
*The Most Comprehensive
range of wellness products
and alternative healthcare
services that help in spiritual
wellbeing, health and vitality,
and in sense of beauty and
appreciation*

23rd Annual Report

T.Spiritual World Ltd

2008 - 2009

Registered office

•4, Netaji Subhash Road,
1st Floor,
Kolkata - 700001

Corporate Office

•TSW Centre, A-41/A,
Road No.1, Mahipalpur Chowk,
New Delhi – 110 037

Bankers

•HDFC Bank
•ABN Amro Bank
•Oriental Bank of Commerce

Auditors

•M/s. Mohindra Arora & Co.
Chartered Accountants

Registrar & Transfer Agent

•Bigshare Services (P) Ltd.
E-2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai – 400 072.

Board of Directors

Dr. A. A. Sisodia

Director

Mr. B. Singh

Whole Time Director

Mr. A. K. Jain

Director

Mr. R. Singh

Director

Mr. M. K. Bothra

Director

Chairman's Desk

Dear Shareholders,

The Economy

The Indian Economy, by virtue of its strong macroeconomic fundamentals, has been one of the most resilient and fastest growing emerging economies of the world. Despite the subprime crisis and other events that have had negative consequences for most other nations, India continued to grow at an impressive rate of 6.7% in the fiscal year 2008-09, albeit at a slower pace when compared to earlier years. In the current financial year, it is expected that Indian economy will regain its growth momentum to grow at its recent trend growth of 8% to 9% over the past 5 years because of stable policy environment, and internal growth stimuli notwithstanding the global factors like tighter credit conditions, slackening of demand, lower exports and slow down in developed economies.

The fiscal stimuli provided by the Government and the rising fiscal deficit could lead to potential inflationary pressures, if not handled adroitly, and in the near term there could be crowding out of private investment by the public sector. Investments in agriculture, rural development, health, human resources and infrastructure will need to gain momentum to make growth more inclusive and balanced. Overall, the Indian economy is slated to be one of the few in the world with positive growth acceleration in the current year.

Wellness

Wellness as an offering has been prevalent since the ancient times in India. The pioneering work of our ancestors in the areas of ayurveda and traditional medicine stand as leading lights for many users and practitioners to this date. What has changed since then has been the dedication that entrepreneurs, practitioners and regulators in this space have shown to kick-start the organised industry in India.

Notwithstanding the current economic slowdown that has impacted several sectors, the Indian wellness services market is expected to remain buoyant. Wellness, Exploring the Untapped Potential, a FICCI-Ernst & Young (EY) initiative studied this upcoming industry very closely in terms of growth and potential for future. According to the report, the wellness industry comprises two segments—wellness services and wellness products. At the end of 2008, the wellness services market stood at Rs 11,000 crores and the wellness products industry was around Rs 16,000 crores. With an overall estimated CAGR (compound annual growth rate) of over 20% till 2012, this combination of products and services represents the untapped potential that TSW seeks to address with its exclusive wellness products and services. TSW has so far been very successful in creating a novel position for itself. The Company has already established a reputation among the corporate community and created awareness for a healthier corporate lifestyle.

I am confident that with your unstinting support and the commitment and energy of our employees we will be able to live up to the expectations of our stakeholders including shareholders, customers, governments and all members of the community we operate in.

I'd like to extend my gratitude towards all our shareholders, customers and the staff for their support in shaping the success of our company.

Dr. Alam Ali Sisodia
Chairman

Notice

NOTICE is hereby given that the 23rd Annual General Meeting of T. Spiritual World Limited will be held on Thursday, 24th September 2009 at 10:00 A.M. at Shivam Conference Hall, B – 267, Bangur Avenue, Kolkata – 700 055 to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve, and adopt the Profit and loss Account of the Company for the year ended 31st March, 2009 and the Balance Sheet as on that date, together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. A. K. Jain who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution, relating to the appointment of the auditors of the company:

"RESOLVED THAT M/s Mohindra Arora & Co, Chartered Accountants, Delhi (in place of M/s R. K. Doshi & Associates, Chartered Accountants, Kolkata who have given notice in writing of their unwillingness to be re-appointed as statutory auditors of the company) be and are hereby appointed as statutory auditors of the Company under Section 224, 224A and other applicable provisions, if any, of the Companies Act 1956, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at such remuneration as may be decided by the Board of Directors of the company."

**By Order of the Board
For T. Spiritual World Limited**

**Place: Kolkata
Date: 18th Aug 2009**

**(B. Singh)
Whole Time Director**

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 of the company.
2. Proxies in order to be effective must be received at the Company's registered office at 4, Netaji Subhash Road, 1st floor, Kolkata – 700 001 not less than 48 hours before the time fixed for the meeting.
3. Members who are holding Company's shares a Dematerialized form are required to bring details of their depository account number for identification.
4. Register of Members and Share Transfer Books shall remain closed from 18/09/2009 to 24/09/2009 (Both days inclusive).
5. Explanatory statement pursuant to section 173(2) of the Companies Act 1956, in respect of the Business above is annexed hereto.
6. Member are requested to kindly notify immediately change if any in their address to the Company.
7. 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.
8. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No.3

Presently the Company's financial accounts are being audited by M/s R.K. Doshi & Associates, Chartered Accountants, Kolkata, who hold Office until the conclusion of this meeting. M/s R. K. Doshi & Associates, vide their letter dated 3rd August 2009 informed the company about their unwillingness for their re-appointment at ensuing Annual General Meeting of the Company.

The Board places on record its appreciation for the services rendered by M/s R. K. Doshi & Associates as the statutory auditors of the Company.

The Company has received a special notice from a member of the Company, signifying his intention to propose the name of M/s Mohindra Arora & Co, Chartered Accountants, Delhi, as the statutory auditors of the Company under the provisions of Companies Act, 1956. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee proposes the name of M/s Mohindra Arora & Co., Chartered Accountants, Delhi as the statutory auditors of the Company who will hold office as such from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

M/s Mohindra Arora &Co., Chartered Accountants, Delhi have expressed their willingness to act as the statutory auditors of the Company and have further confirmed that their appointment, if made would be within the limits prescribed under sections 224(1B)of the Companies Act, 1956.

Members' approval is accordingly being sought for the appointment of M/s Mohindra Arora & Co., Chartered Accountants, Delhi as the statutory auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually decided.

The Directors commend the motion set out in the Notice to be passed as a special resolution by the Members.

None of the Director is in any way concerned or interested in the Resolution under Item No.3.

Appointment /Re appointment of Directors

At ensuing Annual General Meeting, Mr. A. K. 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. A. K. Jain is having vast experience in the field of accounts, administration, etc.

Directors' Report

Dear Shareholder,

Your Directors are pleased to present the 23rd Annual Report together with the Audited Statement of Accounts and the Auditors Report of your company for the year ended 31st March 2009. The Financial highlights for the year under review are given below:

Particulars	(Rs. In Lac)	
	31/03/2009 (12 Months)	31/03/2008 (9 Months)
Total Income	3134.79	2480.88
Profit Before Depreciation and Tax	82.88	85.30
Less : Depreciation	37.68	25.68
Profit Before Taxation	45.20	59.62
Less : Provision for Tax	10.37	28.49
Profit after Tax	34.83	31.13
Add: Balance of Profits for earlier years	377.28	346.15
Balance available for Appropriation	412.11	377.28

DIVIDEND

Due to growing requirement of fund for the future business activities, your directors have decided not to recommend dividend for the year under review.

PERFORMANCE

Total Revenue of your Company is Rs.3134.79 lacs in Financial Year 2008-09 (12 months) compared to Rs.2480.88 lacs during Financial Year 2007-08 (9 months). The Net Profit generated by the Company during the year under review is Rs.34.83 lacs, as compared to the previous year's Rs.31.13 lacs.

FUTURE OUTLOOK

During the year, your company has successfully executed orders and foresees a large business opportunity in the area of Managed Services. With skilled manpower, years of experience, database and applications, the company is now offering its Managed Services to medium and large organisations.

The company has already diversified into the spirituality sector and intends to set-up various business divisions. But, looking at the current economic scenario of the country, the company intends to go slow in setting up its various divisions. Wellness is a capital intensive business. Overall future of wellness sector shall remain positive but with certain restrictions.

DIRECTORS

In accordance with the provision of the Companies Act 1956, Mr. A. K. Jain, Director of the company retires by rotation and eligible for reappointment.

AUDITORS & AUDITORS OBSERVATIONS

At 22nd Annual General Meeting of the Company held on 30/09/2008, M/s R. K. Doshi & Associates, Chartered Accountants, Kolkata, were re-appointed as statutory auditors of the company to hold office as such until the conclusion of the ensuing Annual General Meeting of the company. M/s R. K. Doshi & Associates, Chartered Accountants, Kolkata now expressed their unwillingness to be re-appointed as such statutory auditors of the company. It is therefore proposed to appoint in their place M/s Mohindra Arora & Co, Chartered

Accountants, Delhi as statutory auditors of the company as stated in the relevant resolution on the terms set out therein.

M/s Mohindra Arora & Co., Chartered Accountants, Delhi who have given certificate of their eligibility and willingness to act as statutory auditors of the company. It is in the above circumstances that the resolution in these items of the notice is proposed to be passed and is recommended for your acceptance.

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

CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Reports and the Certificate from Company's auditors confirming the compliance with the code of Corporate Governance as enumerated in clause 49 of the listing of agreements with the Stock Exchange is annexed hereto.

MANAGEMENT DISCUSSION AND ANALYSIS

In compliance with the provisions of clause 49 of the listing agreement with the stock exchange, detailed review of the operations, performance and future outlook of the company is annexed hereto.

HRD INITIATIVES

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. Your Company plans to take requisite steps by bringing in the essential professionals and infrastructure to provide solutions and integrate systems for transacting business across the Internet.

The provision of section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

QUALITY INITIATIVES

The Company has established quality management systems and got its processes examined by certified assessors who have found it to be conforming to the requirements of ISO 9001:2000 in respect of "Retail Sale of products like Religious Books, CDs, Yantras, Candles and Provision of Services for Yoga, Meditation, Astrology, Software Development and Web Designing."

FIXED DEPOSITS

The company has not accepted any deposit since incorporation and, as such, no amount of principal or interest was outstanding on the date of Balance Sheet.

DIRECTORS RESPONSIBILITY

The Directors confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 2009 and of the profit or loss of the company for that period;

- (iii) The directors had 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 had 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 of 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 in your Co-operation & never failing support.

**By Order of the Board
For T. Spiritual World Limited**

**Place : Kolkata
Date :18th Aug 2009**

**(Baldev Singh)
Whole Time Director**

ANNEXURE TO THE DIRECTORS' REPORT

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. Investments are made on a continuous basis to reduce energy consumption.

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.

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 has 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

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 & Analysis

Company Profile

At, T. Spiritual World Ltd., our aim is to be a complete destination for wellness products and services to individuals as well as corporates.

The Company initially started from Kolkata but now has offices in Mumbai, Delhi and Meerut also. The company is a successfully managed and profit making public limited company. The Company has two main business divisions

- Wellness Products & Services
- IT & Software Development

The Company has a state of the art wellness centre at Mahipalpur, New Delhi. This 4- storey wellness centre has

- a fully equipped Yoga Studio
- a Wellness Store
- Alternative Therapy Clinic &
- Corporate Office

Wellness Products & Services

Products

- ◆ Astrology products - yantras, gemstones, rudraksh, horoscopes
- ◆ Aromatherapy Candles
- ◆ Acupressure instruments
- ◆ Yoga accessories
- ◆ Books, CDs and audio cassettes
- ◆ Feng Shui items
- ◆ Health & Fitness – Yoga mats, kits,

Services :

- ◆ Yoga sessions for individuals, groups & corporates
- ◆ Acupressure & Sujok treatments
- ◆ Stress management for corporates
- ◆ Astrology & Vaastu consultations
- ◆ Health, diet & lifestyle counseling
- ◆ Naturopathy prescriptions
- ◆ Health & Wellness Camps

The Company also has a software development center at Meerut. This technology center is the hub for technology and IT training services for the Company. The Company derives its revenues from three main services

- IT & Computer Training
- Internet & Web Development
- Software Development

Our Wellness Programs have been conducted at:



Industry Structure & Development

Notwithstanding the current economic slowdown that has impacted several sectors, the Indian wellness services market is expected to remain buoyant. Wellness, Exploring the Untapped Potential, a FICCI-Ernst & Young (EY) initiative studied this upcoming industry very closely in terms of growth and potential for future. The wellness industry comprises two segments—wellness services and wellness products. At the end of 2008, the wellness services market stood at Rs 11,000 crore and the wellness products industry was around Rs 16,000 crore. With an overall estimated CAGR (compound annual growth rate) of over 20% till 2012, this combination of products and services represents a large untapped potential.

The innate human desire for achieving balances, both in body and mind, is at risk in our fast-paced society today. Rising stress levels for individuals is threatening the stability of physical and mental faculties. Added to that, societal changes and exposure to an international lifestyle has prompted more than a generation of our society to seek assistance in achieving this balance. It is this large bedrock of users with diverse backgrounds, distributed locations and strong financial ability that we believe we need to tap into.

Wellness offerings have also seen increased demand from corporate clients. A greater corporate focus on employee welfare and a desire to inculcate beneficial wellness practices into employees' lifestyles has resulted in a new breed of corporate clients for wellness players.

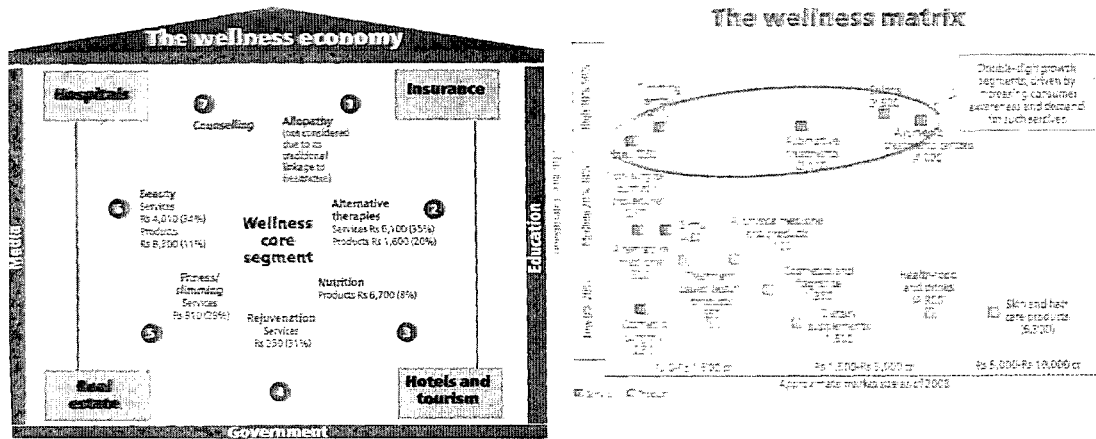
For wellness providers, the opportunity presented by this growth industry is significant. As an indicator, more than 15 international players in the wellness product and service space have entered India in the recent past. Numerous Indian players, including some of the biggest names in the Indian wellness space have diversified their offerings across the products and service spectrum and are making their presence felt across India through rapid expansion.

On an average, more than 50% of the market is unorganised and highly segmented with several small and regional players. While ayurveda and alternative treatments are predominantly unorganised; health foods and drinks and dietary supplements are more organised. The larger service providers face a challenge with the sector being unorganised as it puts tremendous pressure on pricing and therefore margins.

Companies in sectors allied to the wellness industry like hospitals, real estate and hospitality have also forayed into the wellness space on account of synergy with their core offerings. The opportunity has also been aided by the interest taken in the wellness sector by several reputed domestic and international private equity (PE) firms.

There are several challenges facing wellness players considering the complexity of the country and the nascent stage of the industry. A key challenge for wellness players in India is to be able to regionalise their offerings across India, on account of significantly varying consumer preferences. The one standard 'menu' on offer approach is sub-optimal considering the widely varying customer preferences across India.

The ability to build collaborative distribution models with companies in allied sectors is a challenge. Being able to create synergistic structures would help to control costs of reaching out.



Source: Wellness, Exploring the Untapped Potential, a FICCI-Ernst & Young report

OPPORTUNITY AND THREAT

Your Company's products and services enjoy wide acceptance in various user industries. Yet in the ever changing corporate and technology developments, 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.

India is one of the largest education markets in the world in terms of the number of students. Overall there are over 1 million schools in India with over 202 million students enrolled. The numbers of privately run schools in India are over 30,000. The government spends more than 14% of its total expenditure on Education. The Ministry of Human Resources Development (MHRD) estimates show that in the year 2000-2001 the central and state governments together spent over 84,000 crores or about 4% of its GDP on education. Education has been a priority with successive governments in the country and the present government has levied an education cess to enhance the ability of the government to make further investments in this area.

It is well recognized that bridging the digital divide and providing for students to have technological literacy is a core objective of our education policy. The government has put in place a number of schemes for promoting the use of computer technology in schools such as Sarva Shiksha Abhiyan (SSA) and ICT@Schools scheme. Less than 2% of the 950,000 government schools are IT enabled. The Sarva Shiksha Abhiyan had an allocation of Rs 100.41bn in 2006-07 and "ICT@ Schools" had a proposed outlay of Rs 5bn by 2007. Moreover, 500,000 additional classrooms are being planned in the next 3 years. This presents a significant opportunity for the company's education software and hardware products.

OUTLOOK

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:

RISK AND CONCERNS

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.

The company may also face competition from small time operators having no or little technology base may affect the goodwill of the spiritual sector nationally and internationally.

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 continues to maintain excellent industrial relation while ensuring development of its human resources through appropriated training and further educational programs. The company believes that its employees are the real strength of the organization.

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.

Corporate Governance

Company's Philosophy on code of Governance:

The Board has adopted the principles of good Corporate Governance in line with the requirements of the Corporate practices enumerated in clause 49 of the listing agreement entered into by the Company with the Stock Exchange. The Company always believes to achieve optimum performance at all levels in adopting good corporate performance and its aim to achieve greater transparency by making adequate disclosure.

Board of Directors:

The Board of Directors along with its committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board of Directors presently comprises of 5 Directors, out of which 4 are Non-Executive Directors and two of them are Non-Executive Independent Directors. The Company has a Non-executive Chairman and members of Independent Directors are more than one third of the total numbers of Directors. The numbers of Non-executive Directors are more than 50% of the total number of Directors. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees.

During financial year 2008–2009, the meetings of Board of Directors were held on 24/4/2008, 30/07/2008, 12/8/2008, 25/8/2008, 31/10/2008, 29/01/2009 and 20/2/2009. The meetings of the Board of Directors are generally held once in a quarter and are scheduled well in advance.

The attendance of the Directors at the Board Meetings, Annual General Meeting, Extra Ordinary General Meeting and the directorship held by them in Indian Public Limited Companies and also membership of the committees of the Boards of such Companies are as follows:

Number of Directorship held:

Name of Director	Category	No. of Board Mtg. Attended	Attendance at AGM	Attendance at last EGM	No. of other Directorship	No. of other Comm. Membership
Mr. B. Singh	Whole Time Director	7	Yes	Yes	1	Nil
Mr. A. K. Jain	Non-Executive Director	7	Yes	Yes	4	4
Dr. A. A. Sisodia	Non-Executive Independent Director	6	Yes	Yes	1	1
Mr. R. Singh	Non-Executive Director	5	Yes	Yes	1	1
Mr. M. K. Bothra	Non-Executive Independent Director	4	No	Yes	2	2

Particulars about the Directors who are retiring by the rotation and eligible for reappointment have been given in the notice.

Code of conduct:

The Board of Directors has adopted the code of Business conduct and ethics for directors and senior Management. The said code has been communicated to the director and the members of the senior management. The code has also been posted on the company's website at www.tspiritualworld.com.

Audit Committee:

The Audit Committee comprises of three Non-Executive/ Independent Directors, all of them are financially literate and have relevant finance and /or audit exposure. The committee appointed Mr. A. A. Sisodia as Chairman of the Audit Committee who has knowledge of finance and accounting. The quorum of the committee is two members or one third of its members, whichever is higher. During financial year 2008 – 2009, the audit committee meeting was held four times i.e., 22/04/2008, 28/07/2008, 27/10/2008 and 27/01/2009.

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

1. To oversee the financial reporting process and disclosures of financial information.
2. To review of the quarterly/ half yearly and annual financial statements of the Company before submission to the Board with special emphasis on accounting policies, compliance of accounting standards and other legal requirements relating to financial statements.
3. To review with the management and statutory auditors the annual financial statements before submission to the Board.
4. To review the Company financial and risk management policies
5. To consider such other matters as may be required by the Board
6. To hold periodical discussions with statutory Auditors on the scope and content of the audit.

The composition of the constituted Audit Committee along with the details of the meetings attended the members are given below:

Name of the Members	Category	No. of Meeting Attended
Dr. A. A. Sisodia	Non-Executive Independent Director	4
Mr. A. K. Jain	Non-Executive Director	4
Mr. M. K. Bothra	Non-Executive Independent Directors	3

Share Holders / Investors Grievances Committee:

The Investors Grievance committee consists of three Directors as its members, viz., Mr. M. K. Bothra, Mr. A. K. Jain, and Mr. A. A. Sisodia. Mr. A. A. Sisodia, an Independent Director is the Chairman of shareholders/ investor grievance committee and Mr. B. Singh, Whole Time Director is acting as Compliance Officer at present. The committee is responsible to oversee and review all matters connected with transfer and transmission of shares, issue of duplicate share certificates etc. The committee monitors replies to investor's complaints, queries and requests relating to transfer of shares, non-receipt of share certificates, non receipt of declared dividends, Annual Reports, etc. During the year, the committee met four times with all the members attending the meeting. The committee has sorted out all complaints queries received from shareholders / investors during the year ended 31/03/2009.

Remuneration Committee:

The Remuneration Committee, is composed of 2 Independent Directors and 1 Non-executive Director, reviews the performance of the Whole Time Director and senior executives one level below the Board, and also reviews the remuneration package offered by the Company to different grades/ levels of its employees. While reviewing the remuneration of senior management personnel, the Committee takes into account the following:

- ❖ Financial position of the Company;
- ❖ Trends in the industry;
- ❖ Appointee’s qualifications and experience;
- ❖ Past performance;
- ❖ Past remuneration; etc.

The Chief of Human Resources makes periodic presentations to the Remuneration Committee on organization structure, performance appraisals, increments and performance bonus recommendations. These keep the Directors updated on various Human Resources matters.

During FY 2008-2009, the remuneration committee met two times and all the members of the committee were present in each of the meeting.

The composition and attendance record of the Compensation Committee is given in below table.

Name of the Members	Category	No. of Meeting Attended
Dr. A. A. Sisodia	Non-Executive Independent Director	2
Mr. A. K. Jain	Non-Executive Director	2
Mr. M. K. Bothra	Non-Executive Independent Directors	2

Remuneration of Director:

The sitting fees for attending of each meeting of the Board of Directors of the Non-executive/Independent Directors of the Company will be decided by the remuneration committee. During the year under review, company has paid remuneration to its Non-executive/ Independent Directors. There is no pecuniary relationship or transaction of the Company with its Non-executive Directors/ Independent Director other than payment of sitting fees @ Rs 500/- per meeting to them for attending of board and committee meeting. The details of remuneration of Mr. B. Singh (Whole Time Director) are as under:

Name of the Director	Salary - cum - Allowances	Stock Benefits	Service Contract Tenure
Mr. Baldev Singh	Rs. 1,20,000/-	Nil	3 Years

General Body Meeting:

Details of location and time of last three Annual General Meetings and Extra Ordinary General Meeting are as follows:

Year	AGM/EGM	Date	Time	Place
2007-2008	AGM	30.09.2008	10.00 A.M.	Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055
2007-2008	EGM	14.02.2008	10:00 A.M.	Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055
2006-2007	AGM	21.12.2007	10:00 A.M.	Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055
2005-2006	AGM	28.12.2006	10:00 A.M.	Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055

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 conflicting with the interest of the company.

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

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. The quarterly results as well as the proceedings of the AGM / EGM are submitted to BSE / CSE immediately after conclusion of the respective meeting.

CEO Declaration:

As required by Clause 49 of the Listing Agreement, the CEO i.e., the Whole Time Director's declaration on compliance of the Company's code of conduct is provided as an Annexure to this Report.

General Share Holder Information:

1	Compliance Officer	Mr. B. Singh (Whole Time Director) Suite No.18, 2, India Exchange Place, Kolkata – 700 001
2	Annual General Meeting	
	a. Date & Time	Thursday, 24/09/2009 At 10.00 A.M.
	b. Venue	Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055
	c. Financial Calendar	1 st April to 31 st March
	Quarterly Result	
	First Quarter	July 2009
	Second Quarter	October 2009
	Third Quarter	January 2010
	Fourth Quarter	April 2010
	d. Date of Book Closure	18.09.2009 to 24.09.2009
	e. Listing on Stock	1. The Calcutta Stock Exchange Association Limited, Kolkata 2. Bombay Stock Exchange Ltd., Mumbai Listing fees in respect of all the above Stock Exchange have been paid for the year 2009 – 2010
	f. Stock Code	BSE : 532444 and CSE :15091
	g. Demat ISIN in NSDL & CDSL for equity shares	INE54IC01037
	h. Registrar and Share Transfer Agent (For Physical & Dmat Segment)	Bigshare Services Pvt. Ltd. E/2, Ansa Ind. Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072 Tel. : 28470652; Fax : 28475207
	i. Dividend	No dividend has been recommended by the Board of Directors for the FY 2008-09

j. Market Price data high, low, during each month in last financial year is given below	High, Low and No. of shares traded per month on BSE			
	Months	High	Low	Volume
	April 2008	4.73	3.85	564078
	May 2008	4.65	3.76	437782
	June 2008	3.98	2.76	244365
	July 2008	3.35	2.38	390486
	August 2008	3.85	2.55	285794
	September 2008	3.38	1.86	239398
	October 2008	2.57	1.10	312169
	November 2008	1.95	1.00	191309
	December 2008	1.92	1.02	165518
	January 2009	1.72	1.16	488728
	February 2009	1.51	1.11	145099
	March 2009	1.48	1.06	164464

Share Transfer System:

Shares of the Company are compulsorily traded in demat mode. Shares in physical mode which are lodged for transfer with Transfer Agent, i.e., M/s Bigshare Services Pvt. Ltd, at the above addresses are processed within 15 days from the date of receipt, if the documents are complete in all respects. The share certificates are returned to the investors within the prescribed time.

Dematerialization of Shares:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories with NSDL/ CDSL. About 99.99% (approx) of total equity share capital is held in Dmat form with NSDL & CDSL as at 31st March 2009.

Distribution of Shareholdings:

Categories of Shareholders as on 31.03.2009

Category	No. of Share-holders	No. of Shares	% of Equity Capital
Promoters	7	32,41,280	16.205%
Other Bodies Corporate	361	31,09,899	15.548%
Individual / Others	17738	1,36,50,821	68.247%
Total	18,106	2,00,02,000	100.00%

Distribution of Shareholdings as on 31.03.2009:

Amount of Equity Share held	No. of Share-holders	% of Share-holders	Total Holding	% of Shares
1 – 500	12546	69.29	2584373	12.92
501 – 1000	2993	16.53	2483869	12.42
1001 – 2000	1447	7.99	2394289	11.97
2001 – 5000	729	4.03	2421194	12.10
5001 – 10000	238	1.31	1769844	8.85
10001 – 50000	125	0.69	2260359	11.30
50001 – above	28	0.15	6088072	30.44
Total	18,106	100.00	2,00,02,000	100.00

DECLARATION

As required under Clause 49 of the Listing Agreement, I, Baldev Singh, Whole Time Director of the Company hereby affirm that all the Board members and Senior Management personnel have confirmed compliance with the code of conduct, as applicable to them for the year ended 31st March 2009.

Place: Kolkata
Date : 22nd May, 2009

(Baldev Singh)
Whole Time Director

**R. K. DOSHI & ASSOCIATES
(Chartered Accountants)**

Eastern Building,
19, R. N. Mukherjee Road,
Kolkata – 700 001

To
The Members of
T. Spiritual World Limited
Kolkata

We have examined the compliance of conditions of Corporate Governance by T. Spiritual World Limited for the year ended 31st March 2009, 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 has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate Governance as stipulated in the above mentioned Listing agreements

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 R. K. Doshi & Associates
(Chartered Accountants)**

Place: Kolkata
Date: 22nd May, 2009

(R. K. Doshi)
Proprietor
FCA No. 057196

**R. K. DOSHI & ASSOCIATES
(Chartered Accountants)**

AUDITORS' REPORT

To
The Members of
T. Spiritual World Ltd.

We have audited the attached Balance Sheet of M/s. T. Spiritual World Ltd. Kolkata as at 31st March, 2009, Profit & Loss Account and also the cash flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the management of the company. 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 issued by the Company Law Board in terms of Section 227 (4-A) of the Companies Act, 1956, we enclosed 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:
 - a) 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.
 - b) 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.
 - c) The attached Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and cash flow statement dealt with this report comply with the Accounting Standard referred to in section 211 (3C) of the Companies Act, 1956 to the extent applicable.
 - e) On the basis of written representations received by us from the directors of the Company as at 31st March 2009 and taken on record by the Board of Directors. We report that none of directors are disqualified as on 31st March 2009 from being appointed as director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

R. K. DOSHI & ASSOCIATES
(Chartered Accountants)

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 principle generally accepted in India: -
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2009 and
 - (ii) In the case of Profit & Loss Account, of the Profit of the Company for the period ended on that date.
 - (iii) In case of Cash-flow statement of the cash flows for the period ended on that date.

For R. K. Doshi & Associates
(Chartered Accountants)

Place: Kolkata
Date : 22nd May 2009

(R. K. Doshi)
Proprietor
FCA No. 057196

**R. K. DOSHI & ASSOCIATES
(Chartered Accountants)**

**Annexure to Auditors' Report
Referred to in Paragraph 1 of our report of even date:**

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained 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. No material discrepancies were noticed on such physically verification.
 - c) In our opinion, the Company has not disposed of substantial part 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) The Company has maintained proper records of inventories. 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 is adequate internal control procedure 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:
 - 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 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 reasonableness of prices at which such transactions have been entered, having value exceeding Rs.500,000/- or more in the financial year under audit.

6. The Company has not accepted any deposit from the public to which the provision of Sec 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 adequate 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 for any of the services rendered by the Company.
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 2009 for a period of more than six months from the date of becoming payable.
 - b) In our opinion and according to the information and explanations given to us, there is no disputed statutory dues' pending before appropriate authorities.
10. The Company has 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 defaulter in repayment of dues to financial institutions, bank or debenture holder.
12. In our opinion and according to the information and explanations given to us no loans and advances have been granted by the Company on the basis of security by way or pledge of 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. According to the information and explanation given to us, The Company is not dealing or trading in shares, securities, debentures and other investments.
15. The Company has not given any guarantees for loans taken by other from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an 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 term basis towards long-term borrowings and investment and vice versa.

18. During the year, 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.
19. The Company has not issued any debenture.
20. The Company has not raised the Money through ADRs/GDRs/FCCB or Convertible warrants etc during this period.
21. The Company has not raised any money by way of public issue during the year.
22. According to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the year.

**For R. K. Doshi & Associates
(Chartered Accountants)**

**Place: Kolkata
Date: 22nd May, 2009**

**(R. K. Doshi)
Proprietor
FCA No. 057196**

BALANCE SHEET AS ON 31st MARCH, 2009

(Amt in Indian Rupee)

	SCHEDULE	31/03/2009	31/03/2008
SOURCES OF FUNDS			
SHARE HOLDERS' FUND			
Share Capital	A	200,020,000	200,020,000
Reserve & Surplus	B	52,376,000	48,893,300
TOTAL		252,396,000	248,913,300
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	C	31,140,507	27,061,152
Less: Depreciation		21,538,491	17,770,667
NET ASSETS		9,602,016	9,290,484
INVESTMENTS			
		42,888,000	42,890,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories & Work in Progress	D	94,397,451	92,725,359
Sundry Debtors		46,102,365	43,475,973
Cash & Bank Balances		922,964	1,835,674
Loans & Advances		62,192,608	63,475,936
		203,615,388	201,512,942
Less: Current Liabilities & Provisions	E	3,709,403	4,780,126
NET CURRENT ASSETS		199,905,985	196,732,816
TOTAL		252,396,001	248,913,300
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 R. K. Doshi & Associates
(Chartered Accountants)

FOR AND ON BEHALF OF THE BOARD
For T. Spiritual World Limited

(R. K. Doshi)
Proprietor
FCA No. 057196

(B. Singh)
Whole Time Director

(A. K. Jain)
Director

Place: Kolkata
Date: 22nd May 2009

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31st MARCH, 2009

(Amt in Indian Rupee)

	SCHEDULE	31/03/2009	31/03/2008
INCOME			
Software Sales & Services	F	310,906,746	244,721,912
Other Income	G	899,782	660,139
Increase/ (Decrease) in Stock		1,672,092	2705907
		313,478,620	248,087,958
EXPENDITURE			
Purchases / Cost of Operation		296,687,125	232,224,156
Administration & Selling Exp.	H	8,503,910	7,333,840
		305,191,035	239,557,996
Profit Before Depreciation		8,287,585	8,529,962
Less: Depreciation		3,767,823	2,568,240
Profit Before Taxation		4,519,762	5,961,722
Less : Provision for Taxation		1,536,267	2,026,389
Provision for Fringe Benefit Tax		44,146	37,561
Provision for Deferred Tax		-543,352	784,591
Profit After Taxation		3,482,700	3,113,181
Add: brought forward from Previous Year		37,727,886	34,614,706
Add : Previous Year Adjustments		-	-
BALANCE CARRIED TO BALANCE SHEET		41,210,587	37,726,886
EARNING PER SHARE			
Face Value(Rs.)		10	10
Basic and Diluted(Rs.)		0.17	0.16
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 R. K. Doshi & Associates
(Chartered Accountants)

FOR AND ON BEHALF OF THE BOARD
For T. Spiritual World Limited

(R. K. Doshi)
Proprietor
FCA No. 057196

(B. Singh) (A. K. Jain)
Whole Time Director Director

Place : Kolkata
Date : 22nd May 2009

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

(Amt in Indian Rupee)

	31/03/2009	31/03/2008
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL		
23,010,000 Equity Shares of Rs.10/-each	230,100,000	230,100,000
	230,100,000	230,100,000
ISSUED, SUBSCRIBED & PAID UP		
20,002,000 Equity Shares of Rs.10/-each fully paid up	200,020,000	200,020,000
	200,020,000	200,020,000

	31/03/2009	31/03/2008
SCHEDULE 'B'		
RESERVE & SURPLUS		
Share Premium	9,985,000	9,985,000
General Reserve	1,180,414	1,180,414
Profit & Loss Account	41,210,586	37,727,886
	52,376,000	48,893,300

SCHEDULE 'C'

Fixed Assets	Cost as on 1.04.08	Addition During the Year	Total as on 31.03.09	Depreciation As on 1.04.08	Depreciation For the year	Depreciation As on 31.03.09	Net assets as on 31.03.09	Net assets as on 31.03.08
Computers & Accessories	20,016,133	2,368,700	22,384,833	15,510,076	2,749,903	18,259,979	4,124,854	4,506,057
Furniture & Fixtures	3,204,381	765,910	3,970,291	1,238,677	494,422	1,733,099	2,237,192	1,965,704
Air Conditioners	1,192,688	364,275	1,556,963	303,630	174,339	477,969	1,078,994	889,058
Office Equipments	2,647,950	580,470	3,228,420	718,284	349,160	1,067,444	2,160,976	1,929,666
Total	27,061,152	4,079,355	31,140,507	17,770,667	3,767,824	21,538,491	9,602,016	9,290,485
Previous Year	27,061,152	-	27,061,152	15,202,427	2,568,240	17,770,667	9,290,484	

	31/03/2009	31/03/2008
SCHEDULE 'D'		
<u>CURRENT ASSETS, LOANS & ADVANCE</u>		
A) CURRENT ASSETS		
INVENTORIES (As valued, certified & taken by Management)		
i) Finished Goods	69,462,750	69,837,510
ii) Work in Progress (Software Projects under Development)	24,934,701	22,887,849
SUNDRY DEBTORS (Unsecured Considered Good)		
Others	33,896,350	31,413,103
More than six months	12,206,015	12,062,870
CASH AND BANK BALANCE (As certified by the management)	922,964	1,835,674
	141,422,780	138,037,006
B) LOANS & ADVANCES		
Unsecured Loan (Considered good)	8,671,500	8,237,500
Advances recoverable in cash or in kind or for the value to be received		
Advances (Others)	52,991,822	54,709,150
Income Tax & TDS	529,286	529,286
	62,192,608	63,475,936
	203,615,388	201,512,942

	31/03/2009	31/03/2008
SCHEDULE 'E'		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
A) CURRENT LIABILITIES		
Creditors for Expenses	264,810	308,645
B) PROVISIONS		
For Taxation	1,536,267	2,026,389
For Fringe Benefit Tax	44,146	37,561
For Deferred Taxation	1,864,180	2,407,531
	3,709,403	4,780,126

	31/03/2009	31/03/2008
SCHEDULE 'F'		
<u>INCOME FROM SOFTWARE SALES</u>		
Domestic Software Sales	209,618,435	169,167,230
Software Consultancy	7,194,247	6,155,475
Software System Services	1,706,524	1,556,342
Spiritual Software & Products Sales	92,387,540	67,842,865
	310,906,746	244,721,912

	31/03/2009	31/03/2008
SCHEDULE 'G'		
<u>OTHER INCOME</u>		
Misc. Income	119,347	104,108
Interest Income	780,435	556,031
	899,782	660,139

(Amt in Indian Rupee)

	31/03/2009	31/03/2008
SCHEDULE 'H'		
<u>ADMINISTRATIVE & GENERAL EXPENSES</u>		
Advertisement Expenses	276,470	307,107
Auditors Remuneration	22,060	22,472
Bank Charges	6,271	3,815
Books & Periodicals	117,047	106,384
Conveyance & Travelling	373,492	349,351
Consultancy Fees	325,750	230,168
Directors Remuneration	120,000	90,000
Filing Fees	2,500	1,000
General Expenses	371,005	336,309
Listing Fees	86,417	83,250
Professional Fees	240,000	180,000
Postage & Courier	239,347	176,309
Printing & Stationary	210,743	186,340
R&T, Connectivity and Dmat Charges	117,104	128,652
Rent, Taxes & Service Charges	478,694	512,385
Salary & Bonus	4,036,705	3,360,278
Selling & Distribution Expenses	692,753	576,316
Software Maintenance	278,319	254,682
Staff Welfare Expenses	223,471	209,418
Telephone & Connectivity Expenses	285,762	219,604
	8,503,910	7,333,840

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.
 - b) 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.
 - 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 preoperative expenses wherever applicable.
 - b) Depreciation on Fixed Assets is provided block-wise on written down value method 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 entrusted 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 the directors, whose names are mentioned in the corporate governance report.

3. **The names of Micro Small and Medium Enterprises 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.**

5. **In the opinion of the management, there is no impairment of assets as on Balance Sheet date.**

6. **In the opinion of the management, there are no contingent liabilities as on Balance Sheet date.**

7. **The Company is developing software for marketing in domestic markets. Out of many software projects under development at the commencement of the financial year 2008-2009, 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 / incompleated software should be treated as part of inventory under the head 'Software Projects under Development'.**

(Amt in Indian Rupee)

8.	SALES	31/03/2009	31/03/2008
	Software Sales	310,906,746	244,721,912
	Purchase	296,687,125	232,224,156
	Closing Stock:		
	Finished Goods	69,462,750	69,837,510
	Work in Progress	24,934,701	22,887,849

9.	REMUNERATION TO AUDITORS:	31/03/2009	31/03/2008
a)	Audit fee	22,060	22,472
b)	As advisor, or in any other capacity in respect of		
	i) Taxation matters	Nil	Nil
	ii) Company Law matters & certifications	18,000	27,000

10.	REMUNERATION TO DIRECTORS:	120,000	90,000
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11. Deferred Tax: The break-up of net deferred tax liability as on 31/03/2009 is as under:

Particulars	Deferred Tax Liability
Difference between book and Tax Depreciation	Rs.(5,43,352/-)

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

For R. K. Doshi & Associates
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
For T. Spiritual World Limited

(R. K. Doshi)
Proprietor
FCA No. 057196

(B. Singh) (A. K. Jain)
Whole Time Director Director

Place: Kolkata
Date: 22nd May, 2009

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

I. Registration Details			
Registration No.L63040WB1986PLC040796	State Code 21	Balance Sheet Dt. 31 March, 2009.	
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	256,105	Total Assets	256,105
Sources of Funds.		Applications of Funds	
Paid-up Capital	200,020	Net Fixed Assets	9,602
Reserves and Surplus	52,376	Currents Assets	203,615
Current Liabilities	3,709	Investments	42,888
IV. Performance of Company		(Amount in Rs. Thousands)	
Turnover	313,479	Total Expenditure	308,959
Profit before tax	4,520	Profit after tax	3,483
E.P.S (Rs.)	0.17	Dividend Rate (%)	Nil
V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)			
Item Code(ITC Code No.)	Not Available		
Product Description	Software Product / Services		

For R. K. Doshi & Associates
Chartered Accountants

(R. K. Doshi)
Proprietor
FCA No. 057196

Place: Kolkata
Date: 22nd May, 2009

FOR AND ON BEHALF OF THE BOARD
For T. Spiritual World Limited

(B. Singh) **(A. K. Jain)**
Whole Time Director **Director**

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March, 2009
(Pursuant to the Listing Agreement Clause 32 with the Stock Exchange)

	2008-09	2007-08
(A) Cash Flow From Operating Activities		
Net Profit before Tax as per P&L Account after adjustments	4519762	5961722
<u>Adjusted for</u>		
Misc Income	119347	104108
Interest Income	780435	556031
Depreciation	3767823	2568240
Operating Profit Before Working Capital Changes	7387803	7869823
<u>Adjusted for</u>		
Finished Goods	374760	-1535973
Work in Progress	-2046852	-1169934
Sundry Debtors	-2626392	55780
Loans & Advances	1283329	-3437962
Current Liabilities	-43835	-160505
Cash Generated From Operations	4328813	1621229
Payment of Tax	-2063950	-2110097
Net Cash Inflow / Outflow From Operations	2264863	-488868
(B) Cash Flow From Investing Activities		
Sale of Investments	2000	0
Purchases of Fixed Assets	-4079355	0
Misc Income	119347	104108
Interest Income	780435	556031
Net Cash Flow From Purchasing Activities (B)	-3177573	660139
(C) Cash Flow From Financing Activities	NIL	NIL
Net Cash Increase in Cash & Cash Equivalents (A+B+C)	-912710	171271
Cash & Cash Equivalents at the Beginning of the Year	1835674	1664403
Cash & Cash Equivalents at the End of the Year	922964	1835674

FOR AND ON BEHALF OF THE BOARD
For T. Spiritual World Limited.

Place: Kolkata
Date: 22nd May 2009

(B. Singh) (A. K. Jain)
Whole Time Director Director

Auditors' Certificate

We have examined the above cash flow statement of the company, derived from the Audited Financial statements for the period ended 31st March 2009, and found the same to be drawn in accordance there with and also the requirements of the amended Clause 32 of the Listing Agreement with various stock exchanges.

**For R. K. Doshi & Associates
(Chartered Accountants)**

Place: Kolkata
Date: 22nd May 2009

**(R. K. Doshi) -
Proprietor
FCA No. 057196**

T. Spiritual World Limited

Regd Office : 4, Netaji Subhas Road, 1st floor, Kolkata – 700001

FORM OF PROXY

I/We _____ of _____
in _____ the District of _____ being a 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/use on my/our
behalf at the Annual General Meeting of the Company to be held on Thursday, 24nd September,
2009, at 10.00 A.M and at any adjournment thereof.

Signed this _____ day of _____ 2009

Signature _____

L.F.No. _____

*Depository: NSDL/CDSL _____

*DP.ID _____

* Client ID _____

* For Shares held in Electronic Form

No. of Share(s) held _____

Notes:

- (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of 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 – 700001 not less than 48 hours before the time of holding the meeting.

T. Spiritual World Limited

Regd Office :4, Netaji Subhas Road, 1st floor, Kolkata – 700001

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting held at Shivam Conference Hall, B-267,
Bangur Avenue, Kolkata – 700 055 on Thursday, 24th September, 2009, at 10.00 A.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 THE 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.