

TULSI EXTRUSIONS LIMITED

16th ANNUAL REPORT: 2009 - 2010

BOARD OF DIRECTORS

MR. OMPRAKASH S. JHAVAR
MR. PRADIP J. MUNDHRA
MR. SANJAY R. TAPARIA
MR. GOPALDAS J. MAHESHWARI
MR. RAJESH B. JHUNJHUNWALA
MR. JAIPRAKASH B. KABRA

Chairman-Non Executive
Managing Director
Chief Executive Officer
Director-Non Executive
Director-Non Executive
Director-Non Executive

STATUTORY AUDITORS

M/s K. K. Kabra & Co.
Chartered Accountants, Jalgaon

INTERNAL AUDITORS

M/s Badale Mahale Lanke & Co.
Chartered Accountants, Jalgaon

REGISTERED OFFICE

N-99 MIDC Area
Jalgaon - 425 003
Maharashtra

FACTORIES

N-99/100/108/109, H-16, G-51/52
MIDC Area, Jalgaon - 425 003
Maharashtra

MUMBAI OFFICE

709, Janki Centre
29, Shah Industrial Estate
Off. Veera Desai Road
Andheri (W)
Mumbai - 400 053
Maharashtra

BRANCHES

Jaipur, Raipur, Indore, Kolkata
Surat, Lucknow, Belgaum
Nagpur, Barsi, Devachi
Talegaon, Budhgaon
Ahemadnagar, Tiruvannamali

BANKERS

Punjab National Bank, Jalgaon
AXIS Bank, Jalgaon
State Bank of India, Jalgaon
HDFC Bank, Mumbai

SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (W)
Mumbai - 400 078

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 16th Annual General Meeting of the shareholders of Tulsi Extrusions Limited will be held as under:

DAY : Monday
VENUE : N-99, MIDC Area, Jalgaon - 425 003
DATE : September 20, 2010
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 March 31, 2010, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended March 31, 2010.
3. To appoint a Director in place of Mr. Omprakash S. Jhavar who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Jaiprakash B. Kabra who retires by rotation and being eligible offers himself for reappointment.
5. 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.

SPECIAL BUSINESS:

1. Increase in Authorised Share Capital of the Company

- a. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1956, and other applicable Provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 25,00,00,000/- (Rupees Twenty five crore Only) divided into Rs.2,50,00,000 (Two Crore Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs. 45,00,00,000/- (Rupees Forty Five Crore Only) divided into Rs. 4,50,00,000 (Four Crore Fifty lacs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each."

- b. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force)the existing Clause V of the Memorandum of Association of the Company relating to the Share Capital be and is hereby altered by substituting the following :

"The Authorised Share Capital of the Company is Rs. 45,00,00,000/- (Rupees Forty Five crore Only) divided into 4,50,00,000 (Four crore Fifty lacs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each be substituted in Clause V of the Memorandum of Association of the Company in place of the existing word "The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five crore Only) divided into 2,50,00,000 (Two crore Fifty lacs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each."

- c. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) the existing Article No. 3 be and is hereby substituted as follows :

"The Authorised Share Capital of the Company is Rs.45,00,00,000/- (Rupees Forty Five crore Only) divided into 4,50,00,000 (Four crore Fifty lacs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each be substituted in Article No. 3 of the Articles of Association of the Company in place of the existing word "The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five crore Only) divided into 2,50,00,000 (Two crore Fifty lacs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each."

2. Stock split of the face value of shares

- a. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of section 94 and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of the Articles of Association of the company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the equity shares of the company having nominal face value of Rs.10/- (Rupees Ten only) per share be sub-divided into equity shares having nominal face value of Re.1/- (Rupee One only) per share and the relevant Capital Clauses in the Memorandum and Articles of Association of the company be accordingly altered as proposed in the resolution".

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, matters and things including issue of fresh share certificates and execute all such documents, instruments and writing as may be required in the said connection and to delegate all or any of the powers herein vested in them or to any committee of directors or any director(s) to give effect to the aforesaid resolution."

- b. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT on the resolution for sub-division of the nominal face value of equity shares being duly passed and becoming effective as stated in resolution at item no. 2(a) of the notice convening this annual general meeting, Clause V of the Memorandum of Association of the company be deleted and in place thereof the following new Clause V be substituted:

"The authorized share capital of the company is Rs. 45,00,00,000/- (Rupees Forty five crore only) consisting of 45,00,00,000 (Forty Five crore only) equity shares of Re.1/- each."

- c. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:-

"RESOLVED FURTHER THAT on the resolution of sub-division of the nominal face value of equity shares being duly passed and becoming effective as stated at item no. 2(a) of the notice convening this annual general meeting and pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered by deleting the existing Article 3 and substituting in place thereof the following as Article 3: -

"The authorized share capital of the company is Rs. 45,00,00,000/- (Rupees Forty five crore only) consisting of 45,00,00,000 (Forty five crore only) equity shares of Re. 1/- each."

3. Increase in borrowing power limits of the company

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:-

"RESOLVED THAT in supersession of all previous resolution(s) passed in relation hereto, and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Company be and is hereby granted, and the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include a Committee thereof) be and are hereby authorized to borrow from time to time, any sum or sums of money from any person(s) or bodies corporate (including its holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board may deem fit, for the purpose of the Company's business, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not, at any time, exceed Rs. 500 Crore (Rupees Five hundred Crore only)"

4. Modification in terms and condition of agreement with Managing Director

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 268, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the terms of remuneration contained in the agreement entered by the Company with Mr. Pradip J. Mundhra, Managing Director of the Company for his appointment for a period of five years effective from February 01, 2007 as approved by the shareholders at the extra ordinary general meeting of the Company held on January 29, 2007 the terms & conditions with respect to the monthly salary be and is hereby modified and increased from Rs. 1,50,000/- to Rs. 2,50,000/- with effect from October 01, 2010."

"FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to execute such modification of salary and do all such acts as may be necessary for the aforesaid resolution for & on behalf of the Company."

5. Modification in terms and condition of agreement with Chief Executive Officer

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 268, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the terms of remuneration contained in the agreement entered by the Company with Mr. Sanjay R. Taparia, Chief Executive Officer of the Company for a period of five years effective from February 01, 2007 as approved by the shareholders at the extra ordinary general meeting of the Company held on January 29, 2007 the terms & conditions with respect to the monthly salary be and is hereby modified and increased from Rs. 1,00,000/- to Rs. 1,50,000/- with effect from October 01, 2010."

"FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to execute such modification of salary and do all such acts as may be necessary for the aforesaid resolution for & on behalf of the Company."

6. Issue of further capital by way of ADR/GDR/FCCB

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory amendments, modification(s) or re-enactment thereof, for the time being in force) as also the provisions of chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI / ICDR Regulations) as in force and subject to all other applicable rules, regulations and guidelines of SEBI, issue of Foreign currency convertible bonds and ordinary shares (Through Depository Receipt Mechanism) scheme, 1993 the operative guidelines for disinvestment of shares by Indian companies in the overseas market through issue of ADRs / GDRs as notified by the Government of India, Ministry of Finance, Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactments thereof for the time being in force), and also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to other approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and all other appropriate and / or concerned authorities, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board which term shall be deemed to include any committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue, offer or allot Global Depository Receipts (GDRs) convertible into equity shares (herein after referred to as "securities") either at par or at premium (issue price being not less than the price as arrived at) in accordance with the issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, for an aggregate sum of up to US\$ 15 million or equivalent in Indian/ or any other currency (ies) directly to foreign / non-resident investors (where the institutions, bodies corporate, mutual funds, trusts, foreign institutional investors, banks and / or individuals or otherwise and whether or not such investors are members, promoters, directors or their relatives / associates, of the Company) without first offering to the existing shareholders, through public issues, private placements or a combination thereof at such time or times in such tranch or tranches at such price or prices, at such premium as may be appropriate to market price or prices in such manner and on such terms and conditions as may be decided by the Board, wherever necessary in consultation with the lead managers, underwriters, advisors or through the subsidiaries, including by way of the initial public offer in Euro, US or other countries, so as to enable the Company to get listed at any Stock Exchanges in India and / or outside India".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may, in its absolute discretion deemed necessary or desirable and settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of securities."

"RESOLVED FURTHER THAT the relevant date for the purpose of issue of securities in international offerings, including Global Depository Receipts (GDRs) shall be the date of the meeting of the Board / Committee of the Company decides to open the proposed issue of such securities as per the issue of Foreign Currency convertible Bonds and Ordinary shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended from time to time."

"RESOLVED FURTHER THAT the Board is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI / GOI / RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination or terms in accordance with the international practices."

"RESOLVED FURTHER THAT the Board is also entitled to enter into and execute all such arrangements/ agreements with the lead managers underwriters/ guarantors/ depository (ies)/ custodians / advisors / registrars and all such agencies as may be involved including by way of payment of commission, brokerage, fees, expenses incurred in cash or otherwise in relation to the issue of securities and other expenses, if any, or the like."

"RESOLVED FURTHER THAT the Company and / or any agency or body authorized by the company may issue GDRs and / or other form of securities mentioned hereinabove or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital market."

"RESOLVED FURTHER THAT the securities issued in international offering shall be deemed to have been issued abroad in the markets and / or at the place of issue of the securities in the international markets and shall be governed by English or American law as may be decided by the board."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the mode and the terms of issue and allot such number of equity shares / securities as may be required to be issued and allotted upon conversion of any securities referred to in paragraph above as may be necessary in accordance with the terms of offering and all such shares will rank pari passu with the existing equity shares of the Company in all respect."

"RESOLVED FURTHER THAT the Board do open one or more bank accounts in the name of Company, including escrow account, special purpose accounts etc. in Indian currency or foreign currency (ies) which such bank or banks in India and / or such foreign countries as may be required in connection with the aforesaid issue/ offer, subject to requisite approvals from the RBI and other overseas regulatory authorities, if any."

"RESOLVED FURTHER THAT such of this securities as are not subscribed, may be disposed off by the Board in its absolute discretion in such manner as the board may deem fit."

"RESOLVE FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of proceeds, as it may in its absolute discretion deemed fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of the resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred in such manner as they deem fit."

By Order of the Board

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Executive Director

Registered Office:

N-99, MIDC Area,
 Jalgaon-425 003

Dated : August 23, 2010

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 - 425 003 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 Tuesday, September 14, 2010 to Friday, September 17, 2010 (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. Link Intime India Private 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. Link Intime India Private Limited office at C-13 Pannalal Silks Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078 quoting their folio number/DP Client ID number.
5. The Securities and Exchange Board of India has notified compulsory trading of equity shares in the dematerialized form for institutional investors from June 26, 2000 and for other investors from August 20, 2000.

Shareholders may avail facility of the trading in the demat form and may contact the company in this regard.

6. The company has paid the listing fees for the year 2010-2011 to the Stock Exchange, Mumbai and the National Stock Exchange of India Ltd., Mumbai where the securities of the company are being listed and traded.
7. Subject to the provisions of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or before October 21, 2010 to those members whose names appear on the Register of Members as on September 13, 2010. In respect of shares held in electronic form, the dividend shall be paid to the beneficial owners of the shares as on September 13, 2010 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), Depositories for this purpose.
8. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updations of bank account details to their respective Depository participants. Members are encouraged to utilize the National Electronic Clearing System (NECS) for receiving dividends.

To avail NECS Facility, Members holding shares in physical form may complete the NECS Mandate form and send the same to the company or the Registrar and Transfer Agent, at the earliest.

In case of members holding shares in demat mode, they should furnish the details in the prescribed format to their respective Depository Participants (DPs).

9. Members must update the new bank account number allotted after implementation of Core Banking Solutions (CBS) to the company in case of shares held in physical form and to DP in case of shares held in demat form.
10. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited office at C-13 Pannalal Silks Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078 quoting their folio number/DP Client ID number.
11. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205 of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
12. **The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.**
13. The company has designated an exclusive email ID called grievances@tulsigroup.com for redressal of shareholder's complaints / grievances. In case you have any queries / complaints or unresolved grievances, then please write to us on the said email id.
14. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.

15. 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.
16. Members are requested to bring the copy of the Annual Report sent to them.
17. Information required to be furnished under the Listing Agreement.

As required under the listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be reappointed are given below:

Mr. Omprakash S. Jhavar and Mr. Jaiprakash B. Kabra shall retire at the ensuing Annual General Meeting and being eligible offers themselves for reappointment. Given below the abbreviated resumes of the directors seeking reappointment:

Name of the director	Mr. Omprakash S. Jhavar	Mr. Jaiprakash B. Kabra
Age	71	54
Qualification	BSC(Eng.), FIE, CE, FIV, SQC, Chartered Engg.	BSC, M.L.S., Dip. (Training & Dev.)
Date of Appointment	November 20, 2006	November 20, 2006
Expertise	Quality Control and ISO Audits	Human Resource Management
Details of Directorship	Nil	Mind Movers Consultants Pvt. Ltd.
Chairman / Members of Committee	Member of Remuneration Committee, Member of Shareholders'/Investors' Grievance Committee	Member of Audit Committee, Member of Remuneration Committee, Member of Shareholders'/Investors' Grievance Committee

Mr. Omprakash S. Jhavar

Mr. Omprakash S. Jhavar, aged 71 years, joined the Company's Board in the year 2006. He is a graduate in Mechanical Engineering from Vikram University, Ujjain. He is an associate member of Institute of Engineer, Calcutta and a fellow member of Institute of Valuers, India. He is a Government registered valuer (Plant & Machinery) and a registered lead auditor with National Registration Board for Personnel and Training (NRBPT). Before joining Ordnance Factories Organisation, Ministry of Defence, Government of India, where he had worked for more than 33 years, he had also worked with Usha Automobile Engineer Works, Calcutta and Indian Copper Corporation, Ghatsila. He retired as Deputy Director General in November, 1997 from Ministry of Defence, and at that time was looking after planning, marketing, engineering & administration. At present, he is providing consultancy services for establishing quality systems as per ISO 9000 standards and acts as insurance surveyor also.

Mr. Jaiprakash B. Kabra

Mr. Jaiprakash B. Kabra, aged 54 years, joined the Company's board in 2006. He is a Bachelor of Science, Master of Labour Studies and a Diploma holder in Training and Development. He started his career with Krishna Glass Limited as Personnel Manager in 1980. Thereafter he had worked with Ion Exchange (I) Limited, Ambarnath and Polychem Limited, Mumbai. He has 26 years of experience in all facets of man management including manpower planning, selection and recruitment; design & implementation of performance appraisal system, and handling employee grievances. He incorporated his own human resource consultancy organisation in 1997 in the name of Mind Movers Management Consultants Private Limited.

18. Explanatory Statement u/s 173 of the Companies Act, 1956 for Item no. 1 to item 6

ITEM NO. 1(a)

Your Company is one of the fastest growing plastic pipe manufacturing company in India and in view of increasing business operations and future growth plans of the Company, it is desirable to bring the authorized share capital of the Company in proper co-relation with the magnitude of the Company's resources and size of its undertaking.

The authorised share capital of the Company presently stands at Rs. 25,00,00,000/- divided into 2,50,00,000 equity share of Rs. 10/- each. It is, therefore, considered advisable to increase the authorized share capital of the Company from Rs. 25,00,00,000/- Rs. 45,00,00,000/- divided into 4,50,00,000 equity share of Rs. 10/- each. The equity shares so issued shall rank pari passu in all respect with the existing equity shares of the Company. The proposed increase of the authorized share capital of the Company requires the approval of the members in general meeting.

The Board recommends the resolution for your approval.

None of the Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 1(b)

Consequent upon the increase in authorize capital of the Company, Clause V of the Memorandum of Association require alteration to reflect the increase in share capital.

The Board recommends the resolution for your approval.

None of the Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 1(c)

Consequent upon the increase in authorize capital of the Company, Article 3 of the Articles of Association require alteration to reflect the increase in share capital.

The Board recommends the resolution for your approval.

None of the Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 2(a to c)

The management of your company has always believed that anybody whether big or small, all of them should partake of the value process at Tulsi Extrusions Limited. High value denomination of the share may deter small shareholders from acquiring the piece of wealth - shares of your company. It is in this context that we feel splitting of face value of shares into smaller denomination, would enhance its access to small investors.

In view of this, your Board has proposed that face value of equity shares of the Company be fixed at Rs. 1/- per share.

To give effect to change in nominal value of equity shares, the Capital Clauses in Memorandum and Articles of Association of the company are to be altered. Resolutions set out at item no. 2(b to c) of this notice are to make requisite changes in the Memorandum and Articles of Association of the company.

The Board of Directors recommends the resolution for approval of the members.

None of the directors of the company is in any way concerned or interested in the said resolution, except to the extent of their share holding in the company.

ITEM NO. 3

The Company is planning for expansion of the manufacturing activities for which the company will from time to time require funds for the expansion plans of the company. The amount so borrowed by the company together with the amount already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, but will not at any time exceed more than Rs 500 Crore. The same will increase the borrowing power limits of the company from Rs. 250 crore to Rs. 500 crore. Thus in order to go ahead with the expansion plans the above resolution will help the company to borrow the funds time to time.

ITEM NO. 4

Mr. Pradip J. Mundhra was appointed as Managing Director of the company by the shareholders in the Extra Ordinary General Meeting held on January 29, 2007 effective from 1st February, 2007 with a monthly salary of Rs. 50,000 and other perquisites as stipulated in the agreement executed between the Company and Mr. Pradip J. Mundhra, which was subsequently increased to Rs. 1,50,000 w.e.f. April 01, 2007.

Further in view of the expansion of the Company, the Board recommends to increase his monthly salary from Rs. 1,50,000 to Rs. 2,50,000 w.e.f. October 01, 2010. Any amendment in the terms & conditions entered into with the Managing Director requires approval of Central Government u/s 268 of the Companies Act, 1956, however no such approval is required if the amendment is made in accordance with the conditions specified in Schedule XIII.

The proposed resolution is intended to give the benefit of the increased remuneration which the Company is entitled to pay in terms of Schedule XIII. The Board of Directors recommends that the shareholders should approve the said additional remuneration by adopting the proposed resolution. This explanation may be treated as an abstract u/s 302 of the Companies Act, 1956.

Except Mr. Pradip J. Mundhra, no other director is interested or concerned in this resolution.

ITEM NO. 5

Mr. Sanjay R. Taparia was appointed as Chief Executive Officer of the company by the shareholders in the Extra Ordinary General Meeting held on January 29, 2007 effective from 1st February, 2007 with a monthly salary of Rs. 40,000 and other perquisites as stipulated in the agreement executed between the Company and Mr. Sanjay R. Taparia, which was subsequently increased to Rs. 1,00,000 w.e.f. April 01, 2007.

Further in view of the expansion of the Company, the Board recommends to increase his monthly salary from Rs. 1,00,000 to Rs. 1,50,000 w.e.f. October 01, 2010. Any amendment in the terms & conditions entered into with the Chief Executive Officer requires approval of Central Government u/s 268 of the Companies Act, 1956, however no such approval is required if the amendment is made in accordance with the conditions specified in Schedule XIII.

The proposed resolution is intended to give the benefit of the increased remuneration which the Company is entitled to pay in terms of Schedule XIII. The Board of Directors recommends that the shareholders should approve the said additional remuneration by adopting the proposed resolution. This explanation may be treated as an abstract u/s 302 of the Companies Act, 1956.

Except Mr. Sanjay R. Taparia, no other director is interested or concerned in this resolution.

ITEM NO. 6

In order to meet the requirement of funds for expansion and modernization of business activities including various business trading/investment opportunities in India and abroad, setting up of offices in Indian and abroad, to explore overseas market by setting up of subsidiary companies outside India, general corporate purposes and long term working capital requirements, the Company is proposing to raise funds by offering of GDRs /ADRs/ FCCBs aggregating up to US\$ 15 Million or equivalent in Indian and/or any other currency(ies).

The proceeds of the fund raised shall be utilized for expansion of Indian and overseas projects, diversified trading/investment opportunities in overseas locations, procurement of capital assets and equipments, general corporate expenditure and working capital requirements.

Pursuant to the issuance and allotment of the securities by the Company as mentioned above, the holders of the said securities would be entitled to convert their respective securities into equity shares of your Company, ranking pari-passu in all respects with the existing equity shares of the Company. The Relevant Date for the purpose of these issues shall be the date of meeting of the Board/Committee of the Company decides to open the proposed issue of such securities. The issue price of the security to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions. The securities will be listed on such International / Indian Stock Exchanges as the Board may be advised.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers and underwriters and such other authority or authorities as may be required to be consulted by the company considering the prevailing market conditions and shall be in accordance with the applicable provisions of law.

As the proposed issuance of securities in International market may give rise to allotment of equity shares to person other than existing member of the Company, the consent of the members is required to be obtained by way of a Special Resolution as required u/s 81 of the Companies Act, 1956 and in terms of Listing Agreement executed by the Company with the Stock Exchange(s) where its shares are listed.

The Board recommends the resolution for your approval.

None of the Directors of the Company are concerned or interested in the said resolution.

By Order of the Board

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Executive Director

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

Dated : August 23, 2010

DIRECTORS' REPORT

To

The Shareholders

Your directors have pleasure in presenting the 16th Annual Report on the business and operations of your Company together with the Audited Statement of Financial Statements for the year ended March 31, 2010:

FINANCIAL RESULTS

	Year ended March 31 2010	Year ended March 31 2009
	Rs. in Lacs	Rs. in Lacs
Gross Turnover Including other income	11066.96	8087.65
Profit before Interest, Depreciation and Tax	1694.04	691.54
Less: Interest and financial charges	596.93	392.51
Depreciation	14.02	11.26
	160.64	67.72
Profit Before Tax	936.47	231.31
Less: Exceptional Items	47.41	-
Less:		
Provision for Current & Old Tax	112.75	73.77
Deferred Tax	147.54	26.82
Fringe Benefit Tax (Net)	-	4.00
Net Profit available for appropriation	628.77	126.72
Add: Profit Transfer From Last Year	512.54	585.82
Appropriations:		
General Reserve	-	200.00
Dividend on equity shares	62.48	-
Dividend Distribution Tax	10.62	-
Balance Carried Forward to Balance Sheet	1068.21	512.54

PERFORMANCE AND BUSINESS OPERATIONS

For the fiscal year 2009-10, your company achieved 37% growth of in sales aggregating to Rs. 1099.26 lacs as compared with that of previous year Rs. 802.62 lacs. Also, during 2009-10, the total installed capacity utilization was increased to 13473.69 metric tonnes from 9846.30 metric tonnes.

The production level increased due to reduction in down-time and increase in production of new product ranges in moulded fittings and micro drip irrigation.

During 2009-10, your company's branches made trading of construction input items like tore-steel, MS angles, MS channels, MS plates, cement etc. which accounted for Rs. 2099.43 lacs in comparison to trading turnover of Rs. 955.28 lacs during 2008-09. The trading in construction input items facilitated our entry in construction sector by offering the buyer / contractor different product range from one point contact.

Profit before tax during 2009-10 was Rs. 936.47 Lacs as compared to Rs. 231.31 Lacs during 2008-09, which shows an increase of 304%. This phenomenal increase was mainly due to stability in raw material prices and sales trend which had been adversely affected during 2008-09 due to severe international economic recession. Additionally your company has been able to penetrate into micro drip irrigation market along with increased ranges of existing products, which resulted in increasing profits for current year under review.

NEW PROJECTS

Your company is taking various growth options so as to enhance the company's future revenue and for the expansion of its core businesses : Micro drip Irrigation.

Your company continues its dedication to the slogan "Let's nurture the green era...." and is preparing itself for offering a bigger bouquet of the products to the market by adding CPVC pipes, Column submersible pipes, flat inline drip irrigation system, mini sprinkler, soluble fertilizer, crates, chairs, furniture and brass fittings in the coming financial year.

DIVIDEND

Your Directors are pleased to recommend for your approval, a dividend of 5% i.e Rs. 0.50 per share (Previous year Rs. Nil per share) for the year ended March 31, 2010, aggregating to Rs. 73.10 lacs (Previous year Rs. Nil), inclusive of tax on distribution of dividend.

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, 2010.

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. Omprakash S. Jhavar and Mr. Jaiprakash B. Kabra retires by rotation at the Annual General Meeting and being eligible offer themselves for reappointment.

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:

Attention is invited to the following in Schedule 19-Notes to Account:

We report that in respect of observation made in Note No. (2) for non compliance of Accounting Standard (AS) 15- "Employees Benefit", the profit would have been lower by approx. Rs. 16.21 lacs (PY Rs. 16.21 lacs) on account of non-provision of annual gratuity premium.

Your board will like to clarify as follows:

The Board has not followed the AS-15 for "Employees Benefit" as the same has been accounted for as and when paid. Please note that during the year no instance of gratuity/retirement payment/ dispute has been come across in the company. The Board now proposes to implement the same and 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 31, 2010 and of the Profit and Loss Account for the year ended March 31, 2010;
- 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(1-B) of the Companies Act, 1956. Accordingly, they are proposed to be re-appointed as Statutory Auditors of the Company for the year 2010-11.

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 Corporate Governance Report.

Attached herewith please find a copy of the Corporate Governance Report for the period ended March 31, 2010.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, your company constantly extends its support in areas of education, health, environment, sports and community welfare directly as well as through various independent agencies, engaged in charitable activities with special attention on the villages around company's manufacturing plant at Jalgaon. The company has always lived by its philosophy of " Samridh kisan.. desh ki shaan" and "Let's nurture the green era..." and believes in living every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society.

In the wake of conservation of drinkable and potable water, the company has assisted various water supply schemes in rural areas in association with local zila parishadas and has taken initiative to encourage locals about the importance of water and various tools like roof water harvesting to preserve water resources. The company is also maintaining a panpoi in heart of the city of Jalgaon to make available drinking water to public particularly during summers.

Your company, in association with "Sudharma", a welfare society trust, has arranged for school bags, note books, clothes etc. for around 150 children whose families are unable to bear the cost of same. Also, it has arranged for foot wears and clothes for people located in the vicinity of the Company's manufacturing plant at Jalgaon.

The management has also continued with training programmes to the farmers and plumbers. Also, your company continues to participate in tree plantation programme and is actively taking participation by associating itself with various local NGO's and Government bodies.

Your company continued to assist community in their social, spiritual, cultural and religious pursuits by rendering necessary help in monetary and other terms irrespective of caste, creed or religion for holding festivals, exhibitions, repairing religious shrines etc.

ACKNOWLEDGEMENT

The Board of Directors place their sincere thanks to the Government, local authorities, Bankers, customers, suppliers, esteemed shareholders and business associates of the Company for their encouragement, co-operation, support and confidence.

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

By Order of the Board

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Executive Director

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

Dated : August 23, 2010

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:

Energy conservation continues to be the key focus area of our company. Continuous monitoring and awareness amongst employees has helped in to avoid wastage of energy. Effective measures are being taken to monitor consumption of energy during the process of manufacturing. Further study is on to see various alternative source of energy or alternative fuels for electricity generation.

b) Additional investments and proposals for reduction of consumption of energy:

Company is now going for modernization of existing machines along with acquisition of improved technology machines which will save the energy cost of the Company.

c) Impact of above measures

The impact of measures has been positive and has helped to reduce overall electricity bill. Total energy consumption and energy.

d) Total consumption per unit of production : As per details below

A. Power and fuel consumption :	March 31, 2010	March 31, 2009
(i) Electricity Consumed		
Amount (Rs)	287.73 lacs	132.61 lacs
Units (Kwh)	54.74 lacs	38.79 lacs
Average rate per Unit	5.26	3.42
(ii) Coal Consumed (M.T.)		
Amount (Rs)		
Quantity (M.T.)		
Average rate per M.T.	NA	NA

2. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION :-**Research & Development**

a. Specific areas in which R & D work was carried out

- Ongoing study is continuing so as to reduce cost of conversion and improve the quality
- Evaluation of alternative materials or additives to reduce the cost of raw material.
- Improving the output/input ratio to gain on maximum finished products from per kg. raw material.
- Modify and alter the dies and moulds to get enhanced production using same resources.
- To modify the process parameters to improve the quality.

b. Benefits derived as a result of above R & D

- The quality maintenance and product enhancement has resulted in development of products of international quality standards.
- In the production of micro drip irrigation products and pipe fittings, the Company has achieved substantial increase in productivity and optimum utilization of equipment through the introduction of multi cavity moulds.
- Online socketing of PVC pipes was introduced.
- Continued efforts of Research and development has enhanced spectrum of product range adding nearly 20 new products.
- Development of new product range in UPVC fitting under the brand name "Tulsi Best Fit" has enhanced the potential of company in low cost market.

TULSI EXTRUSIONS LIMITED

- Manufacturing of commercial pipes with inside silicon coating which have made them friction less and economical too on account of energy use.
- A new product in product range of SWR pipes and fittings for sewerage and drainage under the brand name "Tulsi Royal" has given additional cutting edge to the business.
- Development of distribution tube (8 mm ID) for mini sprinkler system and micro tube production system(0.9 mm ID) and registration of same with BIS.
- Successful development of spray pipes of 8 mm ID which is predominantly used in pesticides spray in the agricultural field.
- Registration of online lateral(12 mm-32 mm) and inline lateral(12 mm, 16 mm) with the Class I, II and III of quality standards.
- Registration of online dripper(LPH-4,8 and 14) and inline dripper(LPH- 2 and 4) with the Class I, II and III of quality standards. Discharge of the dripper is in Category "A".
- Registration of HDPE(20 mm-180 mm) and HDPE Sprinkler-latch type, butwelding and fusion welding(63 mm-110 mm) with the Class I, II and III of quality standards.
- Introduction of semi auto coiling which has reduced dependence on manpower and has improved quality of coiling of HDPE Pipe(20-110 mm).
- Set up of runner separation system to increase productivity of drippers as a result no dripper stick with runner and it is easy to grind the runner waste.
- Development of cost effective water battery of 10 channel used for moulds cooling.
- Development of lumps cutting system and lumps cooling system to ensure 100% processing of scrap and protect it from degrading from dust.
- Enhancement of product reliability which has increased the competitiveness.
- The company is developing core competency in design and development of products particularly inline and online drippers used for drip irrigation. Thus the company is being able to manufacture inline and online drippers which earlier were used to be imported at higher cost.

c. Future plan of action

To exercise utmost care in maintaining the quality of its products and endeavor to upgrade the products and its ranges.

In house development of testing quality and tool room so as to improve efficiency of products along with moulds particularly flat drip line so as to cater wider customer segment.

d. Expenditure on R & D

Not significant

e. Technology Absorption, adaptation and innovation

The company is using the latest technology of extrusion machine imported from DRTS Enterprises, USA and Kabra Extrusiontechnik Ltd. and for injection moulding Company is using machines of Ningbo Haitai Machines Ltd. and Windsor Machines Ltd.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :-

Foreign exchange earnings	Nil
Foreign exchange outgo	US \$ 431716.00 and • 20339.20

By Order of the Board

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Executive Director

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

Dated : August 23, 2010

CORPORATE GOVERNANCE REPORT

1 Company philosophy on Code of Governance:

The Company's philosophy on Corporate Governance envisages on preserving core values, ethical business conduct, transparency, professionalism, accountability and 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 six members out of which two are Executive Directors namely Mr. Pradip J. Mundhra and Mr. Sanjay R. Taparia and four are Non-Executive Directors namely Mr. Omprakash S. Jhavar, Mr. Gopaldas J. Maheshwari, Mr. Jaiprakash B. Kabra and Mr. Rajesh B. Jhunjhunwala. 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 12 times during the year on April 27, 2009, June 30, 2009, July 08, 2009, July 31, 2009, August 27, 2009, October 31, 2009, November 10, 2009, December 05, 2009, December 16, 2009, December 19, 2009, January 31, 2010 and March 27, 2010.

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, 2010:

TULSI EXTRUSIONS LIMITED

Name of the Director	Category of Directorship	No. of Board Meetings during the year 2009-10		Last A.G. M.	No. of other Directorship & Committee Membership / Chairmanship held		
		Held	Attended		Other Directorship	Other Committee Membership	Other Committee Chairmanship
Mr Omprakash S. Jhavar	Non Executive Director & Chairman	12	10	Yes	Nil	Nil	Nil
Mr. Pradip J. Mundhra	Executive Director & Managing Director	12	12	Yes	2	Nil	Nil
Mr. Sanjay R. Taparia	Executive Director & Chief Executive officer	12	12	Yes	1	Nil	Nil
Mr Gopal Das J. Maheshwari	Non Executive Director & Non Independent Director	12	6	No	Nil	Nil	Nil
Mr. Omprakash R. Agrawal*	Executive Director	12	10	Yes	Nil	Nil	Nil
Mr. Jaiprakash B. Kabra	Non Executive Director & Independent Director	12	5	No	1	Nil	Nil
Mr. Tilok M. Banwat**	Non Executive Director & Independent Director	12	5	Yes	Nil	Nil	Nil
Mr. Rajesh B. Jhunjhunwala	Non Executive Director & Independent Director	12	6	No	Nil	Nil	Nil

* Ceased to be director w.e.f. December 21, 2009

** Ceased to be director w.e.f. March 27, 2010

3. Audit Committee

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.
- v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 1. 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;
 2. Changes, if any, in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to the financial statements;
 6. Disclosure of any related party transactions;
 7. Qualifications in the draft audit report.
- vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- vii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- viii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- ix. 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.
- x. Discussions with internal auditors on any significant findings and follow up thereon.
- xi. Reviewing internal audit reports and adequacy of the internal control systems.
- xii. 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.
- xiii. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
- xiv. Discussion with internal auditors any significant findings and follow up there on.
- xv. 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.
- xvi. 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.
- xvii. 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.
- xviii. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- xix. 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	Nature of Directorship
Mr. Jaiprakash B. Kabra*	Chairman	Non-Executive & Independent
Mr. Tilok M. Banwat**	Chairman	Non-Executive & Independent
Mr. Rajesh B. Jhunjhunwala	Member	Non-Executive & Independent
Mr. Gopaldas J. Maheshwari	Member	Non-Executive & Non- Independent

* Appointed as chairman cum member w.e.f. March 27, 2010

** Ceased to be director w.e.f. March 27, 2010

The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of Meeting	Name of Members Present
June 30, 2009	Tilok M. Banwat, Rajesh B. Jhunjhunwala, Gopaldas J. Maheshwari
July 31, 2009	Tilok M. Banwat, Rajesh B. Jhunjhunwala, Gopaldas J. Maheshwari
October 31, 2009	Rajesh B. Jhunjhunwala, Gopaldas J. Maheshwari
January 31, 2010	Tilok M. Banwat, Rajesh B. Jhunjhunwala, Gopaldas J. Maheshwari

4. Remuneration Committee

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 authorized 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/ Whole time/ Executive Directors, including pension rights and any compensation payment;

The present Committee comprises of the following members:

Name of Directors	Status	Nature of Directorship
Mr. Jaiprakash B. Kabra	Chairman	Non Executive & Independent
Mr. Tilok M. Banwat*	Member	Non Executive & Independent
Mr. Omprakash S. Jhavar**	Member	Non Executive & Independent
Mr. Gopal Das Maheshwari	Member	Non Executive & Non-Independent

* Ceased to be director w.e.f. March 27, 2010

** Appointed as member w.e.f. March 27, 2010

The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of Meeting	Name of Members Present
July 31, 2009	Jaiprakash B. Kabra, Tilok M. Banwat, Gopaldas J. Maheshwari
December 05, 2009	Tilok M. Banwat, Gopaldas J. Maheshwari
January 31, 2010	Tilok M. Banwat, Gopaldas J. Maheshwari

5 Remuneration Policy :

- a. The remuneration payable to Managing Director and Chief Executive Officer is governed by the agreement executed between them and the company. The same has been approved by the remuneration committee and the Board and is within the limits approved by the shareholders in terms of relevant provisions of the Companies Act, 1956.
- b. Sitting Fees of Rs. 10,000/- is being paid to the non-executive directors for every meeting of the board/committee attended by them, which is within the limits prescribed under the Companies Act, 1956.

- c. The Non executive director has power to waive off its sitting fees.
 d. No commission is being paid to any of the directors.
 e. The details of the remuneration and sitting fees paid for the financial year 2009-10 is as follows:

Name of Directors	Sitting Fees Rs.	Remuneration Rs.	Number of Shares Held
Mr Omprakash S.Jhavar*	50,000	-	-
Mr. Pradip J. Mundhra#	-	18,00,000	20,29,20
Mr. Sanjay R. Taparia #	-	12,00,000	3,18,250
Mr Gopaldas J. Maheshwari*	50,000	-	-
Mr. Omprakash R. Agrawal	-	3,00,000	-
Mr. Jaiprakash B. Kabra*	40,000	-	-
Mr. Tilok M. Banwat*	40,000	-	-
Mr. Rajesh B. Jhunjunwala*	50,000	-	-

*Non-executive Directors # Promoters

6 Shareholders/Investor's Grievances Committee

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

- Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- 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	Nature of Directorship
Mr. Omprakash S. Jhavar	Chairman	Non Executive & Independent
Mr. Gopal Das J. Maheshwari	Member	Non Executive & Non Independent
Mr. Jaiprakash B. Kabra	Member	Non Executive & Independent

The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of Meeting	Name of Members Present
June 30, 2009	Omprakash S. Jhavar, Jaiprakash B. Kabra, Gopal Das J. Maheshwari
July 31, 2009	Omprakash S. Jhavar, Jaiprakash B. Kabra, Gopal Das J. Maheshwari
October 31, 2009	Omprakash S. Jhavar, Jaiprakash B. Kabra, Gopal Das J. Maheshwari
January 31, 2010	Omprakash S. Jhavar, Gopaldas J. Maheshwari

Name and designation of the compliance officer:

Mr. Sudarshan Taparia, Finance Controller

No. of Complaints Received During the year 01

No. of Complaints Resolved during the year 01

No. of Complaints Pending during the year Nil

All requests for dematerialization of shares were carried out within the stipulated time period and no share certificate was pending for dematerialization as on March 31, 2010.

A qualified practicing company secretary carried out a secretarial audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital and placed the report for perusal of the Board. The report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

7. General Body Meetings:

Year	Date	Venue and Time
2006-2007	August 25, 2007	N-99, MIDC Area Jalgaon- 425003 at 11.00 AM
2007-2008	September 29, 2008	N-99, MIDC Area Jalgaon -425003 at 11.00 AM
2008-2009	September 18, 2009	N-99, MIDC Area Jalgaon -425003 at 11.00 AM

8. Postal Ballot:

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

9. 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 and were entered on arms length basis.

Disclosures of transactions with related parties prepared as per the requirements of "Accounting Standard 18 - Related Part disclosures" issued by Institute of Chartered Accountants of India, are set out in Schedule 19 to Audited Financial Statements, 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 Tulsi 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. All Board Members and senior management personnel have affirmed compliance with Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

Risk Management

The Company has established risk assessment and minimization procedures, which are reviewed by the Board periodically. Business risk evaluation and management is an ongoing process with the company.

Proceeds from Public Issue

The proceeds of the Initial Public Offer (IPO) of the company are being utilized only for the purpose mentioned in the prospectus and there is no deviation in the application of these funds. For details of deployment of funds please refer to Schedule 19 - Notes to Account to Audited Financial Statements, forming part of the Annual Report.

CEO/CFO Certification

The CEO/CFO and Managing Director's certification of the financial statements and the cash flow statement for the year under review is enclosed at the end of this report.

Non-mandatory requirements

The company has complied with all the mandatory requirements of Clause 49 of the listing agreements. Regarding non-mandatory requirements:

- a. The non-executive chairman is not claiming reimbursement of any expenses for maintain his office.
- b. The remuneration policy as followed has been mentioned earlier in this corporate governance report and the same is being reviewed by remuneration committee.
- c. The company is publishing unqualified financial statements.
- d. The Board members are having adequate experience and expertise to deal with the business matters.
- e. The auditor's report contains qualification with respect to "employees benefit", which has been reported and properly addressed in the director's report and the Board propose to move towards unqualified financial statements from next financial year.
- f. The Company has not established whistle blower policy.

10. Means of Communication:

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

11. Shareholders**Reappointment/Appointment of Directors**

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

Mr Omprakash S. Jhavar and Mr. Jaiprakash B. Kabra would retire this year at the forthcoming Annual General Meeting.

General Shareholders' Information:**a) Annual General Meeting**

Date and time : September 20, 2010, 11.00 AM
Venue : N-99, MIDC Area, Jalgaon - 425 003

b) Financial Calendar (tentative) : 1st April to 31st March

For the financial year 2010-2011 (April 01, 2010 to March 31, 2011)

First Quarter : End of July, 2010.

Second Quarter : End of October, 2010.

Third Quarter : End of January, 2011.

Fourth Quarter/Annual : End of May, 2011.

c) Dates of Book Closure : September 14,2010 to September 17,2010 (both days inclusive)**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 purpose of registering complaints by investors: grievances@tulsigroup.com

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 this 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 (East)
Mumbai - 400 051

h) ISIN No. : INE474I01012**i) Share Transfer Agent:**

Link Intime India Private Limited
C-13, Pannalal Silk Mill Compound,
LBS Marg, Bhandup (w)
Mumbai - 400 078.
Phone : 022- 25963838 Fax: 022- 25946969
Email: helpline@linkintime.co.in

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 GDR/ADR/Share Warrants or any convertible instruments.

l) Office Location**Registered Office Address**

Tulsi Extrusions Ltd., N-99 MIDC Area, Jalgaon - 425 003, Maharashtra

Phone: 0257-2212276, 2272732, Fax: 0257-2210052

Email: contact@tulsigroup.com

Investor Service Cell

Grievances Cell, Tulsi Extrusions Ltd., N-99 MIDC Area, Jalgaon- 425 003, Maharashtra

Phone: 0257-2212276, 2272732, Fax: 0257-2210052

Email: grievances@tulsigroup.com

m) Plant Locations:

Unit-I : N-99/100/108/109 MIDC Area, Jalgaon - 425 003, Maharashtra

Unit-II : H-16 MIDC Area, Jalgaon - 425 003, Maharashtra

Unit-III : G-51/G-52 MIDC Area, Jalgaon - 425 003, Maharashtra

n) Dematerialization of Shares and Liquidity

99.99% of the Company's shares are in dematerialized form and rests of the shares are held in physical form as on March 31, 2010. The equity shares of the company are frequently traded at Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE).

o) Shares in Suspense Account

As per newly inserted clause 5A of the listing agreement regarding unclaimed shares lying in the Escrow Account, the said shares lying in the escrow account maintained by the Registrar and voting rights on these shares remain frozen till the rightful owner of such shares claims the shares. The details of same are mentioned hereunder:

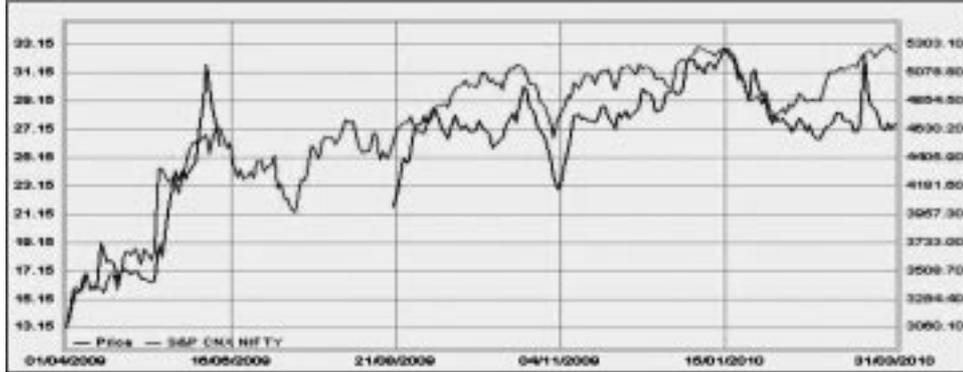
Sr. No.	Description	No. of Shareholders	No. of Shares
1.	Opening Details not yet allotted/transferred	8	1125
2.	Transferred during current year	Nil	Nil
3.	Closing Details not yet allotted/transferred	8	1125

p) Share Price Data

High, Low during each month in the last financial year:

Month	High		Low	
	NSE	BSE	NSE	BSE
April, 2009	22.40	20.75	13.20	13.11
May, 2009	25.85	26.00	16.10	16.10
June, 2009	32.95	33.35	20.30	20.00
July, 2009	24.40	25.90	17.75	18.00
August, 2009	27.00	27.20	19.70	19.80
September, 2009	29.90	29.50	25.60	26.10
October, 2009	31.65	31.65	24.85	25.10
November, 2009	29.50	29.25	22.00	22.50
December, 2009	33.40	33.35	27.35	27.30
January, 2010	35.55	35.55	28.50	28.75
February, 2010	31.85	32.00	25.85	26.25
March, 2010	33.40	33.45	26.30	26.50

**Stock Graph - One Year Comparative Graph with NSE Nifty
Tulsi, S&P CNX Nifty**



(Source: www.nseindia.com)

q) Shareholding Pattern as on March 31, 2010

Category	No. of Shares Held	% of Shareholding
Promoters (including persons acting in concert)	6873510	55.01
Non-resident Indians	41275	0.33
Private Corporate Bodies	1643983	13.16
Resident Indians	3936332	31.50
GRAND TOTAL	12495100	100.00

r) Shareholding distribution pattern as on March 31, 2010

Shares From	To	No. of Shareholders	% to Total	Total Shares	% Total
1	5000	11818	90.0701	1624584	13.0018
5001	10000	704	5.3610	576619	4.6148
10001	20000	291	2.2160	448614	3.5903
20001	30000	90	0.6853	232448	1.8603
30001	40000	55	0.4188	198617	1.5896
40001	50000	33	0.2513	154079	1.2331
50001	100000	67	0.5102	494484	3.9574
100001	AND ABOVE	64	0.4874	8765655	70.1527
	Total	13132	100.00	12495100	100.00

CERTIFICATE BY CEO/CFO

To,

The Shareholders and the Board of Directors

Tulsi Extrusions Ltd.

We, Pradip J. Mundhra, Managing Director and Sanjay R. Taparia, Chief Executive Officer, 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 March 31, 2010 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. We certify that no significant changes in internal control during the year has occurred;
8. We certify that no fraud has taken place, 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. We certify that no significant changes in the accounting policies during the year have taken place.

For **Tulsi Extrusions Ltd.**

Sanjay R. Taparia
Chief Executive Officer

For **Tulsi Extrusions Ltd.**

Pradip J. Mundhra
Managing Director

Place : Jalgaon
Dated: August 23, 2010

Management Discussion and Analysis (MDA)

The Indian economy exhibited clear momentum in recovery, and despite the impact of a deficient monsoon on agricultural production, GDP growth for 2009-10 has been estimated at 7.2 per cent, up from 6.7 per cent recorded in 2008-09 as per CSO. However, Indian GDP totaled 970 billion U.S. dollars increasing 7.4 percent during fiscal year 2009-2010, which ended at March 31, 2010, against earlier forecast of 7.2 percent as per Indian Ministry of Statistics and Program Implementation.

The government adjusted up overall economic growth estimates on brisk performance of agriculture, forestry and fishing, mining and quarrying as well as manufacturing sectors. The growth rates of the above-mentioned three sectors were hiked from negative 0.2 percent, 8.7 percent and 8.9 percent to 0.2 percent, 10.6 percent and 10.8 percent, respectively.

Relative to other emerging economies, the inherent strengths of India helped it better withstand the adverse effects of the global financial crisis which occurred during 2008-09. With a fairly young population, skilled manpower, a tradition of saving, a vibrant service sector, increase thrust on agriculture growth, a potentially large source of domestic demand (particularly rural) and the emergence of globally competitive firms, India has held out the promise of stable and sustained future growth. These strengths will get further augmented by the planned investments in infrastructure development envisaged in the Twelfth Five Year Plan.

While the increase in CRR effected by the Reserve Bank in its Third Quarter Policy Review of January 2010 led to some moderation in excess liquidity, overall liquidity conditions remain comfortable as reflected in the daily reverse repo operations.

The country strives to attain 8.5 percent growth of GDP in fiscal year 2010-2011 with the aim of realizing 9 percent growth in the following year. The forecast for the agriculture sector growth was revised upwards to 4.0 per cent from 3.5 per cent as per 'Survey of Professional Forecasters' conducted by the Reserve Bank in March 2010.

Industry Structure and Development:

Your company is one of the emerging Agri-business companies in India, with a wide presence in Water Irrigation, Piping Systems and water management system. We have been one of the key beneficiaries of the government's thrust on boosting agricultural output and productivity in the country. The company continues to focus on its core business of irrigation, apart from evolving into a water solution provider, construction and building material provider, through both organic and inorganic initiatives.

The Company's product range includes Rigid PVC Pipes and Fittings, SWR Pipes and Fittings, PVC Casing and Screen Pipes, HDPE Pipes and fittings, HDPE Sprinkler System, LLDPE Pipes and fittings, ASTM Plumbing Pipes and fittings, Elastomeric Sealing Pipes and Moulded Fittings.

The Pipe products manufactured by your Company are to suit the requirements of application in farm irrigation, landscape, plumbing, cable ducting, 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.

Your company's primary focus is to play a catalyst in providing value added long lasting solutions through its product and services to problems of water security, food security and energy security. In line of company's word, '**Let's nurture the green era**', the company's management is planning to train and educate the farmers and locals through its well established network dealer about importance of water resources and its best management along with optimum utilization.

Outlook

Worldwide demand for plastic pipe is forecast to increase 4.6 percent annually through 2012 to 8.2 billion meters, or 18.2 million metric tons. With a population that exceeds 1 billion and low per capita consumption of plastics of only 4 kg per year (as compared to 110 kg in the United States), India is seen as an attractive market for the plastics industry. By 2012 India's demand for plastics is expected to have doubled to 11.5 million tonnes and during the same period India's per capita consumption is also set to double to 8 kg per year and is slated to become the third largest consumer of plastics after the US and China.

(Source: China Rubber and Plastic Journal - April 2010)

India is an agro based economy. The government policies has been laid down for supporting the debt striven farmers by way of incentive of additional one per cent interest subvention to farmers who repay short-term crop loans as per schedule, increased to 2% for 2010-11. Also it has been directed to banks for meeting the targets set for agriculture credit flow to the tune of Rs. 3750 billion during 2010-11. The Govt. of India has increased the annual budget allocation under the Rajiv Gandhi Drinking Water Mission from Rs.65 billion to Rs.74 billion in the previous Union Budget 2009-10. For the Eleventh Five Year Plan, the Govt. of India is aiming to add 11 million hectares of irrigational facilities, entailing an investment of Rs.1,580 billion. In view of the recent drought in some States and the severe floods in some other parts of the country, the period for repayment of the loan amount by farmers extended by six months from December 31, 2009 to June 30, 2010 under the Debt Waiver and Debt Relief Scheme for Farmers. It has been further proposed to utilize Rs. 3,000 million to organise 60,000 "pulses and oil seed villages" in rain-fed areas during 2010-11 so as to provide for an integrated intervention for water harvesting, watershed management and soil health, to enhance the productivity of the dry land farming areas.

The demand for Pipes in agricultural sector will increase in leaps and bounds because of various Government policies and reforms. 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.

It is a requirement to provide potable water to several areas of the country, as also improve sanitation and develop housing construction at low cost. Plastics play a key role in all these segments, which can improve the quality of life of a majority of the country's population. Your Company is a prominent supplier of piping system to provide solutions in all these segments.

In India, gains will outpace the global average, benefiting from ongoing infrastructure development. Economic growth will create demand for plastic pipe in networks for telecommunications and in residential home building applications. Ongoing efforts across these regions to upgrade water treatment systems will boost demand for plastic pipe used for potable water delivery, rain water harvesting, waste water management and in drainage and sewage applications. Finally, demand will also benefit from the expansion of natural gas distribution networks.

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, Uttar 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 our 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 good demand for its products. In coming years, the company is expecting strengthening of business relationship with Tulsi, South Africa.

Company's Strength and Growth Drivers

Quality of the Company

Your Company received an ISO-9001:2008 certificate in respect of its quality management systems. The present certificate is valid till 16 March, 2013. Your Company maintains quality at all stages of manufacturing process starting from raw material procurement to manufacture of the finished product. All of the Company's finished products are tested in its well equipped quality control laboratory to ensure that they adhere to the laid down quality standards. Your Company also facilitates third party inspection upon the request of its customers.

Marketing and Distribution Network

Sales are made through direct marketing through the Company's network of dealers and distributors and by the Company's sales personnel. Presently, your Company has more than 900 dealers covering seven states viz. Maharashtra, West Bengal, Madhya Pradesh, Rajasthan, Chattisgarh, Gujarat and Tamilnadu. The Company also has branches at Mumbai, Thane (Maharashtra), Kolkata (West Bengal), Indore (Madhya Pradesh), Jaipur (Rajasthan), Raipur (Chattisgarh), Surat (Gujarat) and Tiruvannamali (Tamilnadu).

Your Company has also appointed various dealers to facilitate the distribution of its products. The Company has a team of experienced technicians, hydraulic engineers and marketing personnel to assist the customers in selecting the right pipes and providing after sales service.

Diversified Product Mix

Your Company has a product mix to cater to the increasing requirements of its customers. Its product offerings include PVC Pipes, PVC fabricated fittings, PVC casing and screen pipes, ASTM plumbing pipes and fittings, LLDPE pipes and fittings, HDPE pipes and fittings, SWR Pipes and Fittings, Moulded Fittings and elastomeric sealing pipes. These ranges of product are used in irrigation sector, industrial sector, infrastructure and housing sector. Your Company believes that this range of products would allow its existing customers to source most of their product requirements from a single vendor and also enable it to expand our business from existing customers, as well as address a larger base of potential new customers.

Flexible and Scalable Production Facilities

Your Management believes that the flexibility and scalability of the Company's existing production facilities will help it to meet increased demand for its products. The scalability of the Company's existing facilities enables it to increase its production capacity through the installation of new equipment and production lines. For example, the Company can increase the capacity to produce PVC pipes and fittings by upgrading critical equipment such as screws/barrels and gear boxes, or if greater capacity enhancement is required, by adding new extruders. The Company's flexible manufacturing facilities enable it to produce a wide range of products with different specifications, such as PVC / PE pipes with different diameters and working pressure ranges and processed and dehydrated fruits and vegetables using different organic feedstock. This flexibility assists the Company in meeting the specific demands of its customers and reducing the impact of seasonal changes in production volumes for specific products.

Experienced Management Team

Your Company has a management team with experience in different areas of PVC pipes and fittings industry including production, quality control, sales, marketing and finance. The management team is supported by workforce who has deep experience in the industries in which it operates.

Your Company's management team includes Managing Director, Mr. Pradip J. Mundhra who has over 21 years of experience in the plastic industry and Mr. Sanjay R. Taparia, who has 20 years of experience in trading and marketing of PVC pipes and fittings. The management team also has long-standing relationships with many of the major customers, distributors/dealers and suppliers. Further, the Company has a strong local sales force, which together with the management team gives the Company an excellent understanding of the needs of the domestic customers.

Opportunities

While the government infrastructure spends are increasing all the time, the government programmes continued for safe drinking water, urban and rural sanitation, Rain-water harvesting, waste water treatment and integrated watershed management programme etc. are expected to generate substantial demand for piping products in the coming years.

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 distribution of rainfall has increased the dependency on proper utilization of water. The increasing trend amongst the agriculturist, farm houses, builders, architects, plumbers and consumers will increase the demand of PVC, HDPE, LLDPE and other Pipes by many folds.

Almost 50% of the arable land in the country is still rain fed. The Government (Central and State) provide 50% capital subsidy (Central-40% and State-10%) for promoting the use of Micro Irrigation by farmers. This capital subsidy increases to 70% also depending upon the scarcity of water. While targeting an agriculture growth of 4% per annum the government had also placed higher targets for farm credit and agriculture investments at 2% plus of the GDP in its annual growth plan. The Government (Central and State) has taken annual action plan in around 18 states of India for which approx. Rs. 250 million has been allocated towards subsidy amount for micro irrigation only.

The Company is ready to grab this demand boom by increasing its capacity and better utilization of installed capacity supported by its concentrated and continued effort in brand promotional activities across the country. The new product range of your Company will add to the confidence of the existing and also the new distributors of which will lead to increased utilization of installed capacity. Your Company is making significant investment in production capacity and in network building so that it can maintain the growth momentum in this division going forward as well.

The following are the highlights of the Union Budget 2010-11 which indicates the anticipated demand and potential for PVC and Drip Irrigation pipes & fittings in the forthcoming years:

2010-11 Budget Highlights -

- Rs. 4,000 million provided to extend the green revolution to the eastern region of the country comprising Bihar, Chattisgarh, Jharkhand, Eastern UP, West Bengal and Orissa.
- Rs. 3,000 million provided to organise 60,000 "pulses and oil seed villages" in rain-fed areas during 2010-11 and provide an integrated intervention for water harvesting, watershed management and soil health, to enhance the productivity of the dry land farming areas.
- Rs. 2,000 million provided for sustaining the gains already made in the green revolution areas through conservation farming, which involves concurrent attention to soil health, water conservation and preservation of biodiversity.
- Government to address the issue of opening up of retail trade. It will help in bringing down the considerable difference between farm gate, wholesale and retail prices.

- Deficit in the storage capacity met through an ongoing scheme for private sector participation - FCI to hire godowns from private parties for a guaranteed period of 7 years.
- Banks have been consistently meeting the targets set for agriculture credit flow in the past few years. For the year 2010-11, the target has been set at Rs.3,750 billion.
- In view of the recent drought in some States and the severe floods in some other parts of the country, the period for repayment of the loan amount by farmers extended by six months from December 31, 2009 to June 30, 2010 under the Debt Waiver and Debt Relief Scheme for Farmers.
- Incentive of additional one per cent interest subvention to farmers who repay short-term crop loans as per schedule, increased to 2% for 2010-11.
- In addition to the ten mega food park projects already being set up, the Government has decided to set up five more such parks.
- External Commercial Borrowings to be available for cold storage or cold room facility, including for farm level pre-cooling, for preservation or storage of agricultural and allied produce, marine products and meat.
- Mahila Kisan Sashaktikaran Pariyojana to meet the specific needs of women farmers to be launched with a provision of Rs 1,000 million as a sub-component of the National Rural Livelihood Mission.
- A major concern during the second half of 2009-10 has been the emergence of double digit food inflation. Government has set in motion steps, in consultation with the State Chief Ministers, which should bring down the inflation in the next few months and ensure that there is better management of food security in the country.

(Source: <http://indiabudget.nic.in>)

Threats:

The volatility in crude prices will always leave its impact on basic raw material, PVC/Granules, which is mainly imported. Even the domestic prices are governed by the international factors like crude price, overall worldwide 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.

The growth in markets is dependent on Government policies and release of capital subsidy etc in the short term. The growth in industry will need a large pool of trained sales people and a dedicated dealer network in the far flung areas of the country. The uneven distribution of rainfall in the country, consecutive drought like situation for 2/3 years and fluctuations in the raw material prices are constant threats faced by the industry. Low cost quality competition is another threat. Delays in government decision/spending and limited availability of PVC resin in India are, the potential threats to the otherwise rosy picture for the future of the industry.

Risk and Challenges:Raw Material Prices

The phenomenal growth in PVC Pipe/Micro Irrigation industry has exceeded the production capacities of domestic manufactures of raw materials. Around 40% of domestic PVC Resin/Granules 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 accumulate raw material so as to gain on increase in raw material prices.

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. The Company makes use of hedge/derivative products to manage these risks.

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 along with hired trucks.

Delay in execution of orders

To meet the increasing demand of water management in agricultural fields, the expansion of PVC along with LLDPE/HDPE 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 further expansion in drip irrigation division especially LLDPE along with Moulded Fittings.

Continuous fund requirement

Challenges in managing cash to cash cycle (payment for procurement to collection for sales) needs continuous fund infusion. This results in increased capital requirements. This risk is specially relevant for a growth oriented company and the kind of business Company operates in.

Aggressive strategies of competition

The competition adopts aggressive strategies (large sales force, credits, products offered at multiple price points etc.) and competition from unorganised sector (aggressive pricing) results in pressure on sales/margins.

Internal Control System and their 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 and speedy compilation of financial statements, safeguarding the assets and interests of the Company and ensuing compliance with laws and regulations. The Company continuously upgrades these systems in line with best accounting practices.

The Audit Committee of Board of Directors periodically reviews the audit plans, observations and recommendations of the internal and external auditors with reference to significant risk areas and adequacy of internal controls.

The Company has an extensive budgetary control system and the management regularly reviews the actual performance. The Company has also put in place a well defined organizational structure, clear authority levels and detailed internal guidelines for conducting business transactions. The Company has undertaken a detailed exercise to revisit its control systems in technical and other non-financial areas to align them properly with Management Information System so as to make it more efficient and result oriented.

Future Strategic DirectionsGovernment allocation for Irrigation segment on the rise

Few years back, the Indian government initiated an Accelerated Irrigation Benefit Programme (AIBP) to propel irrigation growth in India. For quicker implementation, the government also made an allocation for AIBP in the Union Budget. Over the past five years, budgeted allocation for the programme has increased at a whopping rate. For FY2010, the government has allocated over Rs. 40,000cr for AIBP. Even if a paltry 5% of the total allocation is utilized for micro and drip irrigation, it provides a good opportunity for irrigation players like your company in the country.

Assessing the need and potential of Micro/Drip Irrigation (MI) in India

The surface method of irrigation is the oldest and most widely used method wherein a stream is diverted from the source to the field through furrows and borders, allowing it to flow across the slope by gravity. However, over 60-70% of the water released from the source is lost on the way due to evaporation, seepage and conveyance losses, thus achieving only 30-40% water efficiency. Conversely, MI techniques like sprinklers and drip irrigation are more efficient. Drip irrigation has achieved 80-90% efficiency levels.

The need of the hour is not only to economize water usage in agriculture but also to bring more land under irrigation, reduce costs of irrigation and increase the yield per unit area. Micro Irrigation techniques offer a solution to these issues and indirectly also helps to reduce costs and improve productivity.

The Drip irrigation technique, on account of the controlled application of water, helps to maintain the soil moisture close to the field capacity thus aiding growth and yield. The favorable growing condition aided by drip irrigation helps crops mature earlier than the traditional methods. Substantial increase in yield has been witnessed in different crops using drip irrigation.

Drip irrigation not only aids improvement in yield, but also helps reduce usage of fertilizers and saves water. High crude oil prices and reliance on fertilizer imports has been burdening the government on account of the high subsidies extended to the Fertilizer sector. Given the recent surge in crude oil prices leading to higher fertilizer prices, the fertilizer subsidy is envisaged at around Rs1,20,000 crore. Hence, higher acreage in India needs to come under micro irrigation, which will improve productivity and reduce fertilizer usage in turn reducing the fertilizer subsidy burden on the government.

Increasing importance of irrigation, and the potential and need of micro irrigation in the country has seen us gearing up to capitalize and meet the challenges of the unfolding opportunity in this space.

Roof Water Harvesting

In India, one of the major problem is availability of drinking water sources. Awareness has to be created among people about conservation of water and one of the best available means is roof water harvesting. Its importance can be visualized from this fact that 1000 ltr. of rainfall is quite enough to fill borewell upto 5-6 ltr. Various research studies have analyzed that conservation of water in borewell might lead to increase water level by 40%. Please note that if 100 cm (40 inch) of rainfall water falls on roof with area of 1000 sq. ft, then by applying roof water harvesting will save approx. 1 lakh ltr. of from wastage, which otherwise would have been drained and after that, it can be send to borewell through proper piping systems for use for drinking purpose.

Expansion of product range

The Company's existing product portfolio comprises of PVC pipes and fittings, Moulded fittings, PVC casing and screen pipes(CMC Pipe), ASTM plumbing pipes and fittings, elastometric sealing pipes, LLDPE pipes and fittings, HDPE pipes and fittings, Sprinkler Systems, Drip irrigation System and SWR pipes and fittings. The Company further plans to expand its product range by venturing into the manufacturing of CPVC pipes, Column submersible pipes, flat inline drip irrigation system, mini sprinkler, soluble fertilizer, crates, chairs, furniture and brass fittings.

Increasing geographical reach

The Company plans to increase its customer base in its existing domestic markets and expand its business to new geographic locations viz. Gujarat, Assam, Delhi, Uttar Pradesh, Uttranchal, Punjab, Haryana, Karnataka, interiors of West Bengal etc. The Company plans to do this by utilising its marketing skills and further expanding customer satisfaction by meeting orders in hand on timely basis and maintaining its client relationships.

Expansion of customer base

The Company intends to cater to its customers in the macro-irrigation sector, sprinkler irrigation, lift-irrigation and construction sector by expanding its product range in HDPE pipes, LLDPE pipes and injection-moulded items.

Strengthen Relationship with Clients

The Company believes in maintaining long term relationships with its clients. The Company endeavors developing relationship with its clients not only in terms of increased sales but also in terms of varied offerings in the Company's product mix. The Company aims to achieve this by adding value to its client service through quality, speed and reliability of its product delivery and resolution of various customer queries and complaints.

Maintaining cost competitiveness

Your Company seeks to be a cost-competitive, high quality producer and is focused on maintaining its cost competitiveness in the domestic market. There are plans to further increase productivity and production while reducing costs by continuing to invest in new equipment, improving the material management system to minimize wastage and production losses, improving the working capital cycle to reduce the interest costs, refinancing the higher cost debt with lower interest debt and exploring ways to use the waste produced etc.

Focus on liquidity and reduction of finance cost

With growing businesses, not only in value and volume terms, but also geographically, managing finance is becoming more and more critical. On a continuous basis your Company is focused on having the limits and facilities available to fund our future growth plan. We are equally focused on bringing our interest cost down by changing the borrowing mix in line with change in the market dynamics.

Financial and Operating Performance:

The total income of the Company for the year 2009-10 was Rs. 11066.96 lacs compared to Rs. 8087.65 lacs during the previous year i.e. an increase of 36.84% (Previous year 22.93%). The operating profit (PBDIT) for the Company has increased to Rs.1694.04 lacs during the year as against Rs. 691.54 lacs for the previous year i.e. increase by 144.96% (Previous year -26.02%), mainly because of recovery from the recession which has rattled the global economy during 2008-09. The earning per share(EPS) has improved from Rs. 1.01 per share to Rs. 5.03 per share during current financial year. The Company expects to earn further increased revenues in the near future. The overall capacity utilization has decreased from 67.73% to 54.26% because of installation of new products divisions, unusual power cuts, frequent moulds/die head changes leading to loss of effective production hours etc.

The Company's working capital facilities with the banks have increased during the year from Rs. 38.00 crore to Rs. 48.00 crore. In the prevailing circumstances, the Company has managed the interest cost reasonably well. The Company enjoys excellent relations with its Bankers and has been able to negotiate various banking facilities favourably. The Company has also availed during the year a term loan of Rs. 18.90 crore from Punjab National bank and equipment lease financing from L&T Finance Ltd. to the tune of Rs. 2.00 crore.

The interest cost for the year is on higher side in absolute terms. The net interest charges increased by 52.08% in the current year as compared to previous year, mainly due to increase in interest rates, long term raised for growth capex, increase in working capital utilization for growth etc.

The increase in debtors is commensurate to increase in sales. Net sales in last quarter was about 35% of total sales for the year. Sundry debtors in terms of number of days sales has gone up to 143 days as compared to 124 days in previous year in spite of change in product mix e.g. higher sales mix of Micro Irrigation in total sales which has longer collection cycle compared to other products. The Company is planning for bill discounting and incentive schemes to improve efficiency in receivable holding in next financial year.

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.

Given the business imperatives in the current economic slowdown, the focus during the year was on aligning all HR levels to support the initiatives for cost control and conservation of cash, while creating the required capabilities in the workforce and ensuring organizational confidence and employee motivation that would enable the Company to face current challenges and seize future opportunities. Performance Management continued to be the backbone of all HR activities and goal-setting received a lot of focus in the year under review.

Your Company has employee focus in the sense that it provides fulfillment, stretch and opportunity for development of its employees at all levels. Your company places great value on the commitment, competence and vigor shown by its employees in all aspects of business.

In order to focus on keeping employees abreast of technological and technical developments, the Company provides opportunity for training and learning to employees to hone them into better business leaders. These training programs covered a wide range of topics including Positive Attitude, Stress Management, Creativity, Team Effectiveness, Safety and Environment, Quality Tools and Technical training.

Your company confirms its commitment to take initiative to further align its human resource 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.

Important factors that would influence the Company's operations include cost of raw materials, tax laws, interest and power cost and economic developments and such other factors within the country and the international economic and financial developments.

DECLARATION

To

The Shareholders and the Board of Directors

Tulsi Extrusions Limited

I , Pradip J. Mundhra ,Managing Director , 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 March 31, 2010.

For **Tulsi Extrusions Limited**

Pradip J. Mundhra
Managing Director

Place: **Jalgaon**

Date : **August 23, 2010**

CORPORATE GOVERNANCE CERTIFICATE

To

The Members

Tulsi Extrusions Limited

We have reviewed the implementation of Corporate Governance procedures by Tulsi Extrusions Limited during the year ended 31st March, 2010, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchanges have been complied with in all material respects by the company & that no investors grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance, Relations & Share Transfer Committee.

Mumbai, August 23, 2010

**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 annexed Balance Sheet of M/s TULSI EXTRUSIONS LIMITED as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement 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 and 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 and 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, 2010 and taken on record by the Board of Directors, we report that none of the-Directors is disqualified as on 31st March, 2010 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 19-Notes to Account:

We report that in respect of observation made in Note No. (2) for non compliance of Accounting Standard (AS) 15- "Employees Benefit", the profit would have been lower by approx. Rs. 16.21 lacs (PY- Rs. 16.21 lacs) on account of non-provision of annual gratuity premium.

- g. Subject to our observation in paragraph 4(f) 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 2010;
 - II. in case of the Profit and 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 :- May 31, 2010

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of Tulsu Extrusions Limited on the financial statements for the year ended March 31, 2010:

1.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the company has followed a program of physical verification of major fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.
 - c. The company has not disposed off any substantial fixed assets during the year.
2.
 - a. As informed to us, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate having regard to the nature and size of the company.
 - c. In our opinion and according to information and explanation given to us, the company has maintained proper 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 and as per records in terms of pieces.

3. As per information and explanations given to us and the records produced to us for verification the company has not taken any loans secured or unsecured from Companies, Firms and other parties as in the register maintained under section 301 of the Companies Act, 1956. The company has not granted any loan, secured or unsecured to Companies, Firms and other parties in the register maintained under section 301 of the Companies Act, 1956.
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 also 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. In our opinion and according to the information and explanations given to us, these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year, within the meaning of sections 58A, 58AA or any other relevant provision of the act and the rules framed there under. We have been informed that 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.
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 undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Excise duty, Sales tax, Service tax, Custom Duty, Cess and other material statutory dues applicable to it during the year. There were no arrears as at March 31, 2010 for a period of more than six months from the date they become payable.
 - b. According to the information and explanations given to us, details of dues in respect of income tax/excise duty/sales tax/service tax/custom duty/cess which have not been deposited as on 31st March 2010 on account of any dispute are given below:

Particulars	Financial Year to which it pertains	Forum where matter is pending	Amount (Rs. in lacs)
Excise Duty	1998-99	Supreme Court	1.62
Income Tax	2006-07	Commissioner of IT(Appeal)	184.83*
		Total	186.45

*Rs. 74.00 lacs have already been deposited till March 31, 2010 and the matter is *subjudice* with Appellant Authorities.

10. The company does not have accumulated losses as at the end of year and the company has not incurred cash losses during the current year and immediately preceding financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders. Hence the amount of default and period not given.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of special statutes applicable to chit fund/ nidhi / mutual benefit fund/ societies are not applicable to the company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. 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.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed by the Company have been, prima facie, applied by the company for the purpose for which the loans were obtained.
17. According to cash flow statement and records examined by us and according to the information and explanations given to us, the funds raised on short-term basis have, prima facie not been used for long term investment during the year.
18. According to the information and explanations given to us, 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.
19. The company has not issued any debentures during the year.
20. The company has not raised money by way of public issue during the year,
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For K.K.Kabra & Co.
Chartered Accountants

Kailash K. Kabra
Proprietor
M.No. 37641

Place :- Jalgaon
Date :- May 31, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
SOURCES OF FUNDS			
Share Holder's Funds :			
Share Capital	1	124951000	124951000
Reserves & Surplus	2	675576174	620008616
		<u>800527174</u>	<u>744959616</u>
Loan Funds :			
Secured Loans	3	671271407	306582092
Deferred Tax Liability			
		23507501	8753283
	Total	<u>1495306082</u>	<u>1060294991</u>
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	4	373564164	146906127
Less : Depreciation		36726664	20662244
Net Block		336837500	126243883
Capital Work in Progress (including advances)		229476419	219749312
		<u>566313919</u>	<u>345993195</u>
Investments			
	5	<u>19628077</u>	<u>14782739</u>
Current Assets, Loans & Advances :			
Inventories	6	402997675	188325981
Sundry Debtors	7	491679833	397422260
Cash and Bank Balances	8	40751546	85794233
Loans and Advances	9	117814532	66207225
		<u>1053243586</u>	<u>737749699</u>
Less: Current Liabilities & Provisions			
Current Liabilities	10	140338462	95321344
Provisions		18092203	7556552
		<u>894812921</u>	<u>634871803</u>
Net Current Assets			
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Preoperative Expenses (IPO)		-	46521903
IPO Expenses		14551165	18056898
Old Preoperative Expenses		-	68453
	Total	<u>1495306082</u>	<u>1060294991</u>
Significant Accounting Policies			
	18		
Notes to Account			
	19		

As per our Report of even date

For and on behalf of the Board

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

Kailash K. Kabra
Proprietor
M. No. 37641

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- Jalgaon
Dated :- May 31, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	31-03-2010		31-03-2009	
		Qty (Kg)	Rs.	Qty (Kg)	Rs.
INCOME					
Manufacturing Sales		11504070	889318324	9755977	707096291
Trading Sales			209943387		95528063
Other Income	11		7433952		6140904
Increase / (Decrease) in Stock	12	2144119	184617288	(582891)	(37600604)
		13648189	1291312951	9173086	771164654
EXPENDITURE					
Raw Material Consumed	13	13668109	701721791	9365546	484440762
Manufacturing Expenses	14		84512604		53205103
Trading Purchase			197392838		83959602
Personnel Expenses	15		37620665		20805594
Administrative Expenses	16		100661121		59599314
Financial Charges	17		59692389		39251190
Depreciation	4		16064420		6772332
		13668109	1197665828	9365546	748033897
Profit Before Tax			93647122		23130757
Extra Ordinary Items					
Loss by Fire			(4740777)		-
Provision for Taxation					
Current Tax (As per Minimum Alternate Tax)		12000000		4300000	
Fringe Benefit Tax		-		400000	
Deferred Tax		14754218		2681534	
			26754218		7381534
Profit After Tax			62152127		15749223
Less: Short/(Excess) Provision of Tax in earlier year			(724752)		3077072
Net Profit for the year			62876879		12672151
Balance of Profit brought forward			51253615		58581464
Amount available for appropriation			114130494		71253615
Appropriations					
General Reserve		-		20000000	
Proposed Dividend on Equity Shares		6247550		-	
Corporate Dividend Tax		1061771		-	
			7309321		20000000
Balance Carried to Balance Sheet			106821173		51253615
Basic and Diluted EPS(After extraordinary items)			5.41		1.01
Basic and Diluted EPS(After extraordinary items)			5.03		1.01

Significant Accounting Policies 18

Notes to Account 19

As per our Report of even date

For **K.K.Kabra & Co.**
Chartered Accountants**Kailash K. Kabra**
Proprietor
M. No. 37641

For and on behalf of the Board

Pradip J. Mundhra
Managing Director**Sanjay R. Taparia**
Chief Executive OfficerPlace :- **Jalgaon**
Dated :- **May 31, 2010**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	ASAT 31-03-2010 Rs.	ASAT 31-03-2009 Rs.
A) Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items	93647122	23130757
Adjustments for :		
i) Depreciation	16064420	6772332
ii) Pre-operative expenses written off	3679833	68453
iii) Interest Income	(4153250)	(5740193)
iv) Prior Period Expense	(2380722)	-
v) Interest Expense	59692389	39251190
Operating Profit before Working Capital Changes	166549792	63482539
Capital Change Adjustments for :		
i) Trade & Other Receivables	(145864880)	(34462113)
ii) Inventories	(214671694)	(2221115)
iii) Trade Payables and Other Liabilities	55552769	62228607
Cash generated from Operations	(138434013)	89027918
Add/(Less):		
i) Extraordinary Items	(4740777)	-
ii) Prior Period Expense	2380722	-
iii) Taxes Paid	(27091237)	(10458606)
Net Cash generated from Operating Activities	(167885305)	78569312
B) Cash Flow from Investing Activities :		
i) Purchase of Fixed Assets (Net)	(236385144)	(121208273)
ii) Interest Received	4153250	5740193
iii) Proceed from investment (Net)	(4845338)	234325
Net Cash used in Investing Activities	(237077232)	(115233755)
C) Cash flow from Financing Activities :		
i) Interest Paid	(59692389)	(39251190)
ii) Proceeds from Long Term Borrowings (Net)	148828393	2361484
iii) Proceeds from Short Term Loans (Net)	215860922	85956014
iv) Liability for Deferred Tax	14754218	2681534
v) Dividend Paid	(6247550)	7309321
vi) Preliminary Expenses	46416256	(1374189)
Net Cash generated from Financing Activities	359919850	57682974
Net increase in Cash & Cash Equivalents (A+B+C)	(45042687)	21018531
Opening balance of Cash and Cash Equivalent	85794233	64775702
Closing balance of Cash and Cash Equivalent	40751546	85794233

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. NIL (Previous year Rs. NIL) in respect of cash balance held in foreign currency.

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 :- **May 31, 2010**

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	<u>AS AT</u> <u>31-03-2010</u> Rs.	<u>AS AT</u> <u>31-03-2009</u> Rs.
SCHEDULE : 01		
SHARE CAPITAL		
Authorised		
15000000 Equity Shares of Rs. 10/- each (P.Y.- 15000000 Equity Shares of Rs. 10/- each)	<u>150000000</u>	<u>150000000</u>
Issued, Subscribed & Paid up		
12495100 Equity Shares of Rs.10/- each fully paid up (P.Y.- 5678500 Equity Shares Of Rs.10/- each) [Of the above 1597500 shares (1597500) are allotted as fully paid by way of bonus issue out of free reserves]	124951000	124951000
	<u>124951000</u>	<u>124951000</u>
SCHEDULE : 02		
RESERVES & SURPLUS		
Securities Premium Account		
As per last Balance Sheet	515755000	515755000
Add: Received on issue of equity shares	_____ - 515755000	_____ - 515755000
Capital Reserve		
Subsidy Received from DIC	3000000	3000000
General Reserve		
As per last Balance Sheet	50000000	30000000
Add: Transferred from Profit and Loss Account	_____ - 50000000	<u>20000000</u> 50000000
Profit and Loss Account		
As per last Balance Sheet	51253616	58581465
Add: Balance Transferred from Profit & Loss A/c	<u>55567558</u>	<u>(7327849)</u>
	<u>106821174</u>	<u>51253616</u>
	<u>675576174</u>	<u>620008616</u>
SCHEDULE : 03		
SECURED LOAN		
Term Loan from banks (Refer Note 1 below)	168482645	27582413
Working Capital Loan from banks (Refer Note 1 below)	476803927	260943005
Lease Financing (Refer Note 2 below)	15634835	18056674
Temporary Loans (Refer Note 3 below)	<u>10350000</u>	<u>-</u>
	<u>671271407</u>	<u>306582092</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 hypothecation of machine acquired against lease finance.
3. Secured by way of pledge of promoter's shares in the company.

Schedule 4 : FIXED ASSETS AND DEPRECIATION

Sr No.	Particulars	Gross Block as on 01.04.09	Addition	Sales	Gross Block as on 31.03.2010	Depreciation as on 01.04.09	During the Year		Depreciation as on 31.03.10	Net Block as on 31.03.10	Net Block as on 31.03.09
			Amount	Amount			Rate	Amount			
1	Air Condition	593567	121865	-	715432	33429	4.75%	31266	64695	650737	560138
2	Air Cooler	14150	22400	-	36550	7045	4.75%	1614	8659	27891	7105
3	EPBX	147705	-	-	147705	20598	4.75%	7016	27614	120091	127107
4	Generator	1220092	1087512	-	2307604	541226	4.75%	105362	646588	1661016	678866
5	Mobile	551687	265137	-	816824	34600	4.75%	31298	65898	750926	517087
6	Vaccum Cleaner	17300	-	-	17300	3069	4.75%	822	3891	13409	14231
7	Water Filter	19281	-	-	19281	5986	4.75%	916	6902	12379	13295
8	Weighing Scale	75920	75705	-	151625	13905	4.75%	5363	19268	132357	62015
9	Weight & Mgt.	18720	-	-	18720	8460	4.75%	889	9349	9371	10260
10	Welding Machine	167876	8720	-	176596	9335	4.75%	8254	17589	159007	158541
11	Xerox Machine	65350	-	-	65350	6718	4.75%	3104	9822	55528	58632
12	Chilling Plant	3092651	-	-	3092651	150576	5.28%	163292	313868	2778783	2942075
13	Cooling Tower	325059	166706	-	491765	24265	5.28%	24536	48801	442964	300794
14	ISI Testing Equip.	611312	28690	-	640002	158194	5.28%	32368	190562	449440	453118
15	Machinery	68523132	98859457	2686403	164696186	11578566	5.28%	5356419	16934985	147761201	56944566
16	Magnet	12937	-	-	12937	7349	5.28%	683	8032	4905	5588
17	Water Pump	11346	57035	-	68381	931	5.28%	2387	3318	65063	10415
18	Borewell	25000	-	-	25000	3962	7.07%	1768	5730	19270	21038
19	Cycle	5100	-	-	5100	3668	7.07%	361	4029	1071	1432
20	Electric Installation	9237444	5479993	-	14717437	1022110	7.07%	710829	1732939	12984498	8215334
21	Fridge & TV	25890	-	-	25890	3434	7.07%	1830	5264	20626	22456
22	Gyser	11735	-	-	11735	6256	7.07%	830	7086	4649	5479
23	Still Camera	30084	-	-	30084	2489	7.07%	2127	4616	25468	27595
24	Type Writer	11321	-	-	11321	8015	7.07%	800	8815	2506	3306
25	Furniture	1637190	2388063	-	4025253	195286	6.33%	170633	365919	3659334	1441904
26	Office Equipment	356506	84735	-	441241	10170	6.33%	24991	35161	406080	346336
27	Water Heater	-	8645	-	8645	-	6.33%	397	397	8248	-
28	DVD Player	-	6000	-	6000	-	6.33%	339	339	5661	-
29	Fan	29346	22687	-	52033	12470	7.07%	2506	14976	37057	16876
30	Fax Machine	22038	-	-	22038	11698	7.07%	1558	13256	8782	10340
31	Factory Building	16507305	33146139	-	49653444	1998732	3.34%	803845	2802577	46850867	14508573
32	Moulds	22544361	65828457	-	88372818	2583590	11.31%	5586677	8170267	80202551	19960771
33	Staff Qtr. Building	589008	-	-	589008	117445	1.63%	9601	127046	461962	471563
34	Office Building	108400	436743	-	545143	19693	1.63%	3426	23119	522024	88707
35	Guest House	326103	3600	-	329703	6216	1.63%	5373	11589	318114	319887
36	Truck	3160300	37440	-	3197740	946993	11.31%	357488	1304481	1893259	2213307
37	Car	529368	-	-	529368	141808	9.50%	50290	192098	337270	387560
38	Vehicles (2Wheeler)	309644	167734	-	477378	58139	9.50%	37889	96028	381350	251505
39	Computer & Software	11085251	4690935	-	15776186	905818	16.21%	2498938	3404756	12371430	10179433
40	Factory Shade	-	1968446	-	1968446	-	3.34%	16330	16330	1952116	-
41	Goodwill	850000	-	-	850000	-	-	-	-	850000	850000
42	Land	4036648	-	-	4036648	-	-	-	-	4036648	4036648
	Total	146906127	214962844	2686403	359182568	20662244		16064415	36726659	322455909	126243883
	Machine (Under Lease)	-	14381596	-	14381596	-		-	-	14381596	-
	Total	146906127	229344440	2686403	373564164	20662244		16064415	36726659	336837505	126243883

Note:

- Issue expenses have been capitalized with machinery, electric installation and factory building in the ratio of cost proposed during the initial public offer.
- Machine includes currency rate fluctuation of Rs. 8184850 (PY-Rs.Nil)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
SCHEDULE : 05		
<u>INVESTMENTS</u>		
<u>Quoted</u>		
Principal PNB Long Term Equity Fund (NAV on 31.03.10 Rs. 826500)	750000	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 Tulsi Plastics SA (Pty) Ltd	18356958	13511620
	19628077	14782739
SCHEDULE : 06		
<u>INVENTORIES</u>		
<i>(As taken, Valued and Certified by the Management)</i>		
<u>Raw Material</u>		
Resin	109603574	79802357
HDPE Dana	3822913	2976592
LLDPE Dana	-	2047847
Chemicals	5618034	5953927
Calcium	124940	1754432
HDPE Scrap	2860500	190494
PVC Scrap	5760150	5010054
	127790110	97735703
<u>Work In Progress</u>		
PVC Pipes	7414500	3189600
HDPE/LLDPE Pipes	493730	646750
	7908230	3836350
<u>Finished Goods</u>		
PVC Pipes & Fittings	174791005	64255875
HDPE / LLDPE Pipes	52852953	15143364
Stock in Transit	-	402351
Branch	34291405	5202535
Consignment Stock	1103020	296105
Trading Goods	4065714	1228684
Stores & Spares	71725	101500
Empty Bags	123514	123514
	267299336	86753928
	402997675	188325981

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	AS AT	AS AT
	31-03-2010	31-03-2009
	Rs.	Rs.
SCHEDULE : 07		
SUNDRY DEBTORS		
(Unsecured , Considered Good)		
- Debts outstanding exceeding six months	224651771	153970631
- Other debts	267028062	243451629
	<u>491679833</u>	<u>397422260</u>
SCHEDULE : 08		
CASH AND BANK BALANCES		
Cash in Hand (As certified by the management)	3796603	2715215
Balance with Scheduled Banks		
- In Current Accounts	21603072	1192353
- In Fixed Deposits	15351871	81886665
	<u>40751546</u>	<u>85794233</u>
SCHEDULE : 09		
LOANS AND ADVANCES		
(Unsecured , Considered Good)		
Property and other Security Deposits	31090383	4721871
Insurance Claim Receivable	-	7385595
Tax Deducted at Source	442666	1444946
Consignment(Receivable)	19530519	22501905
Advance for Raw Materials	3378002	234980
Tulsi Plastics SA (Pty.) Ltd	4230814	4230814
Other Loans & Advances (Recoverable in cash59142148 or in kind or for value to be received)	25687114	
	<u>117814532</u>	<u>66207225</u>
SCHEDULE : 10		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities :		
Sundry Creditors for Goods	99175231	45695050
Sundry Creditors For Expenses	8646808	18111491
Sundry Creditors For Capital Goods	8861021	20339920
Advance Received from Customers	20688843	7487474
Dealership Deposit	2966559	2041204
Other Liabilities	-	1646205
	<u>140338462</u>	95321344
Provisions :		
Provision for Dividend	6247550	-
Provision for Dividend Tax	1061771	-
Provision for Expenses & Other	4932882	3800718
Provision for Tax (net of advance tax)	5850000	3755834
	<u>18092203</u>	7556552
	<u>158430665</u>	<u>102877896</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	<u>Qty (Kg)</u>	<u>AS AT 31-03- 2010 Rs.</u>	<u>Qty (Kg)</u>	<u>AS AT 31-03- 2009 Rs.</u>
SCHEDULE : 11				
OTHER INCOME				
Empty Bag Sale		-		84000
Interest on Deposit		2372853		5740193
Profit on sale of Fixed Asset		1780397		-
Late Payment Charges		-		56161
Excess provision written back		2380722		-
Misc. Income		899980		260550
		7433952		6140904
SCHEDULE : 12				
INCREASE / (DECREASE) IN STOCK				
W.I.P.				
PVC Pipes & Fittings	72560	3189600	843700	47863400
HDPE & LLDPE Pipes	9950	646750	21829	2017518
Less : PVC Pipes & Fittings (Closing)	167730	7414500	72560	3189600
Less : HDPE & LLDPE Pipes (Closing)	10180	493730	9950	646750
	95400	4071880	(783019)	(46044568)
OPENING STOCK				
FINISHED GOODS				
- PVC Pipes & Fittings	1172219	64255875	1048968	65454304
- HDPE & LLDPE Pipes	137342	15143364	42538	3488116
- Stock in Transit	-	402351	-	-
Branches (All)	88339	5202535	45092	3097242
Consignment Stock	5333	296105	66507	4580863
Trading Goods	-	1228684	-	1294239
Stores & Spares	-	101500	-	325200
Empty Bags	-	123514	-	70000
	1403233	86753928	1203105	78309964
CLOSING STOCK				
FINISHED GOODS				
- PVC Pipes & Fittings	2599633	174791005	1172219	64255875
- HDPE & LLDPE Pipes	392188	52852953	137342	15143364
- Stock in Transit	-	-	-	402351
Branches (All)	397401	34291405	88339	5202535
Consignment Stock	62730	1103020	5333	296105
Trading Goods	-	4065714	-	1228684
Stores & Spares	-	71725	-	101500
Empty Bags	-	123514	-	123514
	3451952	267299336	1403233	86753928
Increase / Decrease in F/Goods Stock	2048719	180545408	200128	8443964
	2144119	184617288	(582891)	(37600604)

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Qty (Kg)	AS AT 31-03- 2010 Rs.	Qty (Kg)	AS AT 31-03- 2009 Rs.
SCHEDULE : 13				
RAW MATERIAL CONSUMED				
Opening Balance				
Resin	1565628	79802357	615102	36537059
Chemicals	78179	5953927	43284	3156307
Calcium	194241	1754432	349530	3058388
HDPE Dana	41377	2976592	-	-
LLDPE Dana	29845	2047847	-	-
HDPE/LLDPE Scrap	4582	190494	-	-
PVC Scrap	145063	5010054	341954	15162230
	<u>2058915</u>	<u>97735703</u>	<u>1349870</u>	<u>57913984</u>
Add : Purchase				
Resin	9768545	544932850	8191575	454090869
Chemicals	590601	51889835	368234	31996970
Calcium	1757100	15139910	1394970	12208210
Scrap	524426	12016693	161955	4137830
HDPE/LLDPE	956280	71633523	362655	26899241
Equipment	-	17916444	-	7391592
Work In Progress	377125	29869410	46425	3166010
	<u>13974077</u>	<u>743398665</u>	<u>10525814</u>	<u>539890722</u>
Less : Sales				
Resin	18000	918720	222775	11224141
Chemicals	9205	775338	4588	473160
Calcium	82500	605930	144000	1121600
HDPE/LLDPE	33025	2229013	-	-
PVC Scrap	202446	7093466	79860	2809340
	<u>345176</u>	<u>11622467</u>	<u>451223</u>	<u>15628241</u>
Less : Closing Stock				
Resin	1673337	109603574	1565628	79802357
HDPE Dana	59425	3822913	41377	2976592
LLDPE Dana	-	-	29845	2047847
Chemicals	73120	5618034	78179	5953927
Calcium	13507	124940	194241	1754432
HDPE/LLDPE SCRAP	57210	2860500	4582	190494
PVC Scrap	143108	5760150	145063	5010054
	<u>2019707</u>	<u>127790110</u>	<u>2058915</u>	<u>97735703</u>
Raw Material Consumed	<u>13668109</u>	<u>701721791</u>	<u>9365546</u>	<u>484440762</u>

SCHEDULE : 14**MANUFACTURING EXPENSES**

Carriage Inwards	18792516	6908058
Diesel Expenses	390428	1088802
Electric Expenses	29022876	15121365
Excise Duty & Service Tax (Net)	9100883	17614105
Factory Expenses	3248385	1078637
Lubricating Oil	1016405	376939
Octroi Duty	7032940	4988776
Packing Materials	3457513	1923311
Repairs & Maintenance	2030301	922987
Stores & Spares	10146242	2898005
Water Charges	274115	284118
	<u>84512604</u>	<u>53205103</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
SCHEDULE : 15		
<u>PERSONNEL EXPENSES</u>		
Salary & Wages	32011176	17554114
Bonus & Incentive	2338169	1259803
E.S.I.Contribution	854958	391234
Labour & Staff Welfare	445574	469991
Providend Fund Contribution	1970788	1130452
	37620665	20805594
SCHEDULE : 16		
<u>ADMINISTRATIVE & SELLING EXPENSES</u>		
Advertisement Expenses	10377912	2206323
Audit Fees	196800	119000
Branch Expenses	11367735	5113188
Car Hire Charges	4271000	1284000
Claims & Discount	1014608	3343403
Commission Expenses	1620992	479964
Consignment Expenses	2442645	4555544
Conveyance Expenses	581452	676647
Director's Sitting Fees	230000	290000
Donation	50000	122053
Foreign Exchange Rate Fluctuation	-	279450
Roc/Listing/Custodial Fees	201148	135605
Freight Expenses	12077971	6687705
General Expenses	1586022	454447
Inspection & Testing Fees	1180307	1504345
Insurance Expenses	429722	572602
Legal & Professional Expenses	6903734	3441080
Miscellaneous Expenses	2181199	1162080
Petrol & Diesel Expenses	3202481	1969808
Postage & Courier Expenses	246239	231240
Preoperative Expenses W/Off	3679833	68453
Printing & Stationery	1580989	1091688
Rent Rates & Taxes	2102583	1384583
Sales Promotion Expenses	11503263	2610964
Turn Over Discount	1297928	6353676
Telephone / Mobile Expenses	1200609	990528
Travelling Expenses	3154904	2125934
Vat / CST	14921156	9692456
Vehicle Expenses	1057889	652548
	100661121	59599314
SCHEDULE : 17		
<u>FINANCIAL CHARGES</u>		
Bank Charges	2758771	877892
Interest on Working Capital Loan/LC	40715318	29600955
Interest on Term Loans	9116175	2928733
Interest other	4884024	3148494
Loan Procurement Expenses	2218101	2695116
	59692389	39251190

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) and foreign exchange fluctuation incurred during the construction/trial run of new project is allocated on an appropriate basis to fixed assets on commissioning.

Capital work in progress includes advances paid to acquire capital assets before the Balance Sheet date.

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 cost or net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The cost is determined on the basis of First in First Out Method and includes expenditure in acquiring the inventories and bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of labour and manufacturing overheads.

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 products are recognized when the products are dispatched and are stated inclusive of excise duty, sales tax, VAT, other taxes & duties, trade discounts and sales returns. However, both excise duty and VAT including education 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 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

Preoperative expenses of earlier years are being amortized in five equal annual installments. Issue expenses have been capitalized with machinery, electric installation and factory building in the ratio of cost proposed during the initial public offer.

Issue expenses to the extent of allowable u/s 35D are being in five 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 assets 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 to account. 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 31.03.2010	As at 31.03.2009
1.	Bank Guarantee	28.10	7.00
3.	Capital Contracts remaining to be executed	150.00	250.00
4.	Claims not acknowledged as debts including show cause demand notice in relation to excise and consumer court forum.	97.83	1.62
5.	Disputed Income tax Demands	184.83*	-

*Rs. 74.00 lacs have already been deposited till March 31, 2010 and the matter is subjudice with Appellant Authorities.

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.

3. The issue proceeds have been utilized for the issue objects as per the following details:

(Rs . In lacs)

Sr.No.	Particulars	31.03.2010	31.03.2009
1.	Expansion of Manufacturing Facilities:		
	-Acquired	1244.94	722.45
	-Capital work in Progress including advance	1313.70	1192.08
2.	Meeting Long term working capital requirements including General Corporate Purpose	1594.82	1841.27
3.	Purchase of branch offices	60.00	46.00
4.	Fixed Deposit with scheduled banks	-	411.66
5.	Issue Expenses	631.54	631.54
	Total	4845.00	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. The board has recommended a dividend of Rs. 0.50(Previous Year - Nil) per equity share of face value of Rs. 10 each (5%) for the financial year ended March 31, 2010.

TULSI EXTRUSIONS LIMITED
7. 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.	Name of Party	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)

Name of the Party	Nature of Transaction	Volume of Transaction during the year ended 31.03.10	Amount outstanding as on 31.03.10	Volume of Transaction during the year ended 31.03.09	Amount outstanding as on 31.03.09
Gopal Extrusions Pvt. Ltd.	Purchase of Truck	-	5.42	23.57	5.42
Tulsi Plastics SA (Proprietary) Ltd.	Investments	48.45	183.57	46.46	137.91
	Sale of Goods	0.62	6.99	-	6.37
	Advances	-	42.31	-	42.31
Kiran Polyvinayel Pvt. Ltd.	Purchase of Goods	5.37	11.51	18.76	19.23
Sanjay Taparia(HUF)	Car Hire Charges	5.48	-	4.92	-
Pradip Mundhra	Remuneration	18.00	0.15	18.11	0.10
Sanjay Kumar Taparia	Remuneration	12.00	0.77	12.11	0.74

8. Earnings Per Share:

(Rs. In lacs)

Particulars	EPS Before extraordinary items		EPS After extraordinary items	
	2009-2010	2008-2009	2009-2010	2008-2009
Net Profit (amount used as numerator)	676.16	126.72	628.75	126.62
Weighted Average Number of Equity Shares (number used as denominator)	1,24,59,100	1,24,59,100	1,24,59,100	1,24,59,100
Basic and Diluted (in Rupees) (Face value of Rs. 10/- each)	5.41	1.01	5.03	1.01

9. Managerial Remuneration :

(Rs. In lacs)

Particulars	2009-2010	2008-2009
Remuneration	33.00	33.93
Sitting Fees	2.30	2.90
Total	35.30	36.83

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.

10. Payment to auditors

(Rs. In lacs)

Particulars	2009-2010	2008-2009
Audit Fees	0.45	0.41
Tax Audit Fees	0.33	0.15
Other Certification & Professional Fees	0.45	0.37
Total	1.23	0.93

11. 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	87.53	147.54	235.07

12. There is no outstanding amount and interest on delayed payments to vendors falling under the Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures regarding to it have not been made.

13. Segment Reporting

Primary Segment Reporting (Business Segment)

	Year Ended March 31,2010			Year Ended March 31,2009		
	Trading Product Rs. In Lacs	Mfg. Products Rs. In lacs	Total Rs. In Lacs	Trading Product Rs. In Lacs	Mfg. Products Rs. In lacs	Total Rs. In Lacs
REVENUE						
External Revenue	2099.43	8893.18	10992.62	955.28	7070.96	8026.24
Total	2099.43	8893.18	10992.62	955.28	7070.96	8026.24
RESULTS						
Segment Results	125.51	1407.97	1533.48	115.68	508.13	623.81
Less:						
Interest	-	596.92	596.92	-	392.51	392.51
Unallocable other Expenditure	-	-	-	-	-	-
Profit Before Tax	125.51	811.05	936.56	115.68	115.62	231.30
OTHER INFORMATION						
Segment Asset						
Fixed Asset	-	5663.14	5663.14	-	3459.93	3459.93
Investment	-	196.28	196.28	-	147.83	147.83
Debtors	677.80	4239.00	4916.80	173.98	3800.24	3974.22
Inventories	-	4029.96	4029.96	-	1883.26	1883.26
Other Current Asset	-	1585.66	1585.66	-	1520.02	1520.02
Unallocable Assets	-	145.51	145.51	-	646.47	646.47
Total Assets	677.80	15859.55	16537.35	173.98	11457.75	11631.73

TULSI EXTRUSIONS LIMITED

Segment Liabilities						
Sundry Creditors	158.29	1426.02	1584.31	79.02	949.76	1028.78
Unallocable Liabilities	-	235.08	235.08	-	87.53	87.53
Total Liabilities	158.29	1661.10	1819.39	79.02	1037.29	1116.31
Capital Expenditure						
Segment capital Exp.	-	2266.58	2266.58	-	692.16	692.16
Unallocable Capital Exp.	-	-	-	-	-	-
Total Capital Expenditure	-	2266.58	2266.58	-	692.16	692.16
Depreciation						
Segment Depeciation	-	160.64	160.64	-	67.72	67.72
Unallocable Depreciation	-	-	-	-	-	-
Total Depreciation	-	160.64	160.64	-	67.72	67.72
Non cash Exp. Other than Depreciation						
Segment non cash Exp	-	39.59	39.59	-	0.68	0.68
Unallocable Non cash Exp	-	-	-	-	-	-
	-	39.59	39.59	-	0.68	0.68

Secondary Segment Reporting (Geographical Segment)

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

14. Additional information:

A) Particulars for capacities and production.

Class of Goods	Unit	Licensed Capacity	Installed Capacity	Actual
PVC Pipes & Fittings, HDPE/LLDPE Pipes & Fittings and Moulded Fittings	MT	N.A.	24833.08	13473.69
31.03.2010 (31.03.2009)	MT	N.A.	(14537.08)	(9846.30)

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)

Particulars	Qty (MT)	Value (Rs.)
Turnover of Pipes and Fittings		
31.03.2010	11504.07	8893.18
(31.03.2009)	(9755.98)	(7070.96)
Stock of Pipes and Fittings		
31.03.2010	3451.93	2630.37
(31.03.2009)	(1403.23)	(853.00)

C) Particulars of Raw Material Consumed

(Rs. In lacs)

Class of Goods	Qty. (MT)	Value (Rs.)
Resin, Dana, Calcium, Scrap and Chemicals (At cost)		
31.03.2010	13668.81	7017.22
(31.03.2009)	(9365.55)	(4844.41)

D) Stores, Spares & Components

(Rs. In lacs)

Year	Indigenous	Imported
31.03.2010	121.77	NIL
(31.03.2009)	(38.21)	(NIL)

E) Other Particulars

(Rs. In lacs)

Particulars	31.03.2010	31.03.2009
CIF Value of Imports		
- Capital Goods	<ul style="list-style-type: none"> • 20339.20 • 88084.80 	<ul style="list-style-type: none"> US\$ 1140716.00 US\$ 355234.00
Expenditure in Foreign Currency		
- Travelling	NIL	NIL
- Investment	US\$ 191000.00	US\$ 50000.00
- Capital Goods	<ul style="list-style-type: none"> • 20339.20 	NIL
	US\$ 240716.00	US\$ 300000.00
Earnings in Foreign Currency	NIL	US\$ 54000.00

15. Foreign currency exposure as on March 31,2010 amounting to NIL (Previous year US\$ 655234.00) are not hedged by derivative or forward contracts.
16. Items covered by Investor Education and Protection fund:
Unclaimed DividendRs. 1.82 lacs (PY Rs. 2.98 lacs)
Amount due and outstanding to be credited to Investor Education and Protection Fund as on 31.03.2010 is Rs. NIL (Previous Year Rs. Nil).
17. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make the figures comparable.
18. 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 annexed hereto

For **M/s 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 :- **May 31, 2010**

**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	March 31, 2010

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

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

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

Total Liabilities	14953.06
Total Assets	14953.06

Sources of Funds

Paid-up Capital	1249.51
Reserves & Surplus	6755.76
Secured Loans	6712.71
Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	3368.38
Investment	196.28
Net Current Assets	8713.05
Miscellaneous Expenses	145.51
Accumulated Losses	NIL

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

Turnover	12913.13
Total Expenditure	11976.66
Profit/Loss before Tax	936.47
Profit/Loss after Tax	621.52
Earning per Shares (In Rs.)	5.03
Dividend Rate (%)	5.00%

V. Generic Name of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)	39172309
Product Description	Pipes
Item Code No. (ITC Code)	842481
Product Description	Micro Irrigation Systems
Item Code No. (ITC Code)	39174000
Product Description	Fittings

As per our report of even date annexed hereto

For and on behalf of the Board**For M/s K.K.Kabra & Co.****Chartered Accountants**

Kailash K. Kabra

Proprietor

M. No. 37641

Pradip J. Mundhra

Managing Director

Sanjay R. Taparia

Chief Executive OfficerPlace :- **Jalgaon**Dated :- **May 31, 2010**

TULSI EXTRUSIONS LIMITED

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

ATTENDANCE 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 **Sixteenth Annual General Meeting** of the Company held at N-99, MIDC Area, Jalgaon - 425 003 on Monday, 20th September, 2010 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 **Sixteenth Annual General Meeting** of the Company held at N-99, MIDC Area, Jalgaon - 425 003 on Monday, 20th September, 2010 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.

**BOOK-POST
(Printed Matter)**

To,

If undelivered, please return to :

**Tulsi Extrusions Ltd.
N-99 MIDC Area
Jalgaon - 425 003
Maharashtra**