



# PRATIBHA INDUSTRIES LIMITED

14<sup>TH</sup> Annual Report 2008 - 2009







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## 14TH ANNUAL GENERAL MEETING

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30th June, 2009, at 12.30 P.M.

Hotel Oasis  
Opp. Tata Institutes of Social Science  
Sion Trombay Road,  
Deonar, Mumbai - 400 088.

## WORKS

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Plot No. 215, Vijaypur, P.O. Kone,  
Bhiwandi-Wada Road,  
Tal. Wada, Dist. Thane - 421 303.

## REGISTRARS AND TRANSFER AGENTS

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### LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400 078  
Tel No. 022-25960320 / Fax: 022 - 25960329  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
E- Mail: [pratibha@linkintime.co.in](mailto:pratibha@linkintime.co.in)

## BOARD OF DIRECTORS

Mrs. Usha B. Kulkarni	Chairperson
Mr. Ajit B. Kulkarni	Managing Director
Mr. Vinayak B. Kulkarni	Whole Time Director
Mr. Awinash M. Arondekar	Independent Director
Mr. Shrikant T. Gadre	Independent Director
Mr. Anilkumar G. Karkhanis (Upto 13/05/2009)	Independent Director
Mr. Ramakant Jha (w.e.f. 21/05/2009)	Independent Director

## COMPANY SECRETARY

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Mr. Pankaj S. Chourasia

## BANKERS TO THE COMPANY

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Bank of Baroda  
Bank of India  
ICICI Bank Limited  
Punjab National Bank  
State Bank of India

## STATUTORY AUDITORS

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Jayesh Sanghrajka & Co.,  
Chartered Accountants

## INTERNAL AUDITORS

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Chokshi & Chokshi,  
Chartered Accountants

## REGISTERED OFFICE

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101, Usha Kamal,  
574, Chembur Naka,  
Chembur, Mumbai - 400071.  
E-mail: [info@pratibhagroup.com](mailto:info@pratibhagroup.com)  
Website: [www.pratibhagroup.com](http://www.pratibhagroup.com)

## CORPORATE OFFICE

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Shrikant Chambers, Phase-II,  
5th Floor, Sion - Trombay Road,  
Next to R. K. Studio, Chembur,  
Mumbai - 400071.  
Tel: 91 22 3955 9999 / 6641 4499  
Fax: 91 22 2520 1135

## FIVE YEARS AT A GLANCE (CONSOLIDATED)

(Rs. In Millions)

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
Total Income	8,107.78	5651.07	3007.77	1,746.32	1,214.44
Operating Expenses	7,141.63	4990.66	2637.48	1,531.45	1,057.35
<b>Operating Profit</b>	<b>966.15</b>	<b>660.41</b>	<b>370.29</b>	<b>214.87</b>	<b>157.09</b>
Finance Charges	340.51	222.74	123.40	71.12	66.02
Depreciation	71.26	35.99	11.27	6.63	4.65
<b>Profit Before Tax</b>	<b>554.38</b>	<b>401.68</b>	<b>235.62</b>	<b>137.12</b>	<b>86.42</b>
Provision for Taxation	107.11	59.10	31.33	14.37	5.52
<b>Profit After Tax</b>	<b>447.28</b>	<b>342.58</b>	<b>204.29</b>	<b>122.75</b>	<b>80.90</b>
Gross Fixed Assets	1,683.21	989.83	246.22	156.60	99.53
Net Fixed Assets	1,543.80	921.28	213.56	134.89	84.20
Investments	0.93	852.97	28.23	294.59	4.87
Capital Work in Progress	607.46	315.24	279.83	-	-
Net Current Assets/ (Liabilities)	2,640.88	1095.14	1794.32	854.02	471.70
Share Capital	166.85	166.85	142.85	142.85	20.00
Reserves & Surplus	2,080.35	1672.05	805.77	679.49	165.39
<b>Net Worth</b>	<b>2,247.20</b>	<b>1,838.90</b>	<b>948.62</b>	<b>822.34</b>	<b>185.39</b>
Secured Loans	2,179.33	1284.34	1063.13	415.71	355.28
Unsecured Loans	305.13	43.73	299.71	87.56	19.35
Deferred Tax Liability	61.70	17.81	4.49	0.96	0.75
Earning Per Share	26.81	22.88	14.30	8.59	40.45
Dividend Per Share (Rs. Per Share)	2.00	2.00	2.00	-	-
Book Value per share	134.68	110.21	66.41	57.57	92.70
Debt Equity Ratio	1.11	0.72	1.44	0.61	2.02

### NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of Pratibha Industries Limited will be held on Tuesday, 30<sup>th</sup> June, 2009 at 12.30 p.m., at Hotel Oasis, Opp. Tata Institute of Social Sciences, Sion-Trombay Road, Deonar, Mumbai 400 088, to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at March 31, 2009, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To consider declaration of dividend, if any;
3. To appoint a Director in place of Mr. Vinayak B. Kulkarni who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. Shrikant T. Gadre, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** M/s. Jayesh Sanghrajka & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors."

#### SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** Mr. Ramakant Jha, who was appointed as an additional director of the Company by the Board of Directors, pursuant to Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government or any other competent authority, from time to time, the consent of members be and is hereby accorded to the reappointment of Mr. Ajit B. Kulkarni as Managing Director of the company for a further period of five years with effect from 01<sup>st</sup> April, 2009 on the terms and conditions, as are set out in the agreement to be entered into between the company and Mr. Ajit B. Kulkarni, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee or any other committee constituted by the Board in this behalf) to alter and vary the terms and Conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Ajit B. Kulkarni.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government or any other competent authority, from time to time, the consent of members be and is hereby accorded to the reappointment of Mrs. Usha B. Kulkarni, as Chairperson of the company for a further period of five years with effect from 01<sup>st</sup> April, 2009 on the terms and conditions, as are set out in the agreement to be entered into between the company and Mrs. Usha B. Kulkarni, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee or any other Committee constituted by the Board in this behalf) to alter and vary the terms and Conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mrs. Usha B. Kulkarni.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any

statutory modification or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government or any other competent authority, from time to time, the consent of members be and is hereby accorded to the reappointment of Mr. Vinayak B. Kulkarni, as Whole Time Director of the company for a further period of five years with effect from 01<sup>st</sup> April, 2009 on the terms and conditions, as are set out in the agreement to be entered into between the company and Mr. Vinayak B. Kulkarni, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee or any other Committee constituted by the Board in this behalf) to alter and vary the terms and Conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Vinayak B. Kulkarni.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 314 (1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Mr. Ravi A. Kulkarni, a relative of Mr. Ajit B. Kulkarni, Managing Director and Mrs. Usha B. Kulkarni, Chairperson of the Company, to hold an office or place of profit in the Company for a period of five years commencing from 01<sup>st</sup> April, 2009 or from such date as the



Central Government may approve, on the following terms and conditions:

1. Salary : Not exceeding Rs. 1,00,000 per month, with a provision for increase in salary of not more than 30% per annum over the previous year;
  2. Annual Bonus : Not exceeding Rs.2,00,000;
  3. Perquisites and Allowances as per the policy of the company, including:
    - (i) Leave Travel Allowance;
    - (ii) Medical and Accident Insurance premium as per Company rules;
    - (iii) Provision for chauffeur driven car;
    - (iv) Leaves in accordance with the leave rules of the Company from time to time;
    - (v) Other benefits as per the policy of the Company applicable from time to time.
11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 314 (1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Mr. Shyam R. Kulkarni, a relative of Mrs. Usha B. Kulkarni, Chairperson of the Company, to hold an office or place of profit

in the Company for a period of five years commencing from 1<sup>st</sup> April, 2009, or from such date as the Central Government may approve, on the following terms and conditions:

1. Salary : Not exceeding Rs. 85,000 per month, with a provision for increase in salary of not more than 30% per annum over the previous year;
2. Annual Bonus : Not exceeding Rs.1,50,000;
3. Perquisites and Allowances as per the policy of the company, including:
  - (i) Leave Travel Allowance;
  - (ii) Medical and Accident Insurance premium as per Company rules;
  - (iii) Provision for chauffeur driven car;
  - (iv) Leaves in accordance with the leave rules of the Company from time to time;
  - (v) Other benefits as per the policy of the Company applicable from time to time.

**By Order of the Board of Directors**

**Pankaj S. Chourasia**  
**Company Secretary**

Date : 21<sup>st</sup> May, 2009  
Place : Mumbai

Registered Office:  
101, Usha Kamal, 574, Chembur Naka,  
Chembur, Mumbai - 400071.

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11 a.m. and 1 p.m. up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from Tuesday, 23rd June, 2009 to Tuesday, 30<sup>th</sup> June, 2009 (both days inclusive).
9. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited, immediately of:
  - (a) The change in the residential status on return to India for permanent settlement.
  - (b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
11. Re-appointment of Directors:  
At the ensuing Annual General Meeting, Mr. Vinayak B. Kulkarni and Mr. Shrikant T. Gadre, retire by rotation and being eligible offer themselves for re-appointment. As per the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the information or details pertaining to these Directors are furnished in the statement on Corporate Governance published in this Annual Report.  
In addition to the Directors retire by rotation, Mr. Ramakant Jha has been appointed as an additional Director by the board of the company.  
In the ensuing Annual General Meeting the executive directors are also been reappointed for a further period of five years w.e.f. 01/04/2009.

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

**Item No. 6**

The Board of Directors vide its circular resolution dated 21<sup>st</sup> May, 2009, has appointed Mr. Ramakant Jha as an Additional Director of the Company in accordance with the provisions of Section 260 of the Companies Act, 1956. Pursuant to Section 260, a director appointed under the section, holds office upto the date of next Annual General Meeting. The Company has received notice from a member of the Company under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director.

Keeping in view the experience and qualifications of Mr. Ramakant Jha, your directors considered it to be in the interest of the Company, if he is appointed as Director of the Company, liable to retire by rotation, as per the provisions of the Companies Act, 1956.

Your Directors, therefore, recommend the said resolution for your approval.

Mr. Ramakant Jha may be deemed to be concerned or interested in the resolution relating to his appointment.

None of the other directors are, in any way, concerned or interested in the said resolution.

**Item No. 7**

In 9<sup>th</sup> annual general meeting Mr. Ajit B. Kulkarni has been appointed as Managing Director for five years from 01<sup>st</sup> April, 2004 to 31<sup>st</sup> March, 2009. As per the recommendations of the Remuneration Committee, the Board of Directors in their meeting held on 9<sup>th</sup> May, 2009, have approved the reappointment of Mr. Ajit B. Kulkarni as Managing Director of the company for a further period of five years with effect from 1<sup>st</sup> April, 2009, subject to approval of the members in general meeting.

The broad particulars of remuneration payable to and the terms of the appointment of Mr. Ajit B. Kulkarni during his tenure as Managing Director are as under:  
Basic Salary : Rs. 5,00,000 per month

In addition to the basic salary, the Managing Director shall also be entitled to such facilities, perquisites, allowances, bonus and incentives, which may include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance

together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; club fees, provision of car with chauffeur, medical insurance, performance bonus/incentive, commission on sales and such other perquisites, allowances, as may be decided by the Board of Directors, payable monthly, quarterly and / or annually.

The remuneration payable to Managing Director, including salary, is subject to an overall ceiling of 5% of the net profits of the company as stipulated under the Companies Act, 1956. Where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the aforesaid salary shall be paid to the Managing Director in accordance with the applicable provisions of Schedule XIII of the said Act and subject to the approval of the Central Government, if any required.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or put together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, perquisites and bonus.

The terms and conditions set out for reappointment and payment of remuneration herein and/or in the respective agreement, may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit. The Board is also entitled to revise and regroup the salary, perquisites, allowances and bonus payable to the said Managing Director of the Company or any of them at any time, such that the overall yearly remuneration payable to the said Managing Director shall not exceed the limits specified under the Companies Act, 1956. (Including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendment made

thereto.

The Agreement may be terminated by either party (the Company or the Managing Director) by giving three months' prior notice in writing.

The draft Agreements to be entered into between the Company and Mr. Ajit B. Kulkarni, incorporating the above particulars of remuneration, is available for inspection at the Registered Office of the Company on all working days excluding Saturdays, upto the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

The above may also be treated as an abstract of the terms of the contract/agreement between the Company and Mr. Ajit B. Kulkarni pursuant to Section 302 of the Companies Act, 1956.

Mr. Ajit B. Kulkarni is interested in the resolutions that pertain to change in terms of his appointments and remuneration payable to him. Further, Mrs. Usha B. Kulkarni and Mr. Vinayak B. Kulkarni may also be deemed to be interested in the resolution, as they are related to Mr. Ajit B. Kulkarni. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

Your Directors commend the resolutions set out at Item Nos. 7 of the Notice for your approval.

#### Item Nos. 8 & 9

Considering the Background, competence and experience of Mrs. Usha B. Kulkarni, Mr. Vinayak B. Kulkarni (hereinafter referred as Executive Directors) and compared to the remuneration packages of similarly placed personnel of corporate bodies in the country, the Board of Directors at its meeting held on May 9, 2009, revised the remuneration of the above mentioned personnel as approved by the Remuneration Committee, as are set out in the draft agreement placed before the meeting for further period of five years with effect from April 1, 2009 upto March 31, 2014.

The broad particulars of remuneration payable to and the terms of the appointment of Chairperson and Whole Time Director during their remaining tenure as Chairperson and Whole Time Director are as under:

Mrs. Usha B. Kulkarni - Basic Salary Rs. 1,70,000 p.m.  
Mr. Vinayak B. Kulkarni - Basic Salary Rs. 1,25,000 p.m.

In addition to the basic salaries, the Executive Directors shall also be entitled to such facilities, perquisites and allowances, which may include accommodation (furnished or otherwise) or house rent allowance in lieu thereof;

house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; club fees, provision of car with chauffeur, medical insurance and such other perquisites, allowances, as may be decided by the Board of Directors.

The remuneration payable to Mrs. Usha B. Kulkarni and Mr. Vinayak B. Kulkarni, including salary, is subject to overall ceiling of 2% and 1.5% of the net profits, respectively, as stipulated under the Companies Act, 1956. Further, Where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the aforesaid salaries shall be paid to the Executive Directors in accordance with the applicable provisions of Schedule XIII of the said Act and subject to the approval of the Central Government, if required.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or put together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, perquisites and bonus.

Since the re-appointment of Mrs. Usha B. Kulkarni, Mr. Vinayak B. Kulkarni requires the approval of the members of the Company in General Meeting pursuant to Section 198, 269, 309, 311 read with Schedule XIII to the Companies Act, 1956, the respective resolutions as set out in the accompanying notice are recommended for the approval of the members.

The terms and conditions of the increase in the remuneration as stated in the resolutions of the Notice in respect of Mr. Ajit B. Kulkarni, Mrs. Usha B. Kulkarni, Mr. Vinayak B. Kulkarni may be regarded as an abstract under Section 302 of the Companies Act, 1956.

Mrs. Usha B. Kulkarni and Mr. Vinayak B. Kulkarni are interested in the above resolutions to the extent of the remuneration payable to each of them. In addition to Mrs. Usha B. Kulkarni and Mr. Vinayak B. Kulkarni, Mr. Ajit B. Kulkarni, is also interested. Therefore, Mrs. Usha B. Kulkarni, Mr. Ajit B. Kulkarni and

Mr. Vinayak B. Kulkarni are interested in the above resolutions. None of the other Directors are interested in the above resolutions.

Your Directors commend the resolutions set out at Item Nos. 8 & 9 of the Notice for your approval.

### Item No. 10

Under section 314 of the Companies Act, 1956, a special resolution is required for enabling any relative of Director of the Company to hold any office or place of profit under the Company. Mr. Ravi Kulkarni, aged 27, a post graduate in management has been appointed at a place of profit in the Company, who is grandson of Mrs. Usha B. Kulkarni, Chairperson and son of Mr. Ajit B. Kulkarni, Managing Director.

Mr. Ravi A. Kulkarni, who has been appointed at place of profit by the Board of Directors in their meeting held on 11/05/2007, and his appointment has also been approved by the members in general meeting, is currently heading international division of the company and incharge of gulf operations.

Further the Company is proposes to approach to the Central Government to take approval for remuneration under Section 314 (1B) for a maximum remuneration as per the resolution. The Board of Directors shall, with in overall limit as per the resolution or such limits as may be approved by the Central Government in this behalf, decide from time to time the remuneration to be paid to Mr. Ravi A. Kulkarni.

In the light of explanations and justifications given above, it is recommended to approve the appointment of Mr. Ravi Kulkarni at a place of profit with effect from 01/04/2009. The remuneration paid or proposed to be paid to Mr. Ravi Kulkarni is commensurate with his qualification and is in line with Company's HR policies and prevalent industry standards. The Board recommends this resolution.

The proposed appointment is in the interest of the Company and your Directors recommended the resolutions at item no. 10 of the Notice as special resolution for approval of the Members.

Except Mrs. Usha B. Kulkarni, Chairperson and Mr. Ajit B. Kulkarni, Managing Director, None of the Directors of the Company is concerned or interested in the Resolution.

### Item No. 11

Under section 314 of the Companies Act, 1956, a special resolution is required for enabling any relative of Director of the Company to hold any office or place of profit under the Company. Mr. Shyam Kulkarni 34, having more than 15 years of experience in the field of administration, site management and coordination, has been appointed as Senior Officer - Coordination in the Company, who is grandson of Mrs. Usha B. Kulkarni, Chairperson.

Mr. Shyam R. Kulkarni who has been appointed at place of profit by the Board of Directors in their meeting held on 11/05/2007 and also has been approved by the members in general meeting, is currently actively involved in the execution of specialty and crucial projects of the Company.

Further the Company is proposes to approach to the Central Government to take approval for remuneration under Section 314 (1B) for a maximum remuneration as per the resolution. The Board of Directors shall, with in overall limit as per the resolution or such limits as may be approved by the Central Government in this behalf, decide from time to time the remuneration to be paid to Mr. Shyam R. Kulkarni.

In the light of explanations and justifications given above, it is recommended to approve the appointment of Mr. Shyam Kulkarni as Senior Officer - Coordination at a place of profit with effect from 01.04.2009. The remuneration paid or proposed to be paid to Mr. Shyam Kulkarni is commensurate with his experience and is in line with company's HR policies and prevalent industry standards. The Board recommends this resolution.

The proposed appointment is in the interest of the Company and your Directors recommended the resolutions at item no. 11 of the Notice as special resolution for approval of the Members.

Except Mrs. Usha B. Kulkarni, Chairperson, None of the Directors of the Company is concerned or interested in the Resolution.

**By Order of the Board of Directors**

**Pankaj S. Chourasia**  
Company Secretary

Date : 21<sup>st</sup> May, 2009

Place : Mumbai

## DIRECTORS' REPORT

The Members,

Your Directors have great pleasure in presenting the 14<sup>th</sup> Annual Report together with the Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2009.

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2009, is summarised below:

### FINANCIAL RESULTS:

(Rupees in Crores)

Particulars	Consolidated	
	31.03.2009	31.03.2008
Income	<b>810.78</b>	565.11
EBIDTA	<b>96.62</b>	66.04
Less : Interest & Finance Charges	<b>34.05</b>	22.27
Less : Depreciation & Amortisation	<b>7.13</b>	3.60
Profit Before Tax	<b>55.44</b>	40.17
Provision for Tax	<b>10.71</b>	5.91
Profit After Tax (PAT)	<b>44.73</b>	34.26
APPROPRIATIONS		
Proposed Dividend on Equity Shares	<b>3.34</b>	3.34
Tax on Dividend	<b>0.57</b>	0.57
Transfer to General Reserve	<b>3.50</b>	3.50
Balance Carried to the Balance Sheet	<b>37.32</b>	26.86
Earning Per Share- Basic & Diluted (in Rs.)	<b>26.81</b>	22.88

### PERFORMANCE REVIEW:

The company in its continued pursuit of excellence, again delivered a robust performance and has clocked a record consolidated turnover of over Rs.810 Crores, with an impressive increase of over 43% compare to last year's turnover of Rs.565 crores. Despite execution of substantial portion of work, the company has maintained its balance order book position over Rs.2100 Crores. The execution period of these orders ranges from one year to four years.

Your company is very confident and bullish on getting few more big sized orders, which will have substantial positive impact on the working, profitability and standing of the company in the infrastructure and pipes manufacturing industries.

Last couple of years, your company has taken a conscious decision of diversification and accordingly, diverting its attention and emphasis from purely water segment company to full fledged infrastructure development company. The management's endeavour to shift focus has yielded positive results and company is successfully executing diversified projects that include Tunnels, Airports, High rises, Speciality Buildings, Road and Urban

Infrastructure etc. Currently, the company is executing two major airport projects viz., Amritsar Airport and Ahmedabad Airport, two tunnel projects for the Brihanmumbai Municipal Corporation, Mumbai. The company further wishes to explore lucrative Hydro Carbon and other fields. The Company's foray into relatively new fields is an indication of the Company's desire to diversify itself and play a role of the full fledged infrastructure development Company. The efforts for diversifying activities will enable Company to execute more projects involving extreme engineering in future. Your Company further wishes to diversify and embark upon lucrative and complex highway construction projects of NHAI, Hydra projects and hydro carbon projects in near future.

Despite the company's thrust to explore other infrastructure segment, the company has maintained its edge in the water segment, which historically has played a pivotal role in the growth of the company. Traditionally, the water segment plays an important and crucial role in the performance of the company and contributes substantially towards the turnover and profitability of the company. It still constitutes approximately 60-70 %

of total turnover of the Company; the order book also consists major projects from the water segment. During the financial year under review, the company has successfully commissioned the crucial and sizeable second and third phase of the NMMC water pipeline project.

### SAW PIPE DIVISION – Coating Plant

The Company has successfully commissioned its Coating Pipes Division and commercial production has been started. With commissioning of the plant, the company is in position to manufacture “Spirally Welded Mild Steel Pipes (H- Saw Pipes) API 5 grade. The Saw Pipes division has a capacity of 92000 TPA. The Pipe division, which is also having crucial coating division viz., 3 LP coating plant, has successfully been commissioned and started the commercial. The capacity of 3 LP coating plant is 1.7 million sq. mtrs. per annum.

The encouraging response of existing pipe division and long term requirements of high quality pipes, lead the management to contemplate further expansion of pipe division in a big way.

### SCHEME OF ARRANGEMENT AND AMALGAMATION

During the year under review, due to adverse market condition and changed economic scenario and also due to global financial market meltdown, the Company had withdrawn the composite scheme of merger and demerger before the Hon’ble High Court of Bombay and accordingly, the Hon’ble High Court of Bombay has passed an order dated 9<sup>th</sup> April, 2009, for withdrawal of the scheme.

### DIVIDEND

The Board recommends dividend of Rs.2/- (Rupees Two) per equity share i.e. 20%. The total outgo on this account shall be approximately Rs. 3.90 Crores including dividend distribution tax.

### TRANSFER TO RESERVE

Your directors propose to transfer a sum of Rs. 350.00 Lacs to the General Reserve account.

### FIXED DEPOSITS

The Company has not accepted any fixed deposits attracting the provision of Section 58A of the Companies Act, 1956, during the period under review.

### DIRECTORS

Mr. S. T. Gadre and Mr. Vinayak B. Kulkarni retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

The information on the particulars of Directors seeking re-appointment as required under Clause 49 of the Listing Agreement executed with the Stock Exchanges have been given under Corporate Governance of this Report.

In addition to directors retire by rotation, the term of executive directors are also expiring in the financial year, therefore, the Board in its meeting held on 09.05.2009, has re-appointed Mr. Ajit B. Kulkarni as Managing Director, Mrs. Usha B. Kulkarni as Executive Chairperson and Mr. Vinayak B. Kulkarni as Whole Time Director of the Company for a further period of five (5) years w.e.f. 01.04.2009.

The board has appointed Mr. Ramakant Jha as an additional director of the company in place of Mr. A. G. Karkhanis, who has expressed his inability to continue as director on the board of the company due to his pressing professional commitments. The Board expresses its sincere gratitude towards the guidance and services extended by Mr. A. G. Karkhanis during his tenure with the company.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors’ Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

### SUBSIDIARY

The Company is having a wholly owned subsidiary Company i.e. Pratibha Infrastructure Private Limited (PIPL). A statement pursuant to Section 212 of the Companies Act, 1956, related to the accounts of the subsidiary is annexed as part of this Annual Report.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-27 on Accounting for Investments in Joint Ventures, your Directors provide the audited Consolidated Financial Statements in the Annual Report. As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the attached consolidated financial statements have been prepared in accordance with the Accounting Standard AS-21 & AS-27 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates.

### PERSONNEL

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (v) of the Companies Act, 1956, the Report and Accounts is being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary of the Company.

### AUDITORS AND AUDITORS' REPORT

M/s. Jayesh Sanghrajka & Co., Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment.

The Company has received confirmation from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of

the Companies Act, 1956, and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 217 (1) (e) of the Act read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, form part of this Report.

### SAFETY, HEALTH AND ENVIRONMENTAL AUDIT

Your company committed to norms applicable for conservation and protection of environment, health and safety. In a major voluntary initiative, your company has formulated a comprehensive environment, health and safety policy. In addition to rigorous compliance of the environment, health and safety policy, all the departments, various sites and locations of the company are subjected to environment, health and safety audit. The company has successfully undergone audits under EMS (ISO-14001) and OHSAS -18001 and is likely get certification very shortly. These audits under EMS (ISO-14001) and OHSAS -18001 are undertaken by external independent agencies.

### CORPORATE GOVERNANCE

Being observant and responsible, the company is committed to high standards of the corporate ethics, professionalism and transparency. As per Clause 49 of the Listing Agreement, a separate section on Corporate Governance forms part of the Annual Report. Your Company has complied with the requirements of the Listing Agreement and necessary disclosures have been made in this regard in the Corporate Governance Report section.

Compliances under corporate governance norms are subject to concurrent audit by internal auditors and also subject to confirmation from statutory auditors.

A certificate from the Statutory Auditors of the Company confirming the compliance of conditions of corporate governance under Clause 49 of the Listing Agreement is also attached to this Report.



## Pratibha Industries Limited

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### MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

### PLEDGE OF SHARES

None of the equity shares owned by the directors or promoters are pledged with any banks, financial institutions.

### EMPLOYEE RELATIONSHIP

The Company enjoyed very cordial and fruitful relations with the employees during the year under review and the Management wishes to place on record its sincere appreciation of the efforts put in by the Company's workers, staff and executives for achieving excellent results under demanding circumstances.

The company is proud to place on record that the company has very low attrition rate as compared to its peers in the industries.

### ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation and gratitude for the support and co-operation received from the Central and State Governments, Civic Corporation and authorities, Financial Institutions, Banks, Customers, Suppliers, Associates, Vendors, Sub - Contractors and Members during the year under review. The Directors also wish to thank all the employees for their committed and sincere services and continued cooperation throughout the year.

**For and on behalf of the Board of Directors**

Date: : 21<sup>st</sup> May, 2009  
Place: : Mumbai

**Usha B. Kulkarni**  
**Chairperson**

## ANNEXURE TO DIRECTORS' REPORT

Information under Section 217 (1) (e) 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 Directors Report for the period ended 31<sup>st</sup> March, 2009.

**(A) Conservation of Energy****(a) Energy Conservation and efficiency measures undertaken**

Energy Conservation during the financial year has accrued as a result of the following steps:

**Spiral Plant**

- Modification was done to stop Hydraulic Power Pack within 5 minutes automatically when there is no operation.
- Installation of VFD drives for various process like Conveyors, Cross Welding Boom, Main Pinch Role.

**3LPE Coating Plant**

- Installation of VFD drives for various processes like Internal Shot Blaster, External Shot Blaster, Conveyors, Diabolo Conveyor, Adhesive Extruder, PE Adhesive, End Brushing and Compressor.

**General**

- Maintaining power factor from 0.99 to 1 for MSEDCL power
- (b) Additional Proposals being implemented for further conservation of energy
  - Installation of 2 Nos. Compressor (5kW) for Pipe UT and Plate UT.
  - Installation of Automatic Timer Circuit for Street Light Illumination Control.
  - Installation of Automatic Timer Circuit for Shade Light On/Off operation.
- (c) Impact of the above measures for reduction of energy consumption and consequent impact on cost of production of goods:
  - The measures stated in (a) and (b) above would improve electrical energy efficiency and reduce consumption as well as improvement in productivity.
- (d) Total energy consumption and energy consumption per unit of production as per Form A

**Form A**

Power and Fuel Consumption From 1 April 2008 to 31 March 2009			
	Unit	Total cost	Rs. Per unit
Electricity	1915950	Rs.9,933,243/-	Rs.4.76 / unit
Own generation (Through Diesel Generator) Or any other mode	245978	Rs.3,216,035/-	Rs.13.07/ Unit
Coal	N. A.	N. A	N. A.
Furnace Oil	N. A.	N. A	N. A.

Consumption per unit of production from 1st April 2008 to 31st March 2009

Particulars	Total Unit	Total Production(MT)	Unit/MT
Electricity	2161928	39526.374 Ton	0.01828 Ton/Unit

**(B) Technology Absorption**

1. Efforts, in brief, made towards technology : Not applicable  
Absorption, adaptation and innovation
2. Benefits derived as a result of the above efforts : Not applicable
3. Details about imported technology (imported : Not applicable)  
During the last five years reckoned from the date Of beginning of financial year, if any.  
Total Foreign exchange used and earned:

**(C ) Research & Development**

1. Specific Areas in which R & D is carried out by the company : Nil
2. Benefits derived as result of above R & D : Nil
3. Future Plan of Action : Nil
4. Expenditure on R & D : Nil

**(D) Foreign Exchange Earnings and Outgo**

Activities relating to Exports  
: The Company's entire SAW pipes sold in India.

(Rs. In lacs)

	Year ended	
	31.03.2009	31.03.2008
(i) Foreign Exchange earned	423.28	Nil
(ii) Foreign Exchange used	3213.96	3329.46

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company strongly believes that the Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to corporate ethics and values. Good Governance practices stem from the culture and mindset of the organization which is nurtured through a continuous process. The Company makes the management transparent and efficient to maximize the long term value of all the stakeholders. The Company also believes into transparency, complete disclosure, accountability, adequate internal control systems and procedures to monitor and guide the state of affairs of the Company to enable the Management to effectively discharge its responsibilities towards enhancement of stakes of various stakeholders of the Company.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading infrastructure company in India. For the Company, Corporate Governance stands for transparency, responsible and value creating management control of the Company.

### 2. BOARD OF DIRECTORS

#### (a) Composition of the Board

The Company's policy is to maintain optimum combination of executive and non-executive directors on its board. The Board of Directors (the Board) of the Company consists of six directors, of which three are independent directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements with the Stock Exchanges.

Composition of the Board and category of Directors are as follows:

Name of the Directors	Designation	Category
Mrs. Usha B. Kulkarni	Chairperson	Promoter & Executive
Mr. Ajit B. Kulkarni	Managing Director	Promoter & Executive
Mr. Vinayak B. Kulkarni	Whole Time Director	Promoter & Executive
Mr. Anilkumar G. Karkhanis <sup>#</sup>	Director	Independent Non-Executive
Mr. Awinash M. Arondekar	Director	Independent Non-Executive
Mr. Shrikant T. Gadre	Director	Independent Non-Executive

The directors are having wide range of expertise and experience in diverse fields which bring the company wide range of experience and skills.

#### (b) Attendance of directors at board meetings and general meeting of members and details of other Directorships and Memberships/Chairmanships of Committees of each Director in other companies:

Name of the Director	Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships		
	Board Meeting	Attendance At AGM	Director Ships*	Committee Member Ships**	Chairman Ships**
Mrs. Usha B. Kulkarni	5	Yes	7	2	5
Mr. Ajit B. Kulkarni	5	Yes	9	5	-
Mr. Vinayak B. Kulkarni	4	Yes	7	2	-
Mr. Anilkumar G. Karkhanis <sup>#</sup>	3	No	4	2	1
Mr. Awinash M. Arondekar	5	Yes	2	3	1
Mr. Shrikant T. Gadre	5	Yes	3	2	1

\* Including Pratibha Industries Limited. \*\* Details of Pratibha Industries Limited.

(c) **Details of Board Meeting**

Five Board meetings were held during the year against the minimum requirement of four meetings. The dates on which the meetings were held are: 02<sup>nd</sup> May, 2008, 25<sup>th</sup> July, 2008, 25<sup>th</sup> October, 2008, 22<sup>nd</sup> December, 2008 and 24<sup>th</sup> January, 2009.

(d) **Board Committees**

The Board has constituted five committees consisting members of the Board. Details of the Committees and other related information are provided hereunder:

These committees facilitate focused, timely & efficient deliberation and decision.

**Constitution :**

Name of Director	Name of the Committees				
	Audit	Share Transfer	Remuneration	Shareholder Grievance	Finance
Mrs. Usha B. Kulkarni	No	Yes*	No	No	Yes*
Mr. Ajit B. Kulkarni	Yes	Yes	Yes	Yes	Yes
Mr. Vinayak B. Kulkarni	No	Yes	No	No	Yes
Mr. Anilkumar G. Karkhanis <sup>#</sup>	No	No	Yes*	Yes	No
Mr. Awinash M. Arondekar	Yes	No	Yes	Yes*	No
Mr. Shrikant T. Gadre	Yes*	No	Yes	No	No

\* Chairperson

# Mr. Anilkumar G. Karkhanis is ceased to be a Director of the company w.e.f. 13<sup>th</sup> May, 2009. In place of Mr. Anilkumar G. Karkhanis, Mr. Ramakant Jha has been appointed as an additional director on the board wef 21<sup>st</sup> May, 2009.

None of the Directors of the Company was a member of more than ten committees nor was the Chairman of more than five committees across all companies in which they are directors.

**3. BOARD/COMMITTEE MEETINGS AND PROCEDURE:**

**a) Institutionalized decision-making process:**

In order to setup the systems and procedures for the matter requiring discussions/ decisions by the Board, the Board of Directors has followed guidelines framed for the meetings of Board of Directors and Committee thereof. The said guidelines seek to systematize the decision making process at the meetings of Board/Committees, in most efficient manner.

**b) Scheduling and selection of Agenda items for Board/ Committee Meetings:**

- i) The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board also approves urgent matters by passing resolutions by circulation.
- ii) Under the direction of Managing Director, the Company Secretary in consultation with other concerned persons in the senior management, finalise the agenda papers for the Board Meetings and circulated amongst the Board Members and other invitees.
- iii) Where it is not practicable to attach any document or the agenda is of sensitive nature, the same is circulated at the meeting with the approval of the Chair. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are taken up for discussion with

the permission of the Chair and after a consensus is formed. Sensitive/confidential subject matters are discussed at the meeting even without written material being circulated.

- iv) The meetings are held at the Company's Administrative Office at Chembur, Mumbai.
- v) The members of the Board have complete access to all information of the Company.

**c) Briefing by the Managing Director & COO:**

At the beginning of each meeting of the Board, Managing Director and Chief Operating Officer brief the Board Members about the agenda items apart from key developments relating to the Company in diverse areas, development at various sites, receipt of major orders and related progress on regular basis.

**d) Recording minutes of proceedings at the Board and committee meeting:**

The Corporate Secretarial Department records the proceedings of each board and committee meetings within the stipulated time lines. Draft minutes are circulated to all the members of the Board/ committees for their comments.

**e) Compliance:**

The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting (s) is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956, read with the Rules issued thereunder and the secretarial standard recommended by the Institute of Company Secretaries of India.

**Information placed before the Board of Directors, interalia, includes:**

Following information, as may be required and applicable, are placed before the board:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report etc.
- Quarterly results for the company.
- Minutes of meetings of Board and other Committees of the Board.
- Presentation by the marketing team with regard to marketing plans of the Company
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights and substantial non-payment for goods sold by the company.
- Major investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances etc.
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Any significant development in Human Resources/Industrial Relations front.
- Compliance Certificate of any regulatory, statutory nature.
- Short term investment of surplus funds.
- Information relating to major legal disputes.
- All Other significant events /information.

#### 4. AUDIT COMMITTEE

The objective of the Audit committees to assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirement. The Committee's purpose is to oversee the accounting and financial reporting process of the company, the audits of the company's financial statements the appointment, independence and performance of the statutory auditors, the performance of internal auditors.

##### (a) Terms of Reference

The terms of reference to the Audit Committee inter alia, cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292 A of the Companies Act, 1956, and more particularly include the following:

- i. To investigate any activity within its terms or reference;
- ii. To seek information from any employee;
- iii. To obtain outside legal or other professional advice;
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

##### (b) Composition of the committee

The Audit Committee consists of two independent directors and one executive director. The composition of the Audit Committee is as under:

Name of the Members	Designation	Nature of Directorship
Mr. Shrikant T. Gadre	Chairman	Independent & Non Executive Director
Mr. Awinash. M. Arondekar	Member	Independent & Non Executive Director
Mr. Ajit B. Kulkarni	Member	Promoter & Executive Director

All the members of the Audit Committee are financially literate and Mr. Shrikant Gadre, Chairman possesses requisite financial / accounting expertise.

Mr. Pankaj S. Chourasia, Company Secretary, is the Secretary to the Audit Committee. The main function of the Audit Committee is to provide the Board of Directors with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems. The Committee acts as a link between the management, statutory auditors and the Board of Directors.

##### (c) Meetings and Attendance during the year

During the year under review, the Audit Committee met four times. The dates on which Audit Committee meetings were held are: 02<sup>nd</sup> May, 2008, 25<sup>th</sup> July, 2008, 25<sup>th</sup> October, 2008 and 24<sup>th</sup> January, 2009. In addition to the members and company secretary, Chief Operating Officer, Chief Financial Officer, and representatives of the Statutory Auditors & Internal Auditors were also invited to attend the Audit Committee meeting to reply to the queries, if any, by the Committee members.

The Committee has recommended the appointments of M/s. Jayesh Sanghrajka & Co., Chartered Accountants, as the Statutory Auditors and M/s Chokshi & Chokshi, Chartered Accountants, as Internal Auditors of the Company.

#### 5. REMUNERATION COMMITTEE

##### (a) Terms of Reference

The Remuneration committee review & recommends remuneration, promotions, incentive, performance bonus, increments etc. for the Executive Directors of the Board and appointment of relatives of directors on office or place of profit.

(b) **Composition of the Cosmmittee**

The Committee comprises of the following members

Name of the Members	Designation	Nature of Directorship
Mr. Anil Kumar G. Karkhanis <sup>#</sup>	Chairman	Independent & Non Executive Director
Mr. Shrikant T. Gadre	Member	Independent & Non Executive Director
Mr. Awinash M. Arondekar	Member	Independent & Non Executive Director
Mr. Ajit B. Kulkarni	Member	Promoter & Executive Director

<sup>#</sup> Mr. Anilkumar G. Karkhanis is ceased to be a Director of the company w.e.f. 13<sup>th</sup> May, 2009.

Mr. Dinesh Deora, a Company Secretary and Chartered Accountants is an independent expert member pursuant to Director's relatives (Office or Place of Profit) Rules, 2003.

(c) **Remuneration Policy**

The Remuneration Committee has been constituted to review remuneration payable to Executive Directors, based on their performance and vis a vis with the performance of the Company on defined assessment parameters. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the Industry Standards.

The terms of Remuneration Committee also includes considering and recommending appointment at a place of profit under section 314 of the Companies Act, 1956, or any rules made thereunder.

(d) **Meeting and Attendance during the year**

During the year one meeting of the Remuneration Committee held on 02<sup>nd</sup> May, 2008, attended by the all the members. The Committee has recommended the revision of salaries of the executive directors & appointment of certain persons at office or place of profit.

(e) **Remuneration paid to Directors**

**Executive Directors**

The aggregate value of salary and perquisites including performance bonus, if any, paid for the year ended March 31, 2009 to the Managing Director and Whole Time Directors are as follows:

Amount in Rs.

Name of the Director	Designation	Salary	Perquisites	Performance Bonus
Mr. Ajit B. Kulkarni	Managing Director	90,00,000	Nil	1,80,00,000
Mrs. Usha B. Kulkarni	Chairperson	14,40,000	2,26,000	Nil
Mr. Vinayak B. Kulkarni	Whole Time Director	12,00,000	Nil	Nil

**Non Executive Directors**

The non-executive director are paid by way of sitting fees and they are also eligible for a payment of Rs.1.25 lacs as commission on profit as approved by the members in 12<sup>th</sup> Annual General Meeting & subsequently by remuneration committee and board meeting. The sitting fee and commission paid to the Non- Executive Directors for the financial year 2008-09 are as under:

Name of the Director	Sitting fees	Commission	Total
Mr. Shrikant T. Gadre	Rs. 1,10,000	Rs.1,25,000	Rs.2,35,000
Mr. Awinash M. Arondekar	Rs. 1,00,000	Rs.1,25,000	Rs.2,25,000
Mr. Anilkumar G. Karkhanis	Rs. 50,000	Rs.1,25,000	Rs.1,75,000

## 6. SHAREHOLDERS INVESTOR GRIEVANCE COMMITTEE

As part of its Corporate Governance initiative, the Company constituted the Shareholders/Investors Grievance Committee to specifically look into the unresolved shareholders grievance with regard to transfer / transmission / demat / remat of shares, issue of duplicate, split-up, consolidation, renewal of share certificate, non-receipt of Annual Report, non- receipt of application money and other issues concerning the shareholder/investors .

The Committee comprises of the following persons:

Name of the Members	Designation	Nature of Directorship
Mr. Awinash M. Arondekar	Chairman	Independent & Non Executive Director
Mr. Anilkumar G. Karkhanis	Member	Independent & Non Executive Director
Mr. Ajit B. Kulkarni	Member	Executive Director

Mr. Pankaj S. Chourasia, Company Secretary and Compliance Officer, nominated for this purpose under Clause No. 47(a) of the Listing Agreement. He looks into the investor grievances and supervises and coordinates with the M/s Link Intime India Private Limited, Registrar & Transfer Agents, for redressal of grievances. Every quarter the Company publishes the status of the complaint received and their respective redressal.

During the year the Company has received 28 Complaints and the same have been resolved within the stipulated time period and no complaint is pending at the end of the year. Company's continued efforts to streamline system has yielded encouraging results and investors complaint have reduced substantially.

The Committee expresses satisfaction with the Company's performance in dealing with the investor grievances.

## 7. SHARE TRANSFER COMMITTEE

This Committee has been constituted to approve transfer/ transmission/rematerialisation /dematerialization of shares of the company, and to issue certificates of shares on allotment thereof under the seal of the company. The Committee comprises of Mrs. Usha B. Kulkarni as the Chairperson and Mr. Ajit B. Kulkarni and Mr. Vinayak B. Kulkarni as the members. Mr. Pankaj S. Chourasia is Secretary of the Committee.

As the shares are compulsorily traded in demat mode which effects automatically through NSDL and CDSL. The approval of the Company is required for transfer of shares which are in physical mode. As on March 31, 2009, no share transfer request was pending.

## 8. FINANCE COMMITTEE

The Board of Directors of the Company has constituted a Finance Committee of Directors. The Committee has been formed to avail finance for the purchase of construction equipments and vehicles for the Company. The Committee currently comprises of Mrs. Usha B. Kulkarni as the Chairperson and Mr. Ajit B. Kulkarni and Mr. Vinayak B. Kulkarni as the members.

## 9. COMPLIANCE OFFICER

Mr. Pankaj S. Chourasia, Company Secretary, is the Compliance Officer of the Company for complying with the requirement of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

## 10. GENERAL BODY MEETINGS

### (a) Annual General Meeting

Location, date, time of the Annual General Meetings held during the preceding 3 years are as follows:

Year	Location	Date	Time	Special Resolution(s)
2007-08	Hotel Oasis, Nr. Deonar Bus Depot, Sion Trombay Road, Deonar, Mumbai - 400 088	20 <sup>th</sup> June, 2008	12.30 P.M.	4
2006-07	Hotel Oasis, Nr. Deonar Bus Depot, Sion Trombay Road, Deonar, Mumbai - 400 088	20 <sup>th</sup> June, 2007	3.30 P.M.	9
2005-06	Patkar Hall, S N D T Women's University, 1, Nathibai Thackersey Road, Mumbai - 400020	16 <sup>th</sup> June, 2006	3.30 P.M.	6



### (b) Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the year under review. However, a special meeting, for consideration and approval of composite scheme of merger and demerger, as per the order of the Hon'ble High Court of Bombay was convened on 20<sup>th</sup> July, 2008.

### (c) Postal Ballot

During the year, the Company has not passed any resolution through postal ballot.

## 11 DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Schedule 'S', forming part of the Annual Report.

The Company's related party transactions are generally with its Associates & Joint Venture Partners. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, Company's long term strategy for investments, optimization of market share and profitability, legal requirements, liquidity and capital resources of its Subsidiary and Associates. All related party transactions are negotiated on arms length basis and are solely intended to further the interests of the Company.

The Company has complied with all the requirements of the Listing Agreement with Stock Exchanges as well as Regulations and Guidelines prescribed by SEBI. There were no penalties or strictures imposed on the company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.

The Whistle Blower Policy forms a part of the Code of Conduct and Ethics for Board of Directors and Senior Management Personnel. No employee have been denied access to the audit committee.

All the mandatory requirements of Clause 49 are complied with. In respect of the non – mandatory requirements the Board has set up a remuneration committee consisting of three non-executive directors and one executive director.

## 12. MEANS OF COMMUNICATION

- Half Yearly report sent to each of shareholders : No.
- Quarterly Results  
Which newspapers normally published in : Free Press Journal - English  
Nav Shakti – Marathi
- Any Web site, where displayed. : [www.pratibhagroup.com](http://www.pratibhagroup.com)  
[www.sebiedifar.nic.in](http://www.sebiedifar.nic.in)
- Presentation made to Institutional Investors or to Analyst : Yes.
- Whether Management Discussion and Analysis Report  
is a part of annual report or not : Yes.

## 13. GENERAL SHAREHOLDER INFORMATION

### (a) Company Registration details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs (MCA) is L45200MH1995PLC090760

### (b) 14<sup>th</sup> Annual General Meeting

Date : Tuesday, 30<sup>th</sup> day of June, 2009  
Time : 12.30 P.M.  
Venue : Hotel Oasis,  
Opp. Tata Institute of Social Science,  
Sion Trombay Road, Deonar,  
Mumbai – 400 088

**(c) Financial Calendar (tentative)**

Results for the quarter ending June 30, 2009	- 3 <sup>rd</sup> /4 <sup>th</sup> week of July, 2009
Results for quarter ending September 30, 2009	- 3 <sup>rd</sup> /4 <sup>th</sup> week of October, 2009
Results for quarter ending December 31, 2009	- 3 <sup>rd</sup> /4 <sup>th</sup> week of January, 2010
Results for year ending March 31, 2010	- 2 <sup>nd</sup> /3 <sup>rd</sup> week of May, 2010
Fifteenth Annual General Meeting	- June/July, 2010

**(d) Dividend Payment Date**

After 30<sup>th</sup> June, 2009 (Forth Week of July, 2009)

**(e) Book Closure Period**

Tuesday, 23/06/2009 to Tuesday, 30/06/2009 (both days inclusive).

**(f) Listing of Equity Shares on Stock Exchanges and Payment of Listing Fee**

**The Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai 400 001

**National Stock Exchange of India Limited (NSE),  
"Exchange Plaza"**

Bandra-Kurla Complex  
Bandra (E), Mumbai 400 051

**Listing Fee** : Annual listing fee for the year 2009-10, (as applicable) has been paid by the Company to BSE and NSE.

**(g) Security Code**

- (i) Scrip Code on BSE is : **532718**
- (ii) Trading Symbol on NSE is : **PRATIBHA EQ**
- (iii) Demat ISIN in NSDL & CDSL for Equity Shares : **ISIN - INE308H01014**

**(h) Market Price Data**

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The details of high and low of the Market Price Data of the equity shares of the Company for the financial year ending on 31<sup>st</sup> March, 2009 are as under.

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April 2008	385.40	301.00	350.00	299.20
May 2008	369.00	280.00	370.00	270.10
June 2008	335.00	205.20	327.00	208.00
July 2008	226.00	180.10	230.00	175.30
August 2008	248.90	207.00	248.00	190.30
September 2008	288.00	212.10	285.60	211.25
October 2008	237.95	73.25	239.95	74.20
November 2008	98.50	50.00	98.00	49.20
December 2008	70.95	47.40	71.60	47.15
January 2009	85.60	55.20	85.00	55.35
February 2009	71.30	58.20	71.40	57.85
March 2009	79.85	55.15	79.05	53.05

Source : respective website of BSE & NSE

### (i) Registrars and Transfer Agents

**M/s. Link Intime India Private Limited**  
 (Formerly Intime Spectrum Registry Limited)  
 C-13, Pannalal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (West),  
 Mumbai – 400 078.  
 Tel No. 022-2596 3838  
 Fax No. 022-2594 6969  
 Website: www.linkintime.co.in  
 E- Mail: pratibha@linkintime.co.in

### (j) Share Transfer System

The shareholding of the Promoters and Promoters group is aggregating to 61.57% of the total paid up share capital.

The Board has delegated the authority for approving transfer, transmission, etc. of the company's securities to the Share Transfer Committee. A summary of transfer / transmission of securities of the Company, so approved by the Share Transfer Committee, are placed at every consequent Board Meeting.

As per the requirement of the Clause 47 (c) of the Listing Agreement with the Stock Exchanges, the half yearly audit is done by a Company Secretary in whole time practice, whereby checking and verifying that all certificates have been issued within one month of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies as the case may be. A copy of the same is also submitted to the Stock Exchanges.

### (k) Shareholding Pattern as on March 31, 2009 :

Category of shareholder	Number of share holders	Total number of shares	Number of shares held in demat form	Total shareholding as a % of total number of shares	
				As a % of (A+B)	As a % of (A+B+C)
<b>(A) Shareholding of Promoter and Promoter Group</b>					
<b>(1) Indian</b>					
(a) Individuals/ Hindu Undivided Family	16	10272950	10272950	61.57	61.57
(b) Central / State Government(s)	0	0	0	0	0
(c) Bodies Corporate	0	0	0	0	0
(d) Financial Institutions/ Banks	0	0	0	0	0
(e) Any Other	0	0	0	0	0
<b>Sub-Total (A)(1)</b>	<b>16</b>	<b>10272950</b>	<b>10272950</b>	<b>61.57</b>	<b>61.57</b>
<b>(2) Foreign</b>					
(a) Individuals (NRI/ Foreign Individuals)	0	0	0	0	0
(b) Bodies Corporate	0	0	0	0	0
(c) Institutions	0	0	0	0	0
(d) Any Other (specify)	0	0	0	0	0
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>16</b>	<b>10272950</b>	<b>10272950</b>	<b>61.57</b>	<b>61.57</b>

<b>(B) Public Shareholding</b>						
<b>(1) Institutions</b>						
(a)	Mutual Funds/ UTI Bank Limited	3	1686932	1686932	10.11	10.11
(b)	Financial Institutions/ Banks	0	0	0	0	0
(c)	Central /State Government(s)	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0
(f)	FII's	5	2507978	2507978	15.03	15.03
(g)	Foreign Venture Capital	0	0	0	0	0
(h)	Any Other	0	0	0	0	0
<b>Sub-Total (B)(1)</b>		<b>8</b>	<b>4194910</b>	<b>4194910</b>	<b>25.14</b>	<b>25.14</b>
<b>(2) Non-institutions</b>						
(a)	Bodies Corporate	289	484921	484921	2.91	2.91
(b)	Individuals -					
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh.	10972	1308519	1308453	7.84	7.84
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7	215764	215764	1.29	1.29
(c)	Any Other (specify)					
i.	Clearing Member	63	31701	31701	0.19	0.19
ii.	NRIs (Repatriation)	224	176233	176233	1.06	1.06
iii.	OCBs	0	0	0	0	0
iv.	Trust	1	2	2	0.00	0.00
<b>Sub-Total (B)(2)</b>		<b>11556</b>	<b>2217140</b>	<b>2217074</b>	<b>13.29</b>	<b>13.29</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>		<b>11564</b>	<b>6412050</b>	<b>6411984</b>	<b>38.43</b>	<b>38.43</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>11580</b>	<b>16685000</b>	<b>16684934</b>	<b>100.00</b>	<b>100.00</b>

During the financial year 2008-09, the Company has not issued any equity shares.

**(l) Distribution of Shareholding on March 31, 2009**

Distribution of Shares	No. of Shares	No. of Shareholders	% of Shareholders
Upto 500	844850	11076	95.65
501-1000	212100	270	2.33
1001-2000	150296	104	0.90
2001-3000	92533	37	0.32
3001-4000	50597	14	0.12
4001-5000	77521	17	0.15
5001-10000	184275	26	0.22
10001-above	15072828	36	0.31
<b>Grand Total</b>	<b>16685000</b>	<b>11580</b>	<b>100.00</b>

**(m) Dematerialization of shares and liquidity:**

More than 99.99% shares of the Company are in dematerialized form. The Equity Shares of the Company are compulsorily to be traded in electronic form through Stock Exchanges. The Equity Shares of the Company are actively traded both on BSE and NSE thus ensure good liquidity for the investors. There are no ADRs / GDRs / warrants or any convertible instruments issued by the Company.

**(n) Work Sites for contracts:**

The Company has numerous work sites spread throughout the country and the operations are controlled from the Head Office at Shrikant Chambers Phase -II, 5th Floor, Sion - Trombay Road, Next to R. K. Studio, Chembur, Mumbai - 400071.

**(o) Address for Correspondence:**

For all matters relating to Shares, Annual Reports, Dividend etc.

**Mr. Pankaj S. Chourasia**

Company Secretary & Compliance Officer  
Shrikant Chambers, Phase -II, 5th Floor,  
Sion - Trombay Road, Next to R. K. Studio,  
Chembur, Mumbai 400071,  
Tel: 91 22 3955 9999 / 6641 4499,  
Fax 91 22 2520 1135 / 66414400  
E-mail: investor.relations@pratibhagroup.com

### 14. Code of Business Conduct and Ethics for Directors and Key Management Personnel

The Code of business conduct and ethics for directors and management personnel as adopted by the Board is a comprehensive code, which is applicable to all Directors and key management personnel. The Code has been circulated to all the members of the Board and Key management personnel and the compliance of the same is affirmed by them annually.

The Company has also posted the code of conduct on its website [www. pratibhagroup.com](http://www.pratibhagroup.com).

A declaration signed by Managing Director regarding compliance by board members and key management personnel with the Code of Conduct is attached with this report.

### 15. Compliance certificate of the Auditors

Certificate from the Auditors of the Company, M/s. Jayesh Sanghrajka & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is attached to this Report.

## NON-MANDATORY REQUIREMENTS

1. **Maintaining of Chairman's office by Non-Executive Director**

NA, as the Company has appointed Executive Director as Chairperson.

2. **Term of Office of Non-Executive Directors**

Presently, none of the Non Executive Directors have a term of office exceeding nine years on the Board of the Company.

3. **Remuneration Committee**

The Company has set up Remuneration Committee to determine the packages for executive directors. Please refer to point no. 5 of this report.

4. **Audit qualifications**

No Qualification by Auditors and therefore, Not Applicable to the Company.

5. **Mechanism for evaluating non-executive directors**

The Company does have a mechanism for evaluating the performance of Non-Executive Directors. The remuneration committee considers the performance & inputs provided by Independent Director.

6. **Whistle Blower Policy**

The Company has formulated a Whistle Blower Policy and the same has been circulated among the employees and all the projects sites of the Company in three different language English, Hindi and Marathi. Further the same has also been posted on the Notice Board of the Company.

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting.  
(Pursuant to Clause 49 of the Listing Agreement)

ANNEXURE- A

<p><b>Name of Director</b></p> <p>Date of Birth Date of appointment Areas of Experience</p> <p>Educational Qualifications Companies in which he holds directorship</p> <p>Membership Chairmanship of Board Committees</p> <p>Shareholding</p>	<p><b>Mr. Vinayak B. Kulkarni</b></p> <p>24<sup>th</sup> February, 1947 Since Inception (19/07/1995) Mr. Vinayak Kulkarni, 62 years, has been Director since inception. Mr. Kulkarni holds Diploma in Mechanical Engineering. He has extensive experience in the Pre-cast products building units, sites monitoring, project execution etc. He is working as Whole Time Director of the Company &amp; part of crucial capital approval committee which is responsible for all capital purchases of the Company. Diploma in Mechanical Engineering</p> <ol style="list-style-type: none"> <li>1. Pratibha Pipes &amp; Structural Limited</li> <li>2. Pratibha Shareholding Private Limited</li> <li>3. Mukhtangan Developers Private Limited</li> <li>4. Pratibha Struct Build Private Limited</li> <li>5. Pratibha Precast Concrete Industries Pvt. Ltd.</li> <li>6. Elegant Infrastructure &amp; Real Estate Pvt. Ltd.</li> </ol> <p>Member of Share Transfer Committee and Finance Committee of Pratibha Industries Limited 19,73,265 Equity Shares (including HUF)</p>
<p><b>Name of Director</b></p> <p>Date of Birth Date of appointment Areas of Experience</p> <p>Educational Qualifications</p> <p>Companies in which he holds directorship Membership Chairmanship</p> <p>Shareholding</p>	<p><b>Mr. Shrikant T. Gadre</b></p> <p>24<sup>th</sup> July, 1943 12<sup>th</sup> September 2005 Mr. S. T. Gadre has 32 years of banking experience as a techno and development banker. He was General Manager in Bank of India. He had joined the United Western Bank Limited as Executive Director and later became the Managing Director of the Bank. He was also a member of various committees related to banking and has written several articles on banking in various dailies and journals. He was also visiting faculty member in Bankers Training College of Reserve Bank of India and other management institutes. He has travelled abroad to attend various courses and participate in conferences. Presently, he is a Chairman of Finance and Insurance, Sub Committee of Maharashtra Chambers of Commerce, Industry and Agriculture (MCCIA) Pune and visiting faculty of Sinhgad Institute of Management, Pune. Bachelors Degree in Mechanical Engineering from University of Pune. He is also a graduate in Economics, Politics, Commerce and Marathi Literature. He also has to his credit a Post Graduate Diploma in Industrial Engineering. He is a M.E. from Institute of Production Engineering, London and a Chartered Engineer with Fellowship of Institute of Engineers (India)</p> <ol style="list-style-type: none"> <li>1. Pune Stock Exchange Limited</li> <li>2. Paranjape Schemes (Constructions) Limited</li> </ol> <p>Chairman of Audit Committee and member of Remuneration Committee of Pratibha Industries Limited. NIL</p>
<p><b>Name of Director</b></p> <p>Date of Birth Date of appointment Areas of Experience</p>	<p><b>Mr. Ramakant Jha</b></p> <p>18th July 1945 21/05/2009 Experience in planning, design, project development, execution (including financing), research &amp; development of large infrastructure projects</p>

## Pratibha Industries Limited

Educational Qualifications	<ol style="list-style-type: none"> <li>1. B.Sc., Engg. (Civil) Patna;</li> <li>2. M. Tech (Transportation Engg.), Warangal;</li> <li>3. Master in Applied Science (M.A.Sc.) in Transportation Planning, University of Toronto, Canada;</li> <li>4. P. G. Diploma in Urban Transport System under U.K. Govt, Scholarship at University College, London;</li> <li>5. P. G. Diploma in Public-Private Partnership in Transportation Infrastructure in Washington, D.C., USA.</li> </ol>
Other Companies in which he holds directorship	<ol style="list-style-type: none"> <li>1. Urban Transportation Infrastructure Pvt. Ltd.</li> <li>2. Urban Developer &amp; Infrastructure Pvt. Ltd.</li> <li>3. P &amp; E Consultants Pvt. Ltd.</li> </ol>
Membership Chairmanship of other Board Committees Shareholding	None Nil
<b>Name of Director</b>	<b>Mr. Ajit B. Kulkarni</b>
Date of Birth	06 <sup>th</sup> February, 1958
Date of appointment	Since Inception (19/07/1995)
Areas of Experience	Mr. Ajit B. Kulkarni is founder of the Pratibha group. He is responsible for successful execution of all projects undertaken by the Company. He has extensive experience in the construction management of various civil engineering projects. He personally overlooks the project to ensure that highest quality service is given to the client. His conviction coupled with strong marketing abilities and zeal to lead the team professionally in overall interest of the Company has ensured continual growth of the Company and the group as a whole.
Companies in which he holds directorship	<ol style="list-style-type: none"> <li>1. Pratibha Pipes &amp; Structural Limited</li> <li>2. Pratibha Shareholding Private Limited</li> <li>3. Pratibha &amp; Heng Structural Private Limited</li> <li>4. Pratibha Infrastructure Private Limited</li> <li>5. Pratibha Struct Build Private Limited</li> <li>6. Pratibha Precast Concrete Industries Private Limited</li> <li>7. Pratibha Ostu-Stettin Infrastructure Private Limited</li> <li>8. Elegant Infrastructure and Real Estate Private Limited</li> </ol>
Membership Chairmanship of Board /Committees	Member of Audit Committee, Shareholders Grievance Committee and Remuneration Committee.
Shareholding	22,11,450 Equity Shares
<b>Name of Director</b>	<b>Mrs. Usha B. Kulkarni</b>
Date of Birth	05 <sup>th</sup> May, 1935
Date of appointment	Since Inception (19/07/1995)
Areas of Experience	Mrs. Usha B. Kulkarni is Chairperson, 74 years old, has been Director since inception. She is Bachelor in Arts from Pune University. She is well versed with the Administrative skills required for successful operation of business at various levels. She is responsible for general administration of the Company.
Companies in which he holds directorship	<ol style="list-style-type: none"> <li>1. Pratibha Pipes &amp; Structural Limited</li> <li>2. Pratibha Shareholding Private Limited</li> <li>3. Pratibha &amp; Heng Structural Private Limited</li> <li>4. Pratibha Struct Build Private Limited</li> <li>5. Pratibha Precast &amp; Concrete Industries Private Limited</li> <li>6. Elegant Infrastructure and Real Estate Private Limited</li> </ol>
Membership Chairmanship of Board /Committees	Chairperson of Share Transfer Committee and Finance Committee of Pratibha Industries Limited.
Shareholding	26,00,500 Equity Shares

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT  
PERSONNEL WITH CODE OF CONDUCT**

This is to confirm that the Company has adapted a Code of Conduct for all Board members and senior management of the Company. This code has also been posted on the Company's website.

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March, 2009, received from the senior management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, senior management team means the employees employed below the one level of the Board.

For and on Behalf of the Board.

**Ajit B Kulkarni**  
**Managing Director**

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

**Auditors' Certificate on Corporate Governance  
CERTIFICATE**

**To the Members of Pratibha Industries Limited**

We have examined the compliance of conditions of corporate governance by Pratibha Industries Limited, for the year ended on 31<sup>st</sup> March 2009, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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 the compliance of the conditions of the 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 Agreement.

We state that no investor grievance(s) are pending for a period exceeding one month against the company as per the records maintained by the Corporate Secretarial Department and Registrar & Transfer Agent. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
(M.No.107162)  
Partner

Place : Mumbai,  
Date : 9<sup>th</sup> May 2009



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure - General

Today, the Indian economy needs nothing more than a robust infrastructure to revive and sustain the targeted pace of growth. After spending years in oblivion, the Indian Infrastructure sector has suddenly emerged as the cynosure of all eyes. With due government encouragement, the industry is a warehouse of opportunities. Infrastructure Industry in India has been experiencing a rapid growth in different segments due to the increase in urbanization and ever increasing foreign investments in this sector as a whole. Road, housing infrastructure, urban water supply & sanitation and development of airports are among the key areas of attention. As per the estimates of the Planning Commission, about US\$ 500 billion needs to be spent over the 11<sup>th</sup> Five Year Plan period of 2007-08 to 2011-12 on building India's infrastructure. A growth of 2.2 times in investments is expected in key Infrastructure sectors during 2007-08 to 2011-12 as compared to that over the previous 5 years period. According to Crisil Research, the substantial investment over the period 2008-12 is gauged at : US\$ 60 billion for roads, US\$ 75 billion for power, US\$ 22 billion for telecom, US\$ 10 billion for ports, US\$ 69.39 billion for railways, US\$ 9.25 billion for civil aviation.

In recent times, major initiatives have been taken to maximize the role of public-private partnerships (PPPs). This includes creation of Special Purpose Vehicles and a Viability Gap Funding scheme for financing infrastructure projects. There is a growing trend of Public-Private Partnership (PPP) in implementation of infrastructure projects in India.

### WATER SUPPLY & SEWERAGE

In Water sector, the prevailing conditions and trends in Urban India indicates that 85 percent of population in general have access to safe water supply, which is even less (65 percent) in slums. Urban Water and Sanitation Services are characterized by inefficiency and poor service quality. So far there is no provision for 24 hour quality water supply in any Indian city. In fact most cities are having intermittent water supply of varying periodicity and quantity. Government of India has created fund for assisting the State Governments and the Urban Local Bodies in the economic reform, with the water and sanitation reforms forming a core of the approach.

Water supply and sanitation in India continue to be inadequate, despite long standing efforts by the various levels of government and communities at improving coverage. The situation is particularly inadequate for sanitation, since only one of three Indians has access to basic sanitation facilities. While the share of those with access to an improved water source is much higher than for

sanitation, the quality of service is poor and most users that are counted as having access receive water of dubious quality and only on an intermittent basis.

None of the 35 Indian cities with a population of more than one million distribute water for more than a few hours per day, despite generally sufficient infrastructure. Owing to inadequate pressure people struggle to collect water even when it is available.

According to Indian norms, access to improved water supply exists if at least 40 liters/capita/day of safe drinking water are provided within a distance of 1.6km or 100 meter of elevation difference, to be relaxed as per field conditions. There should be at least one pump per 250 persons.

Most Indians depend on on-site sanitation facilities. Recently, access to on-site sanitation have increased in both rural and urban areas. In rural areas, total sanitation has been successful. In urban areas, a good practice is the Slum Sanitation Program in Mumbai that has provided access to sanitation for a quarter million slum dwellers.

Sewerage, where available, is often in a bad state. In Delhi the sewerage network has lacked maintenance over the years and overflow of raw sewage in open drains is common, due to blockage, settlements and inadequate pumping capacities. The capacity of the 17 existing wastewater treatment plants in Delhi is adequate to cater a daily production of wastewater of less than 50% of the drinking water produced. The situation in other urban cities of the country is also not different, the sanitation and sewerages system needs to be revamped substantially, if not completely.

Some 700 million Indians do not have access to a proper toilet. Open defecation is widespread even in urban areas of India.

### URBAN INFRASTRUCTURE

The key to sustaining India's growth rate during a global meltdown lies in quality infrastructure. A large number of Indian cities and towns need adequate quality infrastructure facilities, specifically, in the areas of water management, roads, transportation, housing, sanitation, sewage etc. Keeping this in mind, the government is targeting an investment of US\$ 20.38 billion over the next two years in the infrastructure sector. The scheme aims to take up infrastructure projects under public-private partnership (PPP). The government has asked the Infrastructure Investment Finance Company Ltd (IIFCL) to put together a corpus of over US\$ 8.15 billion for this purpose.

IIFCL plans to provide US\$ 1.2 billion for infrastructure projects during 2009-10, which is nearly double the amount disbursed by it during 2008-09. The company

had disbursed US\$ 640.8 million for various projects during 2008-09.

This is in addition to the US\$ 320 billion that the government plans to invest for the upgradation of ports, railroads, highways and airports over the next 15 years. Apart from the committed investment, the Govt has initiated various initiatives such as allowing 100 per cent FDI in urban infrastructure projects, investment with repatriation benefit in many housing and real estate projects, 100 per cent FDI is permitted for the development of integrated townships, including housing, commercial buildings, hotels, resorts, etc., tax holiday for urban infrastructure projects. This is available to developers, and those carrying out operations and maintenance of water supply, sewerage, sanitation, etc.

### ROADS

India has the world's second largest road network, aggregating over 3.34 million kilometers (km). The Govt. has earmarked about INR 45000 million for construction and upgradation of various roads, including 11<sup>th</sup> Five Year Plan. Apart from construction of Highways, the Govt is also upgrading thousands of kilometers of National Highway Development Programme (NHDP) under Phase-III.

For the roads and bridges sector, the Eleventh Five Year Plan envisages a total investment of approximately US\$ 78.5 billion over the five-year period starting from 2007-08.

According to Crisil Research estimates, Indian roadways is among the eight infrastructure sectors expected to draw more than US\$ 337.49 billion investment in India between 2007-12. The report further forecasts that during the specified period, Indian roadways are likely to grow at an amazing 100 per cent.

As part of a larger plan to improve the country's infrastructure, the government has given the nod to 10 road projects which will be built in public-private partnership at an estimated cost of INR 12000 Crores. The projects are aimed at four-lane of national highways in eight states.

The Initiatives from the government include Allowing 100 per cent FDI under the automatic route, tax holiday, the NHAI provides grants/viability gap funding for marginal projects, formulation of model concession agreements, relaxation in the overseas borrowing norms etc.

According to a consultation paper by the Planning Commission, investment in the roads sector during the Eleventh Plan is projected at US\$ 93.11 billion. According to a KPMG report, investments of the order of US\$ 500 billion are expected to take place in the coming years for developing roads and infrastructure in India.

The Asian Development Bank (ADB) is extending a US\$ 420 million loan to the Indian state of Bihar for the

upgradation and expansion of the state highway network, over a period of 25 years.

### POWER

As the Indian economy continues to surge ahead, its power sector has been expanding concurrently to support the growth rate. The demand for power is growing exponentially and the scope of growth of this sector is immense.

India's total installed capacity of electricity generation has expanded from 105,045.96 MW at the end of 2001-02 to 145,554.97 MW at the end of September 2008. In fact, India ranks sixth globally in terms of total electricity generation.

The government has revised its target of power capacity addition to 90,000 MW in the 11<sup>th</sup> Five-Year-Plan (2007-12), up by 11,423 MW from the earlier estimate of 78,577 MW to sustain the growth momentum of the economy.

According to a report by KPMG and CII, India's energy sector will require an investment of around US\$ 120 billion-US\$ 150 billion over the next five years.

Further, according to the Planning Commission estimates, renewable energy (RE) projects worth US\$ 16.50 billion, for the generation of 15,000 MW power, would come up in the 11<sup>th</sup> Plan.

Moreover, the government has earmarked a total capital subsidy of US\$ 6.88 billion for providing electricity connections and for the distribution of infrastructure to rural households. Subsequent to the Indo-US nuclear deal and India getting clearance from the Nuclear Suppliers Group (NSG), nuclear power generation is likely to provide an opportunity of US\$ 10 billion in the next five years, according to a JP Morgan estimate. India will now also be partnering several countries for nuclear fuel technology projects.

### OIL & GAS

The oil and gas industry has been instrumental in fuelling the rapid growth of the Indian economy. The petroleum and natural gas sector which includes transportation, refining and marketing of petroleum products and gas constitutes over 15 per cent of the GDP.

In November 2008, the Cabinet Committee on Economic Affairs awarded 44 oil and gas exploration blocks under the seventh round of auction of the New Exploration Licensing Policy (Nelp-VII). The overall number of blocks brought under exploration now exceeds 200.

The allocation is likely to bring in investments worth US\$ 1.5 billion, which will open large opportunities for the pipe industries as transport of oil and gas through pipe lines is much cheaper than the surface transport mode.

### AIRPORTS

With a growth rate of 18 per cent per annum, the Indian aviation industry is one of the fastest growing aviation industries in the world. The government's open sky policy has led to many overseas players entering the market and the industry has been growing both in terms of players and number of aircrafts.

By 2020, Indian airports are expected to handle more than 100 million passengers including 60 million domestic passengers and around 3.4 million tonnes of cargo per annum. The government plans to invest US\$ 9 billion to modernize existing airports by 2010. The government is also planning to develop around 300 unused airstrips. Over the next five years, AAI has planned a massive investment of US\$ 3.07 billion for upgrading non-metro airports and modernizing the existing aeronautical facilities.

This massive committed investment by the Govt will not only bring the airports of the country at par with the state-of-the-art airports of western countries but will also open altogether new era of opportunities for the companies operating in the segment.

### **Opportunities - Specific to Pratibha Industries Limited Infrastructure & Construction**

The government is committed to improve infrastructure of the country and has earmarked substantial funds for growth of the sector. With the committed efforts and investment, India is likely to witness next two decades of massive infrastructure activities to meet the increasing needs of a developing nation and a growing population. The rapidly growing urban population and the massive existing shortage of modern housing and commercial space have thus created nearly limitless opportunities making it almost a trillion dollar business opportunity in midterm. The commitment for improved infrastructure will ensure all round development of infrastructure facilities, these includes urban infrastructure, highways, roads, mass housing, airports, irrigation projects, drinking water projects etc. With projects of thousands of Crores in the infrastructure and construction segment, the company poised to benefit substantially. There are few players to take up jobs in the sector and your company has over a period developed an expertise in executing these projects effectively and efficiently. Further, the company's adaptability to blend with other company of different culture will certainly help the company to form an alliance for executing specialized projects.

### **Saw Pipes division**

The SAW pipes manufacturing unit and recently commissioned state-of-the-art coating plant of the company will ensure the company to tap the tremendous opportunities lies in pipes segment. There is huge requirement for supply of quality pipes for transportation of oil, gas, water and sewerages. Many companies including public

sector companies are opting for transportation of the oil & gas through pipe lines as this is most cost effective. These create huge demand of pipes of various diameter and specifications. Considering the current and future prospectus of this business, the company has commissioned its state-of-the-art pipe manufacturing plant. The Company has obtained various certification including prestigious American Petroleum Institute (API) certifications for its manufacturing facilities, these will enable company to meet the qualification criteria of various prospective tenders.

### **Opportunities**

The Company's financial strength, project execution capabilities and strong leadership skills is uniquely poised to effectively avail of all opportunities and create new ones going forward.

With the ever increasing demand for improved urban infrastructure, the Company's foray into the construction of quality urban infrastructure will contribute significantly to value creation. The Company is committed to allocate resources towards the diverse execution segments. In addition to the development of water segment, the company will continue its ongoing efforts of exploration other diverse and varied activities

With growing thrust for infrastructure, changing environment norms and fast pace of change of mind sets nationwide, the infrastructure segment continues to throw exciting opportunities for the company.

In addition to the internal strengths, the company has unique quality to forge strategic alliance with other players whether local or global. This has resulted into many successful associations with many major players in infrastructure and pipe segments.

### **Adequacy of Internal Control**

Your Company has appropriate internal control system for business processes, with regards to efficiency of operations, financial reporting, compliance with applicable laws and regulations. Clearly defined roles and responsibilities down the line for all managerial positions have been institutionalized. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The audit committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

The Company has an exhaustive budgetary control system and the management regularly reviews actual performance. The Company has also put in place a well-defined organisation structure, clear authority levels and detailed internal guidelines for conducting business transactions. The Company has a concurrent internal audit system to ensure adequacy of the control system, adherence to

management instructions and legal compliances. Audit plans are prepared in advance based on risk assessment. Internal audit also conducts reviews to ensure implementation of its recommendations and suggestions. The Audit committee of the Board of Directors periodically review the audit plans, observations and recommendations of the internal and external auditors with reference to significant risk areas and adequacy of internal controls.

As per the clause 49 of the listing agreement with the stock exchanges, the management has established adequate internal control procedures over financial reporting.

### Risk and Concerns

The company has developed built-in procedures and practices to effectively mitigate the adverse affects of the risks involved in the business and has laid down procedures for handling risks in carrying out the business to the best advantage of all stakeholders and to improve the shareholder value and to ensure continuity of business.

### Risk Management

The company is committed to high standards of business conduct and the risk management with a view to

- Protect the Company's assets
- Achieve sustainable business growth
- Avoid major surprises related to the overall control environment
- Safeguard shareholder investment; and
- Ensure compliance with applicable legal and regulatory requirements

In order to improve upon the prevalent practices of monitoring the risk environment through the Project Monitoring Cell (PMC) which reports to the Management Committee comprises of Managing Director, Chief Operating Officer, Chief Operating Officer -Commercial and President (Project Execution), the Company also engaged the professional services of external agencies, wherever required, and documented and taken requisite action to mitigate the various risks involved and developed a structure for systematic management of the various risks. In the process risk mitigation and the de-risking strategy is developed covering all the environmental, regulatory, economic, operational, financial, technical and legal & statutory risks.

### Human Resources and Industrial Relations

To meet the ambitious growth plans of the company, a structured organization with succession planning and strategies for development of the required technical and managerial skills within the organization are being developed. The Company is deputing its personnel for various training programs in established institutions besides in house training so as to improve the managerial and technical skill sets.

Your company is following the most favorable human

resource policy as prevailing in the industry. The Company believes in peaceful and harmonious relationship with the personnel of all the levels to achieve the targeted goal of the company. Your Company is firmly believes into involvement of personnel into decision making process of the Company. The Company continues to provide growth opportunities to its employees by way of training workshop and by that way to retain efficient and talented employees in the Company.

You company following highest level of safety measures for the its most precious assets i.e. human beings. The company is also having a well defined policy for environmental safety.

Occupational Health, Safety and Environment Management are given the utmost importance in your Company. There is in place a well defined in-house training program for its employees to upgrade their operating skills. The relations between the Company and the employees were cordial and the Company experienced peace and harmony throughout the year. The Company has well defined policy to recruit qualified with proven track record professionals in operations and business development, which would provide able support to management in its endeavor to scale greater heights.

### Conclusion

To conclude, your Company has delivered very healthy and historic performance, particularly viewed in the backdrop of the challenging environment the entire Industry faced during the year under discussion. The outlook appears bright on the back of growth initiatives planned in the pipe manufacturing business and the positive outlook for the Infrastructure business.

### Cautionary Statement

Statement in this Management Discussion and Analysis report regarding the Company's objective, projections about the future, estimates, expectations or predictions including, but not limited to, statements about the Company's strategy for growth, products development, market position and expenditures may be "forward – looking statements" within the meaning of applicable securities laws and regulations.

Actual performance could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates or changes in the Government regulations, tax laws and other statues or other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

### AUDITORS' REPORT

TO THE MEMBERS OF **PRATIBHA INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of Pratibha Industries Limited as at 31<sup>st</sup> March 2009, the Profit and Loss Account for the period ended on that date and the Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with 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 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.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 purposes 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 those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this

report are in agreement with the books of account;

- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31<sup>st</sup> March 2009 from being appointed as directors in terms of clause (g) of subsection (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 Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
  - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2009 ;
  - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the period ended on that date ; and
  - (iii) In the case of the Cash Flows Statement, of the Cash Flows for the year ended on that date.

For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
M.No. 107162  
Partner

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

## ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 2 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 physical 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 the nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. According to the information and explanation given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b. Transactions aggregating during the year to Rs. 5,00,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials available with the Company or prices at which transactions for similar goods have been made with other parties at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed, without carrying out a detailed examination, the books of accounts maintained by the company pursuant to the Order made by the Central Government for the maintenance of the cost records under section 209(1)(d) of the Companies Act 1956 in respect of Steel Pipes and are of the opinion that prima facie the prescribed accounts and prescribed records have been maintained.
9. In respect of statutory dues:
  - a. In our opinion & according to the information and explanation given to us, 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 the aforesaid dues were outstanding as at 31<sup>st</sup> March 2009 for a period of more than six months from the date of becoming payable.
- b. In our opinion & according to the information and explanation given to us, there are no disputed statutory dues pending to be deposited as on 31.03.2009.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any Debentures and hence question of repayment to debenture holders does not arise.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of 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. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. The Company has given guarantees for loans taken by its Joint Ventures from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interests of the Company.
16. The Company has raised new term loans during the period. These term loans were applied for the purposes for which they were raised.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion, there are no funds raised on a short-term basis, which have been used for long term purposes and vice versa.
18. During the period, 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 debentures.
20. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
M.No. 107162  
Partner

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

## BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	Schedule	As at 31.03.2009	As at 31.03.2008
Sources of Funds			
Shareholders Funds			
Share Capital	A	166,850,000	166,850,000
Reserves & Surplus	B	2,080,353,810	1,672,119,004
		<b>2,247,203,810</b>	<b>1,838,969,004</b>
Deferred Tax Liability		61,701,302	17,810,982
Loan Funds			
Secured Loans	C	2,053,809,801	1,274,567,152
Unsecured Loans	D	300,000,000	43,640,436
		<b>2,353,809,801</b>	<b>1,318,207,588</b>
<b>TOTAL</b>		<b>4,662,714,913</b>	<b>3,174,987,574</b>
Applications of Funds			
Fixed Assets	E		
Gross Block		1,580,826,669	975,660,853
Less: Depreciation		125,772,333	67,166,417
Net Block		<b>1,455,054,336</b>	<b>908,494,436</b>
Capital Work In Progress		491,113,256	315,243,894
Investments	F	148,431,977	1,035,144,718
Current Assets Loans & Advances			
Inventories	G	1,761,900,229	1,560,384,122
Sundry Debtors	H	1,274,425,383	711,492,039
Cash & Bank Balance	I	692,225,548	460,365,769
Loans, Advances & Deposits	J	1,312,345,600	830,973,842
		<b>5,040,896,760</b>	<b>3,563,215,772</b>
Less: Current Liabilities & Provisions			
Sundry Creditors	K	1,456,829,830	1,471,993,626
Other Liabilities & Provisions	L	244,869,069	194,776,222
Advances & Deposits	M	771,082,517	980,341,398
		<b>2,472,781,416</b>	<b>2,647,111,246</b>
Working Capital		<b>2,568,115,343</b>	<b>916,104,526</b>
Misc. Exp. (to the extent not w/off)		-	-
<b>TOTAL</b>		<b>4,662,714,913</b>	<b>3,174,987,574</b>

Significant Accounting Policies &amp; Notes to Accounts S

As per our Report of even date

For Jayesh Sanghrajka & Co.  
Chartered AccountantsAshish Sheth  
(M.No. 107162)  
PartnerPlace : Mumbai  
Date : 9<sup>th</sup> May, 2009

For Pratibha Industries Limited

Usha B. Kulkarni                      Chairperson  
Ajit B. Kulkarni                      Managing Director  
Vinayak B. Kulkarni                  Whole Time Director  
Pankaj S. Chourasia                  Company SecretaryPlace : Mumbai  
Date : 9<sup>th</sup> May, 2009



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2009**

Particulars	Schedule	For the Year	For the Year
		Ended 31.03.2009	Ended 31.03.2008
Income			
Income from Operation		7,462,499,347	4,759,010,978
Other Income	N	115,273,012	37,015,591
		<b>7,577,772,359</b>	<b>4,796,026,569</b>
<b>Expenses</b>			
Cost of Work Done	O	5,789,133,128	3,675,821,404
Personnel Expenses	P	304,865,782	159,311,103
Establishment & Selling Expenses	Q	556,650,377	327,059,620
Finance Expenses	R	317,700,381	199,570,274
Depreciation	E	59,009,695	34,752,516
		<b>7,027,359,364</b>	<b>4,396,514,916</b>
Profit Before Tax		550,412,995	399,511,652
<b>Provision For Taxation</b>			
Current Tax		54,280,347	42,307,442
Deferred Tax		43,890,320	13,324,511
Fringe Benefit Tax		5,747,178	2,926,280
Short/Excess Tax Provision of Earlier Years		(780,889)	(1,652,731)
Profit After Tax and Available for Appropriation		<b>447,276,039</b>	<b>342,606,149</b>
Proposed Dividend		33,370,000	33,370,000
Corporate Dividend Tax		5,671,232	5,671,231
General Reserve		35,000,000	35,000,000
Balance Carried forward to Balance Sheet		<b>373,234,807</b>	<b>268,564,918</b>
Closing Number of shares		16,685,000	16,685,000
Weighted Average Number of shares		16,685,000	14,973,525
Basic & Diluted Earning Per Share		26.81	22.88

Significant Accounting Policies & Notes to Accounts S

As per our Report of even date

For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
(M.No. 107162)  
Partner

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

For Pratibha Industries Limited

Usha B. Kulkarni                      Chairperson  
Ajit B. Kulkarni                      Managing Director  
Vinayak B. Kulkarni                Whole Time Director  
Pankaj S. Chourasia                Company Secretary

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 31<sup>ST</sup> MARCH 2009**

PARTICULARS	As at 31 <sup>st</sup> March 2009	As at 31 <sup>st</sup> March 2008
<b>SCHEDULE: A : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
25000000 Equity Shares OF Rs 10/- Each (P.Y. 25000000 Equity Shares Of Rs.10/- Each)	250,000,000	250,000,000
<b>Issued, Subscribed &amp; Fully Paid Up</b>		
16685000 Equity shares of Rs.10/- Each (P.Y. 16685000 Equity Shares Of Rs.10/- Each) (Of the above 8000000 shares have been issued as bonus shares as on 21.06.2005 being issued for consideration other than cash) (2400000 shares have been issued to two SEBI registered Qualified Institutional Buyers on 19.12.2007)	166,850,000	166,850,000
<b>Total</b>	<b>166,850,000</b>	<b>166,850,000</b>
<b>SCHEDULE: B : RESERVES &amp; SURPLUS</b>		
Profit & Loss Account		
Opening Balance	621,147,267	354,004,550
Addition During Period	373,234,807	268,564,918
Less: Employees Benefits Provision		(1,422,201)
Total	(A) 994,382,074	621,147,268
Security Premium Account		
Opening Balance	990,971,736	426,761,344
Addition During Period	-	583,200,000
Less: Deduction during the Year	-	18,989,608
Total	(B) 990,971,736	990,971,736
General Reserve		
Opening Balance	60,000,000	25,000,000
Addition During Period	35,000,000	35,000,000
Less: Deduction during the Year	-	-
Total	(C) 95,000,000	60,000,000
<b>Total (A) + (B) + (C)</b>	<b>2,080,353,810</b>	<b>1,672,119,004</b>
<b>SCHEDULE: C : SECURED LOANS</b>		
Loans for Property, Vehicles & Construction Equipments (For Security See Note (a) below)	355,605,004	278,607,694
Working Capital Finance from consortium of banks (net)		
Infrastructure Division	319,421,254	200,654,017
Saw Pipe Manufacturing Division (For Security See Note (b) below)	84,214,071	90,670,671
Project - Specific Finance (For Security See Note (c) below)	757,479,961	188,018,344
Buyer's Credit Facility (For Security See Note (d) below)	338,401,455	337,264,582
Term Loan (For Security See Note (e) below)	198,688,057	179,351,844
<b>Total</b>	<b>2,053,809,801</b>	<b>1,274,567,153</b>

## SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH 2009

- a. Secured by hypothecation of specific assets/vehicle purchased.
- b. Secured against (a) Infrastructure Division - (i) first charge by hypothecation of current assets (other than those specifically charged to other banks), namely stock of raw materials, work-in-progress and receivables, (ii) first charge on the gross block (other than those specifically charged to other banks) & collaterally secured by mortgage of certain fixed assets belonging to the Promoters/ Directors of the company, (iii) corporate guarantees of Pratibha Pipes & Structural Ltd. & Pratibha Precast Concrete Industries Pvt. Ltd. and (iv) personal guarantees of Promoter-Directors of the Company; (b) SAW Pipe Division - (i) first charge by hypothecation of current assets of SAW Pipe Division, namely stock of raw materials, work-in-progress and receivables, (ii) second charge on the gross block of SAW Pipe Division and (iii) personal guarantees of Promoter-Directors of the Company.
- c. Project - Specific Finance represent (i) cash credit facility availed against project-specific current assets for executing Nagaur project of Public Health Engineering Department, Rajasthan, further secured by personal guarantees of Promoter-Directors and (ii) cash credit facility availed against project-specific current assets of "Unity Pratibha Consortium" for executing Amritsar Airport Project of Airport Authority of India,(iii) cash credit facility availed against project-specific current assets of "MCGM" for executing Malabar Hill Project of Tunnel,(iv) cash credit facility availed against project-specific current assets of "DJB" for executing Lakshmi Nagar and Dwarka Water Pipeline Project further secured by personal guarantee of Promoter-Directors. (v) cash credit facility availed against project-specific current assets of "Middle Vaitarana Section I & III" for executing Water Pipeline Project further secured by personal guarantee of Promoter-Directors. (vi) cash credit facility availed against project-specific current assets of "Middle Vaitarana Section I & III" for executing Water Pipeline Project further secured by personal guarantee of Promoter-Directors. (vi) cash credit facility availed against project-specific current assets of "Ahmedabad Airport Project " for executing New International Terminal Building at SVPI Airport Ahmedabad Project further secured by personal guarantee of Promoter-Directors.
- d. Buyer's Credit Facility represents credit availed in foreign currency from International Banks for purchase of capital equipments against undertakings by term lending banks of saw pipe division to reimburse the lenders on due dates by converting same into Term Loan, secured by hypothecation of movable assets (excluding current assets) and mortgage of immovable assets of Saw Pipe Division.
- e. (i) Term Loan represents credit availed for purchase of capital equipments for SAW Pipe Division secured by hypothecation of movable assets (excluding current assets) and mortgage of immovable assets of SAW Pipe Division. (ii) personal guarantees of Promoter-Directors of the Company.

PARTICULARS	As at 31 <sup>st</sup> March 2009	As at 31 <sup>st</sup> March 2008
<b>SCHEDULE : D : UNSECURED LOANS</b>		
From Banks & Financial Institutions	300,000,000	43,640,436
<b>Total</b>	<b>300,000,000</b>	<b>43,640,436</b>

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH 2009

## SCHEDULE : E : FIXED ASSETS AS AT 31.03.2009

No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Cost as on 01.04.2008	Addition	Sale/ Transfers/ Impairment	As on 31.03.2009	For The Period 31.03.2009	On Sale/ Transfers	As on 31.03.2009	As on 31.03.2008
1	Office Premises	30,305,761	32,428,354	-	62,734,115	1,022,567	-	59,504,046	28,098,259
2	Plant & Machinery	602,228,829	521,422,471	19,069	1,123,632,231	36,676,774	449	1,049,524,969	564,797,892
3	Furniture & Fixture	25,955,265	9,023,668	16,849	34,962,083	1,969,327	6,860	29,334,481	22,290,130
4	Electrical Installation	54,154,886	3,820,909	-	57,975,795	2,667,832	-	53,357,382	52,204,305
5	Office Equipment	19,356,675	9,916,464	42,400	29,230,740	2,798,023	9,115	23,670,498	16,585,341
6	Vehicles	83,974,919	23,093,354	1,373,628	105,694,645	8,798,403	387,355	81,304,173	67,995,495
7	Computer Software	4,535,375	4,064,954	-	8,600,329	1,096,614	-	6,663,312	3,694,972
8	Factory Building	145,685,434	2,847,589	-	148,533,023	3,980,155	-	142,231,767	143,364,333
9	Land	9,463,708	-	-	9,463,708	-	-	9,463,708	9,463,708
	<b>Total</b>	<b>975,660,853</b>	<b>606,617,763</b>	<b>1,451,946</b>	<b>1,580,826,669</b>	<b>59,009,695</b>	<b>403,779</b>	<b>1,455,054,336</b>	<b>908,494,436</b>
	<b>Previous Year</b>	<b>245,195,240</b>	<b>730,709,613</b>	<b>244,000</b>	<b>975,660,853</b>	<b>34,752,516</b>	<b>87,074</b>	<b>908,494,436</b>	<b>212,694,265</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 31<sup>ST</sup> MARCH 2009**

<b>PARTICULARS</b>	<b>As at 31<sup>st</sup> March 2009</b>	<b>As at 31<sup>st</sup> March 2008</b>
<b>SCHEDULE: F : INVESTMENTS</b>		
<b>Trade Unquoted</b>		
2,660 Equity Shares of Abhyudaya Co Op. Bank Ltd	26,600	26,600
50,100 Equity Shares of Janakalyan Sahakari Bank Ltd	501,000	501,000
2,00,000 Equity Shares of Muktangan Developers Pvt. Ltd.	2,000,000	2,000,000
10,000 Equity shares of Pratibha Infrastructure Pvt. Ltd.	18,866	100,000
5 Equity shares of the Greater Bombay Co-op. Bank Ltd.	25	25
5,000 Equity shares of Pratibha Ostu Stettin Infra. Pvt. Ltd.	50,000	50,000
<b>Non-Trade Unquoted</b>		
National Saving Certificates	-	15,000
<b>Non-Trade Quoted</b>		
Investment in Gold Coins (Market Value Rs.121,400/- P.Y. Rs. 97000/-)	43,911	43,911
Investment in Mutual Fund (Market Value Rs. NIL P.Y. Rs. 86,28,85,739/- )	-	850,139,975
Investment in Joint Ventures and Partnership Firms	145,791,575	182,268,207
<b>Total</b>	<b>148,431,977</b>	<b>1,035,144,718</b>
<b>Aggregate Value of</b>		
Quoted Investments	43,911	850,183,886
Market Value - Quoted Investments	121,400	862,982,739
Un-quoted Investments	148,388,066	184,960,832
<b>SCHEDULE : G : INVENTORIES</b>		
Raw Material	671,863,385	197,180,178
Consumable Stores	9,914,061	3,285,770
Work In Progress	1,028,126,787	1,344,208,914
Finished Stock	51,995,996	15,709,260
(As per Inventories certified and valued by the Management)		
<b>Total</b>	<b>1,761,900,229</b>	<b>1,560,384,122</b>
<b>SCHEDULE : H : SUNDRY DEBTORS</b>		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding 6 months	80,041,212	56,196,029
Other Debts	772,413,186	317,681,342
Project Specific Debts	421,970,985	337,614,668
<b>Total</b>	<b>1,274,425,383</b>	<b>711,492,039</b>
<b>SCHEDULE : I : CASH &amp; BANK BALANCE</b>		
Cash in hand	5,752,094	5,634,854
Balance with Banks		
In Current Account of Scheduled Banks	34,385,641	25,919,954
In Demand Deposit of Scheduled Banks	652,087,813	428,810,962
<b>Total</b>	<b>692,225,548</b>	<b>460,365,770</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 31<sup>ST</sup> MARCH 2009**

<b>PARTICULARS</b>	<b>As at 31<sup>st</sup> March 2009</b>	<b>As at 31<sup>st</sup> March 2008</b>
<b>SCHEDULE : J : LOANS, ADVANCES &amp; DEPOSITS</b>		
Advance for Land	-	117,784,354
Advance to Pratibha Infrastructure Pvt. Ltd.	108,507	115,926
Advance to Pratibha Ostu-Stettin Infrastructure Pvt Ltd	252,240	250,000
Advances to Suppliers	212,355,786	1,353,078
Excise Balance	73,650,582	47,906,712
Interest Accrued But Not Due	34,250,737	17,755,014
Loans and Advances to staff	1,264,396	1,456,017
Mobilisation Advances given	10,188,305	15,333,436
Other Advances	260,110,922	84,758,489
Other Deposits	370,395,679	356,909,724
Prepaid Expenses	53,756,974	22,119,792
Service Tax Credit Available	9,033,682	7,401,792
Tax Deducted At Source And Advance Tax	256,789,946	129,754,486
VAT Credit Available	30,187,845	28,075,023
<b>Total</b>	<b>1,312,345,600</b>	<b>830,973,842</b>
<b>SCHEDULE : K : CREDITORS</b>		
Creditors under Letter of credit (Security as mentioned in the Schedule C, point b )	552,108,184	1,060,420,773
Creditors under Purchase Bill Discounting	147,986,113	38,734,035
Other Sundry Creditors	756,735,534	372,838,818
<b>Total</b>	<b>1,456,829,830</b>	<b>1,471,993,626</b>
<b>SCHEDULE : L : OTHER LIABILITIES &amp; PROVISIONS</b>		
Proposed Dividend	33,370,000	33,370,000
Provision for Annuity Period Expenses	-	52,382,275
Provision for Cess Tax	56,895	2,634,113
Provision for Corporate Dividend Tax	5,671,232	5,671,231
Provision for Director's Remuneration	12,531,343	530,875
Provision for ESIC & Provident Fund	234,183	280,869
Provision for Expenses & Other Liabilities	6,252,199	1,638,655
Provision for Fringe Benefit Tax	2,249,646	926,280
Provision for Gratuity & Other Employee Benefit	4,835,157	2,407,402
Provision for Income Tax	116,465,052	62,184,705
Provision for Interest on loan accrued but not due	4,256,453	1,280,006
Provision for Professional Tax	213,010	111,301
Provision for Salary & Wages	21,032,720	11,595,252
Provision for Service Tax	12,906,368	3,619,525
Provision for Works Contract Tax	1,113,422	1,376,949
TDS Payable (Including Interest thereon)	23,460,927	14,566,178
Unpaid Dividend	220,462	200,606
<b>Total</b>	<b>244,869,069</b>	<b>194,776,222</b>
<b>SCHEDULE : M : ADVANCES &amp; DEPOSITS</b>		
Mobilisation Advance	595,550,684	479,014,104
Secured Advance	86,924,006	434,635,850
Security Deposit	88,607,827	66,691,444
<b>Total</b>	<b>771,082,517</b>	<b>980,341,398</b>

## SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31<sup>ST</sup> MARCH 2009

PARTICULARS	For the Year Ended 31.03.2009	For the Year Ended 31.03.2008
<b>SCHEDULE: N : OTHER INCOME</b>		
Dividend Received	30	30
DEPB Entitlement	7,514,721	-
Profit on Redemption of Mutual Funds	34,161,011	139,975
Share of Profit from Partnership and JV	65,594,819	36,695,034
Sale of Scrap	8,002,431	180,552
<b>Total</b>	<b>115,273,012</b>	<b>37,015,591</b>
<b>SCHEDULE: O : COST OF WORK DONE</b>		
Opening Stock	1,560,384,122	216,375,183
Add : Purchases	4,069,656,113	3,560,649,620
Add : Direct Expenses	1,920,993,123	1,459,180,723
	7,551,033,357	5,236,205,526
Less : Closing Stock	1,761,900,229	1,560,384,122
<b>Total</b>	<b>5,789,133,128</b>	<b>3,675,821,404</b>
<b>SCHEDULE: P : PERSONNEL EXPENSES</b>		
Director's Remuneration	30,688,562	8,640,000
Director's Sitting Fees	250,000	390,000
Director's medical expenses	225,566	247,485
Insurance Charges (Key man)	767,364	1,003,000
Salaries and wages	244,312,402	129,944,857
Contribution to PF, ESIC, Gratuity etc.	7,848,886	3,478,584
Staff welfare expenses	14,892,749	11,845,293
Fooding and Beverages	5,165,704	3,397,774
Ex-Gratia	714,550	364,110
<b>Total</b>	<b>304,865,782</b>	<b>159,311,103</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS ON 31<sup>ST</sup> MARCH 2009**

<b>PARTICULARS</b>	<b>For the Year Ended 31.03.2009</b>	<b>For the Year Ended 31.03.2008</b>
<b>SCHEDULE: Q : ESTABLISHMENT &amp; SELLING EXPENSES</b>		
Advertisement Exp.	3,904,824	2,569,321
Auditors Remuneration	1,000,000	1,000,000
Carriage Outward	25,012,699	4,518,834
Commission & Brokerage Expenses	1,350,150	676,700
Computer & Software Exps.	2,352,546	1,508,945
Donation	1,725,361	1,053,423
Electricity Charges	11,879,668	6,353,377
Fees & Subscription	1,646,731	1,471,742
Foreign Exchange Fluctuation Loss	1,690,897	-
Insurance	13,719,030	24,179,102
Legal Fees & Professional Fees	74,449,257	44,934,056
Listing Fees	75,000	58,000
Loss of Subsidiary Company	14,179	66,955
Loss on Sale of Fixed Assets	318,044	27,426
Loss on Securitisation	35,263,000	64,008,154
Motor Car Expenses	16,500,815	8,356,518
Pooja & Festival Expenses	2,308,392	1,571,479
Postage & Telegram & Telephone	8,961,029	5,806,857
Printing & Stationery	6,808,932	4,917,297
Rates & Taxes	234,130,880	99,748,921
Registration Fees	249,183	366,826
Rent	23,396,829	17,730,710
Repair & Maintenance - Office	5,118,607	806,892
Royalty Expenses	3,884,670	3,281,991
Sales Promotion 28,652,780	3,912,066	-
Security Service Charges	7,308,181	5,400,191
Service Charges	1,756,313	541,615
Sundry Expenses	146,224	-
Tender Expenses	2,512,963	1,610,410
Travelling Expenses	19,546,497	11,055,778
Vehicle Expenses	20,966,697	9,526,035
<b>Total</b>	<b>556,650,377</b>	<b>327,059,620</b>
<b>SCHEDULE: R : FINANCE EXPENSES</b>		
Bank Charges & Commission	17,788,429	16,060,390
Bank Commission (BG/LC)	65,259,659	49,442,941
Factoring Charges	62,953,464	22,969,370
Interest on Mobilisation	21,925,331	4,789,271
Interest Paid (Bank)	191,828,377	111,501,142
Interest on Finance for Vehicles & Construction Equipments	17,598,465	8,180,152
Banking Cash Transaction Tax	109,912	89,085
Less: Interest Received From Banks	(59,763,256)	(13,462,077)
<b>Total</b>	<b>317,700,381</b>	<b>199,570,274</b>



### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### SCHEDULE - S

#### SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of The Companies Act, 1956. The Significant Accounting Policies are as follows:-

##### A. Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The Company is following accrual basis of accounting on a going concern concept. Accounting policies are suitably disclosed as notes annexed to the Balance Sheet and Profit & Loss Account.

##### B. Use of Accounting Estimates:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### C. Fixed Assets:

Fixed Assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, net of taxes and duties less accumulated depreciation and impairment loss and includes financing cost for period upto the date of readiness of use. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred. Cost of fixed assets also includes exchange differences arising, for period upto the date of readiness of its use, in respect of foreign currency loans or other liabilities incurred for the purpose of its acquisition. There has been no revaluation of fixed assets and no assets have been acquired on hire purchase basis during the period.

Capital Work-In-Progress is stated at the amount expended upto the date of Balance Sheet including preoperative expenditure.

Cost of Software includes license fees, cost of implementation and system integration and capitalized as intangible assets in the year in which the relevant software is put to use.

As per ASI 2-“Accounting For Machinery Spares”, the machinery spares specific to a particular asset have been capitalized.

##### D. Depreciation:

Depreciation on fixed assets has been provided on Straight Line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Computer software is amortized over a period of five years.

##### E. Foreign Currency Transactions:

- a) All Monetary assets and liabilities are converted at the exchange rate prevailing on the last day of the year.
- b) Gains or losses arising out of remittance / conversion at the year-end are credited / debited to the profit and loss account for the year.
- c) Foreign exchange transactions are converted into Indian rupees at the prevailing rate on the date of the transaction.
- d) Gains & losses in respect of foreign exchange contracts are recognized as income or expenses over the life of the contract.
- e) As on 31st March 2009, there is no Mark-to-Market loss on account of derivative forward exchange contract.

##### F. Investments:

- a) Current investments are carried at the lower of cost and quoted/fair value, computed category wise.
- b) Investments, intended to be held for more than a year, from the date of acquisition, are classified as long-term. & they are stated at cost. Provision for diminution in the value

of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

#### G. Inventories:

Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition.

- a) Raw materials are valued at lower of cost or net realizable value.
- b) The value of contracts, irrespective of whether the progress of work is below or at the reasonable extent is valued at estimated cost consisting of the costs that relate directly and that which can be allocated to the specific contract.
- c) Stores, spares and Fuel are carried at cost.
- d) Purchase goods and raw materials in transit are carried at cost
- e) Finished goods are valued at cost, which includes cost of purchase, cost of conversion and other overhead incurred in bringing the inventory to its present location and condition.

#### H. Revenue Recognition:

- a) Construction Contract Sales:  
The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done. Profit is recognized and taken as the revenue of the year only when the work on the contract has progressed to a reasonable extent. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.
- b) Claim for Extra Work and Escalation:  
The Company's claim for extra work and escalation in rates relating to execution of contracts are reckoned in the year in which the said claims are finally accepted by the clients.

- c) Sales recognition:

Sales are accounted net of excise duty, Sales Tax, Discount, Returns and Rejections. Sales are recognized on dispatch of material from the factory of the company.

#### I. Recognition of Expenditure:

- a) Retirement Benefits:

Contribution to defined contribution scheme such as Provident Fund, Employees Pension Scheme, are charged to the Profit & Loss Account as incurred. The Company has taken comprehensive policy from the Life Insurance Corporation of India for its Gratuity liability. The yearly premium is charged to Profit and Loss account. The company has adopted Accounting Standard 15. The retirement benefits are actuarially valued at the year end and provided for in the accounts.

Expenses on training, recruitment are charged to revenue in the year of incurrence.

Expenditure on leave travel concession to employees are recognized in the year of avilment due to uncertainties of accrual.

Leave encashment is provided on actual basis. Expenditure on leave travel concession to employees are recognized in the year of avilment.

- b) Taxes on Income:

The amount of Current tax is determined as the amount of tax payable in respect of taxable income for the year as per the Income Tax Act, 1961 in consultation with the tax experts, and in accordance with the -Guidance Note on Accounting of Taxes under section 115JB of the Income Tax Act 1961" issued by ICAI.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Liability has arisen only on account of Depreciation.

The management is of the opinion that majority of its projects are eligible for Deduction u/s 80IA of the Income Tax Act.

c) **Sales Tax on Works Contracts:**

Where the Company has contractual right to claim equal amounts regarding the said liability from the clients, the same is not charged as expenditure.

Where the ultimate liability would be on the Company, the same is accounted for provisionally as per the information and the final adjustment for the same would be done as and when the demand from concerned authorities is made on the company. During the year under review sales tax expenses also include amount paid on account of assessment order received during the year.

**J. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowings costs are expensed out.

**K. Contingent Liabilities:**

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies, which are likely to materialize into liabilities after the year end, till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

**L. Contingencies and Event Occurring after the Balance Sheet Date:**

There are no contingencies and events after the Balance Sheet dates that affect the financial position of the company.

**M.** The Board of Directors in their meeting held on 22nd December 2008 had decided to annul the composite scheme of arrangement and amalgamation between Pratibha Industries Limited, Pratibha Pipes & Structural Limited, Pratibha Shareholding Private Limited and One Metro India Private Limited and their respective shareholders and creditors. The decision was approved by the Hon'ble High Court of Bombay on 9<sup>th</sup> April, 2009.

**N. Net profit or loss for the period, prior period items and changes in accounting policies:**

Revenue Statement does not contain any item materially affecting and having reference of prior period.

**O. Operating Leases:**

- a) Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments / receipts under operating leases are recognized as an expense / income on accrual basis in accordance with the respective lease agreements.
- b) Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.
- c) Initial direct costs relating to assets given on finance leases are charged to Profit and Loss Account.

**P. Provisions, Contingent Liabilities & Contingent Assets:**

All due care has been taken in respect of provisions with reference to past events & future expectations. Company has not recognized any Contingent Liability or Contingent Assets. They are properly disclosed.

The Company is of the opinion that claims for performance guarantee will not arise related to the projects executed previously.

**Q. Segment Accounting**

- a) Segment accounting policies  
Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:
  - i. Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
  - ii. Expenses that are directly identifiable

- with/allocable to segments are considered for determining the Segment Result. Expenses which relate to the Company as a whole and not allocable to segments are included under "Unallocable Corporate Expenditure".
- iii. Income which relates to the Company as a whole and not allocable to segments is included in "Unallocable Corporate Income".
  - iv. Segment result includes margins on inter-segment transactions, which are reduced in arriving at the profit before tax of the Company.
  - v. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- (b) Inter-segment transfer pricing
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

## NOTES ON ACCOUNTS

1. In the opinion of the Directors, the Current Assets, Loan and Advances will realize the value stated in the Balance sheet if realized in the ordinary course of the Business.

### 2. Contingent Liability:

Particulars	As at 31.03.2009	As at 31.03.2008
a) Unutilised Letters of Credit with Bankers – Domestic	3990.00	3817.31
b) Unutilised Letters of Credit with Bankers – Foreign	EURO 0.49 USD 5.27	USD 4.01 SFK 3.09 CHF 0.34
c) Bank Guarantee	32494.83	24322.00
d) Corporate Guarantee	9289.00	3421.05
e) Securitization of receivable and not realized (Secured by hypothecation of receivable from NMMC)	7275.50	10459.08
f) Estimated amounts of contract remaining to be executed on Capital Account and not provided for	372.66	323.73
g) Cases in the court, which in the opinion of the management, demand no provision of liability than what is recorded in accounts.	5.6	5.6
h) Income Tax liability (excluding Penalties) that may arise. The Commissioner of Income Tax (Appeal) has allowed the claim of Section 80IA and has passed all the appeal orders in favour of the Company. The Department has filled appeal with ITAT against the orders.	1980.03	-

### 3. Loss on Securitization of receivable:

The Company has entered into an agreement with Reliance Capital Ltd for securitization of Receivables of Navi Mumbai Municipal Corporation. The Loss on account of securitization has been recognized and shown in the Profit & Loss Account.

### 4. Payment to Auditors:

Particulars	31.03.2009	31.03.2008
a. Audit Fees	10,03,000	11,44,396
b. Tax Audit Fees	1,10,300	1,04,036
c. In other Capacity	9,70,470	12,40,342
	<b>20,83,770</b>	<b>24,88,774</b>

(the above figures are inclusive of Service Tax)

5. Investments are carried in the books at cost. The Directors are of the opinion that the investment would realize the invested amount on sale and accordingly no provision for diminution in value of share is required.
6. Donation made by the Company are within the limits prescribed u/s. 293(1) (e) of the Companies Act 1956.
7. The details of amount payable to small scale industrial undertakings, in excess of Rs.1 lakh and outstanding for a period of more than 30 days are not ascertainable as the suppliers have not disclosed their status.

### 8. Leases:

During the period under review, the company has not received any amount on account of rent.

### 9. Related Party Disclosure:

As per the accounting standard 18 issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

#### - Particulars of Subsidiary / Associate Concerns :

Sr.No.	Name of the Related Party	Nature of Relationship
1.	Pratibha Pipes & Structural Ltd.	Associate Concern
2.	Muktangan Developers Pvt. Ltd.	Associate Concern
3.	Pratibha Shareholding Pvt. Ltd.	Associate Concern
4.	Pratibha Infrastructure Pvt. Ltd.	Subsidiary Company
5.	Pratibha Ostu-Stettin Infrastructure Pvt. Ltd.	Associate Concern
6.	Pratibha Struct Build Pvt. Ltd.	Associate Concern
7.	Elegant Infrastructure & Real Estate Pvt. Ltd.	Associate Concern

#### - Joint Ventures & Consortiums

1)	Petron Pratibha Joint Venture
2)	Unity Pratibha Multimedia Joint Venture
3)	Pratibha Unity Joint Venture
4)	Niraj Pratibha JV
5)	Pratibha Ostu Stettin Joint Venture
6)	Unity Pratibha Consortium
7)	Pratibha Rohit Joint Venture
8)	ITD Pratibha Consortium
9)	Patel Pratibha Joint Venture
10)	Pratibha Pipes & Structural Consortium
11)	Pratibha JV
12)	Pratibha GIN KJI Consortium
13)	KBL PIL Consortium

**- Details of Directors / Key Management Personnel:**

Sr.No.	Name of Person	Nature of Relation With Company
1.	Usha B. Kulkarni	Chairperson & Executive Director
2.	Ajit B. Kulkarni	Managing Director
3.	Vinayak B. Kulkarni	Whole Time Director
4.	A. M. Arondekar	Director
5.	S. T. Gadre	Director
6.	A. G. Karkhanis	Director
7.	Rohit R. Katyal	Chief Operating Officer
8.	T. R. Radhakrishnan	Chief Financial Officer
9.	A.K.Dutta	President - Execution
10.	A.K.Wadhera	Chief Operating Officer - Commercial
11.	Pankaj Chourasia	Company Secretary

Rupees in Lakhs)

Name of Person	Sales/ Share of Profit/Loss	Purchases/ Direct Exp	Salary Or Other Expenses	Closing Balance In Balance Sheet
Pratibha Pipes & Structural Ltd.	213.3 (2,141.39)	6,882.98 (10,654.31)	157.04 (279.39)	2,036.65 (1,987.85)
Muktangan Developers Pvt. Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	20 (648.5)
Pratibha Infrastructure Pvt. Ltd.	(0.14) (NIL)	NIL (16.8)	NIL (NIL)	1.27 (2.16)
Pratibha Ostu-Stettin Infrastructure Pvt. Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	3.02 (3)
Petron Pratibha Joint Venture	2.44 (1.98)	NIL (NIL)	NIL (NIL)	34.28 (42.3)
Unity Pratibha Multimedia JV	(2.93) (NIL)	NIL (NIL)	NIL (NIL)	167.13 (343.22)
Pratibha Unity Joint Venture	NIL (NIL)	NIL (NIL)	NIL (NIL)	161.35 (161.35)
Pratibha Ostu-Stettin Joint Venture	829.28 (0.06)	NIL (NIL)	NIL (19.11)	1,049.55 (895.23)
Pratibha Rohit JV	59.34 (42.95)	NIL (NIL)	NIL (NIL)	8.93 (52.49)
Unity Pratibha Consortium	649.87 (27.5)	NIL (NIL)	NIL (NIL)	1,431.21 (1,047.48)
ITD Pratibha Consortium	0 (NIL)	NIL (NIL)	NIL (NIL)	(317.83) (-1129.69)
Patel Pratibha JV	2,531.39 (NIL)	NIL (NIL)	NIL (NIL)	168.42 (-603.95)
Pratibha JV	297.95 (NIL)	NIL (NIL)	NIL (NIL)	199.14 (-266.32)
Pratibha GIN KJI Consortium	467.71 (NIL)	NIL (NIL)	NIL (NIL)	(343.27) (95.25)
Niraj Pratibha JV	NIL (NIL)	NIL (NIL)	NIL (NIL)	543.52 (1.96)
KBL PIL Consortium	1,401.31 (NIL)	NIL (NIL)	NIL (NIL)	429.32 (NIL)
Pratibha Pipes & Structural Consortium	5,616.34 (NIL)	5,708.53 (NIL)	NIL (NIL)	228.91 (113.43)
Key Management Personal and their relatives	NIL (NIL)	NIL (NIL)	250.83 (163.3)	NIL (NIL)

 \*Figures in Brackets are relating to the Financial Year ended on 31<sup>st</sup> March 2008

**10. Disclosure as per amendment to clause 32 of the Listing Agreement**

(Rs. in Lakhs)

Sr. No	Name of the Parties	Transaction During the Year ended		Outstanding Balance as on	
		31st March 2009	31st March 2008	31st March 2009	31st March 2008
1	Loans to Subsidiary Co.	NIL	NIL	NIL	NIL
2	Unsecured Loans where there are no Repayment Schedule	NIL	NIL	NIL	NIL

**11. Earning per share:**

(Rs. In Lakhs)

Sr. No.	Particulars	As on 31.03.2009	As on 31.03.2008
	<b>Basic / Diluted earning per share</b>		
1	Net profit attributable to Equity Shareholders (Rs.)	4472.76	3426.06
2	Weighted average number of shares outstanding during the year (Nos.)	166.85	149.73
3	Basic / Diluted earning per share (Rs.)	26.81	22.88

**12. Financial Reporting of Interest in Joint Ventures:**

The investments in joint venture are governed by the AS-27 "Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India. During the period under review, there were following active investments in the joint ventures:

(Rs. in lakhs)

NAME	%	ASSETS	LIABILITIES	INCOME	EXPENSES
PETRON PRATIBHA JV	100%	34.28	-	2.44	-
PRATIBHA OSTU JV	50%	2,795.77	2,606.04	392.14	393.91
PRATIBHA ROHIT JV	80%	333.95	325.02	865.89	806.55
PRATIBHA UNITY JV	50%	147.10	14.25	-	-
UNITY PRATIBHA CONSORTIUM	100%	2,369.35	1,611.90	5,976.70	5,426.83
UNITY PRATIBHA MULTIMEDIA JV	100%	175.99	8.86	0.15	3.08
ITD PRATIBHA CONSORTIUM	100%	1,099.29	1,063.01	4,535.86	4,535.61
PATEL-PRATIBHA JV	100%	1,623.91	1,525.32	2,506.84	2,417.89
PRATIBHA PIPES & STRUCTURAL CONSORTIUM	40%	76.06	102.43	2,283.41	2,311.42
NIRAJ PRATIBHA JV	50%	2,463.32	2,463.32	1,433.28	1,433.28
KBL PIL CONSORTIUM	100%	445.65	445.65	1,514.55	1,514.55
PRATIBHA GIN KJI CONSORTIUM	100%	885.71	882.61	1,435.90	1,436.04
PRATIBHA JV	95%	854.17	798.24	2,384.07	2,396.12

As per para 1, of AS 27, This statement should be applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income, and expenses in the financial statements of ventures and investors, regardless of the structures or forms under which the joint venture activities take place."

Accordingly, incomes, expenses assets, and liabilities are incorporated in the Consolidated Balance sheet of the Pratibha Industries Limited.

**13. Impairment of Assets:**

During the year under consideration, none of the assets has been impaired.

**14. Managerial Remuneration:**

Computation of Net Profit U/s. 198 read with 309 (5) of the Companies Act, 1956.

	(Rs. In Lakhs)	
	31.03.2009	31.03.2008
Profit before tax	5504.13	3995.11
Add: Managerial Remuneration	311.64	92.77
Add: Loss on Sale of Fixed Assets	3.18	0.27
Less: Profit on redemption of Investment	341.61	1.40
<b>TOTAL</b>	<b>5477.34</b>	<b>4086.76</b>
Managerial Remuneration ceiling @ 11%	<b>602.51</b>	449.54
Managerial Remuneration paid	<b>311.64</b>	92.77
Remuneration paid is within the limit as calculated above		

**15. Earning in Foreign Exchange :**

	(Rs. In lakhs)	
Particulars	31.03.2009	31.03.2008
Export sale	423.28	Nil

**16. Expenditure in Foreign Currency :**

	(Rs. In lakhs)	
Particulars	31.03.2009	31.03.2008
On Foreign Travel	17.21	15.86
On Professional Fees	42.03	61.74
On Marketing Fees	219.24	-
On Interest	216.25	-
On Fees & Subscription	3.66	-
On Import of Capital Goods (CIF Value)	2642.76	2819.25
On Import of Material & Stores (CIF Value)	72.81	432.61
<b>Total</b>	<b>3213.96</b>	<b>3329.46</b>

**17. Additional Information under Part II of Schedule VI of the Companies Act, 1956:**

(Following details are related to Saw pipe manufacturing division only)

**A. Capacities & Production**

Product	Unit	Installed Capacity (Qty in '000)		Actual Production (Qty in '000)	
		2008-09	2007-08	2008-09	2007-08
M S Pipe	MT	90.00	46.50	39.526	26.121

**B. Turnover**

Product	Unit	2008-09		2007-08	
		Qty. (*000)	Value (in Lac)	Qty. (*000)	Value (in Lac)
M S Pipe	M.T.	20.188	10465.12	24.977	7703.04
M S Cut End	M.T.	7.35	141.24	0.201	37.34

\* Quantitative figures are exclusive of quantity received and sent after conversion.



## C. Inventory

Product	Unit	As at 31.03.2009		As at 31.03.2008	
		Qty. ('000)	Value (in Lac)	Qty. ('000)	Value (in Lac)
M S Pipe	MT	0.917	494.59	1.143	157.09

## D. Consumption

## i. Raw Material, Stores &amp; Spares Consumed:

Product	Unit	2008-09		2007-08	
		Qty. ('000)	Value (in Lac)	Qty. ('000)	Value (in Lac)
H R Coil	M.T.	21.531	8278.26	14.823	5607.99
Steel	M.T.	0.015	13.31	0.961	0.53
Others			289.79		197.03
<b>Total</b>		<b>21.546</b>	<b>8581.36</b>	<b>15.784</b>	<b>5805.55</b>

## ii. Value of imported &amp; indigenous raw materials, spare parts &amp; consumables

Product	2008-09		2007-08	
	Value (in Lac)	%	Value (in Lac)	%
<b>Raw Materials</b>				
Imported	0.00	0.00	45.62	0.82
Indigenous	8278.26	100.00	5562.90	99.18
<b>Total</b>	<b>8278.26</b>	<b>100.00</b>	<b>5608.52</b>	<b>100.00</b>
<b>Spares Parts &amp; Consumables</b>				
Imported	91.34	30.14	50.24	25.50
Indigenous	211.76	69.86	146.79	74.50
<b>Total</b>	<b>303.10</b>	<b>100.00</b>	<b>197.03</b>	<b>100.00</b>

## E. Purchase of Finished Goods:

NIL (P.Y. NIL)

## F. Value of Imports (CIF Value)

(Rs. In Lacs)

Particulars	2008-09	2007-08
	Raw Material	0.00
Consumables Stores	72.81	50.24
Capital Goods	140.78	2819.25

18. Segment wise Revenue, Results and Capital employed for the Year ended March 31, 2009

(Rs. In Lakhs)

Particulars	2008-09	2007-08
<b>1. Segment Revenue</b>		
a. Infrastructure & Construction	64,999.34	38,586.60
b. Manufacturing	11,598.19	9,918.26
c. Unallocated	341.61	1.40
<b>Total</b>	<b>76,939.14</b>	<b>48,506.26</b>
Less : Inter Segment Revenue	1,161.42	546.00
<b>Net Sales/ Income from Operations</b>	<b>75,777.72</b>	<b>47,960.27</b>
<b>2. Segment Results</b>		
a. Infrastructure & Construction	6,898.10	5,105.77
b. Manufacturing	1,441.42	906.69
c. Unallocated	341.61	1.40
<b>Total</b>	<b>8,681.13</b>	<b>6,013.86</b>
Interest	3,177.00	2,018.75
Income Tax	1,031.37	569.06
<b>Net Profit</b>	<b>4,472.76</b>	<b>3,426.06</b>
<b>Segment Assets</b>		
a. Infrastructure & Construction	52,256.56	34,388.93
b. Manufacturing	15,496.84	14,265.48
c. Unallocated Corporate Assets	3,600.43	9,565.90
<b>Total Assets</b>	<b>71,353.83</b>	<b>58,220.31</b>
<b>Segment Liabilities</b>		
a. Infrastructure & Construction	37,684.24	26,204.53
b. Manufacturing	9,000.77	9,757.17
c. Unallocated Corporate Assets	2,196.78	3,868.93
<b>Total Liabilities</b>	<b>48,881.79</b>	<b>39,830.63</b>
<b>Capital Employed</b>		
a. Infrastructure & Construction	14,572.32	8,184.40
b. Manufacturing	6,496.06	4,508.31
c. Unallocated Corporate Assets	1,403.66	5,696.97
<b>Capital Expenditure</b>		
<b>Depreciation</b>		
a. Infrastructure & Construction	219.12	95.79
b. Manufacturing	273.32	172.13
c. Unallocated Corporate Assets	97.66	79.60
<b>Non Cash Expenses other than Depreciation</b>		
a. Unallocated Corporate Assets	3.32	0.94

19. Other Information under Part II of Schedule VI of the Companies Act, 1956, are not applicable and hence not disclosed.

20. The previous year's figures have been reworked, regrouped, rearranged, and reclassified wherever necessary.

As per our Report of even date  
For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
(M.No. 107162)  
Partner

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

For Pratibha Industries Limited

Usha B. Kulkarni  
Ajit B. Kulkarni  
Vinayak B. Kulkarni  
Pankaj S Chourasia  
Chairperson  
Managing Director  
Whole Time Director  
Company Secretary

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2009**

Particulars	31.03.2009 Amount Rs.	31.03.2008 Amount Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary items	550,412,995	399,511,651
Adjustment for :		
Depreciation	59,009,695	34,752,516
Loss / (Profit) on Sale of Assets & Investment	(33,842,967)	(112,549)
Finance Charges	317,700,381	201,874,581
Dividend Received	(30)	(30)
Loss from Subsidiary	14,179	66,955
Employees benefits - Op. Provisions	-	(1,422,200)
Operating Profit before working Capital Changes	893,294,254	634,670,925
Adjustment for:		
Inventories	(201,516,107)	(1,344,008,939)
Sundry Debtors	(562,933,344)	826,943,636
Loans & Advances	(481,371,758)	(605,201,487)
Sundry Creditors	(15,163,796)	1,057,333,069
Other Liabilities	(3,897,147)	40,601,500
Advances & Deposits	(209,258,881)	806,905,301
	(580,846,779)	1,417,244,005
Direct Taxes Paid	(5,296,356)	(14,444,166)
<b>Net cash used in Operating Activities</b>	<b>(586,143,135)</b>	<b>1,402,799,839</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Additions to Fixed Assets	(606,617,763)	(730,709,613)
Deletion to Fixed Assets (net)	730,124	129,500
Redemption / (Purchase) of investments	886,712,741	(916,144,518)
Profit on redemption of Mutual Funds	34,161,011	139,975
Dividend Received	30	30
Loss From Subsidiary	(14,179)	(66,955)
Addition to Capital Work in Progress	(175,869,363)	(35,411,392)
<b>Net cash used in investing activities</b>	<b>139,102,601</b>	<b>(1,682,062,974)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	607,200,000
Expenses for Issue of Capital	-	(18,989,608)
Dividend Paid	(33,350,144)	(33,169,394)
Corporate Dividend Tax paid	(5,671,231)	-
Proceeds from Long Term Borrowings (Net)	96,333,522	369,441,813
Proceeds from Short Term Borrowings (Net)	939,268,690	(379,529,769)
Finance Charges paid (Net)	(317,700,381)	(201,874,581)
<b>Net cash from Financing Activities</b>	<b>678,880,456</b>	<b>343,078,461</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>231,839,922</b>	<b>63,815,326</b>
<b>Opening Cash and Cash Equivalents</b>	<b>460,165,164</b>	<b>396,349,838</b>
<b>Closing Cash and Cash Equivalents</b>	<b>692,005,086</b>	<b>460,165,164</b>

Notes :

- The above statement has been prepared in indirect method as described in AS-3 issued by ICAI.
- Cash and Cash Equivalent

Cash and Cash Equivalent	31.03.2009	31.03.2008
Cash in hand	5,752,094	5,634,854
Balance with Banks	686,473,454	454,730,916
Less: Unpaid Dividend Balance	220,462	200,606
<b>Total</b>	<b>692,005,086</b>	<b>460,165,164</b>

As per our Report of even date  
For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
(M.No. 107162)  
Partner

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

For Pratibha Industries Limited

Usha B. Kulkarni                      Chairperson  
Ajit B. Kulkarni                      Managing Director  
Vinayak B. Kulkarni                  Whole Time Director  
Pankaj S Chourasia                    Company Secretary

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No.: 

0	9	0	7	6	0
---	---	---	---	---	---

 State Code: 

1	1
---	---

Balance Sheet Date: 

3	1	0	3	2	0	0	9
---	---	---	---	---	---	---	---

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue 

N	I	L
---	---	---

 Rights Issue 

N	I	L
---	---	---

Bonus Issue 

N	I	L
---	---	---

 Private Placement 

N	I	L
---	---	---

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities 

4	6	6	2	7	1	5
---	---	---	---	---	---	---

 Total Assets 

4	6	6	2	7	1	5
---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid up Capital 

1	6	6	8	5	0
---	---	---	---	---	---

 Reserves & Surplus 

2	0	8	0	3	5	3
---	---	---	---	---	---	---

Secured/Unsecured Loans 

2	3	5	3	8	1	0
---	---	---	---	---	---	---

 Deferred tax Liability 

6	1	7	0	1
---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets 

1	9	4	6	1	6	8
---	---	---	---	---	---	---

 Investments 

1	4	8	4	3	2
---	---	---	---	---	---

Net Current Assets 

2	5	6	8	1	1	5
---	---	---	---	---	---	---

 Misc. Expenditure 

N	I	L
---	---	---

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover / Income 

7	5	7	7	7	2
---	---	---	---	---	---

 Total Expenditure 

7	0	2	7	3	5	9
---	---	---	---	---	---	---

Profit / (Loss) Before Tax 

+	5	5	0	4	1	3
---	---	---	---	---	---	---

 Profit / (Loss) After Tax 

+	4	4	7	2	7	6
---	---	---	---	---	---	---

Earnings Per Share in Rs. 

		2	7
--	--	---	---

 Dividend Rate % 

2	0
---	---

V GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Product Description							
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>A</td><td></td><td></td><td></td><td></td></tr></table>	N	A					<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Building &amp; Construction</td></tr></table>	Building & Construction
N	A							
Building & Construction								
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>A</td><td></td><td></td><td></td><td></td></tr></table>	N	A					<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>Manufacturing of SAW Pipes</td></tr></table>	Manufacturing of SAW Pipes
N	A							
Manufacturing of SAW Pipes								

For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
(M.No. 107162)  
Partner

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

For Pratibha Industries Limited

Usha B. Kulkarni  
Ajit B. Kulkarni  
Vinayak B. Kulkarni  
Pankaj S Chourasia  
Chairperson  
Managing Director  
Whole Time Director  
Company Secretary

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

### STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

Name of Subsidiary Company	Pratibha Infrastructure Private Limited
(A) The Financial year of the Subsidiary Company	31st March, 2009
(B) Shares of the subsidiary held by the Company on the above date: (a) Number of Shares (b) Extent of Holding	1000 Equity Shares of Rs. 100 each 100%
(C) The net aggregate of profit/loss of the subsidiary company so far as its concerns the members of the Company	
a) Not dealt within the account of the Company for the year ended 31 <sup>st</sup> March, 2009 amounted to:-	
(i) for the financial years ended as in (A) above;	NIL
(ii) for the previous financial year of subsidiary since they became the subsidiary of the Company	NIL
(b) Dealt within the account of the Company for the year ended 31 <sup>st</sup> March, 2009 amounted to:-	
(i) for the financial years ended as in (A) above;	(14179)
(ii) for the previous financial year of subsidiary since they became the subsidiary of the Company	(66955)
(D) As the financial year of the Company coincide with the financial year of the holding company, section 212 (5) of the Companies Act, 1956	N.A.

For Pratibha Industries Limited

Usha B. Kulkarni  
Ajit B. Kulkarni  
Vinayak B. Kulkarni  
Pankaj S Chourasia

Chairperson  
Managing Director  
Whole Time Director  
Company Secretary

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

## DIRECTORS' REPORT

To,  
**The Members,**

Pratibha Infrastructure Private Limited

The Directors are pleased to present their 6<sup>th</sup> Annual Report and Audited Statement of Account for the year ended on 31<sup>st</sup> March 2009.

### OPERATIONS:-

The Company has not yet started its business operation.

### DIVIDEND

In view of the losses, your Directors do not recommend any dividend.

### FIXED DEPOSITS

The Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

### PARTICULARS OF EMPLOYEES

The Company does not have any employees who was in the receipt of remuneration aggregating to the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2000.

### CONSERVATION OF ENERGY

In terms of Section 217 (1) (e) of the Companies Act, 1956, information relating to Conservation of Energy, Technology absorption, Foreign Exchange earning and Outgo is not required as the Company is not engaged in manufacturing activities.

### DIRECTORS

Mrs. Samidha A. Kulkarni, Director retire by rotation and being eligible offers herself for re-appointment.

### AUDITORS

M/s. Jayesh Sanghrajaka & Co., Chartered Accountants, Mumbai, retires as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. M/s. Jayesh Sanghrajaka & Co., Chartered Accountants, Mumbai has furnished certificate u/s 224 (1) (b) of the Companies Act, 1956. Members are requested to re-appoint M/s. Jayesh Sanghrajaka & Co., as the Auditors of the Company and authorize the Board of Directors to fix their remuneration.

### DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act 1956, your directors confirm that :-

- (a) In the preparation of the accounts the applicable Accounting Standards have been followed;
- (b) They have selected such accounting policies & applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair state of the affairs of the Company as at 31<sup>st</sup> March 2009 and of the Profit of the Company for the year ended on that date;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis.

### ACKNOWLEDGEMENT

The Directors wish to thank Business Associates, Bankers, Government Authorities, and Shareholders for their continued support. The Directors also wish to place on record their appreciation of the dedicated and untiring hard work put in by the employees at all levels.

**For and on behalf of the Board of Directors**

**Ajit B Kulkarni**  
Director

Date :- 9<sup>th</sup> May, 2009  
Place: Mumbai

## AUDITORS REPORT

To the Members,

**Pratibha Infrastructure Private Limited**

We have audited the attached Balance Sheet of **Pratibha Infrastructure Private Limited** as at 31st March 2009. 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.

1. We conducted our audit in accordance with 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 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.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. 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 purposes 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 those books;

- c) The Balance Sheet dealt with by this report are in agreement with the books of account;
- d) In our opinion the Balance Sheet dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March 2009 from being appointed as directors in terms of clause (g) of subsection (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 Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
  - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2009
  - (ii) In so far as it relates to the Profit & Loss Account, of the Loss of the Company for the twelve months period ended on that date.
  - (iii) In so far as, it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
M.No. 107162  
Partner

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

## Annexure to Auditors Report

Referred to in Paragraph 2 of our report of even date

1. The Company has maintained proper records to show full particulars, including quantitative details and situation, of its fixed assets. The same are being updated. We have been informed that the Management physically verifies the fixed assets of the Company, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, physical verification was carried out during the year and no material discrepancies were noticed.
2. As explained to us since there is no inventory, the question of its physical verification, and procedures of its physical verification and maintenance of its records does not arise.
3. The Company has taken loan of Rs. 85,855 from Director of the Company. The terms & Conditions of the loan are not prima facie prejudicial to the interest of the company. The company has not granted any loans to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. The Company has not accepted any deposits under Section 58A and 58AA of the Act and the rules framed there under.
6. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
7. No cost records and accounts are prescribed by the Central Government under Section 209 (1)(d) of the Companies Act 1956.
8. In respect of statutory dues, 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 the aforesaid dues were outstanding as at 31st March 2009 for a period of more than six months from the date of becoming payable.
9. The Company has accumulated losses Rs. 81,134- and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
10. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any Debentures and hence question of repayment to debenture holders does not arise.
11. In our opinion and according to the information and explanation given to us, the Company on the basis of security by way of pledge of shares, debentures and other securities has granted no loans and advances.
12. 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.
13. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
14. The Company has not given guarantees for loans taken by others from banks or financial institutions.
15. The Company has not raised term loans during the year.
16. On the basis of an overall examination of the Balance Sheet of the company, in our opinion, there are no funds raised on a short-term basis, which have been used for long-term purposes and vice versa.
17. 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.
18. The Company has not issued any debentures.
19. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
M.No. 107162  
Partner

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009



BALANCE SHEET AS AT 31.03.2009

Particulars	Schedule	Amount as at 31.03.2009	Amount as at 31.03.2008
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	A	100,000	100,000
Reserve & Surplus		-	-
		<b>100,000</b>	<b>100,000</b>
<b>DEFERRED TAX LIABILITY</b>			
		-	-
<b>LOAN FUNDS</b>			
Secured Loans		-	-
Unsecured Loans	B	85,855	85,855
		<b>85,855</b>	<b>85,855</b>
<b>Total</b>		<b>185,855</b>	<b>185,855</b>
<b>APPLICATIONS OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Fixed Assets Gross Block	C	51,287	51,287
Less : Depreciation		5,182	2,591
		<b>46,105</b>	<b>48,696</b>
<b>CURRENT ASSETS LOANS &amp; ADVANCES</b>			
Inventories		-	-
Sundry Debtors		-	-
Cash & Bank Balance	D	65,878	65,935
Loans, Advances & Deposits		-	-
		<b>65,878</b>	<b>65,935</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Sundry Creditors for Expenses	E	153,053	141,123
Other Liabilities & Provision	F	2,893	3,292
		<b>155,946</b>	<b>144,415</b>
<b>WORKING CAPITAL</b>		<b>(90068)</b>	<b>(78480)</b>
<b>MISCELLANEOUS EXPENSES</b>	G	148,684	148,684
<b>(To the extent not w/off)</b>			
<b>PROFIT AND LOSS ACCOUNT</b>	H	81,134	66,955
<b>Total</b>		<b>185,855</b>	<b>185,855</b>
Notes forming part of the Accounts	M		

As per our Report of even date  
For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
M.No. 107162  
Partner

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

For Pratibha Infrastructure Private Limited

Ajit B. Kulkarni  
Director

Samidha A. Kulkarni  
Director

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2009**

Particulars	Schedule	31.03.2009 Amount Rs.	31.03.2008 Amount Rs.
<b>INCOME</b>			
Income From Operations		-	1,680,120
Other Income		-	-
		-	<b>1,680,120</b>
<b>EXPENDITURE</b>			
Cost of Works Done	I	-	1,050,543
Establishment, Selling & Other Expenses	J	11,030	559,398
Finance Charges	K	57	67
Personal Expenses	L	-	96,906
Depreciation	C	2,591	2,591
		<b>13,678</b>	<b>1,709,505</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		(13678)	(29385)
Provision for Tax			
Current Tax		-	-
Deferred Tax		-	-
Fringe Benefit Tax		-	399
Short Provision of FBT of earlier year		501	-
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>(14179)</b>	<b>(29784)</b>

Notes forming part of the Accounts

M

As per our Report of even date  
For Jayesh Sanghrajka & Co.  
*Chartered Accountants*

For Pratibha Infrastructure Private Limited

Ashish Sheth  
M.No. 107162  
Partner

Ajit B. Kulkarni  
Director

Samidha A. Kulkarni  
Director

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

## Pratibha Infrastructure Private Limited

### SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2009

Particulars	31.03.2009 Amount Rs.	31.03.2008 Amount Rs.
<b>SCHEDULE - A</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised capital</b> (100000 Equity Shares of Rs. 100/- Each ) (P.Y. 100000 Equity Shares of Rs. 100/- Each )	10,000,000	10,000,000
<b>Issued, Subscribed and Paid Up Capital</b> (1000 equity shares of Rs.100 each Fully Paid up) (P.Y.1000 equity shares of Rs.100 each)	100,000	100,000
	<b>100,000</b>	<b>100,000</b>
<b>SCHEDULE - B</b>		
<b>UNSECURED LOAN</b>		
From Shareholder & Director	85,855	85,855
	<b>85,855</b>	<b>85,855</b>

### SCHEDULE -C FIXED ASSETS AS AT 31.03.09

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.08	Addn.	Sale/ Transfers/ Impairment	As on 31.03.09	As on 01.04.08	For The Period	On Sale/ Transfers	As on 31.03.09	As on 31.03.09	As on 31.03.08
1	Plant & Machinery	41,500	-	-	41,500	1,971	1,971	-	3,942	37,558	39,529
2	Furniture & Fixture	9,787	-	-	9,787	620	620	-	1,240	8,547	9,167
	<b>Total</b>	<b>51,287</b>	<b>-</b>	<b>-</b>	<b>51,287</b>	<b>2,591</b>	<b>2,591</b>	<b>-</b>	<b>5,182</b>	<b>46,105</b>	<b>48,696</b>

Particulars	31.03.2009 Amount Rs.	31.03.2008 Amount Rs.
<b>SCHEDULE - D</b>		
<b>CASH AND BANK BALANCES</b>		
Balance with Bank of Baroda	65,878	65,935
	<b>65,878</b>	<b>65,935</b>
<b>SCHEDULE - E</b>		
<b>SUNDRY CREDITORS</b>		
Consultancy Charges Payable	41,227	25,197
Other Creditors	111,826	115,926
	<b>153,053</b>	<b>141,123</b>
<b>SCHEDULE - F</b>		
<b>OTHER LIABILITIES &amp; PROVISIONS</b>		
Provision for FBT	-	399
TDS Payable	2,893	2,893
	<b>2,893</b>	<b>3,292</b>
<b>SCHEDULE - G</b>		
<b>MISCELLANEOUS EXPENSES</b>		
Preoperative and Incorporation Expenses	148,684	148,684
	<b>148,684</b>	<b>148,684</b>

Particulars	31.03.2009 Amount Rs.	31.03.2008 Amount Rs.
<b>SCHEDULE - H</b>		
<b>PROFIT &amp; LOSS ACCOUNT</b>		
Opening Balance	(66955)	(37171)
Add:- Addition During the Year	(14179)	(29784)
	<b>(81134)</b>	<b>(66955)</b>
<b>SCHEDULE - I</b>		
<b>COST OF WORKS DONE</b>		
Opening Stock	-	-
Purchases	-	<b>941,319</b>
Add : Direct Expenses	-	109,224
	-	1,050,543
Less : Closing Stock	-	-
	-	<b>1,050,543</b>
<b>SCHEDULE - J</b>		
<b>ESTABLISHMENT, SELLING AND OTHER EXP.</b>		
Audit Fees	11,030	28,090
Insurance Charges	-	416,416
Legal Fees & Professional Charges	-	135
Pooja & Festival Expenses	-	50
Postage & Telegram and Telephone Charges	-	45
Printing & Stationery	-	4,390
Rates & Taxes	-	2,610
Rent	-	55,800
Security Service Charges	-	21,410
Survey & Testing Charges	-	7,082
Travelling Expenses	-	21,270
Vehicle Running Expenses	-	1,500
Water Charges	-	600
	<b>11,030</b>	<b>559,398</b>
<b>SCHEDULE - K</b>		
<b>FINANCE CHARGES</b>		
Banking Cash Transaction Tax	57	67
	<b>57</b>	<b>67</b>
<b>SCHEDULE - L</b>		
<b>PERSONNEL EXPENSES</b>		
Wages & Salary	-	91,958
Staff Welfare expenses	-	4,948
	-	<b>96,906</b>

### SCHEDULE - M - SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of The Companies Act, 1956. The Significant Accounting Policies are as follows:-

#### A. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

#### B. Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

#### C. Fixed Assets

Fixed Assets are stated at cost of acquisition, including any attributable cost for bringing the assets to its working condition for its intended use, less accumulated depreciation.

#### D. Depreciation

Depreciation on fixed assets has been provided on Straight Line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

#### E. The Company is 100% Subsidiary of Pratibha Industries Limited.

### NOTES TO ACCOUNTS

#### 1. Payment to Auditors:

Particulars	31.03.2009	31.03.2008
a. Audit Fees	11,030	28,090
b. In other Capacity	-	-
	<b>11,030</b>	<b>28,090</b>

(The above figures are inclusive of Service Tax)

2. Company has neither expended nor earned any foreign exchange.

3. No amount is and payable to any Small Scale Industrial (SSI) Units.

4. Additional Information pursuant to provisions of Part II of Schedule VI of the Companies Act, 1956 are not applicable and hence not disclosed.

5. Previous years figures have been regrouped, rearranged and restated wherever necessary.

As per our Report of even date

For Jayesh Sanghrajka & Co.

Chartered Accountants

Ashish Sheth

M.No. 107162

Partner

Place : Mumbai

Date : 9<sup>th</sup> May, 2009

For Pratibha Infrastructure Private Limited

Ajit B. Kulkarni

Director

Place : Mumbai

Date : 9<sup>th</sup> May, 2009

Samidha A. Kulkarni

Director

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2009

Particulars	31.03.2009	31.03.2008
	Amount Rs.	Amount Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary items	(14,179)	(29,784)
<b>Adjustment for :</b>		
Depreciation	2,591	2,591
Preliminary Expenses Written Off	-	-
Finance Charges	-	-
<b>Operating Profit before working Capital Changes</b>	<b>(11,588)</b>	<b>(27,193)</b>
<b>Adjustment for:</b>		
Sundry Creditors for Expenses	11,930	(277,375)
Change in Other Liabilities	(399)	3,292
	<b>11,531</b>	<b>(274,083)</b>
Direct Taxes Paid	-	-
<b>Net cash used in Operating Activities</b>	<b>(57)</b>	<b>(301,276)</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	-	(51,287)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(51,287)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in Unsecured Loan	-	-
<b>Net cash from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(57)</b>	<b>(352,563)</b>
Opening Cash and Cash Equivalents	65,935	418,498
Closing Cash and Cash Equivalents	65,878	65,935

**Notes**

The above statement has been prepared in indirect method as described in AS-3 issued by ICAI.

As per out Report of even date  
For Jayesh Sanghrajka & Co.  
*Chartered Accountants*

Ashish Sheth  
M.No. 107162  
Partner

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

For Pratibha Infrastructure Private Limited

Ajit B. Kulkarni  
Director

Samidha A. Kulkarni  
Director

Place : Mumbai  
Date : 9<sup>th</sup> May, 2009

### Auditors Report to the Members of Pratibha Industries Limited

We have audited the attached Consolidated Balance sheet of **PRATIBHA INDUSTRIES LIMITED** and its Subsidiaries and Joint Ventures, as at 31<sup>st</sup> March, 2009, the consolidated Profit and Loss account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirement of the Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 27, Reporting Of Interest

In Joint Ventures, notified by Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited / certified financial statements, we are of the opinion that:

- In the case of the Consolidated Balance Sheet gives true and fair view of the Consolidated State of Affairs of the Company and its Subsidiaries and Joint Ventures as at 31<sup>st</sup> March 2009;
- In the case of the Consolidated Profit and Loss account gives a true and fair view of the Consolidated Profit / Loss for the year ended on that date; and
- In the case of the Consolidated Cash Flows Statement, of the Consolidated Cash Flows for the year ended on that date.

**For Jayesh Sanghrajka & Co.  
Chartered Accountants**

Ashish Sheth  
Partner  
(M.No. 107162)

Place: Mumbai  
Date: 9<sup>th</sup> May, 2009

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2009 (CONSOLIDATED)

PARTICULARS	SCHEDULE	31.03.2009	31.03.2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	A	166,850,000	166,850,000
<b>Sub Total</b>		<b>166,850,000</b>	<b>166,850,000</b>
<b>Reserves &amp; Surplus</b>	B	2,080,353,810	1,672,052,048
<b>Deferred Tax Liability</b>		61,701,302	17,810,982
<b>Loan Funds</b>			
Secured Loans	C	2,179,332,013	1,284,340,366
Unsecured Loans	D	305,128,492	43,726,291
<b>Sub Total</b>		<b>2,484,460,505</b>	<b>1,328,066,657</b>
<b>TOTAL</b>		<b>4,793,365,617</b>	<b>3,184,779,687</b>
<b>Applications of Funds</b>			
<b>Fixed Assets</b>			
Gross Block	E	1,683,207,673	989,834,578
Less: Depreciation		139,408,829	68,555,181
Net Block		<b>1,543,798,844</b>	<b>921,279,397</b>
<b>Capital Work In Progress</b>		607,461,998	315,243,893
<b>Investments</b>	F	927,786	852,972,300
<b>Current Assets Loans &amp; Advances</b>			
Inventories	G	2,099,976,650	1,832,899,962
Sundry Debtors	H	1,410,729,486	775,148,794
Cash & Bank Balance	I	721,454,678	568,254,011
Loans, Advances & Deposits	J	1,385,390,665	1,202,127,544
		<b>5,617,551,480</b>	<b>4,378,430,311</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
Sundry Creditors	K	1,667,414,796	1,638,990,543
Other Liabilities & Provisions	L	269,044,062	222,885,952
Advances & Deposits	M	1,040,215,187	1,421,418,403
<b>TOTAL</b>		<b>2,976,674,045</b>	<b>3,283,294,898</b>
<b>Working Capital</b>		2,640,877,435	1,095,135,413
<b>Misc. Exp. (to the extent not w/off)</b>	N	299,554	148,684
<b>TOTAL</b>		<b>4,793,365,617</b>	<b>3,184,779,687</b>

Significant Accounting Policies &amp; Notes to Accounts

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As per our Report of even date

For Jayesh Sanghrajka & Co.  
Chartered AccountantsAshish Sheth  
(M.No. 107162)  
PartnerPlace : Mumbai  
Date: 9<sup>th</sup> May, 2009

For Pratibha Industries Limited

Usha B. Kulkarni                      Chairperson  
Ajit B. Kulkarni                      Managing Director  
Vinayak B. Kulkarni                  Whole Time Director  
Pankaj S. Chourasia                  Company SecretaryPlace : Mumbai  
Date: 9<sup>th</sup> May, 2009



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
ON 31<sup>ST</sup> MARCH 2009 (CONSOLIDATED)**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
<b>Income</b>			
Net Sales/Income from Operation		8,057,868,375	5,650,507,104
Other Income	<b>O</b>	49,913,134	558,131
<b>TOTAL</b>		<b>8,107,781,509</b>	<b>5,651,065,235</b>
<b>Expenses</b>			
Cost of Works Done	<b>P</b>	6,152,689,965	4,449,721,795
Personnel Expenses	<b>Q</b>	345,509,673	173,038,988
Establishment, Selling & Other Expenses	<b>R</b>	643,430,509	367,892,148
Finance Expenses	<b>S</b>	340,512,612	222,747,170
Depreciation	<b>E</b>	71,257,097	35,986,559
<b>TOTAL</b>		<b>7,553,399,857</b>	<b>5,249,386,660</b>
<b>Profit Before Tax</b>		554,381,653	401,678,575
<b>Provision for Tax</b>			
Current Tax		55,087,134	44,232,202
Deferred Tax		43,890,320	13,324,511
Fringe Benefit Tax		6,482,840	3,198,226
Income Tax of Earlier Years		1,645,319	(1,652,730)
<b>Profit After Tax and Prior Period Items</b>		<b>447,276,039</b>	<b>342,576,366</b>
Proposed Dividend		33,370,000	33,370,000
Corporate Dividend Tax		5,671,232	5,671,232
General Reserve		35,000,000	35,000,000
<b>Balance Carried forward to Balance Sheet</b>		<b>373,234,807</b>	<b>268,535,134</b>
<b>Weighted Average Number of shares</b>		16,685,000	14,973,525
<b>Basic &amp; Diluted Earning Per Share</b>		26.81	22.88

Significant Accounting Policies & Notes to Accounts

**T**

As per our Report of even date

For Jayesh Sanghrajka & Co.  
Chartered Accountants

For Pratibha Industries Limited

Ashish Sheth  
(M.No. 107162)  
Partner

Usha B. Kulkarni                      Chairperson  
Ajit B. Kulkarni                      Managing Director  
Vinayak B. Kulkarni                Whole Time Director  
Pankaj S. Chourasia                Company Secretary

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2009 (CONSOLIDATED)**

PARTICULARS	31.03.2009	31.03.2008
<b>SCHEDULE: A : SHARE CAPITAL</b>		
Authorised Capital 25000000 (P.Y. 25000000) Equity Shares of Rs 10/- Each	250,000,000	250,000,000
Issued,Subscribed & Fully Paid Up 16685000 (P.Y. 16685000) Equity shares of Rs.10/- Each	314,791,575	349,022,418
Proportionate Consolidation Elimination	(147,941,575)	(182,172,418)
<b>Total</b>	<b>166,850,000</b>	<b>166,850,000</b>
<b>SCHEDULE: B : RESERVES &amp; SURPLUS</b>		
Profit & Loss Account		
Opening Balance	621,080,312	353,967,379
Addition During Period	373,220,628	268,535,134
Less:Employees Benefits Provisions	-	1,422,201
<b>(A)</b>	<b>994,300,940</b>	<b>621,080,312</b>
Security Premium Account		
Opening Balance	990,971,736	426,761,344
Addition During Period	-	583,200,000
Less:Deduction during the Year	-	18,989,608
<b>(B)</b>	<b>990,971,736</b>	<b>990,971,736</b>
General Reserve		
Opening Balance	60,000,000	25,000,000
Addition During Period	35,000,000	35,000,000
Less:Deduction during the Year	-	-
<b>(C)</b>	<b>95,000,000</b>	<b>60,000,000</b>
Proportionate Consolidation Elimination	81,134	
<b>Total (A) + (B) + (C)</b>	<b>2,080,353,810</b>	<b>1,672,052,048</b>
<b>SCHEDULE: C : SECURED LOANS</b>		
Loans for Property,Vehicles & Construction Equip.	364,965,319	282,598,541
Working Capital Finance from Consortium of Banks	502,120,503	291,324,688
Project - Specific Finance	757,479,961	193,800,711
Buyers Credit Facility	338,401,455	337,264,582
Term Loan	216,364,776	179,351,844
<b>Total</b>	<b>2,179,332,013</b>	<b>1,284,340,366</b>
<b>SCHEDULE: D : UNSECURED LOANS</b>		
From Banks & Financial Institutions	300,000,000	43,640,436
From Others	5,042,637	-
From Shareholders and Directors	85,855	85,855
<b>Total</b>	<b>305,128,492</b>	<b>43,726,291</b>

## SCHEDULE : E : FIXED ASSETS AS AT 31.03.2009 (CONSOLIDATED)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Cost as on 01.04.2008	Addition	Sale/ Transfers/ Impairment	As on 31.03.2009	As on 01.04.2008	For The Period 31.03.2009	On Sale/ Transfers	As on 31.03.2009	As on 31.03.2008
1	Office Premises	30,354,690	33,179,266	-	63,533,956	2,210,016	1,099,420	-	3,309,436	28,144,674
2	Plant & Machinery	612,936,465	585,603,478	370,086	1,198,169,858	38,288,222	47,521,132	449	85,808,904	574,648,243
3	Furniture & Fixture	27,258,870	10,063,361	16,849	37,305,382	3,794,392	2,192,262	6,531	5,980,123	23,464,478
4	Electrical Installation	54,154,886	3,820,909	-	57,975,795	1,950,581	2,667,833	-	4,618,414	52,204,305
5	Office Equipments	19,953,683	10,679,129	77,138	30,555,675	2,900,871	3,146,679	9,115	6,038,434	17,052,813
6	Vehicles	84,796,219	24,440,703	1,373,628	107,863,294	16,041,022	9,114,461	387,355	24,768,127	68,755,197
7	Computer Software	5,230,621	4,328,444	-	9,559,065	1,048,977	1,535,157	-	2,584,134	4,181,644
8	Factory Building	145,685,434	2,847,589	-	148,533,023	2,321,101	3,980,155	-	6,301,256	143,364,333
9	Land	9,463,708	20,247,919	-	29,711,627	-	-	-	-	9,463,708
<b>Total</b>		<b>989,834,578</b>	<b>695,210,797</b>	<b>1,837,700</b>	<b>1,683,207,673</b>	<b>68,555,181</b>	<b>71,257,099</b>	<b>403,450</b>	<b>139,408,829</b>	<b>921,279,397</b>
<b>Total (Previous Year)</b>		<b>246,217,571</b>	<b>743,862,857</b>	<b>245,850</b>	<b>989,834,578</b>	<b>32,657,547</b>	<b>35,984,931</b>	<b>87,296</b>	<b>68,555,181</b>	<b>213,560,024</b>

PARTICULARS	31.03.2009	31.03.2008
<b>SCHEDULE: F : INVESTMENTS</b>		
<b>Trade Unquoted</b>		
2,660 Equity Shares of Abhyudaya Co Op. Bank Ltd.	26,600	26,600
50,100 Equity Shares of Janakalyan Sahakari Bank Ltd.	857,250	501,000
2,00,000 Equity Shares of Muktangan Developers Pvt Ltd.	2,000,000	2,000,000
10,000 Equity Shares of Pratibha Infrastructure Pvt Ltd.	18,866	100,000
5 Equity Shares of The Greater Bombay Co. Op. Bank Ltd.	25	25
5,000 Equity Shares of Pratibha Ostu-Stettin Infrastructure Pvt Ltd.	50,000	50,000
<b>Non-Trade Unquoted</b>		
National Saving Certificates	-	15,000
<b>Non-Trade Quoted</b>		
Investment in Gold Coins (Market Value Rs.121,400/- P.Y. Rs. 97000/-)	43,911	43,911
Investment in Mutual Fund (Market Value Rs. NIL P.Y. Rs. 86,28,85,739/- )	-	850,139,975
Investment in Joint Ventures and Partnership Firms	145,791,575	182,268,207
Proportionate Consolidation Elimination	(147,860,441)	(182,172,418)
<b>Total</b>	<b>927,786</b>	<b>852,972,300</b>
<b>SCHEDULE : G : INVENTORIES</b>		
Raw Material	671,863,385	197,180,178
Consumable Stores	9,914,061	3,285,770
Work In Progress	1,366,203,208	1,616,724,754
Finished Stock	51,995,996	15,709,260
(As per Inventories certified and valued by the Management)		
<b>Total</b>	<b>2,099,976,650</b>	<b>1,832,899,962</b>
<b>SCHEDULE : H : SUNDRY DEBTORS</b>		
(Unsecured, Considered good)		
Debt Outstanding for a period exceeding 6 months	80,041,212	63,272,675
Other Debtors	1,062,743,453	374,261,451
Project Specific Debts	421,970,985	337,614,668
Proportionate Consolidation Elimination	(154,026,164)	
<b>Total</b>	<b>1,410,729,486</b>	<b>775,148,794</b>
<b>SCHEDULE : I : CASH &amp; BANK BALANCES</b>		
Cash in hand	6,605,594	6,299,025
Balance with Banks		
In Current Account with Scheduled Banks	50,243,335	133,144,025
In Demand Deposit of Scheduled Banks	664,605,749	428,810,961
<b>Total</b>	<b>721,454,678</b>	<b>568,254,011</b>

## Pratibha Industries Limited

PARTICULARS	31.03.2009	31.03.2008
<b>SCHEDULE : J : LOANS, ADVANCES &amp; DEPOSITS</b>		
Advance for Land	-	117,784,354
Advance to Pratibha Infrastructure Pvt. Ltd.	108,507	115,926
Advance to Pratibha Ostu-Stettin Infrastructure Pvt. Ltd.	252,240	250,000
Advances to Creditors	252,091,371	30,722,941
Deposits with SICOM	1,650,000	1,750,000
Deposits with various Authorities	65,850,092	11,939,972
Excise Balance	73,647,732	47,906,712
Excise Duty Credit Available	-	-
Interest Accrued But Not Due	34,250,737	17,755,014
Interest Receivable	-	-
Loans and Advances to staff	1,536,557	1,575,117
Mobilisation Advances given	201,162,714	151,320,531
Other Advances	337,381,597	235,443,057
Other Deposits	393,692,074	376,520,719
Prepaid Expenses	55,528,424	22,890,942
Sales tax Refund Due	46,750,363	-
Service Tax Credit Available	9,033,682	8,877,557
Tax Deducted At Source And Advance Tax	311,384,750	145,978,575
VAT Credit Available	30,190,695	31,412,052
Proportionate Consolidation Elimination	(429,120,869)	(115,925)
<b>Total</b>	<b>1,385,390,665</b>	<b>1,202,127,544</b>
<b>SCHEDULE : K : SUNDRY CREDITORS</b>		
Creditors under Letter of credit	554,633,033	1,060,420,773
Creditors under Purchase Bill Discounting	147,986,113	38,734,035
Other Sundry Creditors	1,306,624,320	539,835,735
Proportionate Consolidation Elimination	(341,828,669)	-
<b>Total</b>	<b>1,667,414,796</b>	<b>1,638,990,543</b>
<b>SCHEDULE : L : OTHER LIABILITIES &amp; PROVISIONS</b>		
Proposed Dividend	33,370,000	33,370,000
Provision for Annuity Period Expenses	-	52,593,623
Provision for Cess Tax	56,895	2,634,113
Provision for Corporate Dividend Tax	5,671,232	5,671,232
Provision for Directors Remuneration	12,531,343	530,875
Provision for ESIC & Provident Fund	409,055	280,869
Provision for Expenses & Other Liability	14,748,715	19,138,081
Provision for Fringe Benefit Tax	2,938,939	1,226,126
Provision for Gratuity & Other Employee Benefit	4,835,157	2,415,048
Provision for Income Tax	116,962,207	64,109,464
Provision for Interest on loan accrued but not due	4,259,926	1,280,006
Provision for Professional Tax	296,846	116,501
Provision for Salary & Wages	23,230,057	12,260,063
Provision for Service Tax	12,938,492	3,619,525
Provision for Works Contract Tax	2,838,758	2,360,905
TDS Payable (Including Interest thereon)	33,735,979	21,078,915
Unpaid Dividend	220,462	200,606
<b>Total</b>	<b>269,044,062</b>	<b>222,885,952</b>

<b>PARTICULARS</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
<b>SCHEDULE : M : ADVANCE &amp; DEPOSITS</b>		
Mobilisation Advance	862,054,555	765,335,875
Secured Advance	164,226,216	579,358,573
Security Deposits	150,472,041	76,106,258
Other Advances	104,780,738	733,622
Proportionate Consolidation Elimination	(241,318,363)	(115,925)
<b>Total</b>	<b>1,040,215,187</b>	<b>1,421,418,403</b>
<b>SCHEDULE : N : MISCELLANEOUS EXPENSES</b>		
Preliminary Expenses	299,554	148,684
Less : written off/squared off	-	-
<b>Total</b>	<b>299,554</b>	<b>148,684</b>
	<b>For the Year Ended on 31.03.2009</b>	<b>For the Year Ended on 31.03.2008</b>
<b>PARTICULARS</b>		
<b>SCHEDULE: O : OTHER INCOME</b>		
Dividend Received	30	30
DEPB Entitlement	7,514,721	-
Interest on Income Tax Refund	32,952	221,406
Profit on Redemption of Mutual Funds	34,161,011	139,975
Share of Profit from Partnership and JV	65,594,819	36,695,034
Sundry Balance Written Off	154,739	113,380
Sale of Scrap	8,049,681	83,340
Proportionate Consolidation Elimination	(65,594,819)	(36,695,034)
<b>TOTAL</b>	<b>49,913,134</b>	<b>558,131</b>
<b>SCHEDULE: P : COST OF WORK DONE</b>		
Opening Stock	1,832,899,962	273,195,766
Purchases	2,947,761,041	4,283,589,100
Add : Direct Expenses	3,472,005,613	1,725,836,891
	8,252,666,615	6,282,621,757
Less : Closing Stock	2,099,976,650	1,832,899,962
<b>TOTAL</b>	<b>6,152,689,965</b>	<b>4,449,721,795</b>
<b>SCHEDULE: Q : PERSONNEL EXPENSES</b>		
Directors Remuneration	30,688,562	8,640,000
Directors Sitting Fees	250,000	390,000
Directors Medical Expenses	225,566	247,485
Insurance Charges (Key man)	767,364	1,003,000
Salaries and wages	280,569,987	141,538,319
Contribution to PF, ESIC etc.	8,826,459	3,710,130
Staff welfare expenses	17,783,641	13,748,170
Fooding and Beverages	5,658,132	3,397,774
Ex-Gratia	739,963	364,110
<b>TOTAL</b>	<b>345,509,673</b>	<b>173,038,988</b>

## Pratibha Industries Limited

PARTICULARS	31.03.2009	31.03.2008
<b>SCHEDULE: R : ESTABLISHMENT,SELLING AND OTHER EXPENSES</b>		
Administration Charges	2,559,205	26,038
Advertisement Charges	3,927,324	2,604,583
Auditors Remuneration	1,146,421	1,712,362
Carriage Outward	25,312,787	4,518,834
Commission & Brokerage Expenses	1,403,811	863,588
Computer & Software Expenses	2,607,644	1,619,982
Discounts	800	5,306
Donation	1,975,588	1,058,374
Electricity Charges	13,880,869	6,641,626
Fees & Subscription	2,162,036	1,487,584
Foreign Exchange Fluctuation Loss	2,364,504	-
Insurance	16,714,421	27,755,994
Legal Fees & Professional Charges	109,170,165	59,770,077
Listing Fees	75,000	58,000
Loss of Subsidiary Company	14,179	66,955
Loss on Sale of Fixed Assets	318,044	27,426
Loss on Securitisation	35,263,000	64,008,154
Motor Car Expenses	16,500,815	9,159,384
Pooja & Festival Expenses	2,410,688	1,607,782
Postage & Telegram and Telephone Charges	10,535,254	6,337,737
Printing & Stationery	7,329,957	5,331,678
Rates & Taxes	261,872,666	113,178,496
Registraton Fees	298,223	1,425,816
Rent	26,579,510	19,287,302
Repair & Maintance-Office	5,255,796	858,547
Royalty Expenses	4,307,236	3,319,491
Sales Promotion	29,429,306	4,687,168
Security Service Charges	9,941,911	6,077,771
Service Charges	1,761,931	542,176
Sundry Expenses	175,485	-
Tender Expenses	2,568,345	1,610,410
Travelling Exp	23,014,350	12,717,472
Vehicle Expenses	22,567,415	9,526,035
Proportionate Consolidation Elimination	(14,179)	
<b>TOTAL</b>	<b>643,430,509</b>	<b>367,892,148</b>
<b>SCHEDULE: S : FINANCE EXPENSES</b>		
Bank Charges & Commission	20,246,672	16,148,403
Bank Commission (BG/LC)	70,834,641	57,178,292
Factoring Charges	73,031,607	22,969,370
Interest On Mobilisation	23,772,271	10,667,045
Others Interest	624,126	252,354
Interest Paid (Bank)	196,602,643	120,706,031
Interest on Finance for Vehicles & Construction Equipments	20,085,630	8,180,152
Banking Cash Transaction Tax	128,881	107,599
Less: Interest Received From Banks	(64,813,859)	(13,462,076)
<b>TOTAL</b>	<b>340,512,612</b>	<b>222,747,170</b>

**SCHEDULE - T - SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of The Companies Act, 1956. The Significant Accounting Policies are as follows:-

**A. Consolidated Financial Statements:**

The Consolidated Financial Statements relate to Pratibha Industries Limited (the Company), its subsidiary companies and the interest of the Company in joint ventures, in the form of jointly controlled entities. The Financial Statements of the subsidiary companies and the joint venture companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of the Company i.e. 31st March, 2009. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, and generally accepted accounting principles. The Consolidated Financial Statements have been prepared on the following basis:-

- The Financial Statements of the Company and its subsidiary companies (which are not in the nature of joint ventures) have been consolidated on a line-by-line basis by adding together the

book values of like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and un-realized profits or losses resulting from intra group transactions are fully eliminated.

- Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associate.
- The Consolidated Financial Statements include the interest of the Company in JVCs, which has been accounted for using the proportionate consolidation method of accounting and reporting.

**B. Depreciation:**

Depreciation on fixed assets has been provided on Straight Line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Computer software is amortized over a period of five years.

In respect of Joint Ventures & Consortiums, depreciation has been provided on written down value method at the rates and in the manner prescribed in the Income Act, 1965.

**NOTES ON ACCOUNTS**

- In the opinion of the Directors, the Current Assets, Loan and Advances will realize the value stated in the Balance Sheet if realized in the ordinary course of the Business.
- Contingent Liability:

Particulars	(Figures in Lac)	
	As at 31.03.2009	As at 31.03.2008
a) Unutilised Letters of Credit with Bankers - Domestic	4189.00	3817.31
b) Unutilised Letters of Credit with Bankers - Foreign	EURO 0.49 USD 5.27	USD 4.01 SFK 3.09 CHF 0.34
c) Bank Guarantee	32494.83	24322.00
d) Corporate Guarantee	9289.00	3421.05
e) Securitization of receivable and not realized (Secured by hypothecation of receivable from NMMC)	7275.50	10459.08
f) Estimated amounts of contract remaining to be executed on Capital Account and not provided for	400.74	323.73
g) Cases in the court, which in the opinion of the management, demand no provision of liability than what is recorded in accounts.	5.6	5.6
h) Income Tax liability (excluding Penalties) that may arise. The Commissioner of Income Tax (Appeal) has allowed the claim of Section 80IA and has passed all the appeal orders in favour of the Company. The Department has filled appeal with ITAT against the orders.	1980.03	-

3. The previous year-s figures have been reworked, regrouped, rearranged, and reclassified wherever necessary.

As per our Report of even date

For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
(M.No. 107162)  
Partner

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

For Pratibha Industries Limited

Usha B. Kulkarni                      Chairperson  
Ajit B. Kulkarni                      Managing Director  
Vinayak B. Kulkarni                Whole Time Director  
Pankaj S. Chourasia                Company Secretary

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

	31.03.2009 Amount Rs.	31.03.2008 Amount Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary items	554,381,653	401,708,357
Adjustment for :		
Depreciation	71,257,097	35,986,559
Loss/(Profit) on Sale of Assets & Investments	(33,842,967)	(112,549)
Finance Charges	340,512,612	225,051,478
Dividend Received	(30)	(30)
Employees Benefits- Opening Provision	-	(1,422,201)
Loss of Subsidiary Company	14,179	(29,785)
Operating Profit before working Capital Changes	<b>932,322,544</b>	<b>661,181,829</b>
Adjustment for:		
Inventories	(267,076,688)	(1,559,704,196)
Preliminary Expenses	(150,870)	-
Sundry Debtors	(635,580,692)	830,181,421
Loans & Advances	(183,263,121)	(817,398,173)
Sundry Creditors	28,424,253	1,208,541,178
Other Liabilities	(11,373,267)	48,061,000
Advances & Deposits	(381,203,216)	1,117,217,204
	<b>(517,901,057)</b>	<b>1,488,080,265</b>
Direct Taxes Paid	(5,723,626)	(14,444,166)
<b>Net cash used in operating activities</b>	<b>(523,624,683)</b>	<b>1,473,636,099</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Additions to Fixed Assets	(695,210,797)	(743,862,857)
Additions to Capital Work in Progress	(292,218,105)	(35,411,392)
Deletion to Fixed Assets (net)	1,116,206	129,500
Redemption / (Purchase) of investments	852,111,469	(824,777,822)
Loss of Subsidiary	(14,179)	(66,955)
Profit on redemption of Mutual Fund	34,161,011	139,975
Dividend Received	30	30
<b>Net cash used in investing activities</b>	<b>(100,054,365)</b>	<b>(1,603,849,521)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	-	607,200,000
Expenses for Issue of Capital	-	(18,989,608)
Dividend Paid	(33,350,144)	(33,169,394)
Corporate Dividend Tax paid	(5,671,232)	-
Proceeds from Long Term Borrowings (Net)	119,379,710	373,432,660
Proceeds from Short Term Borrowings (Net)	1,037,014,138	(408,288,568)
Finance Charges paid (Net)	(340,512,612)	(225,051,478)
<b>Net cash from Financing Activities</b>	<b>776,859,860</b>	<b>295,133,613</b>
<b>D NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>153,180,811</b>	<b>164,920,191</b>
Opening Cash and Cash Equivalents	568,053,405	403,133,214
Closing Cash and Cash Equivalents	721,234,216	568,053,405

Notes

1. The above statement has been prepared in indirect method as described in AS - 3 issued by ICAI.

2. Cash and Cash Equivalent

Cash and Cash Equivalent	31.03.2009	31.03.2008
Cash in hand	6,605,594	6,299,025
Balance with Banks	714,849,084	561,954,986
Less: Unpaid Dividend Balance	220,462	200,606
<b>Total</b>	<b>721,234,216</b>	<b>568,053,405</b>

As per our Report of even date  
For Jayesh Sanghrajka & Co.  
Chartered Accountants

Ashish Sheth  
(M.No. 107162)  
Partner

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009

For Pratibha Industries Limited

Usha B. Kulkarni                      Chairperson  
Ajit B. Kulkarni                      Managing Director  
Vinayak B. Kulkarni                  Whole Time Director  
Pankaj S Chourasia                  Company Secretary

Place : Mumbai  
Date: 9<sup>th</sup> May, 2009



**PRATIBHA INDUSTRIES LIMITED**

Regd. Off.: 101, Usha Kamal, 574, Chembur Naka, Chembur, Mumbai - 400 071

**ATTENDANCE SLIP**

**PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID/ Folio No. \* \_\_\_\_\_ Client ID\* \_\_\_\_\_

Name and Address of the Shareholder

No. of Shares (s) held: \_\_\_\_\_

I/We hereby record my/our presence at the **14<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, the 30<sup>th</sup> day of June, 2009 at 12.30 P.M. at Hotel Oasis, Opp. Tata Institute of Social Science, Sion Trombay Road, Deonar, Mumbai - 400 088

Signature of the shareholder or proxy

Applicable for investors holding shares in electronic form.

**PRATIBHA INDUSTRIES LIMITED**

Regd. Off.: 101, Usha Kamal, 574, Chembur Naka, Chembur, Mumbai - 400 071

**PROXY FORM**

DP ID/ Folio No. \* \_\_\_\_\_ Client ID\* \_\_\_\_\_

I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member/members of Pratibha Industries Limited hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ or falling him/her \_\_\_\_\_

of \_\_\_\_\_ of \_\_\_\_\_ or falling him/her

\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and

on my/our behalf at the **14<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, the 30<sup>th</sup> day of June, 2009 at 12.30 P.M. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Affix Re.1  
Revenue  
Stamp

\* Applicable for investors holding shares in electronic form.

**NOTE:**

- (1) The proxy in or to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- (2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.









**Pratibha Industries Limited**

**Shrikant Chambers, Phase-II, 5th Floor, Next to R.K.Studio, Chembur, Mumbai-71, INDIA.**

**Tel: +91 22 6641 4499 Fax: +91 22 6641 4400**

**[www.pratibhagroup.com](http://www.pratibhagroup.com)**