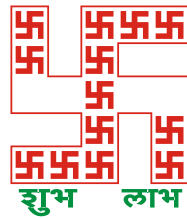


T. Spiritual World Limited



22nd Annual Report
2007-2008

T. Spiritual World Limited

Board of Directors:

Mr. B. Singh	Whole Time Director
Mr. A.K. Jain	Director
Mr. A. A. Sisodia	Director
Mr. R. Singh	Director
Mr. M. K. Bothra	Director

Registered Office:

Suite No. 18, 2 India Exchange Place
Kolkata - 700 001

Corporate Office:

TSW Centre, A41/A, Road No.1, Mahipalpur Chowk,
New Delhi – 110 037

Bankers:

HDFC Bank
ABN Amro Bank
Oriental Bank of Commerce

Auditors:

M/s. R. K. Doshi & Associates
Chartered Accountants
Kolkata

Registrar & Transfer Agent:

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

T. Spiritual World Limited

From the Chairman's Desk

Dear Shareholders,

We are witnessing hectic times in economic activity and growth in prosperity. The cautious yet optimistic tone of the last budget paved the way for the economy to soar higher and higher in the years to follow. The continued thrust on healthcare, education and infrastructure are the overall flavor of the budget which can be truly termed as a catalyst for the growth of an enterprise such as ours. We have made good progress during the year, our energies and efforts throughout the year were focused on delivering the twin objectives of strong operating performance and securing the growth drivers of the future.

Traditionally healthcare has been delivered in a hospital or clinic setting worldwide. The delivery of modern healthcare has been compartmentalized based on specialty and location. While this system has its advantages but in the recent past it has been severely curtailing the access to care. The inflexibility and inconvenience inherent in obtaining healthcare from only hospital locations severely restricts consumer choices and consumption. In recent years retailed based medical clinics have evolved as a viable and profitable remedy to the problem outlined above.

India is fast becoming a destination for luxury goods and services. There are over 1.6 million households which are super affluent. Given the macro economic conditions this segment will show a growth of over 20% in the coming decade. This segment has no qualm in spending, provided they get what they want in return: quality, personalized care and a feel good factor. This has already resulted in a mushrooming of healthcare centers which address these needs. Typically worldwide boutique healthcare centers have focused on wellness and lifestyle, cosmetology, cosmetic surgery and dental care.

Today, healthcare delivery through this segment in India is worth over US \$463 million and is likely to reach over US \$1873 million by 2017.

With its exclusive wellness products and services, TSW has been successful in creating a novel position for itself in the Health & Wellness product and services market which is worth Rs. 3500 crore and is clocking a healthy growth rate of 40%. The Company has already established a reputation among the corporate community and created awareness for a healthier corporate lifestyle.

The Company's in house team has developed COM™ - Automation management Software – mini ERP for educational schools, colleges and institutes. This Software combines an easy-to-use, step-by-step interface full of guidance, help, and glossaries, with a powerful business automation model, complete financial analysis, very strong Accounts, Web Enabling and Telecom integration. This complete educational software suite will have 120 modules to cover every sphere of Automation of processes. More than 40 modules have already been completed.

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.

Our new initiatives in organized healthcare retailing and software and hardware products for the education sector will start generating significant shareholder value in the next few years. 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
Chairman

T. Spiritual World Limited

NOTICE

It is hereby given that the 22nd Annual General Meeting of T. Spiritual World Limited will be held on Tuesday, 30th September 2008 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, 2008 and the Balance Sheet as on that date, together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Rajendra Singh 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 T. Spiritual World Limited

Place: Kolkata
Date: 25.08.2008

(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 Suite No.18, 2 India Exchange Place, 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 26/09/2008 to 30/09/2008 (Both days inclusive).
5. Member are requested to kindly notify immediately change if any in their address to the Company.
6. Shareholders desiring any information as regards the accounts are requested to write to the company at least seven days in advance of the date of the meeting so as to enable the information to be kept ready.

T. Spiritual World Limited

DIRECTORS' REPORT

Dear Shareholder,

Your Directors are pleased to present the 22nd Annual Report together with the Audited Statement of Accounts and the Auditors Report of your company for the year ended 31st March 2008. The Financial highlights for the year under review are given below:

FINANCIAL RESULTS

Particulars	31st March, 2008 (9 Months)	30 June, 2007 (12 Months)
Total Income	2480.88	4213.94
Profit Before Depreciation and Tax	85.30	107.76
Less : Depreciation	25.68	46.57
Profit Before Taxation	59.62	61.19
Less : Provision for Tax	28.49	26.87
Profit after Tax	31.13	34.32
Add: Balance of Profits for earlier years	346.15	311.83
Balance available for Appropriation	377.28	346.15

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.2480.88 lacs in FY 2007-08 (9 months) compared to Rs.4213.94 lacs during FY 2006-07. The Net Profit generated by the Company during the year under review is Rs.31.13 lacs, as compared to the previous years Rs.34.32 lacs.

FUTURE OUTLOOK

Your company successfully executed orders during the year 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 poised to offer its Managed Services to medium and large organisations.

The company has taken major initiatives in restructuring its business, with a greater focus and thrust in improvement of operational efficiencies and reduction of costs. Your directors are of the opinion that considering the sound order booking position and the various initiatives that are under way, the company's operational performance is expected to be better in the current financial year, barring unforeseen circumstances. As the company has diversified into the spirituality sector and intends to set-up various business divisions. These divisions will be set up in a phased manner.

Your company had already started its portal and receiving encouraging public response. The

T. Spiritual World Limited

Company aims to provide spiritual solace to thousands via alternative medicine and therapies in a professional and organized manner. TSW wants to reach out through a network of Wellness World outlets all over India. These unique outlets will showcase quality spiritual products including herbal products, publishing material, and accessories. The outlets will also feature trained personnel to provide holistic healing using therapies like Reiki, Ayurveda, Acupuncture, Meditation & services like Astrology, Vaastu Shastra, Counselling & special Spiritual discourses.

TSW is developing a spiritual resort in Mehrauli, New Delhi apart from setting-up R & D Center. The resort will have vast panel of Consultants like Yoga teachers & therapists, etc, and tie up for publication of spiritual / motivational books. The company has developed meditation & yoga package, i.e., "Wonder", which is a unique concept to relieve an individual from all ailments & stress in short time.

DIRECTORS

In accordance with the provision of the companies Act 1956, Mr. Rajendra Singh, Director of the company retires by rotation and eligible for reappointment.

AUDITORS & AUDITORS OBSERVATIONS

M/s. R. K. Doshi & Associates, Chartered Accountants, Kolkata, 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.

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.

T. Spiritual World Limited

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 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 : 25.08.2008

(B. Singh)
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.

T. Spiritual World Limited

MANAGEMENT DISCUSSION AND 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

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 -

Products	Services
<ul style="list-style-type: none"> ➤ 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, 	<ul style="list-style-type: none"> ➤ 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

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

Our Wellness Programs have been conducted at

Industry Structure & Development

Indian Retail Healthcare Sector

Overview

Medical treatment has advanced exponentially over the last two decades. However, the packaging and delivery of treatment has not shown the same improvement and growth over the time frame. This has left the consumer struggling with scattered and inconvenient healthcare delivery systems. These systems lack transparency and are difficult to access. Overall, the existing systems are providing sub optimal levels of experience and returns for consumers, payers and suppliers. In this

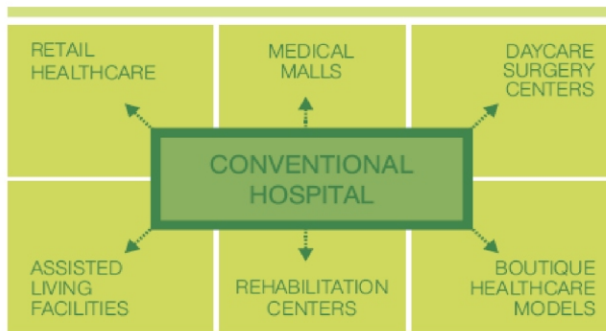


T. Spiritual World Limited

issue we discuss some inevitable changes to these healthcare delivery mechanisms.

While hospitals will continue to be the mainstay of treatment for episodic acute care we see a fundamental shift in the nature, mode and means of delivery of care. Preventive and chronic care is best treated in an ambulatory environment close to the place where the patient resides. This transformation is already evident and shall continue to grow.

Retail Healthcare Models



Retail Healthcare

Traditionally healthcare has been delivered in a hospital or clinic setting worldwide. The delivery of modern healthcare has been compartmentalized based on specialty and location. While this system has its advantages but in the recent past it has been severely curtailing the access to care. The inflexibility and inconvenience inherent in obtaining healthcare from only hospital locations

severely restricts consumer choices and consumption.

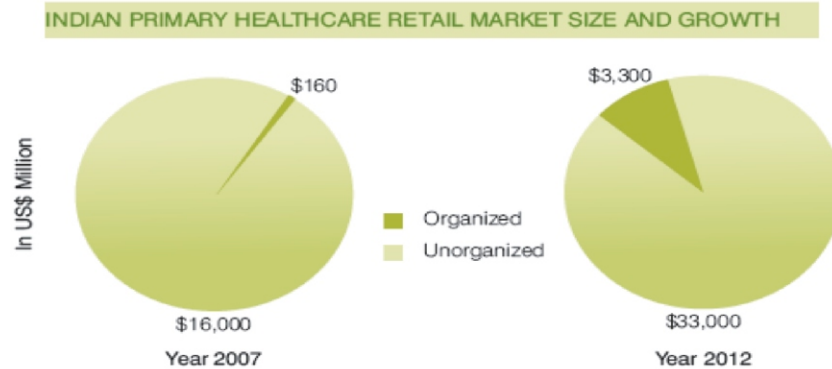
In recent years retail based medical clinics have evolved as a viable and profitable remedy to the problem outlined above. Existing location advantage, familiar surroundings and widely varied service mix for common healthcare makes retail based medical clinics an almost failsafe investment. This is witnessed in over 2000 clinics being established in the US in 2006.

Medical clinics co-located with retail outlets in varying sizes and service mix offer a more convenient option for accessing medical care. The existing customer base of the retail outlets in question would almost naturally gravitate to such healthcare options being offered in the same location. However let us not be lulled into thinking that healthcare is piggy backing on retail here. As retailers look for newer growth strategies healthcare seems the most logical and exciting option. It has been proved internationally that the healthcare providers and retailers grow synergistically in which there is a classic win-win paradigm: convenience and accessibility for the consumer; increased footfalls for the retailer, easy entry and sharp growth for the provider. If convenience is key to healthcare retail clinics, besides big box retailers, retail clinics could also be located at airports, colleges on-site in large and mid-sized corporations. The avenues are unlimited.

As retail clinics plug the much needed void in the healthcare spectrum one would witness strategic alliances in the retail and healthcare industry. The restraints would be the regulatory environment, the availability of human resources and technology. While the retail clinics would address most of the basic needs of the healthcare consumers, its growth and attractiveness over a period of time would be limited by its range and depth of specialized offerings. This is a derivative of space, cost, locational factors in the host retail store.

T. Spiritual World Limited

Indian Primary Healthcare Retail Market



India is fast becoming a destination for luxury goods and services. There are over 1.6 million households which are super affluent. Given the macro economic conditions this segment will show a growth of over 20% in the coming decade.

This segment has no qualm in spending, provided they get what they want in return: quality, personalized care and a feel good factor. This has already resulted in a mushrooming of centers which address these needs. A lower patient base which ensures quicker access to quality services and enhanced continuity of personalized care.

Typically worldwide boutique healthcare centers have focused on wellness and lifestyle, cosmetology, cosmetic surgery and dental care.

Indian Market Size



Today, healthcare delivery through this segment in India is worth over US \$463 million and is likely to reach over US \$1873 million by 2017.

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

T. Spiritual World Limited

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 5 bn 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 predications 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.

T. Spiritual World Limited

CORPORATE GOVERNANCE

Company's Philosophy on code of Governance:

The Company has always focused on Corporate Governance as a means to maximize the long term stakeholders' value through sustained growth and value creation. The Company always believes to achieve optimum performance at all levels in adopting good corporate performance. The Company has complied in all material respects with the requirements of Corporate Governance specified in the listing Agreement with stock Exchanges.

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.

The financial year ended of the Company has been changed from 30th June to 31st March, i.e. from 1st July 2007 to 31st March 2008. During financial year 2007 – 2008, the meetings of Board of Directors were held on 30.07.2007, 31.10.2007, 21.11.2007, 04.01.2008, 18.01.2008, .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:

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

Name of Director	Category	No. of Board Meeting Attended	Attendance at last AGM	Attendance at Last EGM	No. of Other Director Ship	No. of Other committee membership
Mr. B. Singh	Whole Time Director	5	Yes	Yes	1	Nil
Mr. A. K. Jain	Non-Executive Director	5	Yes	Yes	4	4
Mr. A. A. Sisodia	Non-Executive Independent Director	5	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

T. Spiritual World Limited

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 vast knowledge of finance and accounting. The quorum of the committee is two members or one third of its members, whichever is higher. The financial year ended of the Company has been changed from 30th June to 31st March, i.e. from 1st July 2007 to 31st March 2008. During financial year 2007 – 2008, the audit committee meeting was held three times i.e., 28.07.2007, 29.10.2007 and 16.01.2008

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:

- a) To over see the financial reporting process and disclosures of financial information.
- b) 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.
- c) To review with the management and statutory auditors the annual financial statements before submission to the Board.
- d) To review the Company financial and risk management policies
- e) To consider such other matters as may be required by the Board
- f) 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

Name of the Members	Category	No. of Meeting Attended
Mr. A. A. Sisodia	Non-Executive Independent Director	3
Mr. A. K. Jain	Non-Executive Director	3
Mr. M. K. Bothra	Non-Executive Independent Directors	2

the members are given below:

Share Holders / Investors Grievances Committee:

The Investors Grievance committee consists of three directors as its members, 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 also 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. The

T. Spiritual World Limited

committee also monitors replies to investor's complaints, queries and requests relating to transfer of shares. 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 31/03/2008.

Remuneration:

Terms of reference of the remuneration committee includes, short-term and long-term plans, approving HR policies, processes and practices relating to human resources, succession planning for senior management personnel, review and approve compensation policy, etc. The remuneration policy of the company is based on the track record, potential and performance of its employees.

All the members of remuneration committee are Non-Executive Independents Directors. During FY 2007-2008, the remuneration committee met two times and all the members of the committee were present in each of the meeting

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:

Whole-time Director

Mr. Baldev Singh

Rs.90000/-

General Body Meeting:

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

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

Year	AGM	Date	Time	Place
2007 - 2008	EGM	14.02.2008	10.00A.M	Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055
2007 – 2008	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
2004 – 2005	AGM	03.11.2005	10:00 A. M.	Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055
2004 – 2005	EGM	10.10.2005	10:00 A. M.	Shivam Conference Hall, B-267 Bangur venue, Kolkata – 700 055

T. Spiritual World Limited

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 statutory 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 complied with various rules and regulations prescribed by Stock Exchanges, SEBI or any authority during last three years the mandatory requirements of the Corporate Governance Clause of Listing Agreement.

The Company has not issued any GDRs /ADRs /Warrants/ Equity share or any Convertible instruments

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 | Tuesday, 30/09/2008 At 10.00 A.M. |
| | b. Venue | Shivam Conference Hall, B-267 Bangur
Avenue, Kolkata – 700 055 |
| | c. Financial Calendar | 1st April to 31st March |
| | <u>Quarterly Results</u> | |
| | First Quarter | July 2008 |
| | Second Quarter | October 2008 |
| | Third Quarter | January 2009 |
| | Fourth Quarter | April 2009 |
| | d. Date of Book Closure | 26.09.2008 to 30.09.2008 |
| | e. Listing on Stock | 1. The Calcutta Stock Exchange |

T. Spiritual World Limited

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 2008 – 2009

- | | | |
|----|--|--|
| f. | Stock Code | 532444 (At BSE)
15091 (At CSE) |
| g. | Demat ISIN in NSDL & CDSL for equity shares | INE54IC01029 |
| 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. : 28560652
Fax : 28525207 |
| i. | Dividend | No dividend has been recommended by the Board of Directors for the FY 2007-08 |
| j. | Market Price data high, low, during each month in last financial year is given below | |

Months	High	Low
July 2007	1.40	0.83
August 2007	1.78	1.02
September 2007	1.82	1.31
October 2007	1.59	1.01
November 2007	1.37	0.91
December 2007	2.57	1.20
January 2008	3.41	2.01
February 2008*	10.55	7.05
March 2008	6.70	3.42

*Consolidated Face value of equity share changed from Rs.2/- to Rs.10/- w.e.f. 30th January 2008.

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 15-20 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

Dematerialisation of Shares:

T. Spiritual World Limited

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories with NSDL/CDSL. 99.99% (approx) of total equity share capital is held in d-materialization form with NSDL & CDSL as at 31st March 2008.

Distribution of Shareholdings

Categories of Shareholders as on 31.03.2008

Distribution of Shareholdings as on 31.03.2008

Category	No. of Shareholders	No. of Shares	% of Equity Capital
Promoters Group	7	32,41,100	16.20%
Other Bodies Corporate	414	35,09,291	17.55%
Public / Others	18102	1,32,51,609	66.25%
Total	18,523	2,00,02,000	100.00

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares Share
1 – 500	12915	69.72	2659100	13.29
501 –1000	3063	16.54	2535604	12.68
1001 – 2000	1469	7.93	2445805	12.23
2001 – 3000	359	1.94	937189	4.68
3001 – 4000	235	1.27	874359	4.37
4001 – 5000	102	0.55	481463	2.41
5001 – 10000	226	1.22	1657440	8.29
10001 – above	154	0.83	8411040	42.05
Total	18,523	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 2008.

Place: Kolkata
Date : 12th August 2008

(B. Singh)
Whole time Director

T. Spiritual World Limited

R. K. DOSHI & ASSOCIATES
(Chartered Accountants)
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 2008, 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: 12th August 2008

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

T. Spiritual World Limited

R. K. DOSHI & ASSOCIATES
(Chartered Accountants)

Kolkata – 700 001

AUDITORS' REPORT

To
The Members of
M/s. T. Spiritual World Ltd.

We have audited the attached Balance Sheet of M/s. T. Spiritual World Ltd. Kolkata as at 31st March, 2008, (from 1st July 2007 to 31st March 2008) 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 2008 and taken on record by the Board of Directors. We report that none of directors are disqualified as on 31st March 2008 from being

T. Spiritual World Limited

appointed as director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to 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 2008 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: 12th August 2008

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

T. Spiritual World Limited

R. K. DOSHI & ASSOCIATES
(Chartered Accountants)
Kolkata – 700 00

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. We are in absence of competitive quotations and comparable prices and having regards to the specialised nature of items purchased or sold, 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

T. Spiritual World Limited

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 2008 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: 12th August 2008

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

T. Spiritual World Limited

BALANCE SHEET AS ON 31ST MARCH, 2008

	SCHEDULE	31st March' 2008 Rupees	30th June' 2007 Rupees
SOURCES OF FUNDS			
SHARE HOLDERS' FUND			
Share Capital	A	200,020,000	200,020,000
Reserve & Surplus	B	48,893,300	45,780,119
TOTAL		248,913,300	245,800,119
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	C	27,061,152	27,061,152
Less: Depreciation		17,770,667	15,202,427
NET ASSETS		9,290,484	11,858,724
INVESTMENTS			
	D	42,890,000	42,890,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories & Work in Progress	E	92,725,359	90,019,452
Sundry Debtors		43,475,973	43,531,753
Cash & Bank Balances		1,835,674	1,664,403
Loans & Advances		63,475,936	60,037,974
		201,512,942	195,253,582
Less: Current Liabilities & Provisions	F	4,780,126	4,202,187
NET CURRENT ASSETS		196,732,816	191,051,395
TOTAL		248,913,300	245,800,120
Notes to the Accounts	J		

For R. K. Doshi & Associates

Chartered Accountants

(R. K. Doshi)

Proprietor

FCA No. 057196

Place: Kolkata

Date: 12th August 2008

FOR AND ON BEHALF OF THE BOARD

For T. Spiritual World Limited.

(B. Singh)

(A. K. Jain)

Whole Time Director

Director

T. Spiritual World Limited

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31st MARCH, 2008

	SCHEDULE	31st March' 2008 Rupees	30th June 2007 Rupees
INCOME	G	244,721,912	430,283,848
Other Income	H	660,139	972,087
Increase/ (Decrease) in Stock		2,705,907	(9,862,418)
		<u>248,087,958</u>	<u>421,393,517</u>
EXPENDITURE			
Purchases / Cost of Operation		232,224,156	400,632,952
Administration & Selling Exp.		7,333,840	9,984,589
		<u>239,557,996</u>	<u>410,617,541</u>
Profit Before Depreciation		8,529,962	10,775,976
Less: Depreciation		2,568,240	4,657,080
Profit Before Taxation		5,961,722	6,118,896
Less : Provision for Taxation		2,026,389	2,059,620
Provision for Fringe Benefit Tax		37,561	50,477
Provision for Deferred Tax		784,591	576,914
Profit After Taxation		3,113,181	3,431,884
Add: brought forward from Previous Year		34,614,706	31,182,821
Add : Previous Year Adjustments		-	-
BALANCE CARRIED TO BALANCE SHEET		<u>37,727,886</u>	<u>34,614,706</u>
Notes to the Accounts	J		

For R. K. Doshi & Associates

Chartered Accountants

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

Place: Kolkata
Date: 12th August 2008

FOR AND ON BEHALF OF THE BOARD

For T. Spiritual World Limited.

(B. Singh) **(A. K. Jain)**

Whole Time Director Director

T. Spiritual World Limited

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	31st March 2008 Rupees	30th June 2007 Rupees
SCHEDULE 'A'		
SHARE CAPITAL		
<u>AUTHORISED CAPITAL</u>		
265,000,000 Equity Shares of Rs.10/-each (Previous year 100,050,000 Equity Shares of Rs.2/-each)	2,650,000,000	200,100,000
	<u>2,650,000,000</u>	<u>200,100,000</u>
ISSUED, SUBSCRIBED & PAID UP		
20,002,000 Equity Shares of Rs.10/-each fully paid up (Previous Year 100,010,000 Equity Shares of Rs.2/-each)	200,020,000	200,020,000
	<u>200,020,000</u>	<u>200,020,000</u>
SCHEDULE 'B'		
RESERVE & SURPLUS		
Share Premium	9,985,000	9,985,000
General Reserve	1,180,414	1,180,414
Profit & Loss Account	37,727,886	34,614,706
	<u>48,893,300</u>	<u>45,780,119</u>

T. Spiritual World Limited

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

			31st March' 2008	30th June 2007
			Rupees	Rupees
SCHEDULE 'D'				
INVESTMENTS				
Equity Shares (Quoted)	Face	No. of Shares		
	Value			
Shrenik Commercial Company Limited	10	190000	11,230,000	11,230,000
Spectrum Resources Limited	10	160000	10,450,000	10,450,000
Exxon Financial Services Ltd.	10	95000	10,450,000	10,450,000
Soyuz Impex Ltd.	10	24000	2,160,000	2,160,000
Equity Shares (Unquoted)				
Preksha Builders (P) Limited	10	20000	200,000	200,000
Mahapragya Developers (P) Limited	10	20000	200,000	200,000
Pramukhsoft Technologies (P) Limited	10	20000	200,000	200,000
Sunil Exports (P) Ltd.	10	75000	750,000	750,000
Sil Leasing & Industrial Finance (P) Ltd.	10	75000	750,000	750,000
Zipsy Tie-up Services (P) Ltd.	10	150000	1,500,000	1,500,000
Zodiac Tie-up Services (P) Ltd.	10	150000	1,500,000	1,500,000
Krepton Traders (P) Ltd.	10	150000	1,500,000	1,500,000
Champion Tie-up Services (P) Ltd.	10	150000	1,500,000	1,500,000
Shree Bhikshu Education & Health	10	50000	500,000	500,000
Care Ltd.				
			<u>42,890,000</u>	<u>42,890,000</u>

T. Spiritual World Limited

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	31st March 2008 Rupees	30th June 2007 Rupees
SCHEDULE 'E'		
CURRENT ASSETS, LOANS & ADVANCE		
A) CURRENT ASSETS		
INVENTORIES		
i) Finished Goods	69,837,510	68,301,537
ii) Work in Progress (Software Projects under Development)	22,887,849	21,717,915
SUNDRY DEBTORS		
(Unsecured Considered Good)		
Less than six months	31,413,103	30,682,706
More than six months	12,062,870	12,849,047
CASH AND BANK BALANCE		
Cash in Hand & Balance in Current A/c with Scheduled Banks	1,835,674	1,664,403
TOTAL (A)	<u>138,037,006</u>	<u>135,215,608</u>
B. LOANS & ADVANCES		
Unsecured Loan (Considered good)	8,237,500	7,965,740
Advances recoverable in cash or in kind or for the value to be received		
Advances (Others)	54,709,150	51,542,948
Income Tax & TDS	529,286	529,286
TOTAL (B)	<u>63,475,936</u>	<u>60,037,974</u>
TOTAL (A + B)	<u><u>201,512,942</u></u>	<u><u>195,253,582</u></u>
SCHEDULE 'F'		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Creditors for Expenses	308,645	469,150
B) PROVISIONS		
For Taxation	2,026,389	2,059,620
For Fringe Benefit Tax	37,561	50,477
For Deferred Taxation	2,407,531	1,622,940
	<u>4,780,126</u>	<u>4,202,187</u>

T. Spiritual World Limited

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	31st March 2008 Rupees	30th June 2007 Rupees
SCHEDULE 'G'		
INCOME FROM SOFTWARE SALES		
Domestic Software Sales	169,167,230	309,815,370
Software Consultancy	6,155,475	8,851,760
Software System Services	1,556,342	2,264,813
Spiritual Software & Products Sales	67,842,865	109,351,905
	<u>244,721,912</u>	<u>430,283,848</u>
SCHEDULE 'H'		
OTHER INCOME		
Misc. Income	104,108	255,170
Interest Income	556,031	716,917
	<u>660,139</u>	<u>972,087</u>
SCHEDULE 'I'		
ADMINISTRATIVE & GENERAL EXPENSES		
Advertisement Expenses	307,107	385,641
Auditors Remuneration	22,472	22,472
Bank Charges	3,815	4,236
Books & Periodicals	106,384	146,128
Conveyance & Travelling	349,351	581,605
Consultancy Fees	230,168	377,500
Directors Remuneration	90,000	72,000
Filing Fees	1,000	5,000
General Expenses	336,309	557,389
Listing Fees	83,250	83,250
Professional Fees	180,000	240,000
Postage & Courier	176,309	187,614
Printing & Stationary	186,340	214,968
R&T, Connectivity and Dmat Charges	128,652	148,523
Rent, Taxes & Service Charges	512,385	547,351
Salary & Bonus	3,360,278	4,698,820
Selling & Distribution Expenses	576,316	791,086
Software Maintenance	254,682	369,153
Staff Welfare Expenses	209,418	225,340
Telephone & Connectivity Expenses	219,604	326,513
	<u>7,333,840</u>	<u>9,984,589</u>

T. Spiritual World Limited

SCHEDULE - 'J'

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. No provision is made towards the Gratuity for the same will be accounted at the time of actual payment arises. Contributions to Provision for Leave Encashment are made on the basis of actuarial basis.
7. 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.
8. 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.

(B) NOTES ON ACCOUNTS:

- | | Current Year | Previous Year |
|---|--------------|---------------|
| 1. a) Guarantee given by Bank | Nil | Nil |
| b) Contingent Liabilities not provided for | Nil | Nil |
| 2. The Company is developing software for marketing in domestic markets. Out of several software projects under development at the commencement of the financial year 2007-2008. 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 / incompleted software should be treated as part of inventory under the head 'Software Projects under Development' | | |

3. SALES	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
Software Sales	244,721,912	430,283,848

T. Spiritual World Limited

Purchase	232,224,156	400,632,952
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Closing Stock:

Finished Goods	69,837,510	71,197,980
Work in Progress	22,887,849	28,683,890

4. REMUNERATION TO AUDITORS:

a) Audit fee	22,472	22,472
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b) As advisor, or in any other capacity in respect of

i) Taxation matters	Nil	Nil
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ii) Company Law matters & certifications	27,000	27,000
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5. REMUNERATION TO DIRECTORS 90,000 72,000

6. Deferred Tax: The break-up of net deferred tax liability as on 31/03/2008 is as under:

Particulars	Deferred Tax Liability
Difference between book and Tax Depreciation	Rs.7,84,591/-

7. Paise have been rounded off to the nearest rupee.

8. Schedule A to J from an integral part of Balance Sheet and Profit & Loss Account.

9. Previous year figures have re grouped or rearranged wherever necessary.

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

For T. Spiritual World Limited

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

(B. Singh)
Whole Time Director

(A. K. Jain)
Director

Place : Kolkata
Date : 12th August 2008

T. Spiritual World Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 40796 State Code 21 Balance Sheet Dt. 31 March, 2008.

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

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

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

Total Liabilities	256,693	Total Assets	256,693
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Sources of Funds

Paid-up Capital	200,020
Reserves and Surplus	48,893
Current Liabilities	7,780

Applications of Funds

Net Fixed Assets	9,290
Currents Assets	201,513
Investments	42,890

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

Turnover	248,089	Total Expenditure	242,12
Profit before tax	5,962	Profit after tax	3,113
Earning per share (Rs.)	0.16	Dividend Rate (%)	Nil

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

Item Code no. (ITC Code)	NA
Product Description	Software Product / Services

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

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

For T. Spiritual World Limited

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

Place: Kolkata
Date : 12th August 2008

T. Spiritual World Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March, 2008

(Pursuant to the Listing Agreement Clause 32 with the Stock Exchange) (Amount in Rs.)

		2007-08	2006-07
(A)	Cash Flow From Operating Activities		
	Net Profit before Tax as per P&L Account after adjustments	5961722	6118896
	Adjusted for		
	Misc Income	104108	255170
	Interest Income	556031	716917
	Depreciation	2568240	4657080
	Operating Profit Before Working Capital Changes	7869823	9803889
	Adjusted for		
	Finished Goods	-1535973	2896443
	Work in Progress	-1169934	6965975
	Sundry Debtors	55780	8153301
	Loans & Advances	-3437962	2478007
	Current Liabilities	-160505	-400080
	Cash Generated From Operations	1621229	29897535
	Payment of Tax	-2110097	-2995641
	Net Cash Inflow / Outflow From Operations	-488868	26901894
(B)	Cash Flow From Investing Activities		
	Sale of Investments	0	-21695000
	Purchases of Fixed Assets	0	-5434418
	Misc Income	104108	255170
	Interest Income	556031	716917
	Net Cash Flow From Purchasing Activities (B)	660139	-26157331
(C)	Cash Flow From Financing Activities	NIL	NIL
	Net Cash Increase in Cash & Cash Equivalents (A+B+C)	171271	744563
	Cash & Cash Equivalents at the Beginning of the Year	1664403	919841
	Cash & Cash Equivalents at the End of the Year	1835674	1664403

For T. Spiritual World Limited

(A. K. Jain)

Whole Time Director

(B. Singh)

Director

Place : Kolkata

Date : 12th August 2008

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 2008, 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)

(R. K. Doshi)
Proprietor

FCA No. 057196

Place : Kolkata

Date : 12th August 2008

T. SPIRITUAL WORLD LIMITED

Regd. Office : Suite No. 18, 2, India Exchange Place, 1st Floor, Kolkatta - 700 001.

PROXY FORM

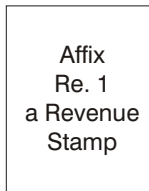
DP Id*	
Client Id*	

No. of Shares	
Master Folio No.	

I / We of being member(s) of T. Spiritual World Limited, hereby appointedofor failing him / heras my / our proxy to attend and vote for me / us and on my / our behalf at the 22nd Annual General Meeting of the Members of T. Spiritual World Limited to be held on Thursday, the 30th September 2008 at Shivam Conference Hall, B - 267, Bangur Avenue, Kolkatta - 700 055. at 10.00 A.M. and any adjournment thereof.

AS WITNESS my / our hand(s) this day of 2008.

Signature of the Member(s)



Signature of the Proxy(ies)

* Applicable for investors holding shares in electronic form.

Note : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

T. SPIRITUAL WORLD LIMITED

Regd. Office : Suite No. 18, 2, India Exchange Place, 1st Floor, Kolkatta - 700 001.

ATTENDANCE SLIP

DP Id*	
Client Id*	

No. of Shares	
Master Folio No.	

I / We hereby record my / our presence at the 22nd Annual General Meeting of the Members of the T. Spiritual World Limited held on Tuesday, 30th September 2008, at Shivam Conference Hall, B - 267, Bangur Avenue, Kolkatta - 700 055. at 10.00 A.M.

Full Name (s) of the Member(s)

.....

.....

Full Name of attending member / proxy

* Applicable for Investor holding shares in electronics form.

Signature of Member / Proxy
(To be done at the Entry Point)

Note : Please fill in block letters, expect signature. Please bring your copy of the Notice in the Meeting.

BOOK - POST

To,

T. Spiritual World Limited

Regd. Office : Suite No. 18-2, India Exchange Place, 1st Floor, Kolkata - 700 001