

Tirupati Foam Limited

BOARD OF DIRECTORS	: Mr. Venibhai B Purohit Mr. Manharlal A Mehta Mr. Roshan P Sanghavi Mr. Satish A Mehta Mr. Deepak T Mehta Mr. Mukesh B Shah Mr. Mukesh B Kothari
AUDITORS	: Mayank Shah & Associates Chartered Accountants, 706, Mahakant, Opp. V.S. Hospital, Ellisbridge, Ahmedabad – 380 006
COMPANY SECRETARY (Consulting)	: Mr. D.A Rupawala
BANKERS	: Bank of India Ellisbridge Branch Ahmedabad – 380 006
REGISTERED OFFICE	: Tirupati House, 4th Floor, Nr. Topaz Restaurant, University Road, Polytechnic Char Rasta, Ambawadi, Ahmedabad – 380 015 Gujarat, INDIA
FACTORY UNIT 1	: Plot No. 4, Block No. 65, Khatraj, Kalol, Gandhinagar Gujarat
UNIT 2	: Plot No. 4, Echotech-I Extension, Greater Nodia Ind Area Dist: Gautambuddh Nagar, Uttar Pradesh

NOTICE

NOTICE is hereby given that 25th Annual General Meeting of the Members of Tirupati Foam Limited, will be held on Saturday, 29th September, 2012 at 3.00 p.m. at Tirupati House, 4th Floor, Nr. Topaz Restaurant, University Road, Polytechnic Char Rasta, Ambawadi, Ahmedabad-380 015 to transact following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and Profit and Loss Account for the year ended on that date together with the Director's Report and Auditor's Report thereon.
2. To declare dividend on Equity Shares for the year end 31st March 2012.
3. To appoint a Director in place of Mr. Venibhai Purohit, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Manharlal Mehta, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to section 269,198,309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956(including any statutory modification or re-enactment thereof) and subject to such other approvals if any, as may be required the consent and approval of the company be and is hereby accorded to the reappointment of Shri Roshan Sanghavi as Managing Director of the company for a period of 5 years w.e.f. 1st June, 2012.

7. To consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to section 269,198,309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956(including any statutory modification or re-enactment thereof) and subject to such other approvals if any, as may be required the consent and approval of the company be and is hereby accorded to the reappointment of Shri Satish Mehta as Executive Director of the company for a period of 5 years w.e.f. 1st June, 2012.

Date: 07.09.2012
Place: Ahmedabad

By order of the Board
For Tirupati Foam Ltd.,

Roshan P Sanghavi
Managing Director

Redg. Office:
Tirupati House, 4th Floor,
Nr. Topaz Restaurant, University Road,
Polytechnic Char Rasta, Ambawadi,
Ahmedabad – 380 015

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 And Such Proxy Need Not Be A Member Of The Company.

The Proxies Should Be Deposited At The Registered Office Of The Company Not Less Than 48 Hours Before The Commencement Of The Meeting.

Corporate Members Intending To Send Their Authorised Representatives Are Requested To Send A Duly Certified Copy Of The Board Resolution Authorising Their Representatives To Attend And Vote At The Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday 27th September, 2012 to Saturday, 29th September, 2012 (both days inclusive).
3. Explanatory Statement pursuant to 173 (2) of the Companies Act, 1956 is annexed as a part of this Notice
4. Members are requested to notify promptly any change in their addresses to our Registrar and Transfer Agent viz. Sharepro Services (India) Private Limited, 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006.
5. Additional details in terms of Clause 49 of Listing Agreement in respect of Directors being re-appointed are given as under.
6. Shareholders intending to require information about Accounts to be explained in the meeting are requested to inform the company at least 7 days in advance of the Annual General Meeting.

EXPLANATORY STATEMENT

[pursuant to Section 173 (2) of the Companies Act, 1956]

ITEM NO. 6

The Board of Directors of the company has revised salary of Mr. Roshan Sanghavi as a Managing Director of the company w. e. f. 1st June, 2012 subject to approval of the members in the Annual General Meeting. Mr. Roshan Sanghavi has been on Board of Directors since long and looking after overall working of the company.

1. TERM

Five years with effect from 1st June, 2012.

2. REMUNERATION

Mr. Roshan P. Sanghavi, shall be entitled to the following emoluments, benefits and perquisites subject to the provisions of Section 198,309, 310 and Schedule XIII to the Companies Act, 1956.

i. Salary

Rs.70, 000/- (Rupees Seventy Thousand only) per month or as may be decided by the Board of Directors from time to time

ii. Minimum Remuneration

Notwithstanding anything contained above where in any Remuneration financial year during the tenure of Mr. Roshan P. Sanghavi as Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable by the Company to Mr. Roshan P. Sanghavi, shall be subject to the provisions of Section II of Part II of Schedule XIII to the Act or any other law or enactment for the time being or from time to time, in force.

The remuneration committee at their meeting has approved the re-appointment and remuneration of Mr. Roshan P. Sanghavi

Mr. Roshan Sanghavi is interested in the proposed resolution as it pertains to his own appointment.

ITEM NO. 7

The Board of Directors of the company has revised salary of Mr. Satish Mehta as a Executive Director of the company w. e. f. 1st June, 2012 subject to approval of the members in the Annual General Meeting. Mr. Satish Mehta has been on Board of Directors since long and looking after HR functions of the company.

1. TERM

Five years with effect from 1st June, 2012.

2. REMUNERATION

Mr. Satish Mehta shall be entitled to the following emoluments, benefits and perquisites subject to the provisions of Section 198,309, 310 and Schedule XIII to the Companies Act, 1956.

iii. Salary

Rs.70, 000/- (Rupees Seventy Thousand only) per month or as may be decided by the Board of Directors from time to time

iv. Minimum Remuneration

Notwithstanding anything contained above where in any Remuneration financial year during the tenure of Mr. Satish Mehta as Executive Director, the Company has no profits or its profits are inadequate, the remuneration payable by the Company to Mr. Satish Mehta shall be subject to the provisions of Section II of Part II of Schedule XIII to the Act or any other law or enactment for the time being or from time to time, in force.

The remuneration committee at their meeting has approved the re-appointment and remuneration of Mr. Satish Mehta.

DIRECTORS' REPORT

Dear Members,

The Board of Directors presents the 25th Annual Report and the Audited Statement of Accounts the Company for the year ended March 31, 2012.

FINANCIAL RESULTS

The working results of the Company for the year ended 31st March 2012 are as follows:

(Amount in Rs.)

	2011- 2012	2010- 2011
Total Income including other income	61,00,49,338	60,09,91,816
Profit before interest, depreciation and taxation	5,39,01,316	5,31,39,685
Less : Interest	2,53,40,560	1,11,81,243
Less : Depreciation	1,18,03,393	55,51,525
Less: Provision of taxation		
Current Tax (Net)	15,73,100	1,19,25,000
Deferred Tax	36,07,839	56,425
Earlier year income tax	3,20,944	—
Profit after depreciation & taxation	1,12,55,480	2,44,25,492
Add : Opening Balance in P & L A/c	4,47,48,729	3,13,77,703
Add: Prior Year Income	—	—
Available for Appropriation	5,60,04,209	5,58,03,195
Proposed Dividend	52,88,400	79,32,600
Distribution Tax	8,57,911	12,86,866
Transfer to general reserve	2,90,000	18,35,000
Surplus carried Forward	4,95,67,898	4,47,48,729

OPERATIONS

The Company was able to achieve Sales including other income of Rs.6100.49 Lacs as compared to Rs.6009.91 Lacs for the Previous Year. The Profit before Tax and Depreciation was Rs.539.01 Lacs for period under review as compared to Rs. 531.39 Lacs for the Previous Year.

The Net Profit after making the provision for Depreciation and Taxation stood at Rs.112.55 Lacs as against Rs. 244.25 Lacs for the previous year. The net profit is being lower due to overheads and interest burden of Noida Plant which commence operation during this period.

Your Directors are please to report that in spite of fierce competition the company was able to perform well due to well accepted quality products and well established marketing network of dealers throughout the India.

During the year company has incurred total Capital Expenditure of Rs.15,29,92,388/-.

The production has been started on in November, 2011 at Noida Plant. The directors are pleased to inform that company has achieved standalone turnover of Rs.230.48 Lacs at its new factory from November till 31st March 2012.

DIVIDEND

The Directors recommend 12% Dividend on Equity Shares for the Year ending 31st March 2012, if approved by the Shareholders at the Annual General Meeting to be held on 29th September 2012.

FIXED DEPOSIT

The Company has not accepted any deposit under the provision of Section 58-A of the Companies Act, 1956 as applicable.

INSURANCE

The assets of the company are adequately insured against the loss of fire and other risks which considered necessary by the management.

DIRECTORS

At the ensuing Annual General Meeting, Mr. Venibhai Purohit and Mr. Manharlal Mehta, Director of the Company retire by rotation and being eligible seek re-appointment.

Reappointment of Managing Director

Mr. Roshan Sanghavi, Managing Director of the company to be re-appointed by Shareholders w.e.f. 1st June, 2012. Necessary resolution for the re-appointment has been included in the notice conveying the ensuing Annual General Meeting.

Reappointment of Director

Mr. Satish Mehta, Executive Director of the company to be re-appointed by Shareholders w.e.f. 1st June, 2012. Necessary resolution for the re-appointment has been included in the notice conveying the ensuing Annual General Meeting.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

- a) Conservation of energy & technology absorption information pursuant to Clause (e) subscription (i) of section 217 of the Companies Act, 1956 read with the Companies (disclosure of particulars in the Report of Board of Directors) Rules 1988 and forming part of this report as given in Annexure.

ENERGY CONSUMPTION

Total energy consumption and energy consumption per unit of production are as under:

		2011-2012	2010-2011
1	Electricity		
	a) Purchased		
	Units	Kwh 470495	454130
	Total amount	Rs. 2809348	2516950
	Rate / Unit	Rs. 5.97	5.54
	b) Own Generation		
	(i) Through Diesel Generator		
	Units	17947	14203
	Unit per ltr of Diesel Oil	1.56	1.65
	Cost / Unit	28.75	25.14
	(ii) Through Steam Turbine Generator		
	Units		
	Diesel :		
	Quantity	Ltrs NIL	NIL
	Total Amount	Rs. NIL	NIL
	Average rate	Rs. NIL	NIL

AUDIT COMMITTEE

The Audit Committee consisting of Independent Directors Mr. Venibhai Purohit, Mr. Manharlal A. Mehta and Mr. Mukesh B. Kothari, satisfying the requirements of section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

TECHNOLOGY ABSORPTION AND ENERGY CONSERVATION

The Company does not deploy any foreign technology. The Management of the company is well conversant with technology.

As power and energy expenditure are not main cost constituent of company's overall product costing so at present company is not required to take conservation measures.

- a) There is no Foreign exchange earnings. The Foreign exchange out go towards imports of raw material, capital goods and expenses are Rs.663.51 Lacs.
- b) Particulars of employees

The information required to be submitted under section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) rules 1975 is not applicable as there is no employees drawing the stipulated remuneration.

AUDITORS & AUDITORS REPORT

M/s Mayank Shah & Associates, Chartered Accountants retires at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office if re-appointed.

The auditors have qualified their report for non compliance of Accounting Standard AS-15 regarding non provision of gratuity. The directors are taking adequate steps to ascertain gratuity and make provision from current year. The non provision of gratuity will not have material impact on profits of the company.

Notes forming part of the accounts are self explanatory and therefore, do not require any further comments.

CORPORATE GOVERNANCE

Your company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

A separate report of Corporate Governance and a Management Discussion and Analysis Report are being published as a part of the Annual Report of the company.

The Auditors of the company have certified that conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are complied by the company and their Certificate is annexed to the Report on Corporate Governance.

HUMAN RESOURCE

The company considers its employees as its most valuable assets. The company focuses on building an organization through induction and development of talent to meet current and future needs.

COMPLIANCE CERTIFICATE

The compliance certificate from practicing company secretary obtained as prudent practice and amendments in The Companies Act, 1956 is forming part of Director's Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm the following.

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards.
2. such accounting policies and applied them consistently and made judgments and estimates, which are reasonable and prudent, so as to give true and fair view of the state of affairs of the company at the end of the financial year ended on 31st March, 2012 and of the profit of the company for that period.
3. proper and sufficient care has been taken 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; and
4. the statements of accounts for the year ended 31st March 2012 have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors would like to appreciate the efforts of the company's employees for their continued co-operation and unstinted support extended to the Company. The support of all lenders including Commercial Banks, vendors and buyers has also been invaluable to the company's performance and your directors take these opportunities to appreciate it deeply. The Directors gratefully thank the Shareholders for the confidence reposed in the Company.

By order of the Board

Date: 07.09.2012
Place: Ahmedabad

Roshan P. Sanghavi
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

DISCLAIMER

Readers are cautioned that this discussion and analysis contains forward looking statements that involve risks and uncertainties. The company undertakes no obligations to publicly update or revised any forward looking statements, whether as a result of new information, future events, or otherwise, Actual results, performance or achievements, risks and opportunities could differ materially from those expressed or implied in these forward looking statements.

OVERVIEW

Although volatile and uneven, the Indian economy recovered in 2011-12. Specifically the latter half of 2011-12 saw a significant improvement with the positive turnaround of the industrial and external trade segments of the Indian economy.

Industry Structure and Development

The financial year 2011-12 was a challenging one for most of the economies globally. Flexible Polyurethane Foam industry also remained under pressure and there was no significant growth.

Your Company registered flat sales during the year.

Despite falling prices and intense competition from imported as well as low cost producers, your Company was able to sustain its performance due to introduction of new products and improvement in product efficiency. The brand "Sweet Dream" of the company was extensively advertised through various modes and dealership network and loyalty helped the company to achieve targets during the year under review.

Opportunities, Threats, Risks, Concern& Future Outlook

There is considerable scope for growth of ufoam industry because of increased usage of foam products in day-to-day life. However competition from importers and unorganized sector has been increasing day by day. Therefore the Indian industry will have to really strive hard to sustain against global competition as well as competition from unorganized markets. The steep competition has led to reduction in prices and increased expenses on promotional front. Therefore, the Company has to resort to an aggressive marketing campaign and thereby fetching higher volumes in the products positioned in lower and middle category segment at one hand and the higher realization from the products positioned in premium segment.

Segment Wise Performance

As such the Company deals only in one segment – Flexible polyurethane foams, hence there is no specific differential information pertaining to this section.

Financial Performance

The Net sales of Khatraj Unit and Nodia Unit for the year ended 31st March 2012 were Rs.5825.47 Lacs and Rs.230.48 Lacs respectively. The Profit before Interest, Depreciation & Taxation was Rs.539.01 Lacs for the year under review as compared to Rs. 531.39 Lacs for the previous year. The Company Registered Net Profit after tax and exceptional item of Rs.112.55 Lacs for the year as compared to the Net Profit of Rs. 244.25 Lacs during the previous year.

Internal Control Systems and Their Adequacy

The Company has adequate Internal control systems commensurate with its size and operations to ensure orderly and efficient conduct of business while safeguarding the assets, quality, safety, procurements, finance and accounts and reducing and detecting error.

The Company also has appointed an external firm of Chartered Accountants to supplement the efficient Internal Audit.

Material Development in Human Resources and Industrial Relations Front

The Company routinely undertakes employee development activities keeping in mind the professional requirements of the employees as well as the growth of the Company.

The Industrial Relations were cordial throughout the year with no incidence of strike or lockouts.

CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance

The company's philosophy on Corporate Governance is to attain the highest level of transparency, accountability and integrity. This objectives extends, not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance. The board of directors supports the board principles of Corporate Governance and lays strong emphasis on its trusteeship role to align and direct the actions of the organizations to achieve its avowed objectives of transparency, accountability and integrity.

BOARD OF DIRECTORS

The Company's board comprises of 7 Directors with a mix of executive/non-executive and promoter/independent directors. The composition of Board complies with the requirements of the corporate governance code with more than 50% of the Directors being non-executive Directors and more than 33% of the Directors being independent Directors.

7 Board meetings were held during the financial year 2011-12. The dates on which Board Meetings were held are as follows:

1. 30th April, 2011
2. 30th July, 2011
3. 3rd September, 2011
4. 26th September, 2011
5. 31st October, 2011
6. 12th November, 2011
7. 31st January, 2012

The names and categories of the Directors of the board, their attendance at Board Meetings held during the year and the numbers of Directorship and Committee Chairperson / Membership held by them in other companies is given below. Other Directorship do not include alternate directorship, directorship of private limited companies and of the companies incorporated outside India. Chairmanship / Membership of Board Committee include only audit and shareholders / investors grievance committee.

A. The constitution of the Board as on 31.03.2012

Name of the Director	Category	No.of other Directorship held in public companies in India.	No.of other Board committees of which Member / Chairman	Board meeting attended	Attendance at the last AGM
Mr.Venibhai B. Purohit	Chairman & Independent Director	0	0	7	Yes
Mr.Manharlal A Mehta	Vice Chairman & Independent Director	0	0	7	Yes
Mr Roshan P Sanghavi	Managing & Executive Director	0	0	6	Yes
Mr. Deepak T. Mehta	Executive Director	0	0	7	Yes
Mr. Satish A. Mehta	Executive Director	0	0	5	Yes
Mr. Mukesh B. Shah	Director & Independent	0	0	4	Yes
Mr. Mukesh B. Kothari	Director & Independent	0	0	4	Yes

NOTES:

1. This number excludes the directorships/committee memberships held in private companies and also of the Company.
2. As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorship in more than 15 public companies, membership of board committees (audit / remuneration / investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

None of the Non-executive Directors has any pecuniary relationship. Non-executive Directors have no transaction with the company. The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

The Directors seeking Reappointment in the forthcoming annual General Meeting are Mr. Venibhai Purohit and Mr. Manharlal Mehta.

Details of Directors being re-appointed

As per the statute, two-third of the Directors should be retiring Directors, One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualified for re-appointment.

Accordingly Mr. Venibhai Purohit and Mr. Manharlal Mehta retires by rotation at the ensuing Annual

General Meeting and being eligible offers himself for re-appointment.

A brief resume of Directors appointed/eligible for re-appointment are as follows:

Mr. Venibhai Purohit, aged about 80 years has vast experience in business which helps to the company. He is not on board of any other public company as Director.

Mr. Manharlal Mehta aged about 62 is having 35 years experience in trading of stainless steel utensils, electrical goods and mechanical products. He is on the Board since public issue of the company. Company has been benefited through his advising suggestion.

Remuneration to Directors

Name of Director	Sitting Fees	Salary & Perks	Total Rs.
Mr. Roshan P. Sanghavi	---	7,56,923	7,56,923
Mr. Deepak T. Mehta	---	7,56,923	7,56,923
Mr. Satish A. Mehta	---	7,56,923	7,56,923

Information Placed before the Board Of Directors

All major decisions regarding resource mobilization, capital expenditure, etc. are considered by the Board, in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for its approval. Following information is regularly put up before the Board for its consideration and approval:

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee, Remuneration Committee as well as Shareholder's/Investors' Grievance Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

Audit Committee

The Audit Committee was constituted in Board Meeting. The committee comprises of Mr. Venubhai B. Purohit, as the Chairman of the Committee and Mr. Manharlal A. Mehta, Mr. Mukesh B. Kothari, as Members.

The above composition meets all the requirements of Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. The Manager (Operation) acts as the Secretary of the Audit Committee.

The terms of reference of Audit Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreement. The Auditors of the Company and Senior personnel are invited to attend the meetings of the Audit Committee.

Meeting and the attendance during the year:

There were 4 meetings of the Audit Committee held during the period 2011-12. The attendance of each members of the Committee is given below.

Name of the Director	Category	No. Of Meeting attend
Mr. Venibhai B. Purohit	Chairman & Independent Director	4
Mr. Manharlal A. Mehta	Vice- Chairman & Independent Director	4
Mr. Mukesh B. Kothari	Director & Independent Director	4

The Audit Committee was held on 06.09.2012 to consider and recommend to the Board the Audited Financial Results for the period ended 31st March 2012.

Investors' Grievance Committee

The Shareholders Grievance Committee as a sub-committee of the Board has been constituted by the Board of Directors to focus on servicing of shareholder requirements. The committee comprises of Mr. Venibhai B. Purohit as the Chairman of the Committee and Mr. Manharlal A. Mehta and Mr. Mukesh B Kothari as Members.

There were 4 meetings of the Grievance Committee held during the period 2011-12. The attendance of each member of the Committee is given below.

Name of the Director	Category	No. of Meeting attend
Mr. Venibhai B. Purohit	Chairman & Independent Director	4
Mr. Manharlal A. Mehta	Vice chairman & Independent Director	4
Mr. Mukesh B. Kothari	Director & Independent Director	4

Mr. Deepak T Mehta, Executive Director provides secretarial support to the Committee and is also the designated Compliance Officer for such matters.

The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal.

There were no pending transfers of equity shares as at 31st March 2012.

Remuneration Committee

The Remuneration Committee as a sub-committee of the Board was constituted by the Board of Directors to determine and recommend to Board, the company's policies on remuneration packages for executive and non-executive directors. The committee comprises of Mr. Venibhai B. Purohit Joshi as the Chairman of the Committee and Mr. Manharlal A. Mehta and Mr. Mukesh B. Kothari as Members.

During the year, the remuneration committee met once in which all the three members were present.

The company pays remuneration to its Managing Director by way of Salary, Perquisites and allowances, as approved by the members in the General Meeting. The details of remuneration paid to directors are provided elsewhere in this report under the head Remuneration to Directors.

The remuneration committee has approved remuneration paid to Mr. Roshan Sanghavi and Mr. Satish Mehta during the year.

Subsidiary Companies

The company does not have any subsidiary.

Risk Management

The company manages risks as an integral part of its decision making process and has a structured framework for risk assessment and minimization procedures.

Investors' Grievances

At each meeting of the Investors' Grievances Committee, all matters pertaining to investors including their grievances and redressal are reported.

General Body Meetings

The last three Annual General Meetings of the company were held as under:

AGM	Date	Time	Venue	No. of special Resolution passed
2nd AGM	30/09/2009	3.30 p.m.	Tirupati House, 4th Floor, Nr. Topaz Restaurant, University Road, Polytechnic Char Rasta, Ambawadi, Ahmedabad – 15	—
23rd AGM	30/09/2010	3.30 p.m.	Tirupati House, 4th Floor, Nr. Topaz Restaurant, University Road, Polytechnic Char Rasta, Ambawadi, Ahmedabad – 15	—
24th AGM	30/09/2011	3.30 p.m.	Tirupati House, 4th Floor, Nr. Topaz Restaurant, University Road, Polytechnic Char Rasta, Ambawadi, Ahmedabad – 15	—

Resolutions at above Annual General Meetings were passed by show of hands and by Poll. None of resolutions placed before the previous AGM required a postal ballot under section 192A of the Companies Act, 1956. Similarly no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

Disclosures

- a. There were no materially significant related party transaction i.e. transactions of the company of material nature with its promoters the directors of the management their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. The related party transactions are duly disclosed in the Notes on Accounts to the Balance Sheet
- b. There were no cases of non-compliances by the company and no penalties, strictures were imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last year
- c. No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of Financial Statements except non compliance of AS-15 regarding provision of gratuity.
- d. The company has complied with the mandatory requirements of Clause 49 of the Listing Agreement
- e. The company at present has adopted the non-mandatory requirements in regard to constitution of Remuneration Committee.

Secretarial Audit

Pursuant to Clause 47(C) of the Listing Agreement with Stock Exchanges, certificate on half yearly basis has been filed with the Stock Exchanges for due compliance of share transfer formalities by the company obtain from qualified company secretary.

A qualified practicing chartered accountant carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audits confirmed the total issued / paid-up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Means of Communication with shareholders:

- (i) Quarterly Results : Quarterly and half yearly results were taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of clause 41 of the Listing Agreement. The results were also published in two newspapers, Western Times (Both edition Gujarati & English)
- (ii) Website : www.tirupatifoam.com
- (iii) Compliance Officer : Mr. Deepak T Mehta
Add: Tirupati House, 4th Floor, Nr. Topaz Restaurant,
University Road, Polytechnic Char Rasta,
Ambawadi, Ahmedabad – 380 015
E-mail: tirufoam@tirupatifoam.com
Tel. No: 079 – 26304652

Means of Communication

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board Meetings and were also published within 48 hours in Western Times (Both edition Gujarati & English).

Shareholders' Information

Registered Office: Tirupati House, 4th Floor, Nr. Topaz Restaurant,
University Road, Polytechnic Char Rasta,
Ambawadi, Ahmedabad – 380 015
Phone: 079-26304652 – 55

Unit I: Plot No 4, Block No. 65, Khatraj, Kalol, Gandhinagar, Gujarat.

Unit II: Plot No. 4, Echotech-I Extension, Greater Nodia Ind Area, Dist:
Gautambuddh Nagar, Uttar Pradesh

Month	No. of Shares	Highest	Lowest
April 2011	4,751	56.95	50.15
May 2011	937	54.00	47.55
June 2011	2,447	55.45	49.65
July 2011	9,063	57.15	50.00
August 2011	2,375	51.00	45.65
September 2011	2,23,643	53.45	46.70
October 2011	3,549	47.80	38.90
November 2011	574	40.50	37.10
December 2011	126	35.65	34.20
January 2012	582	42.45	35.50
February 2012	7,095	44.00	41.05

Shares held in physical and dematerialized form

The Company's shares are compulsorily traded in dematerialized mode. As on 31st March, 2012, 93.94% share were held in dematerialized form and balance 6.06 % shares were held in physical form. Those shareholders whose shares are held in physical form are requested to dematerialize the same at the earliest in their own interest. The demat security code (ISIN) for the equity shares is INE7115G01015 (For both NSDL & CDSL)

Distribution of Shareholding as on 31st March 2012

No. of Shares Held	No. of Share Holder	% of Share Holder	No. of Shares	% of Share Holding
1 – 500	770	78.33	1,52,380	03.47
501 – 1000	73	07.43	67,465	01.53
1001 – 2001	33	03.36	51,857	01.17
2001 – 3000	22	02.24	54,580	01.24
3001 – 4000	4	00.40	12,975	00.29
4001 – 5000	7	00.71	32,740	00.74
5001 – 10000	12	01.23	81,200	01.84
10001 – 20000	11	01.11	1,81,705	04.12
20001 and Above	51	05.19	37,72,098	85.60
Total	983	100.00	44,07,000	100.00

Share Holding Pattern as on 31st March, 2012

Category	No. of Shares held	% of Share Holding
Promoter & Prompter Group	26,42,241	59.96
Bodies Corporate	54,726	01.24
Individuals	17,04,100	38.66
NRIs	5,933	00.14
Total	44,07,000	100.00

Detail of Dividend

The Board of Directors has proposed dividend Rs.1.2 per share having Nominal value of Rs.10 each. The dividend will be paid on 15th October, 2012 if approved at the Annual General Meeting.

Outstanding GDRS/ADRS/Warrants/Any other Convertible Instruments

Nil

Nomination Facility

It is in the interest of the Shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.

Appointment of Registrar & Transfer Agent

In terms of SEBI circular D&CC/FITTC/CIR-15/2002 dated December 27, 2002, the Company has appointed M/s. Sharepro Services (India) Private Limited of Ahmedabad (details as mentioned below) as our Share Transfer Agent (R&T Agent) for physical as well as dematerialized shares.

Changes in Shareholders Details

In case you are holding your shares in dematerialized form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialization of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be address to our R&T agent of the company M/ s. Sharepro Services (India) Private Limited., as per address mentioned below.

Investors Communication

Share Transfers/Dematerialization or other queries relating to Shares of the Company should be addressed to:

M/s. Sharepro Services (India) Private Limited
Unit: Tirupati Foam Ltd.,
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006
e-mail : sharepro@shareproservices.com

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
TIRUPATI FOAM LIMITED

We have examined the compliance of conditions of corporate governance by Tirupati Foam Limited (the Company) for the year ended 31st March 2012 as stipulated in Clause 49 of the listing agreement of the Company with Stock exchanges.

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

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

We state that no investor grievances were pending for a period exceeding one month against the Company as per records maintained by the Shareholders/Investors Grievance Committee.

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

For Mayank Shah & Associates

Chartered Accountants

(FIRM REGN NO.106109W)

Date: 07.09.2012

Place: Ahmedabad

(M.S. Shah)

Partner

Mem. No. 44093

AUDITOR'S REPORT

To,
The Members of
TIRUPATI FOAM LIMITED.

1. We have audited the attached Balance Sheet of TIRUPATI FOAM LIMITED as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by The Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of the books;
 - c. The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this report complies with the accounting standards referred to in Sub – section 3 [c] of section 211 of the Companies Act, 1956 except AS-15 (Revised).
 - e. On the basis of written representations received from the Directors, and taken on record by Board of Directors, we report that none of the Directors are disqualified as on 31st March 2012 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given

to us, the said accounts, read together with the notes thereon and subject to Note No.27 (regarding Non Provision of future liability of Gratuity) give the information required by the Companies Act, 1956 in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i). In case of Balance Sheet, of the state of affairs of the company as at 31st March 2012.
- (ii). In case of the Statement of Profit & Loss, of the profit for the year ended on that date.
- (iii). In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Mayank Shah & Associates

(FIRM REGN NO.106109W)

Chartered Accountants

Date: 07-09-2012

Place: Ahmedabad

(M.S. Shah)

Partner

Mem. No. 44093

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 3 of our Auditors Report of even date on financial statements of Tirupati Foam Ltd for the year ended on 31/03/2012)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the company have been physically verified by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
- c) During the year, company has not disposed off any substantial/major part of Fixed Assets.
2. a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. a) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) As the company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act , the clause of rates of interest and other terms & condition is not applicable to the company.
- c) As the Company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, the clause of repayment of principal amount is not applicable to the company.
- d) According to the information and explanations given to us, the company had taken unsecured loans from 21 (Twenty one) parties listed in the register under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.666.98 Lacs and year-end balance was Rs.481.47 Lacs.
- e) According to the information and explanations given to us, the rate of interest and other terms and condition of loans taken by the company, secured or unsecured, are not prejudicial to the interest of the company.
- f) According to the information and explanation given to us, repayment of the principal amount is as stipulated and payments of interest have been regular.

4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course our audit, no major weakness has been noticed in the internal controls.
5. To the best of our knowledge and belief and as explained to us the Company has not entered into any transactions required to be entered in the register maintained under Section 301 of the Companies Act.
6. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has internal audit system commensurate with the size and nature of its business.
8. We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9.
 - a) According to the records of the company and information and explanations given to us the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Excise Duty, Custom Duty Service Tax, Cess, Investor Education and Protection Fund and any other material statutory dues as applicable to it, with the appropriate authorities during the year. As explained to us, no undisputed amounts payable were in arrears as at 31st March, 2012 for a period of more than six months from the date they become payable.
 - b) According to the information and explanation given to us there is no dues of Wealth Tax, Sales Tax, Income Tax, Service Tax. Customs Duty and Excise Duty which have not been deposited with appropriate authorities on account of any dispute.
10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses during current and immediately preceding financial year.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company had no transaction with financial institution and held no debentures outstanding during the year.
12. According to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund or society. Therefore clause 4 (xiii) is not applicable to the company.
14. The Company is not dealing or trading in shares or securities, debentures and other investments. Therefore clause 4(xiv) is not applicable to the Company.
15. According to the information & explanations given to us the Company has not given guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans raised during the year were prima facie been utilized for the purposes for which they were obtained.

17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company we report that no funds raised on short term basis have been used for long term investment by the company.
18. According to the information and explanation given to us, during the period covered by our audit report, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
21. During the course of our examination of the books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For Mayank Shah & Associates

(FIRM REGN NO.106109W)

Chartered Accountants

Date: 07-09-2012

Place: Ahmedabad

(M.S. Shah)

Partner

Mem. No. 44093

TIRUPATI FOAM LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS		31/3/2012	31/3/2011
		AMOUNT RS.	AMOUNT RS.
SOURCES OF FUNDS			
Shareholder's Funds			
(a) Share Capital	2	4,43,92,500	4,43,92,500
(b) Reserves & Surplus	3	12,32,96,020	11,81,86,851
Non-current liabilities			
(a) Long-Term Borrowings	4	20,98,75,045	12,52,76,625
(b) Deferred Tax Liabilities (Net)	5	72,74,764	36,66,925
(c) Other Noncurrent Liabilities	6	10,04,000	10,04,000
Current liabilities			
(a) Short-Term Borrowings	7	11,58,30,783	8,05,48,501
(b) Trade Payables	8	4,91,80,068	3,82,27,768
(c) Other Current Liabilities	9	3,66,73,848	66,03,802
(d) Short-Term Provisions	10	61,96,256	1,04,34,334
TOTAL		59,37,23,284	42,83,41,306
ASSETS			
Non-current assets			
(a) Fixed Assets	11		
(i) Tangible Assets		26,71,62,409	12,59,74,361
(ii) Capital WIP		-	1,96,56,420
(b) Non-Current Investments	12	2,500	2,500
(c) Long-Term Loans and Advances	13	54,89,013	2,13,14,335
(d) Other Non-current Assets	14	18,30,500	74,500
Current assets			
(a) Inventories	15	9,86,60,001	6,26,29,661
(b) Trade Receivables	16	19,97,84,970	18,76,19,200
(c) Cash and Bank Balances	17	19,05,929	39,81,249
(d) Short-Term Loans and Advances	18	1,88,87,962	70,89,080
TOTAL		59,37,23,284	42,83,41,306

Summary of significant accounting policies 1
The notes are an integral part of the financial statements

As per our report of even date attached.
FOR MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGN. NO:-106109W)

FOR AND ON BEHALF OF THE BOARD

(M.S.SHAH)
PARTNER
M.NO. 44093

(ROSHAN P.SANGHAVI)
MANAGING DIRECTOR

(DEEPAK T. MEHTA)
EXECUTIVE DIRECTOR

(SATISH A. MEHTA)
EXECUTIVE DIRECTOR

Place: **Ahmedabad**
Date : **07/09/2012**

Place: **Ahmedabad**
Date : **07/09/2012**

TIRUPATI FOAM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31-03-2012

PARTICULARS		31/3/2012 AMOUNT RS.	31/3/2011 AMOUNT RS.
I. Revenue from Operations			
	19	66,62,51,652	657555,614
Less: Excise Duty		6,06,56,414	61109,935
I Revenue from Operations	19	60,55,95,238	596445,679
II. Other Income	20	44,54,100	4546,137
III. Total Revenue (I + II)		61,00,49,338	600991,816
IV. Expenses:			
Cost of Materials Consumed	21	5,18,345,586	50,50,10,636
Purchase of Stock In Trade	22	5,220,703	46,730
Changes in Inventories of Finished Goods, WIP & Stock In Trade	23	(1,42,38,291)	48,80,135
Employee Benefits Expenses	24	47,30,566	32,96,207
Finance Cost	25	2,53,40,560	1,11,81,243
Depreciation and Amortization Expenses		1,18,03,393	55,51,525
Other Expenses	26	4,20,89,458	3,46,18,423
Total Expenses (IV)		3,57,27,750	56,45,84,899
V. Profit before Tax (III- IV)		1,67,57,363	3,64,06,917
VI. Tax Expenses:			
(1) Current tax		33,55,700	1,19,25,000
Less: MAT Credit Entitlement		(1,78,2,600)	-
(2) Deferred tax		36,07,839	56,425
(3) Tax in respect of earlier years		3,20,944	-
		<u>55,01,883</u>	<u>1,19,81,425</u>
VII Profit for the year (V-VI)		1,12,55,480	2,44,25,492
VIII Earnings per Equity Share of Rs.10 each			
Basic & Diluted		2.55	5.54

Summary of significant accounting policies 1
The notes are an integral part of the financial statements

As per our report of even date attached.
FOR MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGN. NO:-106109W)

FOR AND ON BEHALF OF THE BOARD

(M.S.SHAH)
PARTNER
M.NO. 44093

(ROSHAN P.SANGHAVI)
MANAGING DIRECTOR

(DEEPAK T. MEHTA)
EXECUTIVE DIRECTOR

(SATISH A. MEHTA)
EXECUTIVE DIRECTOR

Place: **Ahmedabad**
Date : **07/09/2012**

Place: **Ahmedabad**
Date : **07/09/2012**

TIRUPATI FOAM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2012

PARTICULARS	31/3/2012 AMOUNT RS.	31/3/2011 AMOUNT RS.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before Tax and Extra ordinary items	1,67,57,363	3,64,06,917
Adjustment for		
Add : Depreciation and amortisation expense	1,18,03,393	55,51,525
Interest	2,53,40,560	1,11,81,243
Miscellaneous Expenditure w/o	946	-
Less :Interest/Rent received	44,54,100	40,53,712
Operating profit before Working Capital Changes	4,94,48,162	4,90,85,973
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(1,21,65,770)	(6,67,24,789)
(Increase) / Decrease in Inventories	(3,60,30,340)	1,21,42,352
(Increase) / Decrease in Loans & Advances, other current assets	(1,17,72,282)	67,73,339
Less :Increase / (Decrease) in Trade Payables and other payables	4,03,84,788	(1,09,63,031)
Cash generated from Operations	2,98,64,558	(96,86,156)
Direct Taxes Paid	40,79,613	14,041,730
Net Cash from Operating Activities (A)	2,57,84,945	(2,37,27,886)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13,72,47,771)	(7,75,35,489)
Decrease/(Increase) in Capital Work in Progress	1,96,56,420	(1,96,56,420)
Interest/Dividend/Rent received	44,54,100	4,053,712
Sale of Fixed Assets	Nil	2,941,275
Net Cash used in Investing Activities (B)	(11,31,37,251)	(9,01,96,922)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	8,45,98,420	10,26,70,510
Increase / (Decrease) in Short Term Borrowings	3,52,82,282	3,74,33,869
Interest Paid	(2,53,40,560)	(11,18,1,243)
Deferred Sales Tax repayment	-	(6,32,2,141)
Dividend Paid	(92,63,156)	(10,31,1,939)
Net Cash received from Financing Activities (C)	8,52,76,986	11,22,89,056
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(20,75,320)	(1,63,5,752)
CASH & CASH EQUIVALENTS- OPENING BALANCE	39,81,249	56,17,001
CASH & CASH EQUIVALENTS- CLOSING BALANCE	19,05,929	39,81,249

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard AS - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

As per our report of even date attached.

FOR MAYANK SHAH & ASSOCIATES

For and on behalf of the Board

CHARTERED ACCOUNTANTS
(FIRM REGN. NO:-106109W)

(M.S.SHAH)
PARTNER
M.NO. 44093

(ROSHAN P.SANGHAVI)
MANAGING DIRECTOR

(DEEPAK T. MEHTA)
EXECUTIVE DIRECTOR

(SATISH A. MEHTA)
EXECUTIVE DIRECTOR

Place: **Ahmedabad**
Date : **07/09/2012**

Place: **Ahmedabad**
Date : **07/09/2012**

TIRUPATI FOAM LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

1. SIGNIFICANT ACCOUNTING POLICIES

(A) Accounting Conventions

(i) Basis Of Accounting

The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company during the year.

(ii) Presentation And Disclosure Of Financial Statements

During the year ended 31st March, 2012, the revised Schedule-VI notified under Companies Act 1956, has become applicable to the company, for preparation and presentation of its Financial statements. The adoption of Revised Schedule-VI does not impact recognition and measurement principles followed for preparation of Financial Statements. However, it has significant impact on presentation and disclosure made in financial statements. The company has also restated the previous year figures in accordance with the requirements applicable for the current year.

(iii) Use Of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(B) Fixed Assets

Tangible Assets

Tangible Fixed Assets are stated at cost of acquisition / construction (Less: accumulated Depreciation, impairment loss, CENVAT Credit and Value Added Tax). Cost of acquisition includes non refundable taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for its intended use. All costs, including financing costs till commencement of commercial production and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

(C) Depreciation

Tangible Assets

Depreciation on Tangible Fixed Assets is provided by Straight Line Method on Pro-rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

(D) Capital Work-In-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(E) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(F) Inventories

Inventories of Raw materials, Packing Materials, Consumables, Stores & Spares and Finished goods (including for Trade) are stated at cost or net realizable value whichever is lower. Cost is computed on FIFO basis, in case of Raw Materials, Packing Materials, Consumables and Stores & Spares. Finished goods (including the consignment stock) include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed by Standard Cost Method in case of finished goods.

(G) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current Investments are valued at cost or Net Realizable Value, whichever is lower. All other investments are classified as long term investments. Long term investments are stated at cost of acquisition. Provision for diminution in value of long term investments is made, only if such decline is other than temporary.

(H) Revenue Recognition

The company recognizes sale of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually when the goods are dispatched to customers.

Rent income is recognized on Accrual basis.

(I) Foreign Currency Transactions :

- (i) All Transactions in foreign currency are recorded at the rates of exchange prevailing as at the date of the transaction.
- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
- (iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

the contract is recognized as income or expenditure over the life of the contract. Further, the exchange difference arising on such contracts are recognized as income or expenditure along with the exchange differences on the underlying assets/liabilities except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of fixed assets. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.

- (iv) Premium or discount on forward contract, that are not intended for trading or speculation purposes, are amortized over the life of contract and it is recognized as an expense or income.

(J) Provisions, Contingent Liabilities And Contingent Assets

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

(K) Employee Benefits

a. Short Term Employees Benefit

Short Term Benefits are recognized as expenditure at the undiscounted value in the Statement of Profit & Loss of the year in which the related services are rendered.

b. Post Employment Benefit

(i) Defined Contribution Plans:-

Monthly contributions to the Provident Fund which are defined contribution schemes are charged to the Statement of Profit & Loss and deposited with the Provident Fund Authorities on monthly basis.

(ii) Defined Benefit Plans:- Gratuity to Employees are recognised in the Statement of Profit and Loss as when paid to Employees.

c. Termination Benefits

Termination Benefits are charged to the Statement of Profit & Loss Account in the year of accrual.

(L) Taxes On Income

Tax expense for a year comprises of current tax and deferred tax.

Current tax are measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income

TIRUPATI FOAM LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period).

(M) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

(N) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(O) Cash And Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(P) Operating Cycle

Based on the nature of product and the time between the acquisition of assets for processing and the realization in Cash and Cash equivalent, the company has ascertained its operating cycle to be less than twelve months.

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

2. SHARE CAPITAL

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Authorized 46,00,000 Equity Shares of Rs. 10/- each	4,60,00,000	4,60,00,000
Issued, Subscribed & Paid-up 44,07,000 (P.Y. 44,07,000) Equity Shares of Rs.10/- each fully paid	4,40,70,000	4,40,70,000
Add : Share Forfeiture Account	3,22,500	3,22,500
TOTAL Rs.	4,43,92,500	4,43,92,500

2.1 The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(a) Details of Shareholders holding more than 5% shares in the company

Particulars	As At 31-03-2012		As At 31-03-2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dhirajben Babulal Kothari	2,20,900	5.01%	2,20,900	5.01%

(b) The movement in subscribed and paid up share capital is set out below:

Particulars	As At 31-03-2012		As At 31-03-2011	
	Nos. of Shares	Amt in Rs.	Nos. of Shares	Amt in Rs.
Shares outstanding at the beginning of the year	44,07,000	4,40,70,000	44,07,000	4,40,70,000
Shares outstanding at the end of the year	44,07,000	4,40,70,000	44,07,000	4,40,70,000

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

3. RESERVES & SURPLUS

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
(A) Capital Reserves		
Balance as at the beginning and at the end of the year	6,82,000	6,82,000
(B) Securities Premium Account		
Balance as at the beginning and at the end of the year	2,56,10,000	2,56,10,000
(C) Investment Allowance Reserves		
Balance as at the beginning and at the end of the year	4,254	4,254
(D) General Reserves		
Balance as at the beginning	4,71,41,868	4,53,06,868
Add: Transfer from Profit & Loss Account	2,90,000	18,35,000
Balance as at the end of the year	4,74,31,868	4,71,41,868
(E) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	4,47,48,729	3,13,77,703
Add: Net Profit/(Net Loss) For the current year	1,12,55,480	2,44,25,492
Proposed Dividends	(52,88,400)	(79,32,600)
Distribution Tax on Proposed Dividends	(8,57,911)	(12,86,866)
Transfer to General Reserve	(2,90,000)	(18,35,000)
Balance as at the end of the year	4,95,67,898	4,47,48,729
TOTAL Rs.	12,32,96,020	11,81,86,851

4. LONG TERM BORROWINGS

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Secured		
Term Loans from Banks	13,07,58,956	6,69,37,429
Unsecured		
From Related Parties	4,81,47,635	5,05,81,390
From Others	3,09,68,454	77,57,806
TOTAL Rs.	20,98,75,045	12,52,76,625

Sr No.	Type of Loan/ Nature of Securityz	Terms of Repayment
1.	Term Loan of Rs.7,87,95,368/-(P.Y.5,83,94,269/-) is secured by Land & Building of Factory and Office of the company	84 Monthly Installment starting From April-12.Last Installment due in March-19. Rate of Interest 12.50% p.a.(Last year 12.50%p.a.)
2.	Term Loan of Rs.7,46,00,000/- (P.Y.77,97,500/-) is secured by Hypothecation of Plant & Machineries of the company	84 Monthly Installment starting From April-12.Last Installment due in March-19 Rate of Interest 12.50% p.a. (Last year 12.50%p.a.)
3.	Term Loan of Rs.7,45,560/- (P.Y. 8,84,489/-) is secured by Hypothecation on the Vehicle of the company.	60 Monthly Installment starting From April-11.Last Installment due in March- 17

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

5. DEFERRED TAX LIABILITY (NET)

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Deferred Tax Liability		
Impact of difference between tax depreciation and book depreciation	72,74,764	36,66,925
Net Deferred Tax Liability	72,74,764	36,66,925

6. OTHER NONCURRENT LIABILITIES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Security Deposit	10,04,000	10,04,000
TOTAL Rs.	10,04,000	10,04,000

7. SHORT TERM BORROWINGS

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Secured		
Loans repayable on demand from Banks	11,58,30,783	8,05,48,501
TOTAL Rs.	11,58,30,783	8,05,48,501

Note:

- Working Capital Loans from Banks comprise of Cash Credit which is primarily secured by way of Hypothecation of Stocks and Book Debts of the Company and further secured by equitable mortgage of Factory Land and Building and by personal guarantee of all Directors.

8. TRADE PAYABLES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
For Goods	4,62,10,347	3,47,78,967
For Others (#)	29,69,721	34,48,801
TOTAL Rs.	4,91,80,068	3,82,27,768

(#) Other Trade Payables represents amount payable to various parties for Services and Expenses.

- The Company has not received any intimation from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid/ payable under this Act have not been given.

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

9. OTHER CURRENT LIABILITIES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Current maturities of long-term debt	2,33,82,072	1,38,929
Unclaimed dividends	1,66,369	2,10,059
Advance from Customers	27,93,447	8,69,866
Creditors for capital expenditure	7,04,700	Nil
Statutory Liabilities	47,98,009	30,90,219
Other Liabilities	48,29,251	22,94,729
TOTAL Rs.	3,66,73,848	66,03,802

Note: Statutory liabilities represent amounts payable towards VAT, CST, Excise duty, Service Tax and TDS etc.

10. SHORT TERM PROVISIONS

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Provision for employee benefits		
Contribution to PF,ESIC etc.	49,945	26,493
Other Provisions		
Provision For Tax (net of Advance Tax & TDS)	Nil	11,88,375
Provision for Proposed Dividend		
Provision for Tax on Proposed Dividend	52,88,400	79,32,600
	8,57,911	12,86,866
TOTAL Rs.	61,96,256	10,434,334

11. FIXED ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1/4/2011	Addition	Deduction	As at 31/3/2012	As at 1/4/2011	Addition	Deduction	As at 31/3/2012	As on 31/3/2012	As on 31/3/2011
	Tangible Assets										
1	Land*	8,02,51,766	2,03,81,928	-	10,06,33,694	-	-	-	-	10,06,33,694	8,02,51,766
2	Factory Building	3,51,86,095	3,21,55,992	-	6,73,42,087	2,26,90,886	24,22,047	-	2,51,12,933	4,22,29,153	1,24,95,208
3	Office Building	99,67,507	-	-	99,67,507	16,76,479	4,14,553	-	20,91,032	78,76,474	82,91,027
4	Plant & Machinery	6,64,45,131	9,82,13,556	-	16,46,58,687	4,61,73,906	78,83,000	-	5,40,56,906	11,06,01,781	2,02,71,225
5	Fixtures & Fittings	27,73,178	81,000	-	28,54,178	16,07,684	1,93,269	-	18,00,953	10,53,225	11,65,494
6	Vehicles	32,558	-	(32,558)	-	31,281	330	(31,611)	-	-	1,277
7	Office Equipments	33,43,977	21,59,912	-	55,03,889	19,37,919	3,48,497	-	22,86,416	32,17,473	14,06,058
8	Motor Cars	52,66,301	-	-	52,66,301	31,73,996	5,41,697	-	37,15,693	15,50,608	20,92,305
	Total Rs.	20,32,66,513	15,29,92,388	(32,558)	35,62,26,343	7,72,92,151	1,18,03,393	(31,611)	8,90,63,933	26,71,62,409	12,59,74,361
	Previous Year Total Rs.	12,86,72,298	7,75,35,489	29,41,275	20,32,66,513	7,17,40,626	55,51,525	-	7,72,92,151	12,59,74,361	5,69,31,672
	Capital Work in Progress :									-	1,96,56,420
	TOTAL FIXED ASSETS									26,71,62,409	14,56,30,781

* Land includes Land Development

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

12. NON CURRENT INVESTMENTS

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Trade Investments (Unquoted)		
10 Equity Shares (Previous Year 10) of Hare Krishna Complex Association of Rs.250 each	2,500	2,500
TOTAL Rs.	2,500	2,500
Aggregate of Unquoted Investments	2,500	2,500

13. LONG TERM LOANS AND ADVANCES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Unsecured Considered good		
Capital Advances	48,64,072	2,13,14,335
Advance Income Tax (Net of Provision)	6,24,941	Nil
TOTAL Rs.	54,89,013	2,13,14,335

14. OTHER NONCURRENT ASSETS

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Other Receivables	47,900	74,500
MAT Credit Entitlement	17,82,600	Nil
TOTAL Rs.	18,30,500	74,500

15. INVENTORIES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Raw Materials	4,12,92,121	2,76,30,319
Work In Progress	2,92,89,475	1,79,40,530
Finished Stock	1,52,07,208	1,17,38,016
Packing Materials	24,36,864	4,87,100
Stock In Trade	43,615	46,730
Consumables	1,03,90,718	47,86,966
TOTAL Rs.	9,86,60,001	6,26,29,661

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

Broad categories of Inventories

15.1. Details of Raw Materials

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Polyol	1,90,38,163	1,11,96,095
TDI	81,52,600	44,76,400
Cloth	58,34,606	37,83,045
Others	82,66,752	81,74,779
TOTAL Rs.	4,12,92,121	2,76,30,319

15.2. Details of Finished Goods

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
P.U. Foam	1,30,18,098	1,13,09,666
Mattresses & Articles	21,89,110	4,28,350
TOTAL Rs.	1,52,07,208	1,17,38,016

16. TRADE RECEIVABLES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Trade receivables outstanding for a period exceeding Six months from the date they are due for payment Unsecured considered good	1,62,22,048	1,08,30,989
Trade receivables outstanding for a period less than Six months from the date they are due for payment Unsecured considered good	18,35,62,922	17,67,88,211
TOTAL Rs.	19,97,84,970	18,76,19,200

17. CASH AND BANK BALANCES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Cash & Cash Equivalent		
- Balance with Banks	1,62,605	53,585
- Cash on hand	6,52,171	2,84,342
- Margin money deposit against Bank Guarantee with maturity less than 3 months	9,00,000	34,00,000
	17,14,776	37,37,927
Other Bank Balances		
- Margin money deposit against Bank Guarantee with maturity more than 3 months but less than 12 months	32,224	33,263
- In Unclaimed Dividend Account	1,58,929	2,10,059
	1,91,153	2,43,322
TOTAL Rs.	19,05,929	39,81,249

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

18. SHORT-TERM LOANS AND ADVANCES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Unsecured considered good		
- Balance with Government Authorities	1,48,56,006	22,13,807
- Advances to Suppliers	6,08,320	34,33,737
- Advances for Expenses	2,15,419	Nil
- Security Deposit	5,79,390	3,31,844
- Prepaid Expenses	22,27,384	9,79,144
- Other Receivable	23,759	31,301
- Other Advance	3,77,684	99,247
TOTAL Rs.	1,88,87,962	70,89,080

19. REVENUE FROM OPERATIONS

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Sale of Products	66,62,51,652	65,75,55,614
Less: Excise Duty	6,06,56,414	6,11,09,935
TOTAL Rs.	60,55,95,238	59,64,45,679

19.1 Details of Products Sold

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Manufactured Goods		
P.U. Foam	51,90,04,314	52,50,80,691
Mattresses & Articles	7,70,24,025	6,84,27,289
Others	36,88,184	29,37,699
Traded Goods		
TDI	58,07,000	Nil
Fiber Pillow	58,695	Nil
Spring Mattresses	13,020	Nil
TOTAL Rs.	60,55,95,238	59,64,45,679

20. OTHER INCOME

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Interest Income	1,26,516	84,533
Foreign Exchange Gain	Nil	4,07,892
Rent	43,27,584	40,53,712
TOTAL Rs.	44,54,100	45,46,137

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

21. COST OF MATERIALS CONSUMED

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Raw Material Consumption		
Opening Stock	2,76,30,319	3,43,53,417
Add: Purchase	51,66,53,262	47,87,89,349
	54,42,83,581	51,31,42,766
Less: Closing Stock	4,12,92,121	2,76,30,319
Total Rs.(A)	50,29,91,460	48,55,12,447
Consumables Consumed		
Opening Stock	47,86,966	57,19,962
Add: Purchase	2,09,57,878	1,85,65,193
	2,57,44,844	2,42,85,155
Less: Closing Stock	1,03,90,718	47,86,966
Total Rs.(B)	1,53,54,126	1,94,98,189
TOTAL Rs. (A)+(B)	51,83,45,586	50,50,10,636

21.1 Details of Raw Materials and Consumables consumed

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Raw Material		
Polyol	23,88,74,791	20,15,44,690
TDI	17,85,57,977	19,13,18,697
Cloth	44,74,813	87,17,147
Others	8,10,83,879	8,39,31,913
Consumables Consumed	1,53,54,126	1,94,98,189
TOTAL Rs.	51,83,45,586	50,50,10,636

21.2 Composition of Consumption

Particulars	As At 31-03-2012 In Rupees		As At 31-03-2011 In Rupees	
	Value	Percentage	Value	Percentage
Raw Materials				
Imported	13,53,51,756	26.91%	9,21,13,989	18.97%
Indigenous	36,76,39,704	73.09%	39,33,98,458	81.03%
TOTAL	50,29,91,460	100.00%	48,55,12,447	100.00%
Consumables				
Imported	Nil	0.00%	Nil	0.00%
Indigenous	1,53,54,126	100.00%	1,94,98,189	100.00%
TOTAL	1,53,54,126	100.00%	1,94,98,189	100.00%

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

22. PURCHASE OF STOCK-IN-TRADE

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Stock In Trade	52,20,703	46,730
Total Rs.	52,20,703	46,730

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WIP & STOCK IN TRADE

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Cl. Stock of Finished Goods	(1,52,07,208)	(1,17,38,016)
Cl. Stock of WIP	(2,92,89,475)	(1,79,40,530)
Cl. Stock of Stock In Trade	(43,615)	(46,730)
Op. Stock Finished Goods	1,17,38,016	94,38,027
Op. Stock of WIP	1,79,40,530	2,49,52,607
Op. Stock of Stock In Trade	46,730	Nil
Variation in Excise Duty on Closing & opening stock of F.G.	576,731	2,14,777
Total Rs.	(1,42,38,291)	48,80,135

24. EMPLOYEE BENEFITS EXPENSES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Salaries Bonus & Allowances	41,51,230	30,62,901
Contribution towards Gratuity & Provident Fund	4,91,658	1,63,879
Staff & Labour Welfare expenses	87,678	69,427
TOTAL Rs.	47,30,566	32,96,207

25. FINANCE COST

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Interest Expenses	2,48,74,067	1,07,28,598
Other borrowing costs	4,66,493	4,52,645
TOTAL Rs.	2,53,40,560	1,11,81,243

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

26. OTHER EXPENSES

Particulars	As At 31-03-2012 In Rupees	As At 31-03-2011 In Rupees
Manufacturing Expenses		
Electricity Exps	28,40,403	25,74,355
Insurance Charges	22,42,870	18,74,075
Labour charges	35,36,850	30,49,201
Power & Fuel	5,24,584	3,57,142
Testing Fees	12,857	11,825
Machinery Repairing Exp.	14,16,015	12,54,338
Inspection Fee	4,975	4,975
Factory Exp.	11,800	8,21,412
Total (A)	1,05,90,354	99,47,323
Selling & Distribution Expenses		
Advertisement	29,94,086	19,33,455
Sales Promotion	23,57,909	25,55,919
Sales Incentive	58,54,030	35,83,551
Packing Material Consumed	98,43,350	87,28,314
Total (B)	2,10,49,375	1,68,01,239
Administrative And Other Expenses		
Consultancy Fees	9,46,214	6,17,602
Legal & Professional Expenses \$	6,72,055	9,50,519
Rent, Rates and Taxes	1,52,802	60,008
Discount on forward contract	40,207	3,98,321
Office Exp.	1,54,440	1,56,960
Security Charges	4,94,441	3,59,776
Foreign Exchange Fluctuation	14,72,550	-
Stationary Expenses	11,88,362	10,37,203
Telephone & Postage Exp.	4,15,712	4,14,320
Travelling Exp.	29,22,444	27,23,240
Vehicle Exp.	5,98,202	5,77,352
Electricity Expenses	2,51,039	1,79,960
Other Expenses	11,41,261	3,94,600
Total (C)	1,04,49,729	78,69,861
Total (A+B+C)	4,20,89,458	3,46,18,423

\$ Includes payment to Auditors exclusive of service tax as follows:

	2011-2012	2010-2011
i) Audit Fees	Rs.95,000	Rs.90,000
ii) Taxation Matters	Rs.30,000	Rs.25,000

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

27. EMPLOYEE BENEFITS

(a) Defined Benefit Plan

No Liability in respect of present or future liability of Gratuity has been ascertained and provided in the accounts (P.Y.—not ascertained and provided for). This is in contravention with the Accounting Standard 15 issued by the Institute of Chartered Accountants of India in respect of accounting for retirement benefits.

(b) Defined Contribution Plan

The Company has recognized the following amount in Profit and Loss Account which is included under contribution of funds.

Particulars	Amounts Rs.
Employer's Contribution to Provident Fund	4,75,226
Employer's Contribution to ESIC	5,592

28. CONTINGENT LIABILITY:

Nature of Liabilities	2011-12	2010-11
Letters of Credit	Rs.60,00,000/-	Rs. 6,92,87,531/-
Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances and excluding Letter of Credit of P.Y. Rs. 4,83,87,336/-)	Nil	Rs.6,81,97,795/-

29. In the opinion of the Board of Directors Current Assets and Loans and Advances have a value on realization in the ordinary course of business equal to the amount at which they are stated in the balance sheet.

30.EARNING PER EQUITY SHARE (EPS)

PARTICULARS	31/03/2012 (Amount Rs.)	31/03/2011 (Amount Rs.)
Profit / (loss) after Tax	1,12,55,480	2,44,25,492
Weighted average numbers of Equity Shares for calculation of Basic and Dilutive Earning per Share	44,07,000	44,07,000
Basic and Diluted EPS	2.55	5.54
Nominal Value per Share	10.00	10.00

TIRUPATI FOAM LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

31. RELATED PARTY DISCLOSURE

A) Name of related parties and nature of relationship:

- i) Key Management Personnel
 - Mr.Roshan P.Sanghavi - Managing Director
 - Mr.Deepak T.Mehta - Executive Director
 - Mr.Satish A.Mehta - Executive Director

ii) Relatives of Key Management Personnel

- a) Relatives of Mr.Roshan P.Sanghavi
 - Mrs.Meena R. Sanghavi - Wife
 - Mr.Poonamchand K. Sanghavi - Father
 - Mrs. Kantaben P. Sanghavi - Mother
 - Mr.Manish P.Sanghavi - Brother
 - Roshan P. Sanghavi (HUF) - HUF of Director
- b) Relatives of Mr.Deepak T. Mehta
 - Mrs. Urmila D.Mehta - Wife
 - Mr. Anurag D Mehta - Son
 - Mr. Takhatmal N.Mehta - Father
 - Mrs. Kamlaben T. Mehta - Mother
 - Mr. Lokesh T. Mehta - Brother
 - Deepak T. Mehta (HUF) - HUF of Director
- c) Relatives of Mr. Satish A. Mehta
 - Mrs. Rita S.Mehta - Wife
 - Mr. Amritlal C.Mehta - Father
 - Mrs.Vimlaben A.Mehta - Mother
 - Mr. Naman S.Mehta - Son
 - Satish A. Mehta (HUF) - HUF of Director
 - Ms. Charmy S. Mehta - Daughter
 - Mrs. Vidhi N. Mehta - Daughter In law

B) Transactions with related parties

Nature of transactions	Key Management Personnel (Amt. in Rs.)	Relatives of Key management Personnel (Amt. in Rs.)
I) Volume of transactions		
i) Remuneration	25,01,457	77,333
ii) Unsecured Loan accepted (Net)	97,02,104	1,09,78,438
iii) Repayment of Unsecured Loan (Net)	Nil	95,34,416
iv) Interest expenses on Unsecured Loan	13,45,921	36,21,890
II) Payable at year end	1,17,22,330	3,64,25,305

Note: No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

TIRUPATI FOAM LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2012

32. VALUE OF IMPORTS CALCULATED ON CIF BASIS:

	2011-2012	2010-2011
Raw Material	12,54,40,220	7,81,79,865
Packing Material	NIL	NIL
Consumables	NIL	NIL
Others	NIL	NIL

33. EXPENDITURE IN FOREIGN CURRENCY:

	2011-2012	2010-2011
Foreign Travelling Expenses	8,500	3,03,809
Advance for Capital Goods	NIL	1,48,22,500
Capital Goods	6,56,63,724	NIL
Spare Parts	6,79,153	3,75,861

34. Previous year's figures have been rearranged and reclassified wherever necessary.

Signature to Notes 1 to 34

As per our report of even date attached.

FOR MAYANK SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

(FIRM REGN. NO:-106109W)

For, and on behalf of the Board

(M.S.SHAH)
PARTNER
M.NO. 44093

(ROSHAN P.SANGHAVI)
MANAGING DIRECTOR

(DEEPAK T. MEHTA)
EXECUTIVE DIRECTOR

(SATISH A. MEHTA)
EXECUTIVE DIRECTOR

Place: **Ahmedabad**
Date : **07/09/2012**

Place: **Ahmedabad**
Date : **07/09/2012**

TIRUPATI FOAM LIMITED

Regd. Office: Tirupati House, 4th Floor, Nr. Topaz Restaurant,
University Road, Polytechnic Char Rasta, Ambawadi,
Ahmedabad – 380 015

ATTENDANCE SLIP

25th Annual General Meeting

Thursday, the 29th September, 2012 at 3:00 P.M.

Place: Tirupati House, 4th Floor, Nr. Topaz Restaurant,
University Road, Polytechnic Char Rasta,
Ambawadi, Ahmedabad – 380 015

Affix
Rs. 1.-
Revenue
Stampe

Signature of Member/Proxy attending the meeting _____

Notes:

1. The meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

TIRUPATI FOAM LIMITED

FORM OF PROXY

I/We _____

Of _____ in the district of _____

Being member/s of the above named company hereby appoint _____

Of _____ in the district of _____

Or failing him _____

Of _____ in the district of _____

As my/our Proxy to attend and vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Thursday, 29th September, 2012 and/or at any adjournment thereof.

Signed the _____ day of _____ 2012

Signature _____

N.B. : This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

25th
Annual Report
2011-2012

TIRUPATI FOAM LIMITED

REGD. OFFICE :

"TIRUPATI" House, 4th Floor, Nr. Topaz Restaurant,
University Road, Polytechnic Char Rasta, Ambawadi,
Ahmedabad-380 015. Gujarat, INDIA.

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Tirupati House, 4th Floor, Nr. Topaz Restaurant,
University Road, Polytechnic Char Rasta,
Ambawadi,

Ahmedabad – 380 015