

Shree Tulsi Online.Com Ltd.

A Complete Destination for Holistic Living

29th Annual Report
2010-11

BOARD OF DIRECTORS

Mr. V. K. Bothra	Whole Time Director
Mr. A. K. Jain	Director
Mr. B. Singh	Director
Mr. K. Rawat	Director

STATUTORY AUDITORS

M/s Mohindra Arora & Co.
Chartered Accountants
Mumbai

REGISTERED OFFICE

4, Netaji Subhas Road (1st Floor)
Kolkata – 700 001

BANKERS

HDFC Bank

REGISTRAR & TRANSFER AGENT

Adroit Corporate Service Pvt. Ltd.
19, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri(E),
Mumbai – 400 059.

Shree Tulsi Online.Com Ltd.

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of **Shree Tulsi Online.Com Limited** will be held on Monday, 26th September 2011 at 03.00 P.M. at 4, Netaji Subhas Road (1st Floor), Kolkata - 700001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account of the Company for the year ended on that date together with reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Abhishek Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For Shree Tulsi Online.Com Limited

Place: Kolkata
Date: 16/08/2011

V. K. Bothra
(Whole Time Director)

NOTES:

1. Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not be a member of the company.
2. Members who are holding Company's shares in a Dematerialized form are required to bring details of their depository account No. for identification.
3. Register of Members and Share Transfer Books shall remain closed from 20/09/2011 to 26/09/2011 (Both days inclusive).
4. Proxies in order to be effective must be received at the Company's registered office at 4, Netaji Subhas Road (1st Floor), Kolkata - 700001 not less than 48 hours before the time fixed for the meeting.

Shree Tulsi Online.Com Ltd.

5. All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days, except Sundays between 11.00 A.M. to 1.00 P.M.
6. Members are requested to kindly notify immediately change if any, in their address to the company.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Secretary/ Director of the Company so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting to the best extent possible.
8. In terms of circular No 17 / 2011 dated April 21, 2011 and circular No 18 / 2011 dated April 29, 2011 issued by Ministry of Corporate Affairs (MCA), the Company proposes to send you from next financial year 2011 – 2012 onwards, all communication including Notices of Meetings, Annual Reports and Financial Statements, etc. or to receive any other document prescribed under any law through Electronic mode to the e-mail addresses, which would be made available to us by the Depositories and also which are registered and /or otherwise available with the Company's Registrars and Shares Transfer Agent, M/s. Adroit Corporate Services Private Limited, Mumbai from time to time. The full text of all such documents and communication will also be displayed at the website of the Company www.shreetulsionline.com

We seek your kind co-operation and support in our Green initiative and request you to register your e-mail id with your Depository participants. The members still holding the equity shares of the company in physical form are requested to provide / update their e-mails id with the Company's Registrar and Share Transfer Agent at info@adroitcorporate.com or with the Company at info@shreetulsionline.com

If at any time so desire, you may receive all communication in physical form upon written request.

Appointment / Re appointment of Directors

At ensuing Annual General Meeting, Mr. Abhishek Kumar Jain, Director retiring by rotation and being eligible offers himself for re-appointment. The relevant information as required under clause 49 of the listing agreement concerning Corporate Governance Code in respect of Appointment/ re-appointment of Directors is given below for information of the Members.

Mr. Abhishek Kumar Jain, Director of the Company is having lot of experience in the field of Accounts, Administration etc. The Company is utilizing his experience in all respective field of business operation.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Shareholder,

Your Directors are pleased to present the 29th Annual Report together with the Audited Statement of Accounts and the Auditors Report of your company for the year ended 31st March, 2011. The Financial highlights for the year under review are given below:

FINANCIAL RESULTS

(Rs.in Lacs)

Particulars	31st March, 2011	31st March, 2010
Total Income	1418.79	1027.73
Profit Before Depreciation & Tax	100.12	110.68
Depreciation	28.08	18.85
Profit Before Tax	72.04	91.83
Less – Tax	22.26	28.27
Profit After Tax	49.78	63.56
Add: Balance of Profits for earlier years	381.37	317.80
Balance carried to Balance Sheet	431.15	381.37

DIVIDEND

Due to requirement of funds for the exiting business activities, your directors do not propose to declare any dividend for the financial year 2010-2011.

PERFORMANCE

Your Directors are pleased to inform you that your company entered the new millennium with great achievement and promise for the future. The proactive and path breaking initiatives of business development played a major role in your company closing year with extra-ordinary achievements.

The Total Income for the financial year under review is Rs.1418.79 lacs against Rs. 1027.73 lacs in previous year registering an increase of about 38%. The Net Profit generated by the company during the year under review is Rs.49.78 lacs as compared to Rs. 63.56 lacs during the previous year.

DIRECTORS

Mr. Abhishek Kumar Jain, Director of the company, will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for reappointment.

COMPANY SECRETARY

The Company is obliged to employ a Company Secretary under section 383A and other applicable provisions of companies Act 1956 on the Whole time basis. Effective steps have been taken but till date not found suitable candidates for the post. However your directors have complied with all the legal compliances through practicing Company secretary.

SHIFTING OF REGISTERED OFFICE

The Board of Directors of the Company confirmed that the Registered Office of your Company has been shifted to 4, Netaji Subhas Road (1st Floor), Kolkata – 700001 for better accommodation and exploring of new line of business.

AUDITORS & AUDITORS OBSERVATION

M/s Mohindra Arora & Co., Chartered Accountants, the auditors of the company who hold office until the conclusion of the forthcoming Annual General Meeting, being eligible, offer themselves for re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The observations of the Auditors as referred to in the Auditor's Report are suitably explained in the notes to the account.

FIXED DEPOSITS

The company has not accepted any public deposit and, since incorporation u/s 58A of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to clause 49 of the listing agreement with Stock Exchange, Management Discussion and Analysis Report, Corporate Governance Report together with the Auditors' certificate on compliance of the conditions of Corporate Governance form part of this Annual Report.

HRD INITIATIVES

Your Directors want to place on record their appreciation for the contribution made by employees at all levels, who through their steadfastness, solidarity and with their co-operation and support have made it possible for the company to achieve the current status it enjoys in the industry.

Shree Tulsi Online.Com Ltd.

It is the endeavour of the company to create in its employees a sense of belonging, and an environment that promotes openness, creativity and innovation. All our manpower initiatives are implemented with the aim of maximizing productivity and aligning organizational needs with employees aspirations.

PARTICULARS OF EMPLOYEES

There is no employee drawing remuneration in excess of the limits prescribed in Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March 2011 and of the profit of your company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis.

TECHNOLOGY, R&D AND FOREIGN EXCHANGE

The provisions of Section 217(1) (e) of The Companies Act, 1956, with regard to conservation of energy and technology absorption are not applicable to the company. The company has not incurred any expenditure or earned any income in foreign exchange during the period under review.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the contributions made by the employees at all levels, whose continued commitment and dedication helped the company achieve better results. The Directors also wish to thank customers, bankers, Central and State Governments for their continued support. Finally your directors would like to express their sincere & whole-hearted gratitude to all of you for your faith in us and your Co-operation & never failing support.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 29/07/2011

V.K.Bothra
(Whole Time Director)

ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

The operations of your company are not energy intensive. Your Company evaluates on an on-going basis new technologies and techniques to make infrastructure more energy efficient.

Adequate measures have been taken to reduce energy consumption. Efforts are being made on an on-going basis to conserve and optimise the use of energy in regular operations by introducing state-of-art equipment for consumption of energy.

B. RESEARCH AND DEVELOPMENT

a) The Company's R&D Effort

To enhance its capability and customer service, the company continues to make investment in R&D. The R&D activities are carried out in-house in the e-business solutions, knowledge management, Software development, etc.

b) Benefits of R&D Efforts

The benefits of R&D have led to improved performance due to upgradation of existing knowledge. The R&D have resulted in direct benefits in improved productivity and customer service.

c) Future Plan on R&D

The on-going process of R&D will be directed towards creation of new software tools and utilities, development of advanced techniques and process and will help in the development of the company. The company will continue to leverage new technologies and upgrade existing performance. This will enable the company to introduce and implement new technology to meet changing market.

d) Expenditure on R&D

Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO

During the year, the company made consistent efforts to increase its foreign exchange earnings. The total foreign exchange earning of the company was Nil whereas the outgo was Nil during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY REVIEW

The business of Shree Tulsi Online.Com Ltd. is selling of software products and solutions, providing software consultancy and services for software systems. The company is a profit making public limited company successfully managed by team of professional. The company is providing software solutions to clients across various industries including both manufacturing and service industries.

The company is engaged in all the aspects of

- Web site design and development
- Web Content development
- e Commerce applications
- Customized software development
- Messaging solutions
- Bar Code & Billing software development

The company has invested significantly in people, hiring young creative talent, & technology to provide cutting edge solutions to its customers. It has completed the development work of several web sites. The company has built up significant competencies and capabilities to retain and strengthen its position.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian information technology (IT) industry has played a key role in putting India on the global map. Thanks to the success of the IT industry, India is now a power to reckon with. According to the annual report 2009-10, prepared by the Department of Information Technology (DIT), the IT-BPO industry is expected to garner a revenue aggregate of US\$ 73.1 billion in 2009-10 as compared to US\$ 69.4 billion in 2008-09, growing at a rate of over 5 per cent. The report predicts that the Indian IT-BPO revenues may reach US\$ 225 billion in 2020.

According to DIT, the Indian software and services exports is expected to reach US\$ 49.7 billion in 2009-10 as compared to US\$ 47.1 billion in 2008-09, registering an increase of 5.5 per cent in dollar terms. Further, the IT services exports is estimated to grow from US\$ 25.8 billion in 2008-09 to US\$ 27.3 billion in 2009-10, showing a growth of 5.8 per cent.

Moreover, according to a study by Springboard Research published in February 2010, the Indian information technology (IT) market is expected to grow at around 15.5 per cent in 2010, on the back of growing investor confidence and favourable initiatives taken by the government.

The data centre services market in the country is forecast to grow at a compound annual growth rate (CAGR) of 22.7 per cent between 2009 and 2011, to touch close to US\$ 2.2 billion by the end of 2011, according to research firm IDC India's report published in March 2010. The IDC India report stated that the overall India data centre services market in 2009 was estimated at US\$ 1.39

billion.

As per a report by the Internet and Mobile Association of India (IAMAI) and market research firm IMRB, the total number of Internet users in India reached 71 million in 2009. The number of active users increased to 52 million in September 2009 from 42 million in September 2008, registering a growth of 19 per cent year-on-year, stated the report.

According to IDC India, during January-March 2010, total PC sales in India reached 2,240,000 units registering a year-on-year increase of 33 per cent over the same period in 2009. Desktop PC sales witnessed a year-on-year increase of 18 per cent during January-March 2010, over the corresponding period last year to reach 1,436,000 units. The sales of Notebook computers also increased by 72 per cent year-on-year, clocking 803,000 shipments.

Domestic Markets

The market for enterprise networking equipment in India is estimated to grow from US\$ 1 billion in 2008 to US\$ 1.7 billion by 2012, recording a compounded annual growth rate (CAGR) of 15 per cent during this period, according to a study by Springboard Research titled 'Epicenter of Growth-Indian Enterprise Networking Equipment Market Report' released in December 2009.

Investments

- Between April 2000 and March 2010, the computer software and hardware sector received cumulative foreign direct investment (FDI) of US\$ 9,872.49 million, according to the Department of Industrial Policy and Promotion.
- The total investments of EMC Corporation, a leading global player of information infrastructure solutions in India, will touch US\$ 2 billion (over US\$ 2.01 billion) by 2014.
- Syntel, an IT company, plans to invest around US\$ 50 million in its global development centre in Chennai.
- Russian IT security software provider, Kaspersky Lab, will be investing US\$ 2 million in its India operations at Hyderabad during the next financial year.

Government Initiatives

- The government has constituted the Technical Advisory Group for Unique Projects (TAGUP) under the chairmanship of Nandan Nilekani. The Group would develop IT infrastructure in five key areas, which includes the New Pension System (NPS) and the Goods and Services Tax (GST)
- The government set up the National Taskforce on Information Technology and Software Development with the objective of framing a long term National IT Policy for the country
- Enactment of the Information Technology Act, which provides a legal framework to facilitate electronic commerce and electronic transactions
- Setting up of Software Technology Parks of India (STPIs) in 1991 for the promotion of

software exports from the country, there are currently 51 STPI centres where apart from exemption from customs duty available for capital goods there are also exemptions from service tax, excise duty, and rebate for payment of Central Sales Tax. But the most important incentive available is 100 per cent exemption from Income Tax of export profits, which has been extended till 31st March 2011

- Government is also setting up Information Technology Investment Regions (ITIRs). These regions would be endowed with excellent infrastructure and would reap the benefits of co-siting, networking and greater efficiency through use of common infrastructure and support services

Moreover, according to NASSCOM government, IT spend was US\$ 3.2 billion in 2009 and is expected to reach US\$ 5.4 billion by 2011. Further, according to NASSCOM, there is US\$ 9 billion business opportunity in e-governance in India.

OPPORTUNITY AND THREAT

Limited volume growth, combined with increasing pressure from clients to reduce prices (to win a larger share of business), means that margin pressure is likely to continue. Employee salaries in IT sector are also increasing tremendously. Low wages benefit will soon come to an end.

However due to our strong fundamentals and as a derivative of the value we add to our global customers, the Indian industry will continue to grow in spite of global slowdown. We also feel that this is a time of learning and optimisation for the industry.

Your Company's products and services enjoy wide acceptance in various user industries. Yet in the current industry scenario, every company is required to update one's system of operation. The dynamic and energetic infusion in company's management team is capable of utilizing every opportunity for the company's benefit.

OUTLOOK

The three major business challenges in 2010 were: low-cost offshore business delivery model, currency fluctuation and high talent crunch. Given the recession, the customer is more conscious while buying any product and the decision cycle become longer.

The biggest business challenge of 2010 which IT companies faced was the drop in customer projects and buying pattern. The era of incremental benefits and long drawn out time-to-benefits seems to be over. Now customer would demand more quantum increases in value based on the new value frameworks emerging.

Both customers, organizations and IT firms would stick to no-brainer strategies instead of spiny strategies since the opportunity costs of failure would be magnified in the present context. Data Centre consolidation seems to be high on every leader's agenda to ensure optimal utilisation of

existing resources and assets. The three major technologies in 2009 will be a move towards Standardisation, Virtualisation and a unified communication fabric in the datacenter. Virtualisation will play a big role in the near future as IT organisations morph into more and more of a services management framework.

Barring a few unforeseen, the company is confident to maintain its growth rate and it is definite to accelerate with higher and higher quality services to its customers. In order to attain high growth, the future strategy will be the following:

- ❖ Provide quality service
- ❖ Hire and retain experienced and talented people
- ❖ Rapidly adapt to changing technology and client needs
- ❖ Keep costs under strict control

INTERNAL CONTROL

The company has a proper, strong independent and adequate system of internal controls to ensure that all the assets are safeguarded/ protected against loss from unauthorized use and that transactions are authorized recorded and reported correctly.

The efficiency and effectiveness of the company's internal control system is guaranteed by the fact that the company has in place a system that provides of checks and balance and improvements in controls are regularly made. The internal control systems are also designed to ensure that the financial and other records are reliable, and available instantly for preparing financial statements.

The company has appointed external firm of chartered accountants which conducts an audit plan and report significant observations to the audit committee from time to time. The views of statutory auditors are also considered to ascertain the adequacy of the internal control system.

RISK AND CONCERNS

The company is in competitive sector and its performance depends on the country's economic growth and government policies towards the industry. With globalization of economy, the company perceives the risk of competitions from major international players. However, the company is quite prepared for such healthy competition

With rising costs of inputs and energy costs, the margins of the company may be under pressure.

Unregulated entry of small time operators having no or little technology base may spoil the goodwill of the Indian IT industry in the international market. The attention of the Central Government has already been drawn to such possible threats and the Government has already taken necessary regulatory steps to maintain overseas and international acceptance of Indian supremacy in IT sector.

RESEARCH AND DEVELOPMENT

The company is in the process of setting up a state-of-art research system to be manned by widely experienced professionals to develop new and value-added services to cater various industrial, academic and research needs of the country.

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATION

The Company adopts the best of human resources practices so as to enhance the skill, efficiency and development of employees of the company. The company believes and follows sound ethical and moral values and constantly ensures to make the working enjoyable for the employees and at the same time the productivity per employees is also enhanced. The Company encourages its employees to undertake such work which provides them opportunity to learn, develop themselves and thereby contribute such ideas for the ultimate benefit of the organization. The atmosphere at the Company persuades employees to have free and frank communication with senior. The Company is always in search of opportunities and the best of methods for improvement in employee participation at all levels whereby views and suggestions of the company are heard and acted upon.

The Company is committed to maintaining harmonious industrial relations through spirit of partnership and collaborations. As a result industrial relations at all locations of the company have reminded cordial.

CAUTIONARY STATEMENT

Statements made in the management discussion and analysis describing the Companies' objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that influence the Company's operations, include global and domestic supply and demand conditions.

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statement" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability, changes in government regulation, tax regimes economic developments within India and other factors such as litigations and industrial relations. 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.

CORPORATE GOVERNANCE

Company's Philosophy on code of Governance:

It is a committed policy of the Company, to conduct its business upholding the core values like transparency, integrity, honesty, accountability and compliance of all statutes. While committed to strong corporate governance a comprehensive code of best practices is being designed to achieve the necessary high standards of corporate behavior. Within these boundaries, Company's working will be directed for the welfare of all stakeholders. Your Company has implemented the mandatory requirement regarding Corporate Governance as mentioned in clause 49 of the Listing Agreement.

Board of Directors:

The Board of Directors consists of four directors, out of which three are non executive directors and Mr. Vinod Kumar Bothra, Whole-Time Director is the only Executive Director. As per clause 49 of listing Agreement, where there is Non-Executive Chairman, more than one third of the total number of directors should be Non-Executive Independent Directors. All non-executive independent directors are persons of eminence and bring a wide range of expertise and experience to the Board. The necessary disclosures regarding committee positions have been furnished by the Directors.

During the financial year 2010-2011, five meetings of Board of Directors were held. The meetings were held on 26/05/2010, 31/07/2010, 21/08/2010, 13/11/2010 and 01/02/2011. The gap between two meetings was not more than four months

The composition of Board of Directors, their attendance at board meetings, last Annual General Meeting, directorship held by them in other Companies and also membership of the committee of the board of such companies are as follows:

Name of Director	Category	No. of Board Meeting Attended	Attendance at Last AGM	No. of Other Directorship	No. of Other committee membership
Mr.Vinod Kumar Bothra	Whole Time Director	5	Yes	Nil	Nil
Mr.Abhishek Kumar Jain	Non-Executive Director	5	Yes	7	6
Mr.Baldev Singh	Non-Executive Independent Director	3	Yes	3	4
Mr.Kuldeep Rawat	Non-Executive Independent Director	4	Yes	Nil	Nil

None of the Directors is related to any other Director.

Shree Tulsi Online.Com Ltd.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The said code of conduct has been posted on the website of the Company www.shreetulsionline.com.

The Company is obliged to employ a Company Secretary under section 383A and other applicable provisions of companies Act 1956 on the Whole time basis. Effective steps have been taken but till date not found suitable candidates for the post. However your directors have complied with all the legal compliances through practicing Company Secretary.

Audit Committee:

The Company has qualified Audit Committee comprising of three Non-Executive Directors. Out of them two members are Independent Directors. The committee appointed Mr. Kuldeep Rawat, as Chairman of the Audit Committee, who has knowledge of finance and accounting. All the members of the Audit Committee (Non-Executive Directors) are financially literate and possess necessary expertise in finance/ accounting or related experience. During financial year 2010-2011, the Audit Committee met four times viz., 25/05/2010, 29/07/2010, 11/11/2010 and 31/01/2011.

The scope of activities of the Audit Committee is set out the provision of Clause No. 49 of the Listing Agreement with the Stock Exchange read with the section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

- a. To Review the quarterly, half yearly and annual financial results of the Company before submission to the Board
- b. To Review with the management and statutory auditors, the annual financial statements before submission to the Board
- c. To Review the company's financial and risk management policies
- d. Recommendation for appointment of Statutory Auditors
- e. To consider such other matters as may be required by the Board

The constitution of the Audit Committee and attendance at the meetings are as under :

Name of the Member	Category	No. of Meeting Attended
Mr. Kuldeep Rawat	Non – Executive (Independent)	4
Mr. Abhishek Kumar Jain	Non – Executive	4
Mr. Baldev Singh	Non – Executive (Independent)	3

Share Holders / Investors Grievances Committee:

The Company has constituted the shareholders / investor grievance committee comprising of Mr. Baldev Singh, Mr. Abhishek Kumar Jain and Mr. Kuldeep Rawat. The committee has appointed Mr. Kuldeep Rawat as the Chairman of shareholders / investor grievance committee. Mr. Vinod Kumar Bothra, Whole Time Director is being appointed as Compliance Officer of the Company. The committee monitors and approves transfers, transmission, split and consolidation of share certificates. It also replies to investor's complaints, queries and requests relating to transfers of shares, non-receipt of Annual Reports, etc. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. Grievance received from members and other miscellaneous correspondence is processed by the Registrar.

Remuneration Committee:

The Board has set up a remuneration committee for the Company which decides the remuneration of all the Directors and senior management officers of the Company. All the members of remuneration committee are Non-Executive Directors. During the F.Y.2010–2011, the remuneration Committee met two times and all the members of the Committee were present in each meeting.

Remuneration of Director:

The sitting fees for attending each meeting of Board Meeting for Non-Executive/ Independent Directors is decided by the remuneration committee. During the year, company has not paid remuneration to its Non-Executive Directors/ Independent Directors. There is no pecuniary relationship or transaction of the Company with its Non-Executive Directors/ Independent Directors other than payment of sitting fees @ Rs.500/- per meeting to them for attending Board & Committee meeting.

Mr. Vinod Kumar Bothra was reappointed as a Whole-Time Director of the Company and it was decided to fix his remuneration @ Rs.20000/- per month (including perk). The detail of remuneration of Mr. Vinod Kumar Bothra, Whole Time Director is as under:

Name of Director	Salary cum Allowances P.A.	Stock Benefits	Service Contract Tenure
Mr. Vinod Kumar Bothra	Rs.240000/-	Nil	3 Year

General Body Meeting:

The last three Annual General Meetings and Extra Ordinary General Meeting were held as per details given below:

Shree Tulsi Online.Com Ltd.

Year	Address	Date	Day	Time
2009 – 2010 AGM	Shivam Conference Hall, B-267, Bangur Avenue, Kolkata- 700 055	25/09/2010	Saturday	2:00 P.M.
2008 – 2009 AGM	Shivam Conference Hall, B-267, Bangur Avenue, Kolkata- 700 055	29/09/2009	Tuesday	10:00 A.M.
2007 – 2008 AGM	Shivam Conference Hall, B-267, Bangur Avenue, Kolkata- 700 055	24/09/2008	Wednesday	10:00 A.M.
2008 EGM	Shivam Conference Hall, B-267, Bangur Avenue, Kolkata- 700 055	04/08/2008	Monday	10:00 A.M.

No special Resolution was put through postal ballot last year nor is it proposed to put any special resolution to vote through postal ballot.

Disclosure

There is no non-compliance with the regulations; no penalties or strictures have been imposed on the company by the stock exchanges, SEBI or any other authority on any matter relating to the capital markets during the last three years.

There are no significant transaction with the related parties namely, promoters / Directors or the management, their Associates or relatives etc. that may have a conflict with the interest of the company.

The Company has not issued any GDRs /ADRs /Warrants/ Equity share or any Convertible instruments or any other instruments during the year.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of Financial Statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard. The Company does not have any subsidiary.

The Company has complied with all mandatory requirements of clause 49 of the listing agreement. The non-mandatory requirements, to the extent followed by the company have been stated in this report.

Your Company does not have any whistle blower policy.

Details of Directors seeking appointment / re appointment at the ensuing Annual General Meeting as required under clause 49 of listing agreement is annexed to notice convening the Annual General Meeting.

Non-Mandatory Requirements:

The company has adopted the non mandatory provisions relating to the various clauses of listing agreement of stock exchange. The quarterly / half yearly and audited Financial results are published in financial news papers, posted on the company's and sent to the shareholders on request. The company is also moving towards a regime of unqualified financial statements. The Company shall endeavour to adopt the other non mandatory requirements as and when necessary.

Means of Communication:

The quarterly results of the company are published in leading English / Bengali (regional) newspapers. No half yearly report is sent to the shareholders directly. Such financial are covered by limited review reports by the statutory auditors.

General Shareholders Information:

1. The quarterly results of the Company are submitted to the exchange and published in the leading newspapers.
2. Compliance Officer ... Mr. Vinod Kumar Bothra
Suite No.18, 2 India Exchange Place,
Kolkata-700001
3. Annual General Meeting.
 - a) Date & Time ... Monday, 26th September 2011 at 3.00 P.M
 - b) Venue ... 4, Netaji Subhas Road (1st floor)
Kolkata-700001
 - c) Financial Calendar ... 1st April to 31st March
 - d) Quarterly Results ...

First Quarter	-	July 2011
Second Quarter	-	October 2011
Third Quarter	-	January 2012
Fourth Quarter	-	April / May 2012
 - e) Date of Book Closure ... 20/09/2011 to 26/09/2011
 - f) Listing on Stock ... The Calcutta Stock Exchange Assn. Ltd.,
Kolkata

Shree Tulsi Online.Com Ltd.

- g) Stock Code ... 10025061
- h) Demat ISIN in NSDL ... INE130D01037
& CDSL for equity shares
- i) Registrar and Share ... Adroit Corporate Services Pvt. Ltd.
Transfer Agent (For 19, Jaferbhoy Industrial Estate,
Physical & Demat 1st Floor, Makwana Road, Andheri (E),
Segment) Mumbai – 400 059
Tel. : 022 – 28590942
Fax : 022 – 28503748
- j) Market Price data high, low, volume, during each month in last financial year is given below

Months	High (Rs.)	Low (Rs.)	Volume
April 2010	241	241	2250
May 2010	-	-	0
June 2010	241	241	47650
July 2010	241	241	20050
August 2010	-	-	0
September 2010	241	241	4000
October 2010	241	241	15100
November 2010	-	-	0
December 2010	-	-	0
January 2011	241	241	14600
February 2011	241	241	35750
March 2011	241	241	11850

Share Transfer System:

The shares of the Company, being in the compulsory demat list, are transferable through the depository system. Shares in physical & dematerialized form are processed through M/s. Adroit Corporate Services Private Limited, Mumbai. Shares lodged for transfer at the Registrar's address are normally processed and approved by share transfer cum shareholders grievance committee on fortnight basis. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. Grievance received from members & other miscellaneous correspondence on change of address etc. is processed by the Registrar within 30 days.

Dematerialisation of Shares:

70.41% (approx) of total equity share capital is held in d-materialization form with NSDL & CDSL as at 31st March 2011. Members can hold shares in electronic form and trade the same in depository system. However they may hold in same in physical form also.

Distribution of Shareholdings:

Categories of Shareholders as on 31/03/2011

Category	No. of Shareholders	No. of Shares	% of Equity Capital
Promoters Group	21	1,20,44,143	51.55
Other Bodies Corporate	116	35,76,305	15.31
Individual / Others	1,508	77,42,112	33.14
Total	1,645	2,33,62,560	100.00

Distribution of Shareholdings as on 31/03/2011

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	562	34.16	2,08,359	0.89
501 – 1000	566	34.41	4,43,865	1.90
1001 – 2000	184	11.19	2,59,345	1.11
2001 – 3000	81	4.92	1,96,535	0.85
3001 – 4000	40	2.43	1,43,099	0.61
4001 – 5000	20	1.22	91,225	0.39
5001 – 10000	98	5.96	7,03,890	3.01
10001 – above	94	5.71	2,13,16,242	91.24
Total	1,645	100.00	2,33,62,560	100.00

DECLARATION

As provided under clause 49 of the listing Agreement with the Stock Exchange, the Board Members and Senior Management Personnel have confirmed compliance with the code of conduct for the year ended 31/03/2011.

Place: Kolkata
Date: 20/05/2011

V. K. Bothra
(Whole Time Director)

Certificate on Corporate Governance
(under Clause 49 of the Listing Agreement)

To
The Members of
Shree Tulsi Online.Com Limited

We have examined the compliance of conditions of Corporate Governance by Shree Tulsi Online.Com Limited for the year ended 31st March 2011, as stipulated in Clause No.49 of the listing agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the guidance note on Certification of Corporate Governance (as stipulated in clause 49 of the listing agreement), issued by the Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement.

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

For Mohindra Arora & Co
(Chartered Accountants)
FRN. 006551 N

Place: Mumbai
Date : 20/5/2011

A.K.Katial
(Partner)
FCA No.09096

Shree Tulsi Online.Com Ltd.

AUDITORS' REPORT

To
The Members of
M/s. Shree Tulsi Online.Com Ltd.

We have audited the attached Balance Sheet of M/s. Shree Tulsi Online.Com Limited, Kolkata as at 31st March 2011, Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order 2004 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956, and on basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
 - iii) The attached Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this with by this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standard referred to in sub section (3C) of section 211 of the Companies Act, 1956.

Shree Tulsi Online.Com Ltd.

- v) On the basis of written representations received by us from the directors of the Company as at 31st March 2011 and taken on record by the Board of Directors. We report that no Director is disqualified from being appointed as Director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanation given to us, the said account read with the notes 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.
- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2011 and
- (b) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.
- (c) In case of Cash Flow Statement of the cash flow for the year ended on that date.

For Mohindra Arora & Co
(Chartered Accountants)
FRN. 006551 N

Place: Mumbai
Date : 11/4/2011

A.K.Katial
(Partner)
FCA No.09096

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE:

- 1 In respect of its fixed assets:
 - a. The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As informed to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. They have not reported any material discrepancies.
 - c. As informed, the company has not disposed of fixed assets during the year and the going concern status of the company is not affected.

- 2 In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c. As explained to us, there was no material discrepancies noticed on physically verification of inventory as compared to the book records.

- 3 In our opinion and according to the information and explanations given to us, there is no loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the requirement of Clause (iii) of paragraph 4 of the order is not applicable to the Company.

- 4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for purchase of inventory, fixed assets and also for sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.

- 5 In respect of transaction covered under section 301 of the Companies Act, 1956:

Shree Tulsi Online.Com Ltd.

- a. In our opinion and according to the information and explanation given to us, the transaction that needs to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In the absence of competitive quotations and comparable prices and having regards to the specialised nature of items purchased or sold, we are unable to comment upon the reasonability of prices at which such transactions have been entered, having value exceeding Rs.5,00,000/- or more in the financial year under audit.
- 6 The Company has not accepted any deposit from the public to which the provision of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposit) Rules, 1975 apply.
- 7 In our opinion, the company has an internal audit system commensurate with the size of the Company and nature of its business.
- 8 We are informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- 9 In respect of statutory dues:
- a. According to the records of the Company, undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on 31st March 2011 for a period of more than six months from the date of becoming payable.
 - b. In our opinion and according to the information and explanation given to us, there are no disputed statutory dues pending before appropriate authorities.
- 10 The Company is not having any accumulated losses and has not incurred any cash losses during the financial year and the immediate preceding financial year covered by our audit.
- 11 Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holder.
- 12 In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on basis of security by way of pledge of

Shree Tulsi Online.Com Ltd.

shares, debentures and other securities.

- 13 In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14 The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
- 15 The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 The Company has not raised any term loans during the year.
- 17 According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized the funds raised on short basis towards long-term borrowings and investment and vice versa.
- 18 During the year, the company has not made preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The company has not issued any debentures. Hence, the requirement of clause (xix) of paragraph 4 of the Order is not applicable to the Company.
- 20 The company has not raised money by way of public issue during the year.
- 21 In our opinion and according to the information and explanation given to us, no fraud in or by the company has been noticed or reported during the causes the financial statements to be materially misstated.

For Mohindra Arora & Co
(Chartered Accountants)
FRN. 006551 N

Place: Mumbai
Date : 11/4/2011

A.K.Katial
(Partner)
FCA No.09096

Shree Tulsi Online.Com Ltd.

BALANCE SHEET AS ON 31ST MARCH, 2011

	SCHEDULE	31st March' 2011 Rupees	31st March' 2010 Rupees
SOURCES OF FUNDS			
SHARE HOLDERS' FUND			
Share Capital	A	233,625,600	233,625,600
Reserve & Surplus	B	62,741,956	57,763,720
TOTAL		296,367,556	291,389,320
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	C	48,332,050	42,897,119
Less: Depreciation		13,176,346	10,368,221
NET FIXED ASSETS		35,155,704	32,528,898
INVESTMENTS			
		21,880,291	25,574,742
CURRENT ASSETS, LOANS & ADVANCES			
Inventories & Work in Progress	D	55,471,055	66,599,860
Sundry Debtors		85,344,267	88,843,607
Cash & Bank Balances		368,850	528,374
Loans & Advances		100,746,569	80,693,246
		241,930,741	236,665,087
Less : Current Liabilities & Provisions	E	2,599,180	3,379,407
NET CURRENT ASSETS		239,331,561	233,285,680
TOTAL		296,367,556	291,389,320
Significant Accounting Policies & Notes to the Accounts	I		

Schedules referred to above form an integral part of the Balance Sheet

As per our attached report on even date

For Mohindra Arora & Co
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
For Shree Tulsi Online.Com Limited

A. K Katial
(Partner)
FCA No.09096

V.K.Bothra
(Whole time Director)

A.K.Jain
(Director)

Place: Mumbai

Date: 11/4/2011

Shree Tulsi Online.Com Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011

	SCHEDULE	31st March' 2011 Rupees	31st March' 2010 Rupees
INCOME			
Income from Operations	F	151,810,600	101,954,844
Other Income	G	1,197,315	994,046
Increase/ (Decrease) in Stock		(11,128,805)	(176,084)
		141,879,110	102,772,806
EXPENDITURE			
Purchases		128,132,867	87,967,767
Administration & Selling Exp.	H	3,733,725	3,736,851
		131,866,592	91,704,618
Profit Before Depreciation		10,012,518	11,068,188
Less: Depreciation		2,808,125	1,885,222
Profit Before Taxation		7,204,393	9,182,966
Less : Provision for Taxation		2,233,931	2,947,855
Provision for Deferred Tax		(7,774)	(121,350)
Profit After Taxation		4,978,236	6,356,461
Add: Profit brought forward from Previous Year		38,137,095	31,780,634
BALANCE CARRIED TO BALANCE SHEET		43,115,331	38,137,095
EARNING PER SHARE			
- Face Value (Rs.)		10.00	10.00
- Basic and Diluted (Rs.)		0.21	0.27
Significant Accounting Policies & Notes to the Accounts	I		

Schedules referred to above form an integral part of the Balance Sheet
As per our attached report on even date

For Mohindra Arora & Co
Chartered Accountants

A. K Katial
(Partner)
FCA No.09096

Place : Mumbai
Date : 11/04/2011

FOR AND ON BEHALF OF THE BOARD
For Shree Tulsi Online.Com Limited

V.K.Bothra
(Whole time Director)

A.K.Jain
(Director)

Shree Tulsi Online.Com Ltd.

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	31st March' 2011 Rupees	31st March' 2010 Rupees
SCHEDULE 'A'		
SHARE CAPITAL		
<u>AUTHORISED CAPITAL</u>		
2,35,00,000 Equity Shares of Rs.10/- each	235,000,000	235,000,000
	235,000,000	235,000,000
<u>ISSUED, SUBSCRIBED & PAID UP</u>		
2,33,62,560 Equity Shares of Rs.10/- each fully paid-up	233,625,600	233,625,600
	233,625,600	233,625,600
SCHEDULE 'B'		
RESERVE & SURPLUS		
Capital Reserve	12,319,786	12,319,786
Share Premium	6,278,400	6,278,400
General Reserve	1,028,439	1,028,439
Profit & Loss Account	43,115,331	38,137,095
	62,741,956	57,763,720
SCHEDULE 'D'		
CURRENT ASSETS, LOANS & ADVANCE		
A) CURRENT ASSETS		
INVENTORIES		
(As valued, certified & taken by the management)		
i) Finished Goods	35,684,920	41,070,210
ii) Work in Progress (Software Projects under Development)	19,786,135	25,529,650
SUNDRY DEBTORS		
(Unsecured Considered Good)		
Others	85,344,267	88,843,607
CASH AND BANK BALANCE		
(as certified by the management)		
Cash in Hand &	368,850	528,374
Balance in Current A/c with Scheduled Banks		
TOTAL (A)	141,184,172	155,971,841

**SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT
SCHEDULE 'C'**

FIXED ASSETS	Cost as on 1.4.2010	Addition during the year	Total as on 31.3.2011	Depreciation as on 1.04.2010	Depreciation for the year	Depreciation as on 31.03.2011	Net Assets as on 31.03.2011	Net Assets as on 31.03.2010
Computers & Accessories	8135992	2430751	10566743	6723194	1537420	8260614	2306129	1412798
Portal	26389240	0	26389240	0	0	0	26389240	26389240
Furniture & Fixtures	5557698	1639027	7196725	2535221	843732	3378954	3817771	3022477
Air Conditioners	1146401	533658	1680059	469938	168328	638266	1041793	676463
Office Equipments	1667788	831495	2499283	639867	258645	898512	1600771	1027921
Total	42897119	5434931	48332050	10368221	2808125	13176346	35155704	32528898
Previous Year	42897119	0	42897119	8482999	1885222	10368221	32528898	

Shree Tulsi Online.Com Ltd.

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	31st March' 2011 Rupees	31st March' 2010 Rupees
B. LOANS & ADVANCES		
Unsecured Loan (Unsecured considered good)	6,013,510	7,070,360
Advances recoverable in cash or in kind or for the value to be received		
Share Application Money	9,000,000	9,000,000
Advances (Others)	80,612,710	59,502,537
Income Tax & TDS	5,120,349	5,120,349
TOTAL (B)	100,746,569	80,693,246
TOTAL (A + B)	241,930,741	236,665,087
SCHEDULE 'E'		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Creditors for Expenses	246,841	305,370
B) PROVISIONS		
For Taxation	2,233,931	2,947,855
For Deferred Taxation	118,408	126,182
	2,599,181	3,379,407
SCHEDULE 'F'		
INCOME FROM OPERATIONS		
Domestic Software Sales	70,536,250	82,932,110
Software Consultancy	2,449,625	5,753,087
Software System Services	4,473,420	13,269,647
Sale of Commodities & Products	74,351,305	-
	151,810,600	101,954,844
SCHEDULE 'G'		
OTHER INCOME		
Misc. Income	475,694	145,603
Interest Income	721,621	848,443
	1,197,315	994,046

Shree Tulsi Online.Com Ltd.

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	31st March' 2011 Rupees	31st March' 2010 Rupees
SCHEDULE 'H'		
ADMINISTRATIVE & GENERAL EXPENSES		
Advertisement Expenses	38,404	52,385
Auditors Remuneration	71,695	60,665
Bank Charges	1,028	1,984
Books & Periodicals	16,989	15,841
Conveyance & Travelling	218,096	209,340
Consultancy Fees	144,000	150,000
Directors Remuneration	240,000	198,000
Directors Sitting Fees	8,500	16,500
Donation	65,000	-
R&T and Demat Charges	159,792	143,052
Filing Fees	1,000	9,000
General Expenses	187,395	197,317
Listing Fees	57,908	57,908
Legal Expenses	29,100	215,000
Professional Fees	132,000	120,000
Postage & Courier	137,859	132,371
Printing & Stationary	82,756	77,385
Rent, Rates & Service Charges	153,672	138,304
Retainership Fees	96,000	90,000
Salary & Bonus to Employees	1,328,669	1,308,209
Selling & Distribution Expenses	297,936	280,147
Software Development & Maintenance	150,684	156,530
Staff Welfare Expenses	61,147	55,321
Telephone Expenses	54,095	51,592
	3,733,725	3,736,851

SCHEDULE - 'I'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

(A) SIGNIFICANT ACCOUNTING POLICIES:

1.
 - a) The accounts of the Company are prepared on historical cost basis and on the accounting principle of a going concern.
 - a) The Company recognizes income on accrual basis income from Software Sale, Software Consultancy and Software System Services is recognized up on completion of the job.
 - c) In respect of other heads of income, the company follows the practice of accounting of such income on accrual basis.
2.
 - a) Closing stock of software project/ products under development as certified by company's technical expert and that of consumable has been valued at cost. Cost of work-in-process and finished goods include materials and direct costs.
 - b) Finished goods i.e. Software Packages are valued at lower of cost or net realisable value.
3.
 - a) Fixed Assets are stated at cost, which includes expenditure on installation / construction and pre-operative expenses wherever applicable.
 - b) Depreciation on Fixed Assets is provided block-wise on written down value method on prorata basis as per rates prescribed in Schedule XIV to the Companies Act, 1956.
4. There has been no foreign exchange income or outflow during the year.
5. Investments are valued at cost.
6. Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.
7. Provision for Deferred Tax is made using the liability method at the current rate of taxation on all timing difference & the extent that it is probable that a liability or assets will crystallize.
8. **Retirement Benefits :**
Gratuity, Leave Encashment and other retirement benefits are accounted for on cash basis.

9. **Impairment of Assets:**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets.

An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

10. **Provisions, Contingent Liabilities and Contingent Assets:**

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

(B) NOTES ON ACCOUNTS:

1. **Related Party Disclosures**

There is no other company, which is under the same management in which the directors of the company are interested as directors and / or shareholders. There is no transaction with any firm and / or proprietor firm in which the directors of the company are interested as a partners or proprietor.

2. **Key Management Personnel**

The Key management personnel are only the directors, whose names are mentioned in the corporate governance report.

3 The names of Micro Small and Medium Enterprisers suppliers defined under 'The Micro Small and Medium Enterprises Development Act, 2006' could not be identified, as the necessary evidence is not in the possession of the Company.

4 Liabilities in respect of gratuity & leave encashment and other retirement benefits are accounted for on cash basis which is not in conformity with Accounting Standard (AS)-15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountants of India which requires that Gratuity and Leave Encashment Liabilities be accounted for on accrual basis. However, no such payment was made during the financial year.

5 No provision has been made in respect of Investment made in quoted equity shares which are being quoted below the acquisition price.

Shree Tulsi Online.Com Ltd.

- 6 In the opinion of the management, there is no impairment of assets as on Balance Sheet date.
- 7 In the opinion of the management, there are no contingent liabilities as on Balance Sheet date.
- 8 The Company is developing software for marketing in domestic and international markets. Out of several software projects under development at the commencement of the financial year 2010-2011, the company has completed some projects and sold/ delivered the same, the cost of which has been taken to the profit and loss account. Since the revenue generation begins after the completion of the software projects / products, the company is of the view that development expenditure on the unfinished/ incomplete software should be treated as part of inventory under the head 'Software Projects under Development'.

We have relied upon the statement of management that closing stock of software project/ products under development have been certified by companies technical experts and that of consumable have been valued at cost. Cost of work-in-process and finished goods also include material and direct cost as certified by the management.

9. **Details of Turnover, Purchases and Stock:**

	CURRENT YEAR	PREVIOUS YEAR
	AMOUNT (RS.)	AMOUNT (RS.)
Sales/ Income	151,810,600	101,954,844
Purchase	128,132,867	87,967,767
<u>Closing Stock</u>		
Finished Goods	35,684,920	41,070,210
Work in Progress	19,786,135	25,529,650
10. Remuneration to Auditors:		
a) Audit fee	71,695	60,665
b) As advisor, or in any other capacity in respect of		
i) Taxation matters	Nil	Nil
ii) Company Law matters & Certifications	12,000	18,000
11. Remuneration to Directors	240,000	198,000

Shree Tulsi Online.Com Ltd.

12. Deferred Tax:
- (a) The company has provided deferred tax in accordance with the Accounting Standard-22 Accounting for taxes on Income issued by the ICAI.
- (b) The break-up of net deferred tax liability as on 31st March, 2011 is as under:

Particulars	Deferred Tax Liability
Tax on difference between books and Tax Depreciation	(Rs. 7,774/-)

13. Paise have been rounded off to the nearest rupee.
14. Schedule A to I form an integral part of Balance Sheet and Profit & Loss Account.
15. Previous year figures have regrouped or rearranged wherever necessary.

As per our Reports of Even Date

For Mohindra Arora & Co.
Chartered Accountants

For Shree Tulsi Online.Com Limited

A.K.Katial
(Partner)
FCA No.09096

V.K.Bothra
(Whole time Director)

A.K.Jain
(Director)

Place: Mumbai
Date : 11/04/2011

Shree Tulsi Online.Com Ltd.

**COMPANY BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI
OF THE COMPANY ACT, 1956**

I. Registration Details

Registration No. L99999WB1982PLC035576 State Code. 21
Balance Sheet Date 31 March, 2011

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	298,967	Total Assets	298,967
--------------------------	----------------	---------------------	----------------

Sources of Funds.

Paid up Capital	233,626
Reserves and Surplus	62,742
Current Liabilities	2,599

Applications of Funds

Net Fixed Assets	35,156
Currents Assets	241,931
Investments	21,880

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

Total Income	141,879
Total Expenditure	134,675
Profit before tax	7,204
Profit after tax	4,978
E.P.S (Rs.)	0.21

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

Item Code No. (ITC Code No.)	Not Available
Product Description	Software Sales

As per our Reports of Even Date

For Mohindra Arora & Co.
Chartered Accountants

For Shree Tulsi Online.Com Limited

A.K.Katial
(Partner)
FCA No.09096

V.K.Bothra
(Whole time Director)

A.K.Jain
(Director)

Place: Mumbai
Date: 11/04/2011

Shree Tulsi Online.Com Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Pursuant to the Listing Agreement Clause 32 with the Stock Exchange)

(Amount in Rs.)

	2010-11	2009-10
(A) Cash Flow From Operating Activities		
Net Profit before Tax as per P&L Account	7204394	9182966
Adjusted for		
Misc. Income	475694	145603
Interest Income	721621	848443
Depreciation	2808125	1885222
Operating Profit Before Working Capital Changes	8815203	10074142
Adjusted for		
Inventories	5385290	766764
Work in Progress	5743515	-590680
Sundry Debtors	3499340	-10131757
Loans & Advances	-20053323	-7381337
Current Liabilities	-58529	65766
Cash Generated From Operations	-3331496	-7197102
Payment of Tax	-2947855	-4534627
Net Cash Inflow/Outflow From Operations	383641	-11731729
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	-5434931	0
Misc. Income	475694	145603
Interest Income	721621	848443
Investments	3694450	10966420
Net Cash Flow From Purchasing Activities (B)	-543165	11960467
(C) Cash Flow From Financing Activities	NIL	NIL
Net Cash Increase in Cash & Cash Equivalents (A+B+C)	-159524	228737
Cash & Cash Equivalents at the Beginning of the Year	528374	299638
Cash & Cash Equivalents at the End of the Year	368850	528374

For Shree Tulsi Online.Com Limited

Place: Mumbai
Date: 11/04/2011

V.K.Bothra
(Whole time Director)

A.K.Jain
(Director)

Shree Tulsi Online.Com Ltd.

Regd. Office : 4, Netaji Subhas Road, (1st Floor), Kolkata - 700 001.

ATTENDANCE SLIP

I hereby record my presence at the 29th Annual General Meeting held at 4, Netaji Subhas Road, (1st Floor), Kolkata - 700 001, on Monday, 26th September, 2011 at 3.00 p.m.

1. L. F. No. _____
 2. Depository : NSDL/CDSL _____
 3. DP ID. _____
 4. Client ID _____ * For shares held in electronic form
 5. FULL NAME OF SHAREHOLDER _____(IN BLOCK LETTERS)
 6. NO. OF EQUITY SHARES HELD : _____
 7. SIGNATURE OF THE SHAREHOLDER OR PROXY ATTENDING : _____
- (PLEASE GIVE FULL NAME OF THE 1ST JOINT HOLDER) MR./MRS./MISS _____

(TO BE USED ONLY WHEN FIRST NAMED SHAREHOLDER IS NOT ATTENDING)

NOTE : PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

Shree Tulsi Online.Com Ltd.

Regd. Office : 4, Netaji Subhas Road, (1st Floor), Kolkata - 700 001

FORM OF PROXY

I/We _____ of _____ in the District of _____ being the member/members of the above named Company hereby appoint _____ of in _____ the District of _____ or failing him _____ of or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company to be held on Monday, 26th September 2011, at 3.00 p.m. and at any adjournment thereof. Signed this ____ day of ____ 2011.

Signature _____

Affix
a revenue
stamp

LF No. _____ * Depository : NSDL / CDSL _____ *DP ID _____ *Client ID _____

*For Shares held in Electronic Form No. of Shares held

Note : (1) A member is entitled to attend and vote is entitled a proxy to attend and vote instead himself. (2) A proxy need not be a member. (3) The complete form should be deposited at the Registered Office of the Company, 4, Netaji Subhas Road, (1st Floor), Kolkata - 700 001 not less than 48 hours before the time of holding the meeting.

BOOK-POST

To,

Shree Tulsi Online.Com Ltd.

Regd. Office : 4, Netaji Subhas Road, (1st Floor), Kolkata - 700 001.