarter : End of January, 2009.
Fourth Quarter/Annual : End of June, 2009.
- c) Dates of Book Closure** : 22nd September, 2008 to 27th September, 2008
- d) Investor Grievances**
The Company has constituted a Shareholders/Investors Grievances Committee for redressing shareholders' complaints, as mentioned earlier in this report. Grievance redressal division/compliance officer's e-mail ID as per clause 47(f) of Listing Agreement, exclusively for the purpose of registering complaints by investors: grievances@tulsigroup.biz
- e) Compliance Officer**
Mr. Sudarshan Taparia is the Compliance officer of the company.
- f) Compliance**
Certificate from Mr. Ramesh Mishra, Practicing Company Secretary confirming the compliance with the conditions of corporate governance, as stipulated under Clause 49 of Listing Agreement, is annexed to the Directors Report forming part of the Annual Report.
- g) Stock Exchange where listed:**
- 1) Bombay Stock Exchange Ltd.** Scrip Code: 532948
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 023
 - 2) National Stock Exchange of India Ltd.** Scrip Symbol : Tulsi
Exchange Plaza
Plot no. C/1, G Block
BKC, Bandra (E)
Mumbai - 400 051
- h) ISIN No.** : INE474I01012
- i) Share Transfer Agent:**
Intime Spectrum Registry Limited
C-13, Pannalal Silk Mill Compound,
LBS Marg, Bhandup (W),
Mumbai - 400 078.
Phone : (91-22) 25960329.
Email: rnt.helpdesk@intimespectrum.com
- j) Share Transfer System:**
The Company's shares are traded in stock exchanges compulsorily in demat form. The share transfer committee approves the transfer of shares in physical form and share transfers are registered and returned within the stipulated time, if the documents are clear in all respects.
- k) Your Company has not issued any GDRs/ ADRs/ Share Warrants or any convertible instruments.**
- l) Office Location:**
Company's Registered Office Address:
Tulsi Extrusions Limited, N-99, MIDC Area, Jalgaon-425 003, Maharashtra.
Phone: 0257-2212276, Fax: 0257-2210052
E-mail: contact@tulsigroup.biz
Investor's Service Cell:
Company Secretary, Tulsi Extrusions Limited, N-99, MIDC Area, Jalgaon-425 003, Maharashtra.
Phone: 0257-2271267, Fax: 0257-2210052
E-mail: grievances@tulsigroup.biz
- m) Dematerialisation of Shares and Liquidity**
91.60% of the Company's shares are in Dematerialized form rest of the shares are held in physical form as on 31st March, 2008. The Equity Shares of the Company are frequently traded at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

TULSI EXTRUSIONS LIMITED
n) Market Price Data

The price of the Company's Equity Shares-High, Low during each month in the last financial year:

MONTH	BSE (In Rs.per share)		Indices : Sensex	
	High	Low	High	Low
April, 2007	-	-	14383.72	12425.52
May, 2007	-	-	14576.37	13554.34
June, 2007	-	-	14683.36	13946.99
July, 2007	-	-	15868.85	14638.88
August, 2007	-	-	15542.40	13779.88
September, 2007	-	-	17361.47	15323.05
October, 2007	-	-	20238.16	17144.58
November, 2007	-	-	20204.21	18182.83
December, 2007	-	-	20498.11	18886.40
January, 2008	-	-	21206.77	15332.42
February, 2008	145.50	93.45	18895.34	16457.74
March, 2008	111.90	64.20	17227.56	14677.24

o) Distribution of Shareholding as on 31st March, 2008

Category	No.Of Shares Held	% Of Share Holding
Promoters (including persons acting in concert)	6795100	54.3821
Foreign Institutional Investors	1142200	9.1412
Non-resident Indians/Overseas Body Corporates	4648	0.0372
Mutual Funds, Financial institutions and Banks	120550	0.9648
Private Corporate Bodies	1951991	15.6221
Resident Indians	2480611	19.8526
Grand Total	12495100	100.00

p) Shareholding pattern as on 31st March, 2008

Shares From	To	No. of Shareholders	% to Total	Total Shares	% Total
1	500	9376	93.5448	1032307	8.2617
501	1000	308	3.0729	240592	1.9255
1001	2000	142	1.4167	210575	1.6853
2001	3000	48	0.4789	120365	0.9633
3001	4000	28	0.2794	96934	0.7758
4001	5000	24	0.2394	111058	0.8888
5001	10000	36	0.3592	270675	2.1622
10001	AND ABOVE	61	0.6086	10412594	83.334
	Total	10023	100.00	12495100	100.00

CERTIFICATE BY CEO/CFO

(As required by clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges)

To,

The Shareholders and the Board of Directors

Tulsi Extrusions Ltd.

We , Sanjay Taparia , Chief Executive Officer and Finance Officer Sudarshan Taparia of Tulsi Extrusions Ltd., to the best of our knowledge and belief, certify that :

1. We have reviewed the Balance Sheet and Profit and Loss Accounts of the Company for the year ended 31st March 2008 and all its schedule and notes on accounts, as well as the Cash Flow Statement .
2. To the best of our knowledge and information :
 - a. These Statements do not contain any materially untrue statement or omit material fact or contain statements that might be misleading;
 - b. 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.
3. We also certify that on our knowledge and belief there are no transactions entered into by the company which are fraudulent, illegal or violative of the Company's Code of Business Conduct or Ethics.
4. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the company , and we have evaluated the effectiveness of the Company's internal controls and procedures.
5. The Company's other certifying officers and we have disclosed, based on our most recent evaluation, whenever applicable, to the company's auditors and through them to the Audit Committee of the company's Board of Directors;
6. All significant deficiencies in the design or operational controls, which we are aware and have taken steps to rectify these deficiencies;
7. Significant Changes in internal control during the year;
8. Any Fraud, which we have become aware of and that involves Management or other employees who have a significant role in the company's internal control system;
9. Significant changes in the accounting policies during the year.

For **Tulsi Extrusions Ltd.**

Sanjay Taparia
Chief Executive Officer

For **Tulsi Extrusions Ltd.**

Sudarshan Taparia
Chief Financial Officer

Place : **Jalgaon**

Dated : **June 07, 2008**

Management Discussion and Analysis (MDA)

Industry Structure and Development:

The Company is primarily engaged in the business of manufacturing of Rigid PVC Pipes and Fittings, SWR Pipes and Fittings, PVC Casing and Screen Pipes, HDPE Pipes, LLDPE Pipes, ASTM Plumbing Pipes, Elastomeric Sealing Pipes. The PVC Pipe products manufactured by our Company are to suit the requirements of application in agriculture, potable water supply schemes, sewerage and drainage systems, construction industry, telecom industry, bore well for underground water suction, etc., ranging from 20mm diameter to 315mm diameters in all pressure ratings. The Company operates in only one Industry Segment i.e. Plastic Pipe Industry.

Outlook

India, ranking eighth worldwide in terms of plastics consumption presently, will climb up to the third place by 2010. The Indian plastics industry is quite positive about the future potential of plastics in India, believing that the Plastics Industry will grow 10% to 12%, if not higher, in this decade.

India is an agro based economy. With the government policies of supporting the debt striven farmers by way of waiver of farm loans to the amount of Rs.60,000/- crores (declared in the last union budget to be implemented by 30th June 2008). The demand for PVC Pipes in agricultural sector will increase in leaps and bounds. Hence, there is an ample opportunity for companies in agricultural product section. Similarly, the government policies of continuing tax benefits on housing loan and increasing number of residential complex, shopping malls, construction of hospitals and growth in tourism will give a boost to companies related to construction products.

The company is thriving to increase its efficiency in operation, expansion of product range and organic growth in marketing thereby building sustainable competitiveness. The next geographical growth target is Gujarat, Delhi and Northern India, Andhra Pradesh, Karnataka and Tamilnadu. A separate team is made to grab the various state government tenders. The diversification and product innovation with the help of latest technologies from world leaders is Tulsi's main thrust for growth. The expansion plan is made and being implemented with a view of cost reduction by adopting higher output/low power consumption technologies. These advanced technologies ensure best quality production with lesser dependency on manpower. The company's policy of bringing all manufacturing facilities under one roof for reduction in variable costs is being implemented in full swing.

The joint venture initiative with Tulsi Plastics SA (Pty) Ltd. Durban, South Africa is being carried out in phased manner. Tulsi Plastics SA (Pty) Ltd. Is coming out of initial setting period and has reported for the first time positive figures in its Profit and Loss A/c. In coming years, the company, is expecting strengthening of business relationship with Tulsi, South Africa.

In line of company's slogan, '**Let's nurture the green era**', your management is planning to install Wind Energy Farms at suitable locations in Maharashtra. This will freeze the ever increasing power cost by way of captive consumption of certain percentage of wind power produced to fulfill our power requirements. The special depreciation benefit and carbon credit trading will be icing on the cake.

Opportunities

The growth in agriculture, housing construction, commercial construction, malls and SEZ throughout the country and sharply receding underground water level leaving less quantity of water, has thrown great opportunity for water management companies. The irregularity, changing pattern and uneven distribution of rainfall has increased the dependency on optimum utilisation of water. The increasing trend of use of plastic products amongst the agriculturist, farm houses, builders, architects, plumbers and consumers will increase the demand of PVC and other Pipes by many folds. The Company is ready to grab this demand boom by increasing its capacity and better utilisation of installed capacity supported by its concentrated and continued effort in brand promotional activities across the country.

Threats

The volatility in crude prices will always leave its impact on basic raw material, PVC, which is mainly imported. Even the domestic prices are governed by the international factors like crude price, overall world wide demand and supply and trade relationship between the trading countries. The fluctuations in the exchange rate of foreign currency would affect the profitability of the company.

Risk and ConcernRaw Material Prices

The phenomenal growth in PVC Pipe industry has exceeded the production capacities of domestic manufactures of PVC raw material. Around 40% of domestic PVC resin requirement is met by way of import. Any increase in import price, fluctuation in currency or change in government policies like imposition of anti dumping duty could adversely affect the profitability of the company. But the company has been successfully managing this risk for the past several years by way of effective inventory control systems. The company is proposing to enter an MOU with the local manufactures of PVC to secure part of its PVC requirement.

Foreign Exchange Risk

The growth and expansion plans of the company are significantly depended on imported plant and machinery. Hence, the company is exposed to the risk of foreign currency fluctuation. Appropriate measures like placing orders in INR are being taken from time to time based on market conditions.

Timely delivery of finished products

During the peak season, company faces shortage of quick and economical means of transport. To combat this situation, the company has planned its own fleet of trucks.

Delay in execution of orders

To meet the increasing demand of water management in agricultural fields, the expansion of PVC section is adequate. But the plans of expansion in HDPE and LLDPE may fall short. This may lead to delay in supply of orders. The company is proposing expansion in PE division specially LLDPE.

Risk, Internal Control System and Adequacy:

The Company has adequate internal control procedure commensurate with its size and nature of the business. The internal control system is supplemented by extensive internal audits, regular reviews by management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements. The Company continuously upgrades these systems in line with best accounting practices. To strengthen the Internal Control System, Company has appointed M/s Badale Mahale Lanke & Co. as an internal auditor of the Company.

Financial and Operating Performance:

The total income of the Company for the year 2007-08 was Rs. 7255.53 lakhs compared to Rs.6615.97 lakhs during the previous year i.e. an increase of 9.67%. The operating profit (PBDIT) for the Company also increased to Rs.934.87 lakhs during the year as against Rs.830.43 lakhs for the previous year i.e. an increment by 12.58%. The Company expects to earn further increased revenues in the near future. The capacity utilization has also increased from 65.71% to 84.22%.

Human Resources:

Human resource is one of the key assets that has been nurtured and encouraged for active participation in Company's growth. The Company has well defined appraisal system in place for recognition of talented and deserving employees, which includes line and staff function personnel. The industrial relations remained cordial during the year.

Your company places great value on the commitment, competence and vigour shown by its employees in all aspects of business. Your company confirms its commitment to take initiative to further align its HR policies in order to meet the growing needs of the business.

Cautionary Statement:

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements may differ from those expressed or implied in any such forward - looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

DECLARATION

To,

The Shareholders and the Board of Directors

I, Sanjay Taparia, Chief Executive Officer, do hereby declare that all the Board members and Senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2008.

For **Tulsi Extrusions Ltd.**

Sanjay Taparia
Chief Executive Officer

Place: **Jalgaon**
Dated: **June 07, 2008**

CORPORATE GOVERNANCE CERTIFICATE

To

The Members of **TULSI EXTRUSIONS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Tulsi Extrusions Limited** for the year ended on 31st March, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

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

MUMBAI: JUNE 07, 2008

Ramesh Mishra
Membership No. FCS 5477
CP. No. 3987

AUDITORS REPORT

To
The Members
TULSI EXTRUSIONS LIMITED
N-99 M.I.D.C. Area,
Jalgaon - 425 003.

1. We have audited the attached Balance Sheet of M/S. TULSI EXTRUSIONS LIMITED as at 31st March, 2008 and the Profit & Loss Account of the Company 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.
2. 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 disclosure 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.
3. As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of sub-section (4 A) of section 227 of the Companies Act, 1956, and on the basis of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to 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, the Profit & Loss Account and the Cash Flow Statement dealt by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the-Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

f. Attention is invited to the following in Schedule 18:

Note No. (e) Regarding valuation of inventory at market value. This is not in accordance with Accounting Standard (AS) - 2 on "Valuation of Inventory". However, the same has been consistently followed by the company and during the year the variation between cost and market value is immaterial.

g. *We further report that in respect of observation made in Notes to Account - Schedule 19- Note No. for non compliance of Accounting Standard (AS) 15- "Employees Benefit", the effect of same on financial result is unascertainable and hence cannot be reported.*

h. *Subject to our observation in paragraph 4(f) and read with our observation in paragraph 4(g) above, in our opinion, and to the best of our information and according to explanations given to us, the said accounts read with Significant Accounting Policies and other notes to account 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 case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008;
- II. in case of the Profit & Loss Account, of the profit for the year ended on that date;
- III. in case of the Cash Flow Statement, of the cash flows for the year ended as on that date.

For K.K.Kabra & Co.
Chartered Accountants

Kailash K. Kabra
Proprietor
M.No. 37641

Place :- Jalgaon

Date :- June 07, 2008

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of Tulusi Extrusions Limited on the financial statements for the year ended March 31, 2008:

1.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification by the management.
 - c. The company has not disposed off any substantial fixed assets during the year.
2.
 - a. Having regard to the nature & size of business the management has carried out the physical verification of inventory which are conducted at reasonable intervals by the management.

- b. The procedures of physical verification of inventory followed by the management are reasonable & adequate having regard to the nature & size of the company.
- c. The company has maintained the day to day records of inventory in terms of pieces. These are then converted in Kgs. as certified by the management. There is no material discrepancy in physical & as per records in terms of pieces.
- 3.
 - a. The terms & conditions & rate of interest on which the secured loans are obtained by the company are not prima-facie prejudicial to the interest of the company. Further the repayment of the secured loan toward principal & interest are regular & there is no overdue amount.
 - b. The other loans granted or taken by the company which are unsecured, the company has not stipulated any terms & conditions.
- 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for purchase of inventory and fixed assets and for the sale of goods. Further on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedure.
- 5.
 - a. In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Act, have been so entered;
 - b. These transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6. The company has not accepted deposits from the public, within the meaning of sections 58A, 58AA or any other relevant provision of the act & the rules framed there under. No order has been passed in this regard by Company Law Board, National Company Law Tribunal, R.B.I., any Court or any other tribunal.
- 7. In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
- 8. We are informed that the company is not required to maintain cost records as prescribed by the Central Government under Section 209(l) (d) of the Companies Act, 1956 having regard to the nature of the business of the Company.
- 9.
 - a. According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing in disputed amounts outstanding including Provident Fund, Employees State Insurance, Income tax, Sales tax, service tax and other material statutory dues with the appropriate authorities.
 - b. According to the information and explanations given to us, details of dues in respect of sales tax/ income tax/wealth tax/custom tax/excise/service tax/cess which have not been deposited as on 31st March 2008 on account of any dispute are given below:

TULSI EXTRUSIONS LIMITED

Particulars	Financial Year to which it pertains	Forum where matter is pending	Amount (Rs. in lacs)
Excise Duty	1998-99	Supreme Court	1.62

10. The company has accumulated losses as at March 31,2008 amounting to Rs. NIL which is less than fifty per cent of its net worth. The company has incurred cash losses of Rs. NIL lacs in the financial year under review namely, March 31, 2008. There was no cash loss in the financial year immediately preceding financial year.
11. The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders. Hence the amount of default & period not given.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
14. The company has obtained the term loan which is applied for the purpose for which the loans were obtained.
15. On the basis of overall examination of the balance sheet of the company, the funds raised on short-term basis have not been used for long term investment during the year.
16. 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, during the year.
17. The company has not issued any debentures.
18. The company has raised money by way of public issue during the year and end use of the same has been disclosed in Schedule 19- Notes to Account - Note No. 3.
19. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year nor have been informed of such case by the management.
20. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
21. The provisions of special statutes applicable to chit fund/ nidhi / mutual benefit fund/ societies are not applicable to the company.

For **K.K.Kabra & Co.**
Chartered Accountants

Kailash K. Kabra
Proprietor
M.No. 37641

Place :- Jalgaon
Date :- June 07, 2008

BALANCE SHEET AS AT MARCH 31, 2008

	Schedule	AS AT 31-03-2008 Rs.	AS AT 31-03-2007 Rs.
SOURCES OF FUNDS			
Share Holder's Funds :			
Share Capital	1	124951000	56785000
Reserves & Surplus	2	600027144	64406408
		724978144	121191408
Loan Funds :			
Secured Loans	3	218264594	146442414
Deferred Tax Liability			
		6071749	4264608
	Total	949314487	271898430
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	4	82862958	60977181
Less : Depreciation		13889912	10106881
Net Block		68973046	50870300
Investments			
	5	15017064	11307334
Current Assets, Loans & Advances :			
Inventories	6	186104866	99870665
Sundry Debtors	7	286999459	160238859
Cash and Bank Balances	8	64775702	5014024
Loans and Advances	9	304752121	21949825
		842632148	287073373
Less: Current Liabilities & Provisions			
Current Liabilities	10	25677584	68954072
Provisions		14971705	11362634
Net Current Assets		801982859	206756667
Miscellaneous Expenditure (To the extent not written off or adjusted)			
Preoperative Expenses		45122214	2810110
IPO Expenses		18082398	-
Old Preoperative Expenses		136906	154019
	Total	949314487	271898430
Significant Accounting Policies	18		
Notes to Account	19		

As per our Report of even date
For **K.K.Kabra & Co.**
Chartered Accountants

For and on behalf of the Board

Kailash K. Kabra
Proprietor
M. No. 37641

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- **Jalgaon**
Dated :- **June 07, 2008**

Pawan Kumar Baid
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedule	2007-2008		2006-2007	
		Qty (Kg)	Rs.	Qty (Kg)	Rs.
INCOME					
Manufacturing Sales		8269159	573021211	6772153	417622493
Trading Sales			83948646		228157668
Other Income	11		958893		322666
Increase / (Decrease) in Stock	12	1116155	67624204	86964	15494602
		9385314	72552954	6859117	661597429
EXPENDITURE					
Raw Material Consumed	13	9415087	477657629	6882957	324978728
Manufacturing Expenses	14		32620962		24965617
Trading Purchase			77253652		202500265
Personnel Expenses	15		14081426		4860168
Administrative Expenses	16		30452619		21249992
Financial Charges	17		29946429		16249158
Depreciation			3783031		2316778
		9415087	665795748	6882957	597120706
Profit Before Tax			59757206		64476723
Extra Ordinary items					
Depreciation Written Back			-		10074996
Provision for Taxation					
Current Tax		17000000		15000000	
Fringe Benefit Tax		300000		140650	
Deferred Tax		1807141		4264608	
			19107141		19405258
Profit After Tax			40650065		55146461
Less: Short Provision of Income Tax in earlier years			1655687		4967242
Net Profit for the year			38994378		50179219
Balance of Profit brought forward			56896408		19142189
Amount available for appropriation			95890786		69321408
Appropriations					
General reserve		30000000		-	
Bonus Shares Issue		-		12425000	
Proposed Dividend on Equity Shares		12495100		-	
Corporate Dividend Tax		2123542		-	
			44618642		12425000
Balance Carried to Balance Sheet			51272144		56896408
Basic and Diluted EPS			5.73		12.62
Significant Accounting Policies	18				
Notes to Account	19				

As per our Report of even date
For **K.K.Kabra & Co.**
Chartered Accountants

For and on behalf of the Board

Kailash K. Kabra
Proprietor
M. No. 37641

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- **Jalgaon**
Dated :- **June 07, 2008**

Pawan Kumar Baid
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	AS AT 31-03-2008 Rs.	AS AT 31-03-2007 Rs.
A) Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items	59757206	64476723
Adjustments for :		
i) Depreciation	3783031	2316778
ii) Dividend Received	(35920)	(28125)
iii) Pre-operational expenses written off	17113	17113
iv) Interest Income	(785084)	(99004)
v) Interest Expense	29946429	16249158
Operating Profit before Working Capital Changes	92682775	82932643
Capital Change Adjustments for :		
i) Trade & Other Receivables	(409562896)	(56678537)
ii) Inventories	(86234201)	(42089427)
iii) Trade Payables and Other Liabilities	(39667417)	31298957
Cash generated from Operations	(442781739)	15463636
Add/(Less):		
i) Extraordinary Items	-	10074996
ii) Taxes Paid	(22886370)	(24372500)
Net Cash generated from Operating Activities	(465668109)	1166132
B) Cash Flow from Investing Activities :		
i) Purchase of Fixed Assets (Net)	(21885777)	(38386407)
ii) Dividend Received	35920	28125
iii) Interest Received	785084	99004
iv) Proceed from investment (Net)	(3709730)	(6049765)
v) Subsidy Recd from Govt	-	1500000
Net Cash used in Investing Activities	(24774503)	(42809043)
C) Cash flow from Financing Activities :		
i) Interest Paid	(29946429)	(16249158)
ii) Proceeds from Long Term Borrowings (Net)	17530951	421398
iii) Proceeds from Short Term Loans (Net)	54291229	33459470
iv) Proceeds from Issue of Equity Shares	579411000	24020000
v) Liability for Deferred Tax	1807141	4264608
vi) Dividend Payable	(12495100)	-
vii) Preliminary Expenses	(60394502)	(2810110)
Net Cash generated from Financing Activities	550204290	43106208
Net increase in Cash & Cash Equivalents (A+B+C)	59761678	1463297
Opening balance of Cash and Cash Equivalent	5014024	3550727
Closing balance of Cash and Cash Equivalent	64775702	5014024

Note:

The above cash flow statement has been prepared by using the Indirect Method as per Accounting Standard (AS) - 3 "Cash Flow Statements" issued by Institute of Chartered Accountants of India.

Cash and Cash equivalents represent cash, bank and fixed deposit balances.

Cash and cash equivalents include effect of exchange rate changes amounting to Rs. 3435.00 (Previous year NIL) in respect of cash balance held in foreign currency.

Fixed deposit of Rs. 55000000 is marked as lien towards temporary loan from bank.

As per our Report of even date
For **K.K.Kabra & Co.**
Chartered Accountants

For and on behalf of the Board

Kailash K. Kabra
Proprietor
M. No. 37641

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- **Jalgaon**
Dated :- **June 07, 2008**

Pawan Kumar Baid
Company Secretary

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	<u>AS AT</u> <u>31-03- 2008</u> Rs.	<u>AS AT</u> <u>31-03- 2007</u> Rs.
SCHEDULE : 01		
<u>SHARE CAPITAL</u>		
Authorised		
15000000 Equity Shares of Rs.10/- each (P.Y15000000 Equity Shares of Rs10/- Each)	<u>15000000</u>	<u>15000000</u>
Issued, Subscribed & Paid up		
12495100 Equity Shares of Rs.10/- each fully paid up (P.Y.5678500 Equity Shares Of Rs.10/-Each)	<u>124951000</u>	<u>56785000</u>
[Of the above 1597500 shares (1597500) are allotted as fully paid by way of bonus issue out of free reserves]	<u>124951000</u>	<u>56785000</u>
SCHEDULE : 02		
<u>RESERVES & SURPLUS</u>		
Securities Premium Account		
As per last Balance Sheet	4510000	4510000
Add: Received on issue of equity shares	<u>511245000</u>	<u>-</u>
	515755000	4510000
Capital Reserve		
Subsidy Received from DIC	3000000	3000000
General Reserve		
As per last Balance Sheet	-	-
Add: Transferred from Profit and Loss Account	<u>30000000</u>	<u>-</u>
	30000000	-
Profit and Loss A/c		
As per last Balance Sheet	56896408	56896408
Less: Balance Transferred from Profit & Loss A/c	<u>5624264</u>	<u>-</u>
	51272144	56896408
	<u>600027144</u>	<u>64406408</u>
SCHEDULE : 03		
<u>SECURED LOAN</u>		
Term Loan from banks (Refer Note 1 below)	25657499	25474675
Working Capital Loan from banks (Refer Note 1 below)	174986991	120695762
Temporary loan from banks (Refer Note 2 below)	17530259	-
Vehicle Loans (Refer Note 3 below)	<u>89845</u>	<u>271977</u>
	<u>218264594</u>	<u>146442414</u>

Note:

1. Secured by way of first pari-passu charge, in respect of all current assets, fixed assets and personal guarantee of promoters.
2. Secured by way of bank lien on fixed deposit.
3. Secured by way of hypothecation of respective motor vehicles purchased.

TULSI EXTRUSIONS LIMITED

Schedule 4 : FIXED ASSETS AND DEPRECIATION

Sr No.	Particulars	Gross Block as on 01.04.07	Addition		Sales	Gross Block as on 31.03.08	Depreciation as on 01.04.07	During the Year		Depreciation as on 31.03.08	Net Block as on 31.03.08	Net Block as on 31.03.07
			Amount	Amount				Rate	Amount			
1	Air Condition	83747	44667			128414	14023	4.75%	5141	19164	109250	69724
2	Air Cooler	14150				14150	5701	4.75%	672	6373	7777	8449
3	Epbx	52129	8500			60629	14201	4.75%	2788	16989	43640	37928
4	Generator	1168720				1168720	429249	4.75%	55514	484763	683957	739471
5	Mobile	135763	141017	12410		264640	3816	4.75%	10299	14115	250525	131947
6	Vaccum Cleaner	5300				5300	2092	4.75%	252	2344	2956	3208
7	Water Filter	11080	8201			19281	4353	4.75%	717	5070	14211	6727
8	Weighing Scale	42250				42250	9289	4.75%	2007	11296	30954	32961
9	Weight & Measurement	18720				18720	6682	4.75%	889	7571	11149	12038
10	Welding Machine	11250				11250	4435	4.75%	534	4969	6281	6815
11	Xerox Machine	65350				65350	510	4.75%	3104	3614	61736	64840
12	Chilling Plant	397430				397430	30841	5.28%	20984	51825	345605	366589
13	Cooling Tower	-	251862			251862	-	5.28%	7923	7923	243939	-
14	SI Testing Equipments	318619				318619	113970	5.28%	16823	130793	187826	204649
15	Machinery	32611810	2728374			35340184	6959025	5.28%	1795938	8754963	26585221	25652785
16	Magnet	12937				12937	5983	5.28%	683	6666	6271	6954
17	Water Pump	-	11346			11346	-	5.28%	332	332	11014	-
18	Borewell	25000				25000	426	7.07%	1768	2194	22806	24574
19	Cycle	5100				5100	2946	7.07%	361	3307	1793	2154
20	Electric Installation	998572	3357680			4356252	431168	7.07%	125220	556388	3799864	567404
21	Fan	17705	6636			24341	9252	7.07%	1346	10598	13743	8453
22	Fax Machine	15500	6538			22038	8762	7.07%	1378	10140	11898	6738
23	Fridge & TV at Mumbai	18690	7200			25890	163	7.07%	1441	1604	24286	18527
24	Gyser	8585	3150			11735	4767	7.07%	659	5426	6309	3818
25	Iron Rake	71800				71800	4659	7.07%	5076	9735	62065	67141
26	Still Camera	12240				12240	-	7.07%	865	865	11375	12240
27	Type Writer	11321				11321	6415	7.07%	800	7215	4106	4906
28	Furniture	297819	309111			606930	97506	6.33%	23544	121050	485880	200313
29	Office Equipment	38900				38900	2417	6.33%	2462	4879	34021	36483
30	Factory Building	11510055	4997250			16507305	959606	3.34%	487782	1447388	15059917	10550449
31	Moulds	6806594	1268753			8075347	556111	11.31%	840326	1396437	6678910	6250483
32	Office Building	590608				590608	98217	1.63%	9627	107844	482764	492391
33	Staff Quarter Building	106800				106800	16185	1.63%	1741	17926	88874	90615
34	Guest House	-	326103			326103	-	1.63%	901	901	325202	-
35	Truck	300000	2282902			2582902	18726	25.89%	141152	159878	2423024	281274
36	Car	529368				529368	41228	9.50%	50290	91518	437850	488140
37	Vehicles (Two Wheeler)	80375	142466			222841	15039	9.50%	16001	31040	191801	65336
38	Computer & Printer	756050	361324			1117374	229118	16.21%	144194	373312	744062	526932
39	Computer(UPS Power Com)	-	10227			10227	-	16.21%	1497	1497	8730	-
40	Goodwill	850000				850000	-	-	-	-	850000	850000
41	Land	2715623	713125			3428748	-	-	-	-	3428748	2715623
		60715960	16986432	12410		77690252	10106881		3783031	13889912	63800340	50609079
	Building (Under Construction)	261221	4911485	-		5172706	-		-	-	5172706	261221
	Total	60977181	21897917	12410		82862958	10106881		3783031	13889912	68973046	50870300
	Previous Year	32688090	28349981	60890		60977181	7790104		2316778	10106881	50870299	24897986

	AS AT 31-03-2008	AS AT 31-03-2007
	Rs.	Rs.
SCHEDULE : 05		
<u>INVESTMENTS</u>		
<u>Quoted</u>		
Principal PNB Long Term Equity Fund (NAV on 31.03.08 -729000)	750000	-
<u>Unquoted</u>		
Bolton Properties Ltd.	236119	236119
Linking Share Satguru Jangli Maharaj Bank Ltd	275000	275000
Madhav Prakashan Pvt. Ltd.	10000	10000
Share Application Suyog Agro Pvt. Ltd.	-	1000000
Share Application Tulsi Plastics SA (Pty) Ltd	13745945	9786215
	15017064	11307334
SCHEDULE : 06		
<u>INVENTORIES</u>		
(As taken, Valued and Certified by the Management)		
<u>Raw Material</u>		
Resin	36537059	27110552
Chemicals	3156307	2151325
Calcium	3058388	1834700
PVC Scrap	15162230	8207410
	57913984	39303987
<u>Work In Progress</u>		
PVC Pipes	47863400	15136040
HDPE/LLDPE Pipes	2017518	1593186
	49880918	16729226
<u>Finished Goods</u>		
PVC Pipes & Fittings	65454304	24215518
HDPE / LLDPE Pipes	3488116	4998116
Stock in Transit	-	384021
Branch	3097242	1488138
Consignment Stock	4580863	11945156
Trading Goods	1294239	741303
Stores & Spares	325200	-
Empty Bags	70000	65200
	78309964	43837452
Total	186104866	99870665

TULSI EXTRUSIONS LIMITED

	<u>AS AT</u> <u>31-03- 2008</u> Rs.	<u>AS AT</u> <u>31-03- 2007</u> Rs.
SCHEDULE : 07		
<u>SUNDRY DEBTORS</u>		
(Unsecured , Considered Good)		
- Debts outstanding exceeding six months	99307664	29297798
- Other debts	<u>187691795</u>	<u>130941061</u>
	<u>286999459</u>	<u>160238859</u>
SCHEDULE : 08		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand (As certified by the management)	547084	891425
Balance with Scheduled Banks		
- In Current Accounts	58471	829809
- In Fixed Deposits	<u>64170147</u>	<u>3292790</u>
	<u>64775702</u>	<u>5014024</u>
SCHEDULE : 09		
<u>LOANS AND ADVANCES</u>		
(Unsecured , Considered Good)		
Deposits	5253348	1428852
Tax Deducted at Source	113845	9691
Amount Receivable (Consignment)	28241254	3003146
Advance for Capital Goods	162584208	1280000
Advance for Raw Materials	76669459	2138673
Tulsi Plastics SA (Pty.) Ltd	4230814	4230814
Other Loans & Advances (Recoverable in cash or in kind or for value to be received)	<u>27659193</u>	<u>9858649</u>
	<u>304752121</u>	<u>21949825</u>
SCHEDULE : 10		
<u>CURRENT LIABILITIES AND PROVISIONS</u>		
Current Liabilities :		
Sundry Creditors for Goods	9843478	60513652
Sundry Creditors For Expenses	3029934	1992770
Sundry Creditors For Capital Goods	3208817	922543
Advance Received from Customers	4280367	3595458
Dealership Deposit	1553100	1242960
Other Liabilities	<u>3761888</u>	<u>686689</u>
	<u>25677584</u>	<u>68954072</u>
Provisions :		
Provision for Dividend	12495100	-
Provision for Dividend Tax	2123542	-
Provision for Expenses & Other	2803063	1221984
Provision for Tax (net of advance tax) (2450000)	<u>(2450000)</u>	<u>10140650</u>
	<u>14971705</u>	<u>11362634</u>
	<u>40649289</u>	<u>80316706</u>

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	Qty (Kg)	AS AT 31-03-2008 Rs.	Qty (Kg)	AS AT 31-03-2007 Rs.
SCHEDULE : 11				
OTHER INCOME				
Other Sales		55243		-
Interest on Fixed Deposit		734399		99004
Capital Gain		50685		-
Late Payment Charges		53522		152635
Dividend Received		35920		28125
Profit on Sale of Fixed Assets		-		6320
Other Income		29124		36582
		958893		322666
SCHEDULE : 12				
INCREASE / (DECREASE) IN STOCK				
W.I.P.				
Opening Balance	293000	15136040	345200	15534000
Opening Balance HDPE & LLDPE	21829	1593186		
Less : Closing Stock	843700	47863400	293000	15136040
Less : Closing Stock HDPE & LLDPE	26829	2017518	21829	1593186
	555700	33151692	(30371)	1195226
OPENING STOCK				
FINISHED GOODS				
- PVC Pipes & Fittings	391749	24215518	447428	24791318
- HDPE & LLDPE Pipes	60353	4998116	-	-
- Stock in Transit	-	384021	-	-
Branches (All)	22028	1488138	5200	429517
Consignment Stock	162990	11945156	66597	3902584
Trading Goods	-	741303	-	354657
Empty Bags	-	65200	-	60000
	637120	43837452	519225	29538076
CLOSING STOCK				
FINISHED GOODS				
- PVC Pipes & Fittings	1043248	65454304	391189	24215518
- HDPE & LLDPE Pipes	42538	3488116	60353	4998116
- Stock in Transit	-	-	-	384021
Branches (All)	45092	3097242	22028	1488138
Consignment Stock	66697	4580863	162990	11945156
Trading Goods	-	1294239	-	741303
Stores & Spares	-	325200	-	-
Empty Bags	-	70000	-	65200
	1197575	78309964	636560	43837452
Increase / Decrease in F/Goods Stock	560455	34472512	117335	14299376
	1116155	67624204	86964	15494602

TULSI EXTRUSIONS LIMITED

SCHEDULE : 13

RAW MATERIAL CONSUMED

Opening Balance

	Qty (Kg)	AS AT 31-03- 2008 Rs.	Qty (Kg)	AS AT 31-03- 2007 Rs.
Resin	484117	27110552	153800	7079410
Chemicals	27578	2151325	20433	1115644
Calcium	209680	1834699	79955	632653
PVC Scrap	182962	8207410	109059	4144265
	904337	39303986	363247	12971972

Add : Purchase

Resin	8360250	465474720	6030067	313312050
Chemicals	367920	33042478	263500	19652351
Calcium	1607040	13414614	992200	7731871
Scrap	66185	2452609	2530	64428
HDPE / LLDPE	5000	410800	135750	10550043
	10406395	514795221	7424047	351310743

Less : Sales

Resin	304000	14132527	-	-
Chemicals	7775	691817	-	-
Calcium	179000	1328250	-	-
PVC Scrap	55000	2375000	-	-
	545775	18527594	-	-

Less : Closing Stock

Resin	615102	36537059	484117	27110552
Chemicals	43284	3156307	27578	2151325
Calcium	349530	3058388	209680	1834700
PVC Scrap	341954	15162230	182962	8207410
	1349870	57913984	904337	39303987

Raw Material Consumed **9415087** **477657629** **6882957** **324978728**

SCHEDULE : 14

MANUFACTURING EXPENSES

Carriage Inwards	5074340	3742947
Diesel Expenses	1160214	944909
Electric Expenses	12476119	8980489
Excise Duty & Service Tax Exp	5688195	6089597
Factory Expenses	211789	87987
Lubricating Oil	21786	55268
Octroi Duty	3556627	2435632
Packing Materials	1002361	76580
Repairs & Maintenance	837179	765336
Stores & Spares	2466125	1696102
Water Charges	126227	90770
	32620962	24965617

SCHEDULE : 15

PERSONNEL EXPENSES

Salary & Wages	12176646	4206732
Bonus & Incentive	480325	-
E.S.I.Contribution & Expenses	243713	82795
Labour & Staff Welfare Expenses	390486	227328
Providend Fund Contribution & Expenses	790256	343313
	14081426	4860168

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SCHEDULE : 16	AS AT 31-03-2008 Rs.	AS AT 31-03-2007 Rs.
<u>ADMINISTRATIVE & SELLING EXPENSES</u>		
Advertisement Expenses	2186845	147336
Audit Fees	152000	61000
Branch Expenses	1901770	1482070
Car Hire Charges	645000	180000
Claims & Discount	152740	527590
Commission Expenses	302903	249284
Consignment Expenses	2145272	2236107
Conveyance Expenses	436732	121146
Director's Sitting Fees	600000	95000
Donation	130655	5501
Filing Fees	33820	1001436
Freight Expenses	3659084	3294729
General Expenses	217732	147154
Inspection & Testing Fees	901370	803888
Insurance Expenses	532409	340816
Legal & Professional Expenses	1873520	161345
Miscellaneous Expenses	2588436	410349
Petrol & Diesel Expenses	291253	-
Postage & Courier Expenses	73503	46040
Preoperative Expenses W/Off	17113	17113
Printing & Stationery	570857	363435
Rent Rates & Taxes	934416	69688
Sales Promotion Expenses	1414036	882510
Telephone / Mobile Expenses	764867	521250
Travelling Expenses	1707355	1008847
Vat / Sales Tax	6037663	7047587
Vehicle Expenses	181268	28771
	<u>30452619</u>	<u>21249992</u>
SCHEDULE : 17		
<u>FINANCIAL CHARGES</u>		
Bank Charges	238328	464557
Interest on Working Capital Loan/LC	21501408	11086381
Interest on Term Loans	3733304	3812289
Interest other	3175994	362660
Loan Procurement Expenses	1297395	523271
	<u>29946429</u>	<u>16249158</u>

SCHEDULE: 18**SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of financial statements:**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and are in consonance with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

b) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP), requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in which the results are known/ materialized.

c) Fixed Assets:

Fixed assets are stated at historical cost including directly attributable costs of bringing the assets to their working condition and are net of credit under the CENVAT/VAT scheme, less accumulated depreciation and impairment loss, if any.

Preoperative expenditure including borrowing cost (net of revenue) incurred during the construction/trial run of new project is allocated on an appropriate basis to fixed assets on commissioning.

d) Depreciation:

Depreciation on Fixed Assets is provided using the straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

e) Inventories:

Inventories are valued at market value and are inclusive of excise duty and VAT.

f) Investments:

Investments are stated at cost. Provision for diminution, if any, is made to recognize a decline, other than temporary, in the fair value of investments.

g) Revenue Recognition:

Sales of proroducts are recognized when the products are despatched and are stated inclusive of excise duty, sales tax, VAT, trade discounts and sales. However both excise duty and VAT including cess has been separately shown in profit and loss account, after net off, to match the respective amount of sales.

The Company generally follows mercantile system of accounting and all income and expenditure items having a material bearing on the financial statements are recognized on accrual basis. However, in respect of dividend received, differential excise duty and municipal dues, cash system has been consistently adopted. However, it does not affect the profit materially.

h) Foreign Currency Transactions:

- i. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies, if any at the year end are restated at year end rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account.

i) Miscellaneous Expenditure

Old Preoperative expenses are being amortized in ten equal annual installments.

j) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

k) Earnings Per Share

The company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

l) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impaired loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impaired loss in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

m) Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

SCHEDULE: 19

NOTES TO ACCOUNT

1. Contingent Liability not provided for: (Rs. In lacs)

Sr. No.	Particulars	As at 31.03.2008	As at 31.03.2007
1.	Bank Guarantee	24.23	-
2.	Letters of Credit	170.00	200.00
3.	Capital Contracts remaining to be executed	125.00	-
4.	Claims not acknowledged as debts	1.62	1.62

2. The Company has not provided for employee benefit as the company follows the practice of accounting for the employee benefits as and when paid. This is not in accordance with the Accounting Standard (AS) 15 on "Employee Benefits" issued by The Institute of Chartered Accountants of India. The extent of non compliance in value term is not ascertainable.
3. During the year, the company has gone for Initial Public Offer (IPO) of 57,00,000 Equity Shares of Rs. 10 each for cash at a price of Rs.85 per equity share aggregating Rs. 4845.00 lakhs. The issue was oversubscribed and shares were allotted on 16th February, 2008 and shares were listed on 25th February, 2008 in Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The issue proceeds have been utilized for the issue objects as per the following details:

(Rs. In lacs)

Sr. No.	Particulars	Amount
1.	Advance to machine suppliers/contractors	1579.85
2.	Advance to raw material suppliers	1250.00
3.	Advance to real estate agents/builders	46.00
4.	Fixed Deposit with scheduled banks	550.00
5.	Issue Expenses	631.56
6.	Balance with scheduled banks for offsetting cash credit limit	787.59
	Total	4845.00

4. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for all the known and determined liabilities are adequate and not in excess of the amounts reasonably required.
5. In terms of the requirements of the Accounting Standard - 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated at the period end by the management based on the present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management

6. Related Party Disclosure:-

As Per Accounting Standard (AS-18) on related party disclosures issued by ICAI, the disclosures of transactions with the related parties are as follows:

Sr. No.	Particulars	Relationship
A	Gopal Extrusions Pvt. Ltd.	Enterprise significantly influenced by directors
B	Tulsi Plastics SA (Proprietary) Ltd.	Enterprise controlled/significantly influenced by directors
C	Kiran Polyvinayel Pvt. Ltd.	Enterprise controlled by directors/directors' relatives
D	Sanjay Taparia (HUF)	Relative of KMP
E	Pradip Mundhra	KMP
F	Sanjay Kumar Taparia	KMP

(Rs. In lacs)

Sr.	Name of the Party	Nature of Transaction	Volume of Transaction during the period ended 31.03.08	Amount out standing as on 31.03.08	Volume of Transaction during the year ended 31.03.07	Amount out standing as on 31.03.07
A)	Gopal Extrusions Pvt. Ltd.	Share Capital	105.00	-	122.10	-
		Share Premium	787.50	-	45.10	-
		Loans Taken	93.17	-	-	-
		Loans Repaid	93.17	-	-	-
		Interest	8.70	-	-	-
B)	Tulsi Plastics SA (Proprietary) Ltd.	Investments	39.60	137.46	73.27	97.86
		Advances	-	42.31	-	42.31
C)	Kiran Polyvinayel Pvt. Ltd	Advances	-	-	12.80	-
D)	Sanjay Taparia (HUF)	Car Hire Agreement	1.86	-	0.96	--
E)	Pradip Mundhra	Remuneration	12.30	-	2.25	-
		Share Capital	1.06	-	73.00	-
		Securities Premium	7.95	-	-	-
F)	Sanjay Kumar	Remuneration	8.41	-	2.05	-
		Share Capital	5.60	-	-	-
		Share Premium	42.00	-	-	-

7. Earnings Per Share:

(Rs. In lacs)

Particulars	EPS Before extraordinary items		EPS After extraordinary items	
	2007-2008	2006-2007	2007-2008	2006-2007
Net Profit (amount used as numerator)	389.94	401.04	389.94	501.79
Weighted Average Number of Equity Shares (number used as denominator)	68,04,850	39,77,500	68,04,850	39,77,500
Basic and Diluted (in Rupees) (Face value of Rs. 10/- each)	5.73	10.08	5.73	12.62

8. Managerial Remuneration :

(Rs. In lacs)

Particulars	2007-2008	2006-2007
Remuneration	33.60	8.50
Sitting Fees	6.00	0.95
Total	39.60	9.45

Commission is not payable to the directors and hence the computation of net profit under Section 349 of the Companies Act, 1956 has not been given.

9. Payment to auditors

(Rs. In lacs)

Particulars	2007-2008	2006-2007
Audit Fees	0.41	0.20
Tax Audit Fees	0.15	0.05
IT, FBT & TDS Services	0.15	0.05
Tota	0.71	0.30

10. Deferred Tax Liabilities

(Rs. In lacs)

Particulars	Opening Bal.	During the Yr.	Closing Bal.
Timing Difference arising due to difference in accounting depreciation and taxation depreciation	42.65	18.07	60.71

11. The company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures regarding to their outstanding amount and interest have not been made.

12. Segment Reporting

Primary Segment Reporting (Business Segment)

	Year Ended March 31,2008			Year Ended March 31,2007		
	Trading Product Rs. In Lacs	Mfg. Products Rs. In lacs	Mfg. Products Rs. In lacs	Trading Products Rs. In lacs	Mfg. Products Rs. In lacs	Mfg. Products Rs. In lacs
REVENUE						
External Revenue	839.49	5730.21	6569.70	2281.58	4176.22	6457.80
Total	839.49	5730.21	6569.70	2281.58	4176.22	6457.80
RESULTS						
Segment Results	66.94	830.09	897.03	256.36	550.90	807.26
Less:						
Interest	-	299.46	299.46	-	162.49	162.49
Unallocable other Expenditure	-	-	-	-	-	-
Profit Before Tax	66.94	530.63	597.57	256.36	388.41	644.77

OTHER INFORMATION**Segment Asset**

Fixed Asset	-	689.73	689.73	-	508.70	508.70
Investment	-	150.17	150.17	-	113.07	113.07
Debtors	190.28	2679.71	2869.99	376.17	1226.22	1602.39
Inventories	-	1861.05	1861.05	-	998.71	998.71
Other Current Asset	-	3695.28	3695.28	27.39	242.25	269.64
Unallocable Assets	-	-	-	-	29.64	29.64
Total Assets	190.28	9075.94	9266.22	403.56	3118.59	3522.15

Segment Liabilities

Sundry Creditors	33.38	373.11	406.49	145.50	657.67	803.17
Deferred Tax Liabilities	-	60.70	60.70	-	42.65	42.65
Total Liabilities	33.38	433.81	467.19	145.50	700.32	845.82

Capital Expenditure

Segment capital Exp.	-	218.98	218.98	-	283.50	283.50
Unallocable Capital Exp.	-	-	-	-	-	-
Total Capital Expenditure	-	218.98	218.98	-	283.50	283.50

Depreciation

Segment Depreciation	-	37.83	37.83	-	23.17	23.17
Unallocable Depreciation	-	-	-	-	-	-
Total Depreciation	-	37.83	37.83	-	23.17	23.17

Non cash Exp. Other than**Depreciation**

Segment non cash Exp	-	0.17	0.17	-	0.17	0.17
Unallocable Non cash Exp	-	-	-	-	-	-
	-	0.17	0.17	-	0.17	0.17

Secondary Segment Reporting (Geographical Segment)

The Geographical segment is not reportable as marketing of products is in India only.

13. Additional information :

A) Particulars for capacities and production.

Class of Goods	Unit	Licensed Capacity	Installed Capacity	Actual
PVC Pipes & Fittings, HDPE Pipes and LLDPE Pipes 31.03.2008	MT	N.A.	10483.20	8829.61
(31.03.2007)	MT	N.A.	(10483.20)	(6889.48)

Note: - Installed capacity is as certified by the management but not verified by the auditors being technical matter.

B) Particulars of turnover & stock of goods manufactured.

(Rs. In lacs)

Turnover of PVC Pipes & Fittings, HDPE Pipes and LLDPE Pipes	Qty (MT)	Value (Rs.)
31.03.2008	8269.16	5730.21
(31.03.2007)	(6772.15)	(4176.23)
Stock of PVC Pipes & Fittings, HDPE Pipes and LLDPE Pipes		
31.03.2008	1197.58	766.21
(31.03.2007)	(636.50)	(430.31)

C) Particulars of Raw Material Consumed

(Rs. In lacs)

Class of Goods	Qty (MT)	Value (Rs.)
PVC Resin, Scrap & Chemicals (At cost) 31.03.2008	9415.09	4776.58
(31.03.2007)	(6882.96)	(3249.79)

D) Stores, Spares & Components

(Rs. In lacs)

Year	Indigenous	Imported
31.03.2008	33.03	NIL
(31.03.2007)	(24.61)	(NIL)

E) Other Particulars

(Rs. In lacs)

Particulars	2007-2008	2006-2007
CIF Value of Imports		
- Capital Goods	NIL	NIL
- Others	NIL	NIL
Expenditure in Foreign Currency		
- Travelling	US\$ 700	US\$ 2800
- Investment	US\$ 118000	US\$ 78000
-Capital Goods	US\$ 650000	NIL
Earnings in Foreign Currency	NIL	NIL

14. Foreign currency exposure as on 31st March, 2008 of US\$ 105234 (Previous year NIL) are not hedged by derivative or forward contracts.
15. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make the figures comparable.
16. Additional Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 is as per annexure enclosed.

As per our Report of even date
For **K.K.Kabra & Co.**
Chartered Accountants

For and on behalf of the Board

Kailash K. Kabra
Proprietor
M. No. 37641

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- **Jalgaon**
Dated :- **June 07, 2008**

Pawan Kumar Baid
Company Secretary

**Additional Information pursuant to Part-IV to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile :**

I. Registration Details

Registration No.	81182
CIN	U29120MH1994PLC0811822
State Code	11
Balance Sheet Date	31-03-2008

II. Capital raised during the year (Amount in Rs. Lacs)

Public issue	681.66
Rights issue	NIL
Bonus issue	NIL
Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities	9493.15
Total Assets	9493.15
Sources of Funds	
Paid-up Capital	1249.51
Reserves & Surplus	6000.27
Secured Loans	2182.65
Unsecured Loans	NIL

TULSI EXTRUSIONS LIMITED**Application of Funds**

Net Fixed Assets	689.73
Investment	150.17
Net Current Assets	7959.11
Miscellaneous Expenses	633.42
Accumulated Losses	NIL

IV. Performance of Company (Amount in Rs. lacs)

Turnover	7255.53
Total Expenditure	6657.96
Profit/Loss before Tax	597.57
Profit/Loss after Tax	406.50
Earning per Shares (In Rs.)	5.73
Dividend Rate (%)	10%

V. Generic Name of Three Principal Products/Services of Company**(as per monetary terms)**

Item Code No. (ITC Code)	39042210.00
Product Description	PVC
Item Code No. (ITC Code)	39011010.00
Product Description	LLDPE
Item Code No. (ITC Code)	39269069.00
Product Description	HDPE

As per our Report of even date
For **K.K.Kabra & Co.**
Chartered Accountants

For and on behalf of the Board

Kailash K. Kabra
Proprietor
M. No. 37641

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- **Jalgaon**
Dated :- **June 07, 2008**

Pawan Kumar Baid
Company Secretary

TULSI EXTRUSIONS LIMITED

Registered Office: N-99, MIDC Area, Jalgaon - 425 003

ATTENDENCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I certify that i am a Registered Shareholder
of the Company and hold _____ Shares.

Folio No./ID No.

I hereby record my presence at the **Fourteenth Annual General Meeting** of the Company held at N-99, MIDC Area, Jalgaon - 425 003 on Monday, 29th September, 2008 at 11.00 a.m.

Name of the Member/Proxy in Block Letters

Member's/Proxy's Signature

NOTES :

1. Shareholders/Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the entrance of the Meeting Hall.
2. Shareholders are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.
3. If it is intended to appoint a proxy form below should be completed and deposited at the Registered office of the Company at least 48 hours before the Meeting

----- Tear Here -----

TULSI EXTRUSIONS LIMITED

Registered Office: N-99, MIDC Area, Jalgaon - 425 003

PROXY FORM

Folio No./ID No.

I/We _____ of _____
in the district of _____ being a member/members of
TULSI EXTRUSIONS LIMITED hereby appoint _____
_____ of _____
in the district of _____ or failing him
_____ 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 **Fourteenth Annual General Meeting** of the Company held at N-99, MIDC Area, Jalgaon - 425 003 on Monday, 29th September, 2008 at 11.00 a.m.

As witness my/our hand/hands this _____ day of _____ 2008

Signature by the said

Affix
Re. 1
Revenue
Stamp

Note : This Proxy form duly completed must be received at the Company's Registered Office atleast **FORTY-EIGHT HOURS** before the time of holding the meeting.