

TULSI EXTRUSIONS LIMITED

17th ANNUAL REPORT: 2010 - 2011

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-16/17, 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,
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

CONTENTS	Page No.
Notice of Meeting	1-3
Directors' Report	4-10
Corporate Governance Report	11-21
Management Discussion & Analysis	22-31
Auditors Report	32-37
Balance Sheet	38
Profit & Loss Account	39
Cash Flow Statement	40-41
Schedules of Balance Sheet	42-55
Balance Sheet Abstract	56-57

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 17th Annual General Meeting of the shareholders of Tulsi Extrusions Limited will be held as under:

DAY : Friday
VENUE : N-99, MIDC Area, Jalgaon - 425 003
DATE : September 30, 2011
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, 2011, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh B. Jhunjhunwala who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Gopaldas J. Maheshwari who retires by rotation and being eligible offers himself for reappointment.
4. 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.

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: September 08, 2011

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 Monday, September 26, 2011 to Friday, September 30, 2011 (both days 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 2011-2012 to the Stock Exchange, Bombay and the National Stock Exchange of India Ltd. where the securities of the company are being listed and traded.
7. 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.
8. 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.
9. 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.
10. **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.**
11. 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.
12. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
13. 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.
14. Members are requested to bring the copy of the Annual Report sent to them.

15. 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 is given below:

Mr. Rajesh B. Jhunjunwala and Mr. Gopaldas J. Maheshwari shall retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Given below are the abbreviated resumes of the directors seeking reappointment:

Name of the director	Mr. Rajesh B. Jhunjunwala	Mr. Gopaldas J. Maheshwari
Age	55	45
Qualification	B.Com (H), FCA, DISA	BSC, FCA
Date of Appointment	July 31, 2007	May 05, 2006
Expertise	Audit and Taxation	Corporate Accounting
Details of Directorship	Nil	Nil
Chairman / Members of Committee	Member of Audit Committee	Member of Audit Committee, Member of Remuneration Committee, Member of Shareholders'/ Investors' Grievance committee

Mr. Rajesh B. Jhunjunwala

Mr. Rajesh B. Jhunjunwala has completed B.Com (Hons) from Patna University and is also a fellow member of the Institute of Chartered Accountants of India. He is a practicing Chartered Accountant since 1986 and is now a partner in Lahoty & Associates, Chartered Accountants. He has gained 25 years of vast experience in the field of audit, taxation and management advisory.

Mr. Gopaldas J. Maheshwari

Mr. Gopaldas J. Maheshwari is a Bachelor of Science, a fellow member of the Institute of Chartered Accountants of India. He started his career in 1988 in Birla Textiles Mills as Accounts Manager. He started his own practice in 1989 and is now proprietor in M/s. GDM & Co. He has been practicing for over 22 years in the field of Taxation and Finance. He has conducted statutory, concurrent and internal audit of banks and other entities. He also acts as an Investment Consultant.

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: September 08, 2011

DIRECTORS' REPORT

To
The Shareholders

Your directors have pleasure in presenting the 17th Annual Report on the business and operations of your Company together with the Audited Statement of Financial Statements for the year ended March 31, 2011:

FINANCIAL RESULTS

	Year ended March 31 2011	Year ended March 31 2010
	Rs. in Lacs	Rs. in Lacs
Gross Turnover Including other income	15919.00	10111.17
Profit before Interest, Depreciation and Tax	1841.30	1694.04
Less: Interest and financial charges	1074.38	596.93
Depreciation	302.39	160.64
Profit Before Tax	464.53	936.47
Less: Exceptional Items	-	47.41
Less:		
Provision for Current & Old Tax	122.84	112.75
Provision for Deferred Tax	137.90	147.54
Net Profit available for appropriation	203.79	628.77
Add: Profit Transfer From Last Year	1068.21	512.54
Appropriations:		
Dividend on equity shares	-	62.48
Dividend Distribution Tax	-	10.62
Balance Carried Forward to Balance Sheet	1272.00	1068.21

PERFORMANCE AND BUSINESS OPERATIONS

Macro - economic environment witnessed a rather gradual uplift over the better part of the year, however, your Company continued to be challenged by the cautious dealers mindset resulting from the unprecedented economic recession of the year before. Improvement in sales mix has been seen in new areas, albeit at higher cost. For the fiscal year 2010-11, the sales of your Company grew by 57 % to Rs. 15786.88 lacs as compared with that of previous year at Rs. 10036.83 lacs.

We are happy to inform you that due to continuous increase in the demand for the Company's products, the Company has increased its capacity from 24,833 MT. to 30,093 M.T. showing an increase of 21%. Further we are happy to inform you that during the year under review your Company was able

to utilize its capacity to the tune of 17,997 MT which is approx. 60% of the capacity as at the end of the last year. The lesser capacity utilization is due to size change, mould change, sales order of higher dimensions and frequent power cuts.

This year saw significant material cost inflation in the second half, driven primarily by spiraling crude oil prices. Prices of Resin and Granuels, which constitute 95% of our Material Cost Base, were adversely impacted. However, your Company continues to strive for operating cost optimization through a series of initiatives in product mix rationalization, vendor development and factory technological upgradation.

Resultantly, Profit before tax during 2010-11 was Rs.464.54 lacs as compared to Rs.936.47 lacs during 2009-10, which shows a decrease of 50.39%. The decrease was mainly due to higher interest rates, inflation, additional discounts to dealers for price competition and firm commodity prices. Moreover, the cost of transportation for new developed areas has also increased due to increase in the fuel prices.

SUBSIDIARY COMPANY

With a view to expand its business in Gulf Countries, the Company has promoted a wholly owned subsidiary, Tulsi International (FZE) which is incorporated in Hamriyah Free Zone at Dubai, UAE. However, during the fiscal year 2010-11 no business operations have been carried out.

However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the information on Consolidated books of account is being sent to all the Members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Compliance Officer at the Registered Office of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In order to comply with the provisions of the Accounting Standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with the Stock Exchange(s), consolidated financial statements have been prepared after considering the financial statements of the subsidiary.

BUSINESS EXPANSION

As a part of the expansion plans, your Company has taken over the assets of M/s. Shethiya Pulses Pvt. Ltd. at Plot No.H-17, MIDC Area, Jalgaon. The second manufacturing plant of your Company, i.e, Unit 2 at H-16 now includes the area of H-17 also.

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 flat inline dripper, SWR Fittings, 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

The Board does not recommend any dividend for the year ended March 31, 2011.

FIXED DEPOSITS

The Company during the year under review has not accepted any deposits from Public under the Companies (Acceptance of Deposits) Rules 1975. The Company had no unclaimed (overdue) deposits as on March 31, 2011.

INSURANCE

The Fixed Assets and Stocks of the Company are adequately insured.

INCREASE IN SHARE CAPITAL

The authorized share capital of the Company was increased from Rs.15,00,00,000 (Fifteen Crores) to Rs.50,00,00,000 (Rupees fifty crores) during the year under review. Accordingly the paid up share capital was increased from Rs.12,49,51,000 to Rs.27,49,46,100.

ISSUE OF GLOBAL DEPOSITORY RECEIPTS

During the FY 2010-11, your Company has issued 12,50,000 Global Depository Receipts representing 1,25,00,000 equity shares of Rs.10/- each at a premium of Rs. 44/- each and has raised Rs. 6750.00 lacs which has been primarily utilized for modernization of machinery/equipment/technology, establishment of overseas subsidiary and investments in other entities through subsidiary and working capital for the general and ongoing needs of the company. These GDR's are listed at the Luxembourg Stock Exchange. No ADRs/Share Warrants or any other convertible instruments other than the mentioned GDR's have been issued.

ALLOTMENT OF BONUS SHARES

The Company after obtaining necessary approval from the shareholders has allotted 24,99,510 bonus shares to the existing shareholders of the Company in the ratio of 1 bonus equity share for every existing 10 equity shares of Rs. 10/- each held on January 10, 2011 being the record date.

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 as per Annexure - A 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. Rajesh B. Jhunjhunwala and Mr. Gopaldas J. Maheshwari retires by rotation at the Annual General Meeting and being eligible offer themselves for reappointment.

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, 2011 and of the Profit and Loss Account for the year ended March 31, 2011;
- 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.

PERSONNEL

Information as required under the Companies (Particulars of Employees) Rules, 1975 read along with section 217(2A) of the Companies Act, 1956, as amended, are given in the Annexure -B forming part of this report

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 2011-12.

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, Practicing Company Secretary 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, 2011.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, your Company is constantly extending 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 addition to the kiosk for supply of drinking water (Panpoi), maintained in the city by the Company, a new kiosk for supplying drinking water to the public has been constructed in the MIDC area of Jalgaon. To promote the concept of water conservation, the Company had participated in a project for roof water harvesting in collaboration with the Rotary Club of Jalgaon. A water harvesting system was also installed at Jalgaon at the S.P. Office as a part of the water conservation initiatives taken by the Company.

A 'Swatantraya Yatra' was organized by the Company in the Jalgaon city for salutation to the country on the eve of Independence Day, which was participated by the workers and employees of the Company. The Company had also taken part in the Industry Safety Rally which was organized in Jalgaon to create an awareness of safety among the industries.

A blood donation camp was arranged in the premises of the Company as a step towards awakening the idea of blood donation among the company's workers and employees.

The Company had also arranged a plantation programme in its campus as a part of its corporate social responsibility.

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 parishads and has taken initiative to encourage locals about the importance of water and various tools like roof water harvesting to preserve water resources.

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 its 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: September 08, 2011

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 undertaken to evaluate various alternative sources 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, 2011	March 31, 2010
(i) Electricity Consumed		
Amount (Rs)	462.46 lacs	287.73 lacs
Units (Kwh)	82.81 lacs	54.74 lacs
Average rate per Unit	5.58	5.26
(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.
- Reduction in cycle time for injection moulding process.

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 house development of sprinkler nozzle testing.
- UTM Machine for testing tensile, compression and pull out.
- Successful trial of Column Pipe upto 2 and 2.5 inch.
- Introduction of new product range of fruits and vegetable crates of 48 litre capacity.
- Successful in house testing of column pipe upto 400 ft. borewell under the earth and sustain the pressure rating under the given force.

- 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.
- Reduction in leakage rejection of coupler pipe welding.
- Conversion of DC drive haul off into AC drive with synchronized mode resulting in reduction in maintenance cost and better control.
- Special design of calibrator water manifold to avoid water fluctuation during solenoid valve operations.
- Segregations of drippers and runner waste resulting in time and cost saving.
- 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

Technology Absorption, adaptation and innovation

Your company is using the latest technology of extrusion machine from DRTS Enterprises, USA, R. R. Plast Extrusions Ltd. and Kabra Extrusiontechnik Ltd. and for injection moulding Company is using machines of Ningbo Haitai Machines Ltd., L&T Machines Ltd. and Windsor Machines Ltd.

3. **FOREIGN EXCHANGE EARNINGS AND OUTGO :-**

Foreign exchange earnings	Rs. 35.55 lacs
Foreign exchange outgo	Rs. 3239.40 lacs

ANNEXURE B

Particulars of Employees Under Section 217(2A) of the Companies Act, 1956

Name of Employee	Age	Designation	Gross Remuneration (Rs. In lacs)	Qualification	Experience (In years)	Date of Joining	Previous Employment
Pradip J. Mundhra	46	Managing Director	24.00	B.Com	22	16.09.1994	NA

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: September 08, 2011

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 16 times during the year on April 12, 2010, May 7, 2010, May 31, 2010, July 20, 2010, July 31, 2010, August 11, 2010, August 23, 2010, October 14, 2010, October 31, 2010, November 18, 2010, December 6, 2010, December 28, 2010, January 15, 2011, January 31, 2011, March 11, 2011 and March 15, 2011.

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, 2011:

Name of the Director	Category of Directorship	No. of Board Meetings during the year 2010-11		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	16	14	Yes	Nil	Nil	Nil
Mr. Pradip J. Mundhra	Executive Director & Managing Director	16	11	Yes	2	Nil	Nil
Mr. Sanjay R. Taparia	Executive Director & Chief Executive officer	16	16	Yes	1	Nil	Nil
Mr Gopaldas J. Maheshwari	Non Executive Director & Non Independent Director	16	9	Yes	Nil	Nil	Nil
Mr. Jaiprakash B. Kabra	Non Executive Director & Independent Director	16	7	Yes	1	Nil	Nil
Mr. Rajesh B. Jhunjhunwala	Non Executive Director & Independent Director	16	9	No	Nil	Nil	Nil

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. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - xv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - xvi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - xvii. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
 - xviii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

The present Audit Committee comprises of the following members:

Name of Directors	Status	Nature of Directorship
Mr. Jaiprakash B. Kabra	Chairman	Non-Executive & Independent
Mr. Rajesh B. Jhunhunwala	Member	Non-Executive & Independent
Mr. Gopaldas J. Maheshwari	Member	Non-Executive & Non- 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
May 31, 2010	Jaiprakash B Kabra, Rajesh B. Jhunhunwala, Gopaldas J. Maheshwari
July 31, 2010	Jaiprakash B Kabra, Rajesh B. Jhunhunwala, Gopaldas J. Maheshwari
October 31, 2010	Rajesh B. Jhunhunwala, Gopaldas J. Maheshwari
January 31, 2011	Rajesh B. Jhunhunwala, Gopaldas J. Maheshwari

4 Remuneration Committee

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

- To recommend 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.);
- 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. Omprakash S. Jhavar	Member	Non Executive & Independent
Mr. Gopaldas J. Maheshwari	Member	Non Executive & Non-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
May 31, 2010	Jaiprakash B. Kabra, Omprakash S Jhavar, Gopaldas J. Maheshwari
July 31, 2010	Omprakash S Jhavar, Gopaldas J. Maheshwari
October 31, 2010	Omprakash S Jhavar, Gopaldas J. Maheshwari
January 31, 2011	Omprakash S Jhavar, Gopaldas J. Maheshwari

5 Remuneration Policy

- 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.
- 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.
- The Non executive director has power to waive off its sitting fees.
- No commission is being paid to any of the directors.
- The details of the remuneration and sitting fees paid for the financial year 2010-11 is as follows:

Name of Directors	Sitting Fees (Rs.)	Remuneration (Rs.)	Number of Shares Held
Mr Omprakash S.Jhavar*	1,20,000	-	-
Mr. Pradip J. Mundhra#	-	24,00,000	22,03,409
Mr. Sanjay R. Taparia #	-	15,00,000	3,50,075
Mr Gopaldas J. Maheshwari*	60,000	-	-
Mr. Jaiprakash B. Kabra*	60,000	-	-
Mr. Rajesh B. Jhunjunwala*	60,000	-	-

*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:

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

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

Name of Directors	Status	Nature of Directorship
Mr. Omprakash S. Jhavar	Chairman	Non Executive & Independent
Mr. Gopaldas J. Maheshwari	Member	Non Executive
Mr. Jaiprakash 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
May 31, 2010	Omprakash S. Jhavar, Jaiprakash B. Kabra, Gopaldas J. Maheshwari
July 31, 2010	Omprakash S. Jhavar, Gopaldas J. Maheshwari
October 31, 2010	Omprakash S. Jhavar, Gopaldas J. Maheshwari
January 31, 2011	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	16
No. of Complaints Resolved during the year	16
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, 2011.

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
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
2009- 2010	September 20, 2010	N-99, MIDC Area Jalgaon -425003 at 11.00 AM

8. Postal Ballot:

No special resolutions were put through postal ballot in 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. All transaction had been entered on arms length basis.

Disclosures of transactions with related parties prepared as per the requirements of "Accounting Standard 18 - Related Party disclosures" issued by Institute of Chartered Accountants of India, are set out in Schedule 20 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 Tulsu 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 20 - 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 to 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 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, Navasakti and Tarun Bharat.

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

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

Mr. Rajesh B. Jhunjhunwala and Mr. Gopaldas J. Maheshwari would retire this year at the forthcoming Annual General Meeting.

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

Date and time : September 30, 2011, 11.00 AM
Venue : N-99, MIDC Area, Jalgaon - 425 003

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

For the financial year 2011-2012 (April 01, 2011 to March 31, 2012)

First Quarter: End of July, 2011.

Second Quarter: End of October, 2011.

Third Quarter: End of January, 2012.

Fourth Quarter/Annual: End of May, 2012.

c) Dates of Book Closure : September 26, 2011 to September 30, 2011 (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 Taparua 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, 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 issued 12,50,000 Global Depository Receipts representing 1,25,00,000 equity shares of Rs.10/- each. These GDR's are listed at the Luxembourg Stock Exchange. No ADRs/Share Warrants or any other convertible instruments other than the mentioned GDR's have been issued.

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-16/17 MIDC Area, Jalgaon - 425 003, Maharashtra
Unit-III : G-51/G-52 MIDC Area, Jalgaon - 425 003, Maharashtra

n) Dematerialization of Shares and Liquidity

99.98% of the Company's shares are in dematerialized form and rest of the shares is held in physical form as on March 31, 2011. 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, the said shares are lying in a separately 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 Shares not yet allotted/transferred	8	1237
2.	Transferred during current year	Nil	Nil
3.	Closing Shares not yet allotted/transferred	8	1237

p) Share Price Data

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

Month	High		Low	
	NSE	BSE	NSE	BSE
April, 2010	31.80	31.70	27.20	27.50
May, 2010	31.50	32.20	26.60	26.00
June, 2010	30.85	30.95	27.50	24.55
July, 2010	55.80	55.90	28.50	28.50
August, 2010	52.95	53.10	44.70	45.00
September, 2010	75.75	75.80	46.40	46.30
October, 2010	97.70	95.95	56.30	59.10
November, 2010	60.90	60.80	26.70	26.75
December, 2010	34.90	34.90	26.10	26.15
January, 2011	31.00	31.00	19.25	19.70
February, 2011	22.50	22.45	15.20	15.20
March, 2011	20.80	20.70	17.10	17.20

Stock Graph - One Year Comparative Graph with NSE Nifty



(Source: www.moneycontrol.com)

q) Shareholding Pattern as on March 31, 2011

Category	No. of Shares Held	% of Shareholding
Promoters (including persons acting in concert)	6971603	25.36
Non-resident Indians	149093	0.54
Foreign Institutional Investors	377387	1.37
Resident Indians	19894414	72.35
Custodians	102113	0.37
GRAND TOTAL	27494610	100.00

r) Shareholding distribution pattern as on March 31, 2011

Shares From	To	No. of Shareholders	% to Total	Total Shares	% Total
1	5000	25763	78.9525	3672257	13.3563
5001	10000	3367	10.3184	2237198	8.1369
10001	20000	2021	6.1935	2610714	9.4954
20001	30000	593	1.8173	1399203	5.0890
30001	40000	234	0.7171	804504	2.9260
40001	50000	151	0.4628	677186	2.4630
50001	100000	274	0.8397	1852544	6.7378
100001	AND ABOVE	228	0.6987	14241004	51.7956
	Total	32631	100.00	27494610	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, 2011 and all its schedules 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 as per 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. We have taken proper steps to rectify all significant deficiencies in the design or operational controls, which we are aware;
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: September 08, 2011

Management Discussion and Analysis (MDA)

As the world struggles with growth deficit due to higher leverage and poor demographic profile of the developed world, Emerging economies are reporting much stronger structural as well as cyclical rebound in growth. China and India being the fastest growing economies in the world (in that order) accounted for 11% of the nominal world GDP in 2011 and the same statistics as per IMF is expected to rise 34% by 2030.

India posted GDP growth of 8%+ CAGR in the 2003-2010 period and is poised for a much stronger structural progress as it boasts of an under-leveraged consumer and a productive demographic profile that adds 1 crore people to the earning population ever year. The one-billion plus population of India with average age of 25 relative to China's 30 years is at present massively under-penetrated for the demand it generates and thus makes a case for a massive potential demand for the second fastest growing economy.

The Economic Advisory Council's July 2010 Economic Outlook had taken the view that Indian economy would grow by 8.5% in 2010-11. In the event, growth in the first half of 2010-11 has been higher at 8.9%. The Council had expected the rate of growth to moderate during second half of the year, but the CSO Advance Estimates have placed full year growth at 8.6%. The Gross Domestic product (GDP) in India expanded 7.80 percent in the first quarter of 2011 over the same quarter, previous year. Agriculture grew at 6.6% in 2010-11.

GDP arising from the industrial sector showed very strong growth of 11.3% in the first quarter of 2010-11. In the second quarter of 2010-11, growth in GDP arising from industry declined to 8.9%. The principal factor that governed this change was the sharp drop in manufacturing GDP growth from 13% in the first quarter to 9.8% in the second.

In its Economic Outlook for 2011-12, Government of India has pegged the India's GDP growth rate at 8.2% as compared to 8.5% registered last year. Agriculture sector is estimated to grow at 3.0% in 2011-12.

Industry Structure and Development:

Your Company is one of the growing agriculture solution providers and emerging Agri-business companies and 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 bouquet of products 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, Crates, Column 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, profile for building industry, construction industry, telecom industry, gas distribution, 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 pursuance of company's goal, 'Samridh kisan desh ki shaan' and '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 of dealers about importance of water resources and its best management along with optimum utilization.

Outlook

World plastic pipe demand is forecast to increase 7.3% annually to 20.3 million tons in 2015. More than two-thirds of all plastic pipe demand generated during the 2010-2015 period will be attributable to the Asia-Pacific region.

(Source : www.flowcontrolnetwork.com)

India's burgeoning middleclass is driving the demand for plastic and plastic products and today the sector is one of the fastest growing in the Indian economy. In terms of polymers, India is a small country, consuming only 4 kilograms per capita, but things are changing. Going forward, India is poised to be one of the top five polymer consumers worldwide by the end of the decade. In that period, India's per capita polymer consumption is expected to increase to 20 kilograms.

That type of growth would produce annual polymer consumption of 12.5 billion kgs. India's average growth rate in petrochemicals has been between 12 and 13 percent, almost double the rate of the overall economy and shows that the industry has good prospects for the future. From a base of 6500 processing machines in 1979-80, the plastic processing industry has expanded four times to a size of more than 26000 machines. At present extrusion process accounts for nearly 70% of plastics processing, while injection and blow moulding account for 20% and 5 % respectively. (Source: Reliance Industries Ltd.)

India is an agro based economy. The government policies have 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 16 million hectares of irrigational facilities, entailing an investment of Rs.1,580 billion.

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, 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.

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 1100 dealers covering seven states viz. Maharashtra, West Bengal, Madhya Pradesh, Rajasthan, Chattisgarh, Gujarat, Tamilnadu, Punjab, Uttar Pradesh and Karnataka. The Company also has branches at Mumbai, Pune, Thane (Maharashtra), Kolkata (West Bengal), Indore (Madhya Pradesh), Jaipur (Rajasthan), Raipur (Chattisgarh), Surat, Vadodara (Gujarat), Tiruvannamali (Tamilnadu), Lucknow(Uttar Pradesh), Ludhiana(Punjab) and Belgaum(Karnataka).

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, Crates, Column Pipes and elastomeric sealing pipes. The products are primarily 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 its 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 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 its 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 22 years of experience in the plastic industry and Mr. Sanjay R. Taparia, who has 21 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

The Indian economy GDP may cross \$ 5 trillion annually by 2020 from the current level of \$ 1.5 trillion. Consequently, per capita GDP will also grow. The increased per capita income augments discretionary spending capacity of Indians. This will be translated into increased consumption of Plastics in the country.

Plastic consumption has been estimated to be 8 MMT in 2011 and PVC consumption in India is estimated to be 1.9 MMT in 2011, which represents a growth of 6% over the previous year.

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.

The total outlay for irrigation in the Eleventh Plan (2007-12) has been kept Rs.2,32,311 crores and additional potential of 16 million hectares is estimated.

Plastics have played vital role in improving the efficiency of water consumption in agriculture as reported in following table:

Factors	Sprinkler irrigation	Drip irrigation	Surface irrigation
Overall irrigation efficiency	50-60%	80-90%	30-30%
Application efficiency	70-80%	90%	60-70%
Water saving	30%	60-70%	N.A.

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 2011-12 which indicates the anticipated demand and potential for PVC and Drip Irrigation pipes & fittings in the forthcoming years:

2011-12 Budget Highlights -

- Credit flow for farmers raised from Rs.3,75,000 crore to Rs.4,75,000 crore in 2011-12
- Interest subvention proposed to be enhanced from 2% to 3% for providing short-term crop loans to farmers who repay their crop loan on time
- In view of enhanced target for flow of agriculture credit, capital base of NABARD to be strengthened by Rs.3,000 crore in phased manner.
- Rs.10,000 crore to be contributed to NABARD's Short-Term Rural Credit Fund for 2011-12
- Allocation under Rashtriya Krishi Vikas Yojana (RKVY) increased from Rs.6,755 crore to Rs.7,860 crore
- To improve rice based cropping system in the Eastern Region, allocation of Rs.400 crore has been made
- Allocation of Rs.300 crore to promote 60,000 pulses villages in rainfed areas.
- Allocation of Rs.300 crore to bring 60,000 hectares under palm oil plantations
- Allocation of Rs.300 crore for Accelerated Fodder Development Programme to benefit farmers in 25,000 villages
- Allocation of Rs.300 crore for implementation of vegetable initiative to provide quality vegetables at competitive prices.

(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.

Higher interest rates by Reserve bank of India to curb inflation and firm commodity prices would be important factor for putting brakes on growth of the company. Cost escalations and rate hikes of fuel prices would affect the bottom line of the company. Further, delay in implementation of projects are the major risks threat by the business.

Risk and Challenges:Raw Material Prices

Strong economic growth in developing Asia has resulted in the demand for key petrochemical products reaching an all-time high. Petrochemical prices also improved on account of higher demand and cost push from higher feedstock prices.

The phenomenal growth in PVC Pipe/Micro Irrigation industry has exceeded the production capacities of domestic manufactures of raw materials. Around 50% 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 dependent 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 especially 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, discount structure 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 ensuring 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 of upto Rs. 40,000 crore and it provides a good opportunity for irrigation players like your Company in the country to propel.

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 Rs1,40,000 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 to gearing up to capitalize and meet the challenges of the unfolding opportunity in this space.

Roof Water Harvesting

In India, one of the major problems 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 litre of rainfall is quite enough to fill borewell upto 5-6 litre. 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 lac litre of from wastage, which otherwise would have been drained and after that, it can be sent 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, Crates, Column 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 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 2010-11 was Rs. 15919.00 lacs compared to Rs. 10111.17 lacs during the previous year i.e. an increase of 57.44% (Previous year 36.84%). The operating profit (PBDIT) for the Company has increased to Rs.1841.30 lacs during the year as against Rs.1694.04 lacs for the previous year i.e. increase by 8.69% (Previous year 144.96%). The earning per share (EPS) during the current year has reduced to Rs. 0.91 per share from Rs. 5.03 per share during the last financial year. The Company expects to earn increased revenues to improve the earnings in the near future. The overall capacity utilization has increased from 54% to approx. 60%.

The Company's working capital facilities with the banks have increased during the year from Rs. 4800.00 lacs to Rs. 6500.00 lacs. 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 got sanction during the year a DPG limit of Rs. 450 lacs from Punjab National bank and equipment lease financing from private financial institutions to the tune of Rs. 205 lacs.

The interest cost for the year is on higher side in absolute terms. The net interest charges increased by 80% in the current year as compared to previous year, mainly due to the increase in Prime Lending Rate (PLR) and Base Rate (BR) issued by the Reserve Bank of India and additional fund raising planning of your Company.

The increase in debtors is commensurate to increase in sales. Net sales in last quarter was about 40% of total sales for the year. Sundry debtors in terms of number of days sales has come down to 146 days as compared to 156 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, 2011.

For Tulsi Extrusions Limited

Pradip J. Mundhra
Managing Director

Place: **Jalgaon**

Date : **September 08, 2011**

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, 2011, 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, September 08, 2011

**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, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. In our opinion, and to the best of our information and according to 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 2011;
 - 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
F. No. 104493W

Place :- Jalgaon
Date :- May 30, 2011

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of Tulsii Extrusions Limited on the financial statements for the year ended March 31, 2011:

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(1) (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 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, 2011 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 2011 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
		Total	1.62

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 the 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 raised money by way of public issue(GDR's) amounting Rs. 6750.00 lacs 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
F. No. 104493W

Place :- Jalgaon
Date :- May 30, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
<u>SOURCES OF FUNDS</u>			
Share Holder's Funds :			
Share Capital	1	274946100	124951000
Reserves & Surplus	2	1146611984	675576174
		<u>1421558084</u>	<u>800527174</u>
Loan Funds :			
Secured Loans	3	851015145	671271407
Deferred Tax Liability (Net)			
		37297873	23507501
	Total	<u>2309871102</u>	<u>1495306082</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets :			
Gross Block		485846286	373564164
Less : Depreciation	4	66965420	36726664
Net Block		418880866	336837500
Capital Work in Progress (including advances)		280863703	229476419
		<u>699744569</u>	<u>566313919</u>
Investments			
	5	297247978	19628077
Current Assets, Loans & Advances :			
Inventories	6	693786020	402997675
Sundry Debtors	7	858828209	491679833
Cash and Bank Balances	8	46173637	40751546
Loans and Advances	9	119417230	117814532
		<u>1718205096</u>	<u>1053243586</u>
Less:Current Liabilities & Provisions			
Current Liabilities	10	411444494	140338462
Provisions		8397732	18092203
		<u>1298362870</u>	<u>894812921</u>
Net Current Assets			
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Issue Expenses		10939785	14551165
Pre-operative Expenses		3575900	-
		<u>2309871102</u>	<u>1495306082</u>
Significant Accounting Policies			
	19		
Notes to Account			
	20		

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
F. No. 104493W

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- Jalgaon
Dated :- May 30, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	31-03-2011 Rs.	31-03-2010 Rs.
REVENUE			
Income from Operations	11	1578688371	1003683101
Other Income	12	13211447	7433952
		<u>1591899818</u>	<u>1011117053</u>
EXPENDITURE			
Cost of Raw Material Consumed	13	1392813992	826093592
Manufacturing Expenses	14	120665891	76699970
(Increase)/ Decrease in Stock	15	-328077896	-184617288
Employee Expenses	16	70180978	34772820
Administrative and Selling Expenses	17	152186728	88764028
Financial Expenses	18	107437741	59692389
Depreciation	4	30238761	16064420
		<u>1545446195</u>	<u>917469931</u>
Profit Before Tax		46453623	93647122
Extra Ordinary Items			
Loss by Fire		-	-4740777
Provision for Taxation			
Current Tax (As per Minimum Alternate Tax)	8100000		12000000
Deferred Tax	<u>13790372</u>		<u>14754218</u>
		<u>21890372</u>	<u>26754218</u>
Profit After Tax		24563251	62152127
Less: Short/(Excess) Provision of Income Tax in earlier year		<u>4183534</u>	<u>-724752</u>
Net Profit for the year		20379717	62876879
Balance of Profit brought forward		<u>106821173</u>	<u>51253615</u>
Amount available for appropriation		127200889	<u>114130494</u>
Appropriations			
Proposed Dividend on Equity Shares		-	6247550
Corporate Dividend Tax		-	<u>1061771</u>
		-	<u>7309321</u>
Balance Carried to Balance Sheet		127200889	<u>106821173</u>
Basic and Diluted EPS(After extraordinary items)		0.91	5.03
Basic and Diluted EPS(After extraordinary items)		0.91	5.03
Significant Accounting Policies	19		
Notes to Account	20		

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
F. No. 104493W

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- Jalgaon
Dated :- May 30, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
A) Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items	46453623	93647122
Adjustments for :		
i) Depreciation	30238761	16064420
ii) Pre-operative expenses written off	3611380	3679833
iii) Interest Income	-5918392	-4153250
iv) Prior Period Expense	-13034	-2380722
v) Interest Expense	107437741	59692389
Operating Profit before Working Capital Changes	181810079	166549792
Capital Change Adjustments for :		
i) Trade & Other Receivables	-368751074	-145864880
ii) Inventories	-290788345	-214671694
iii) Trade Payables and Other Liabilities	261411561	55552769
Cash generated from Operations	-216317779	-138434014
Add/(Less):		
i) Extraordinary Items	-	-4740777
ii) Prior Period Expense	13034	2380722
iii) Taxes Paid	-26073906	-27091237
Net Cash generated from Operating Activities	-242378651	-167885306
B) Cash Flow from Investing Activities :		
i) Purchase of Fixed Assets (Net)	-163669406	-236385144
ii) Interest Received	5918392	4153250
iii) Proceeds from investment (Net)	-277619901	-4845338
Net Cash used in Investing Activities	-435370915	-237077232
C) Cash flow from Financing Activities :		
i) Interest Paid	-107437741	-59692389
ii) Proceeds from Long Term Borrowings (Net)	-41899400	148828393
iii) Proceeds from Short Term Borrowings (Net)	221643138	215860922
iv) Liability for Deferred Tax	13790372	14754218
v) Issue of Share Capital including premium	607918260	-
vi) Dividend Paid(including arrear/old dividend and tax)	-7267072	-6247550
vii) Preliminary Expenses	-3575900	46416257
Net Cash generated from Financing Activities	683171657	359919851
Net increase in Cash & Cash Equivalents (A+B+C)	5422091	-45042687
Opening balance of Cash and Cash Equivalents	40751546	85794233
Closing balance of Cash and Cash Equivalents	46173637	40751546

Note:

- 1 The above cash flow statement has been prepared by using the Indirect Method as per Accounting Standard, (AS) - 3, issued by ICAI.
- 2 Cash and Cash equivalents represent cash, bank and fixed deposit balances.

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

For and on behalf of the Board

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Kailash K. Kabra
Proprietor
F. No. 104493W

Place :- **Jalgaon**

Dated :- **May 30, 2011**

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
SCHEDULE : 01		
SHARE CAPITAL		
Authorised		
50000000 Equity Shares of Rs. 10/- each (P.Y.- 15000000 Equity Shares of Rs. 10/- each)	<u>500000000</u>	<u>150000000</u>
Issued, Subscribed & Paid up		
27494610 Equity Shares of Rs. 10/- each fully paid up (P.Y. 12495100 Equity Shares of Rs. 10/- each fully paid up)	<u>274946100</u>	<u>124951000</u>
	<u>274946100</u>	<u>124951000</u>

Notes:

1. Of the above, 12500000 Equity Shares (FY 2010-11) of Rs. 10/- each are issued pursuant to Global Depository Receipts issued at a premium of Rs. 44/- per equity share.
2. Of the above, 2499510 Equity Shares (FY 2010-11) of Rs. 10/- each are issued as bonus shares out of Profit and Loss Appropriation Account.

SCHEDULE : 02

RESERVES & SURPLUS

Securities Premium Account

As per last Balance Sheet	515755000	515755000	
Add: Received on issue of equity shares by way of GDR	<u>550000000</u>	-	
	1065755000	515755000	
Less: Currency Fluctuation (Capital Account)	35986700		
GDR Issue Expense	<u>31095035</u>	-	515755000
	998673265		

Capital Reserve Account

Subsidy Received from DIC	3000000		3000000
---------------------------	----------------	--	---------

General Reserve Account

As per last Balance Sheet	50000000	50000000	
Add: Transferred from Profit and Loss Account	-	-	50000000
	50000000		

Profit and Loss Account

As per last Balance Sheet	106821174	51253616	
Less:			
Issue of Bonus Shares	24995100	-	
Provision for Dividend(Old)	6251388	-	
Provision for Dividend Tax(Old)	<u>1015684</u>	-	
	74559002	51253616	
Add: Balance Transferred from Profit and Loss A/c	<u>20379717</u>	<u>55567558</u>	
	94938719		<u>106821174</u>
	1146611984		<u>675576174</u>

1. Currency Fluctuation in Capital Account pertains to the 12500000 Global Depository Receipts (GDR's) Issue of the Company, which has been issued at a price of Rs. 54/- per equity share amounting to Rs. 6750.00 lacs and now been adjusted with securities premium account.
2. Issue expenses pertaining to the Global Depository Receipts (GDR) has been adjusted against the securities premium account

SCHEDULE : 03 SECURED LOANS	AS AT	AS AT
	31-03- 2011	31-03- 2010
	Rs.	Rs.
Term Loan from banks (Refer Note 1 below)	132454618	168482645
Working Capital Loan from banks (Refer Note 2 below)	698447065	476803927
Lease Financing (Refer Note 3 below)	20113462	15634835
Inter Corporate Loans (Refer Note 4 below)	-	10350000
	851015145	671271407

Note:

- Secured by way of First pari passu charge on block assets of the company by way of hypothecation of machinery, equipment and other fixed assets along with equitable mortgage of land and building and personal guarantee of promoters.
- Secured by way of First charge on entire current assets, present and future, including entire stocks, book debts, loans & advances
- Secured by way of hypothecation of machine acquired under finance lease.
- Secured by way of pledge of promoter's shares in the company.
- Installments of Term Loans Repayable within one years Rs. 760.70 lacs (PY Rs. 251.50 lacs).

Schedule 4 : FIXED ASSETS AND DEPRECIATION

Sr No.	Particulars	Gross Block as on 01.04.10	Addition	Sales	Gross Block as on 31.03.2011	Depreciation as on 01.04.10	During the Year	Depreciation as on 31.03.11	Net Block as on 31.03.11	Net Block as on 31.03.10
1	Office Equipments	1348559	497503	-	1846062	167789	79336	247125	1598937	1180770
2	Generator	2307604	878126	-	3185730	646588	147559	794147	2391583	1661016
3	Mobile	816824	440064	-	1256888	65898	47380	113278	1143610	750926
4	Plant and Machinery	183383518	48997055	449800	231930773	17499566	10355799	27855365	204075408	165883952
5	Mould and Dies	88372818	34599013	-	122971831	8170267	12960051	21130318	101841513	80202551
6	Electrical Equipments	14717437	1019062	-	15736499	1732939	1079244	2812183	12924316	12984498
7	Furniture and Fixtures	4481139	5278292	2790	9756641	401816	388486	790302	8966339	4079323
8	Other Equipments	183201	72866	-	256067	63772	14548	78320	177747	119429
9	Factory Building	51621890	9808012	-	61429902	2818907	1961804	4780711	56649191	48802983
10	Other Buildings	1463854	686282	-	2150136	161754	24040	185794	1964342	1302100
11	Truck	3197740	-	-	3197740	1304481	361664	1666145	1531595	1893259
12	Other Vehicles	1006746	358642	-	1365388	288126	103292	391418	973970	718620
13	Computer and ERP Software	15776186	1884702	-	17660888	3404756	2715558	6120314	11540574	12371430
14	Goodwill	850000	-	-	850000	-	-	-	850000	850000
15	Leasehold Land	4036648	8215097	-	12251745	-	-	-	12251745	4036648
	Total	373564164	112734716	452590	485846290	36726659	30238761	66965420	418880870	336837505
	Previous Year	146906127	229344440	2686403	373564164	20662244	16064415	36726659	336837505	126243883

SCHEDULE : 05 INVESTMENTS Quoted(Long Term)	AS AT	AS AT
	31-03- 2011	31-03- 2010
	Rs.	Rs.
Reliance Gratuity Scheme - Balanced Fund	1500000	-
Principal PNB Long Term Equity Fund	-	750000
Unquoted (Others)		
Bolton Properties Ltd.	-	236119
Linking Share Satguru Jangli Maharaj Bank Ltd	275000	275000
Madhav Prakashan Pvt. Ltd.	10000	10000
Tulsi International FZE (100% Subsidiary incorporated in UAE)	266700120	-
Tulsi Plastics SA (Pty) Ltd.	28762858	18356958
	297247978	19628077

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
SCHEDULE : 06		
<u>INVENTORIES</u>		
<i>(As taken, Valued and Certified by the Management)</i>		
Raw Material and Components	90500558	127790110
Semi Finished Goods	19386000	7908230
Finished Goods	523391794	263038383
Finished Goods for Resale	58059788	4065714
Stores, Spares and Empty Bags	2447880	195239
	<u>693786020</u>	<u>402997675</u>
SCHEDULE : 07		
<u>SUNDRY DEBTORS</u>		
<i>(Unsecured , Considered Good)</i>		
- Debts outstanding exceeding six months	288726294	224651771
- Other debts	570101914	267028062
	<u>858828208</u>	<u>491679833</u>
SCHEDULE : 08		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand (As certified by the management)	5557551	3796603
Balance with Scheduled Banks		
- In Current Accounts	20466463	21603072
- In Fixed Deposits (Earmarked)	20149623	15351871
	<u>46173637</u>	<u>40751546</u>
SCHEDULE : 09		
<u>LOANS AND ADVANCES</u>		
<i>(Unsecured , Considered Good)</i>		
Property and other Security Deposits	31158696	31090383
Tax Deducted at Source	273837	442666
Consignment Receivable	7515242	19530519
Advance for Raw Materials	11654785	3378002
Balance with Tax Authorities - Excise, Custom Duty etc.	50304729	32366626
Other Loans and Advances (Recoverable in cash or in kind or for value to be received)	18509941	31006336
	<u>119417230</u>	<u>117814532</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	AS AT		AS AT	
	31-03-2011		31-03-2010	
	Rs.		Rs.	
SCHEDULE : 10				
<u>CURRENT LIABILITIES AND PROVISIONS</u>				
Current Liabilities :				
Sundry Creditors				
- Raw Material	116929353		77237064	
- Traded Goods	200908700		21938167	
- Capital Goods	5864430		8861021	
- Expenses	12848973		8646808	
Advance Received from Customers	60722673		20688843	
Dealership Deposit	10616157		2966559	
Statutory and Other Liabilities	3554208		-	
		411444494		140338462
Provisions:				
- Proposed dividend	-		6247550	
- Tax on proposed Dividend	-		1061771	
- Expenses and Others	11797732		4932882	
- Income Tax (net of advance tax)	-3400000		5850000	
		8397732		18092203
		419842226		158430665
SCHEDULE : 11				
<u>INCOME FROM OPERATIONS</u>				
Manufacturing Activities	1231139826		889318324	
Less: Excise Duty and VAT	48443630	1182696196	95578610	793739714
Trading Activities		395992175		209943387
		1578688371		1003683101
SCHEDULE : 12				
<u>OTHER INCOME</u>				
Octroi Refund		6898344		-
Interest on Fixed Deposit		4248127		2372853
Profit on sale of Fixed Asset/Securities		1670265		1780397
Foreign Exchange Rate Fluctuation		117012		-
Prior Period Expense (Written back)		13034		2380722
Misc. Income		264665		899980
		13211447		7433952

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

	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
SCHEDULE : 13		
<u>COST OF RAW MATERIAL CONSUMED</u>		
Cost of Raw Material Consumed	983646065	658755161
(Increase)/ Decrease in Stock	37289554	-30054407
Cost of Goods Traded	371878373	197392838
	<u>1392813992</u>	<u>826093592</u>
SCHEDULE : 14		
<u>MANUFACTURING EXPENSES</u>		
Duties including service tax, Octroi, LBT	13923560	8321190
Carriage Inward including custom expense	30537377	18792516
Power and Fuel	48988195	30412676
Packing Materials	8832793	3457513
Stores and Spares	11357356	10146242
Other Direct Expenses	7026610	5569833
	<u>120665891</u>	<u>76699970</u>
SCHEDULE : 15		
<u>(INCREASE)/DECREASE IN STOCK</u>		
(Increase)/Decrease in Work in Progress	-11477770	-4071880
(Increase)/Decrease in Finished Goods	-260353411	-177738153
(Increase)/Decrease in Stock in Trade	-56246715	-2807255
	<u>-328077896</u>	<u>-184617288</u>
SCHEDULE : 16		
<u>EMPLOYEES EXPENSES</u>		
Salary and Wages	57001591	29149331
Bonus and Incentive	3230686	2338169
Gratuity Payable	2898631	-
Labour and Staff Welfare	1575968	459574
Provident Fund and ESI Contribution	5474102	2825746
	<u>70180978</u>	<u>34772820</u>

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

	AS AT <u>31-03-2011</u> Rs.	AS AT <u>31-03-2010</u> Rs.
SCHEDULE : 17		
<u>ADMINISTRATIVE AND SELLING EXPENSES</u>		
Advertisement Expenses	8527640	12063272
Audit Fees	200000	196800
Car Hire Charges	6132000	4271000
Carriage Outward	34433093	14463664
Claims and Discount	2607660	2512327
Commission Expenses	2914792	2120242
Consignment Expenses	132221	2442645
Conveyance Expenses	623787	602374
Director's Remuneration	3900000	3300322
Director's Sitting Fees	300000	230000
Donation	197182	50000
Roc/Listing/Custodial Fees	2572963	201148
General Expenses	2941844	1628704
Inspection and Testing Fees	1018309	1180307
Insurance Expenses	636145	429722
Legal and Professional Expenses	12072927	6943283
Miscellaneous Expenses	5169954	2296551
Petrol and Diesel Expenses	5248881	3202481
Postage and Courier Expenses	401341	254187
Preoperative Expenses W/Off	3611380	3679833
Printing and Stationery	1548189	1585701
Rent Rates and Taxes	5616581	3026746
Sales Promotion Expenses	17034450	11667094
Turn Over Discount	12410510	4475895
Telephone / Mobile Expenses	1499216	1261476
Travelling Expenses	8235084	3285705
Vat / CST	9901743	176218
Vehicle Expenses	2298836	1216331
	<u>152186728</u>	<u>88764028</u>
SCHEDULE : 18		
<u>FINANCIAL EXPENSES</u>		
Interest		
- Working Capital Loan	60786233	40715318
- Term Loans	23234458	9116175
- Others	16321590	4884024
Bank Charges	2464695	2758771
Loan Procurement Expenses	4630765	2218101
	<u>107437741</u>	<u>59692389</u>

SCHEDULE: 19**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 management to make 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. Actual results could differ from these estimates. 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 except Leasehold Land and Goodwill has been 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 but net of trade discounts as approved by the management. Excise duty represents finished goods dispatched through Personal ledger Account (PLA) and out of Cenvat on Capital Goods (RG23C-Part II) but net of unutilized amount in raw material Cenvat Account (RG23A-Part II). However, the excise duty includes duty incurred during branch stock transfers, but has been appropriately adjusted from mark up price to show net 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, municipal dues, unsettled rebate and discount and claims receivable, 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) Retirement Benefits:

Annual Contribution towards the gratuity liability is funded with the Reliance Life Insurance Company Ltd. in accordance with the gratuity scheme.

j) Miscellaneous Expenditure:

Issue expenses in relation to Global Depository Receipts (GDR's) have been deducted from securities premium.

Issue expenses with relation to Initial Public Offering (IPO) to the extent of allowable u/s 35D are being written off in five equal annual installments.

k) 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.

l) 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.

m) 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.

n) 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.

o) Accounting for leases:

Assets taken on lease where significant portion of risks and rewards incidental to the ownership are retained are classified as "Finance Lease". Lease rentals are recognised on straight line basis over the lease term basis.

SCHEDULE: 20

NOTES TO ACCOUNT

1. Contingent Liability not provided for:

(Rs . In lacs)

Sr. No.	Particulars	As at 31.03.2011	As at 31.03.2010
1.	Bank Guarantee	31.12	28.10
3.	Capital Contracts remaining to be executed	-	150.00
4.	Claims not acknowledged as debts including show cause demand notice in relation to excise and consumer court forum.	111.11	97.83
5.	Disputed Income tax Demands	-	184.83

2. The Company has first time recognised the gratuity liability in respect of employee benefit in accordance with the Accounting Standard (AS) 15 on "Employee Benefits" issued by The Institute of Chartered Accountants of India and provided for the same at the end of year. However, the company has only funded Rs. 15.00 lacs against the said liability and is subject to necessary legal approvals. The status of the gratuity plan as required under AS 15(Revised) is as follows:

Particulars	Amount (Rs. In lacs)
Present Value of obligation as at end of Year	28.98
Fair value of Plan Assets at end of Year	15.00
Amount Recognised in the Balance Sheet in current year	28.98
Expenses Recognised in the Profit and Loss A/c in current year	28.98
Attrition Rate Estimate	1% Age related
Future Salary Rise Estimate	5%
Rate of Discounting	8.25%

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

(Rs . In lacs)

Sr.No.	Particulars	2010-2011	2009-2010
1.	Expansion of Manufacturing Facilities:		
	-Acquired	1297.46	1244.94
	-Capital work in Progress including advance	1313.70	1313.70
2.	Meeting Long term working capital requirements	1542.30	1594.82
	including General Corporate Purpose		
3.	Purchase of branch offices	60.00	60.00
4.	Fixed Deposit with scheduled banks	-	-
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. The advance for capital goods included in capital work in progress are as per management estimates/agreements/quotations and have a value unless otherwise stated, on realization at least equal to the amount at which they are stated in the Balance Sheet.
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. Nil (Previous Year - Rs. 0.50) per equity share of face value of Rs. 10 each for the financial year ended March 31, 2011.
7. The company has issued 12,500,000 equity shares of Rs. 10/- (Rupees Ten Only) each fully paid up at Rs. 10/- (Rupees Ten Only) per share and premium of Rs. 44/- (Rupees forty four only) per share, as underlying equity shares against 1,250,000 Global Depository Receipts (GDRs) on August 23, 2010 and the total amount raised was US\$ 14.32 million = INR 6750.00 lacs. The listing of the GDRs has been carried out at Luxembourg Stock Exchange.

8. **Managerial Remuneration:**

(Rs. In lacs)

Particulars	2010-11	2009-10
Remuneration	39.00	33.00
Sitting Fees	3.00	2.30
Total	42.00	35.30

Note:

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

9. **Earnings Per Share:**

(Rs. In lacs)

Particulars	EPS Before extraordinary items		EPS After extraordinary items	
	2010-11	2009-10	2010-2011	2009-10
Net Profit (amount used as numerator)	203.80	676.16	203.80	628.75
Weighted Average Number of Equity Shares (number used as denominator)	2,22,86,277	1,24,59,100	2,22,86,277	1,24,59,100
Basic and Diluted (in Rupees) (Face value of Rs. 10/- each)	0.91	5.41	0.91	5.03

TULSI EXTRUSIONS LIMITED

10. 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 31.03.11	Amount outstanding as on 31.03.11	Volume of Transaction during the year ended 31.03.10	Amount outstanding as on 31.03.10
Gopal Extrusions Pvt. Ltd.	Purchase of Truck	5.42	-	-	5.42
Tulsi Plastics SA (Proprietary) Ltd.	Investments	104.05	287.63	48.45	183.57
	Sale of Goods	16.13	-	0.62	6.99
	Advances	40.04	2.27	-	42.31
Kiran Polyvinayel Pvt. Ltd.	Purchase of Goods	5.14	6.37	5.37	11.51
Sanjay Taparia(HUF)	Car Hire Charges	8.52	-	5.48	-
Pradip Mundhra	Remuneration	22.40	1.79	18.00	0.15
	Advances	40.43	-	18.50	-
Sanjay Kumar Taparia	Remuneration	14.66	1.10	12.00	0.77
	Advances	11.00	-	5.67	-

11. Payment to Auditors

(Rs. In lacs)

Particulars	2010-11	2009-10
Audit Fees	2.00	0.45
Tax Audit Fees	-	0.33
Other Certification & Professional Fees	0.50	0.45
Total	2.50	1.23

12. 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	235.07	137.91	372.98

13. 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.

14. Segment Reporting

Primary Segment Reporting (Business Segment)

	Year Ended March 31, 2011			Year Ended March 31, 2010		
	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	3959.92	11826.96	15786.88	2099.43	8893.18	10992.62
Total	3959.92	11826.96	15786.88	2099.43	8893.18	10992.62
RESULTS						
Segment Results	24.11	1514.80	1538.91	125.51	1407.97	1533.48
Less:						
Interest	-	1074.38	1074.38	-	596.92	596.92
Unallocable other Expenditure	-	-	-	-	-	-
Profit Before Tax	24.11	440.42	464.53	125.51	811.05	936.56
OTHER INFORMATION						
Segment Asset						
Fixed Asset	-	6997.45	6997.45	-	5663.14	5663.14
Investment	-	2972.48	2972.48	-	196.28	196.28
Debtors	2017.54	6570.74	8588.28	677.80	4239.00	4916.80
Inventories	580.60	6357.26	6937.86	40.66	3989.32	4029.98
Other Current Asset	-	1770.91	1770.91	-	1585.66	1585.66
Unallocable Assets	-	145.16	145.16	-	145.51	145.51
Total Assets	2598.14	24814.00	27412.14	718.46	15818.91	16537.37
Segment Liabilities						
Sundry Creditors	2009.08	2304.34	4313.42	219.38	1364.93	1584.31
Unallocable Liabilities	-	372.98	372.98	-	235.08	235.08
Total Liabilities	2009.08	2677.32	4686.40	219.38	1600.01	1819.39
Capital Expenditure						
Segment capital Exp.	-	1122.82	1122.82	-	2266.58	2266.58
Unallocable Capital Exp.	-	-	-	-	-	-
Total Capital Expenditure	-	1122.82	1122.82	-	2266.58	2266.58
Depreciation						
Segment Depreciation	-	302.39	302.39	-	160.64	160.64
Unallocable Depreciation	-	-	-	-	-	-
Total Depreciation	-	302.39	302.39	-	160.64	160.64
Non cash Exp. Other than Depreciation						
Segment non cash Exp	-	-	-	-	39.59	39.59
Unallocable Non cash Exp	-	-	-	-	-	-
	-	-	-	-	39.59	39.59

Secondary Segment Reporting (Geographical Segment)

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

TULSI EXTRUSIONS LIMITED

15. Additional information:

A) Particulars for capacities and production.

Class of Goods	Unit	Licensed Capacity	Installed Capacity		Actual	
			2010-11	2009-10	2010-11	2009-10
PVC Pipe and Fitting	MT	NA	22464	19905	13917	11430
Moulding	MT	NA	1117	955	706	510
LLDPE/HDPE	MT	NA	6512	3973	3374	1535
Total	MT	NA	30093	24833	17997	13475

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

B) Particulars of turnover and stock of goods manufactured, traded.

(Rs. in Lacs)

Class of Goods	UNIT	Opening Stock		Turnover		Closing Stock	
		Qty	Amount	Qty	Amount	Qty	Amount
Pipe and Fitting							
2010-11	Kg	3451952	2630.38	16426974	11826.96	5380050	5233.92
2009-10	Kg	1403233	853.00	11504070	7937.40	3451952	2630.38
Traded Goods							
2010-11	NA	-	40.66	-	3959.92	-	580.60
2009-10	NA	-	12.29	-	2099.43	-	40.66

C) Particulars of Raw Material Consumed

(Rs. in Lacs)

Particulars	2010-11		2009-10	
	Qty(Kg)	Amount(Rs.)	Qty(Kg)	Amount(Rs.)
Resin	11301500	5961.12	9750545	5440.14
Chemicals	747746	690.03	581396	511.15
Calcium	2046500	158.78	1674600	145.34
HDPE Dana	2358254	1626.19	923255	694.05
LLDPE Dana	1064001	864.53	377125	298.69
Scrap	278595	37.02	321980	49.23
Others	Nil	498.80	Nil	179.16
Total	17796596	9836.46	13628901	7317.76*

*It includes excise duty and VAT of Rs. 73.02 lacs

D) Stores, Spares & Components

(Rs. In lacs)

Year	Indigenous	Imported
2010-11	201.90	-
2009-10	136.04	-

E) Other Particulars

(Rs. In lacs)

Particulars	2010-11	2009-10
CIF Value of Imports		
- Capital Goods	Nil	723.41
- Raw Material	118.48	Nil
Expenditure in Foreign Currency (Payment basis)		
- GDR Issue Expense	263.19	Nil
- Investment	2771.06	48.45
- Capital Goods	205.15	136.67
Earnings in Foreign Currency (Receipt Basis)		
- Export Sales	23.13	Nil
- Interest	12.42	Nil

16. The company is in process of appointing a full time Company Secretary by the provision of Section 383A of the Companies Act, 1956. In absence of the Company Secretary, these financial statements have not been authenticated by a whole time company secretary u/s 215 of the Companies Act, 1956.
17. Unclaimed Dividend - Rs. 2.90 lacs (PY Rs. 1.82 lacs)
Amount due and outstanding to be credited to Investor Education and Protection Fund as on 31.03.2011 is Rs. NIL (Previous Year Rs. Nil).
18. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make the figures comparable.
19. 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
F. No. 104493W

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Place :- **Jalgaon**Dated :- **May 30, 2011**

**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, 2011

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

Public issue(GDR)	6750.00
Rights issue	NIL
Bonus issue	NIL
Private Placement	NIL

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

Total Liabilities	23098.71
Total Assets	23098.71

Sources of Funds

Paid-up Capital	2749.46
Reserves & Surplus	11466.12
Secured Loans	8510.15
Unsecured Loans	NIL
Deferred tax Liability	372.98

Application of Funds

Net Fixed Assets	6997.45
Investment	2972.48
Net Current Assets	12983.63
Miscellaneous Expenses	145.16
Accumulated Losses	NIL

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

Turnover	15919.00
Total Expenditure	15454.46
Profit/Loss before Tax	464.54
Profit/Loss after Tax	203.80
Earning per Shares (In Rs.)	0.91
Dividend Rate (%)	Nil

**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

Pradip J. Mundhra
Managing Director

Sanjay R. Taparia
Chief Executive Officer

Kailash K. Kabra
Proprietor
F. No. 104493W

Place :- **Jalgaon**Dated :- **May 30, 2011**

TULSI EXTRUSIONS LIMITED

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

Dear Shareholder,

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered email addresses of shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of "Tulsi Extrusions Limited" to contribute to the Corporate Social Responsibility initiative of the Company.

Further it will ensure instant and definite receipt of the reports by you.

We notice that your email ID is not available in our records. As we propose to send future Communications in electronic mode, we request you to please fill up the form given herewith for registering your e-mail ID and send the same to the following address:

Link Intime India Private Limited

(Unit: Tulsi Extrusions Limited)

C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai- 400 078

If the shares are held in electronic mode, please get your e-mail registered with your DP immediately. Please note that as a member of the Company you will be entitled to receive all such communication in Physical Form, upon request.

Thanking You,

Yours faithfully,

For **Tulsi Extrusions Limited**

Sd/-

Sanjay Kumar Taparia

Executive Director

E-COMMUNICATION REGISTRATION FORM

Folio No. /DP Id and Client ID:

Name of 1st Registered Holder:

Name of Joint Holder(s):

Registered Address:

E-Mail address (to be Registered):

I/We Shareholder(s) of **Tulsi Extrusions Limited** agree to receive communication from the Company in electronic mode. Please register my above e-mail ID for your records for sending communication through e-mail.

Date:

Signature:

(1st Holder only)

Note : Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

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 **Seventeenth Annual General Meeting** of the Company being held at N-99 MIDC Area Jalgaon - 425 003 on Friday, September 30, 2011 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 notice of meeting along with them to the Extra Ordinary General Meeting.
3. If it is intended to appoint a proxy, the 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 **Seventeenth Annual General Meeting** of the Company to
be held at N-99 MIDC Area Jalgaon - 425 003 on Friday, September 30, 2011 at 11.00 a.m.

As witness my/our hand/hands this _____ day of _____ 2011

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**

17TH ANNUAL REPORT 2010-11

Ek Vichaar...
Ek Abhiyaan.



Samridh Kisan...
Desh Ki Shaan...