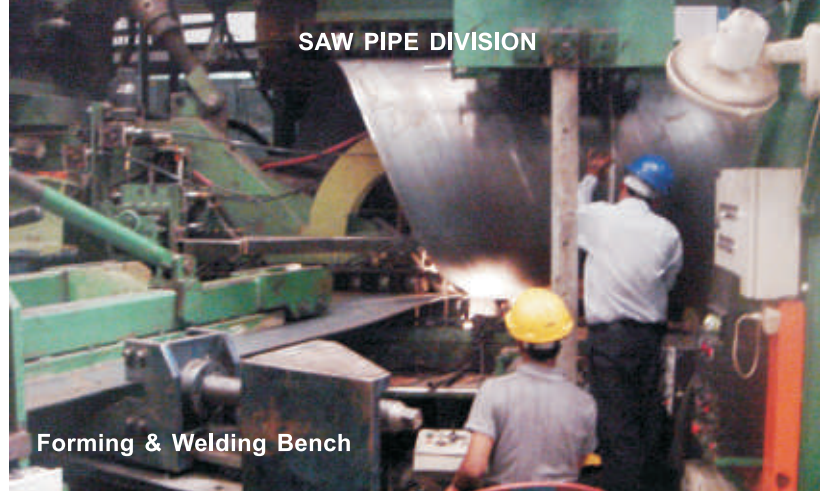




PRATIBHA
Industries Limited

Annual Report 2007-08

PRATIBHA



Forming & Welding Bench



Kick off Bed



Plasma Cutting



Final Product



**Truss under construction
Amritsar International Airport**



**Truss completed
Amritsar International Airport**



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REGISTRARS AND TRANSFER AGENTS

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078
Tel No. 022-25963838 / Fax: 022 - 25946969
Website: www.intimespectrum.com
E- Mail: pratibha@intimespectrum.com

BOARD OF DIRECTORS

Mrs. Usha B. Kulkarni	<i>Chairperson</i>
Mr. Ajit B. Kulkarni	<i>Managing Director</i>
Mr. Vinayak B. Kulkarni	<i>Whole time Director</i>
Mr. Anilkumar G. Karkhanis	<i>Independent Director</i>
Mr. Awinash M. Arondekar	<i>Independent Director</i>
Mr. Shrikant T. Gadre	<i>Independent Director</i>

COMPANY SECRETARY

Mr. Pankaj S. Chourasia

BANKERS TO THE COMPANY

Bank of Baroda
State Bank of India
Bank of India
Punjab National Bank
ICICI Bank Ltd
Standard Chartered Bank
Axis Bank

STATUTORY AUDITORS

M/s. Jayesh Sanghrajka & Co.,
Chartered Accountants

INTERNAL AUDITORS

M/s Chokshi & Chokshi,
Chartered Accountants

REGISTERED OFFICE

101, Usha Kamal,
574, Chembur Naka,
Chembur, Mumbai 400071.
E-mail: info@pratibhagroup.com
Website: www.pratibhagroup.com

CORPORATE OFFICE

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

DELHI OFFICE

1249/9, Aruna Asif Ali Marg,
Basant Kunj, New Delhi-110070.

HYDERABAD OFFICE

Shop No. 101, 101A, House No. 3-6-521
Himayath Nagar, Main Road, Himayath Nagar
Hyderabad.

WORKS

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

FIVE YEARS AT A GLANCE (CONSOLIDATED)

(Rs. In Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Total Income	5651.07	3007.77	1746.32	1214.44	818.19
Operating Expenses	4988.32	2637.48	1531.45	1057.35	747.71
Operating Profit	662.75	370.29	214.87	157.09	70.48
Finance Charges	225.05	123.40	71.12	66.02	29.54
Depreciation	35.99	11.27	6.63	4.65	3.66
Profit Before Tax	401.71	235.62	137.12	86.42	37.28
Profit After Tax	342.61	204.29	122.75	80.90	36.49
Equity	166.85	142.85	142.85	20.00	20.00
Reserves	1672.05	805.73	679.49	165.39	84.49
Net Worth	1838.90	948.58	822.34	185.39	104.49
What we owned					
Fixed Assets					
Gross Block	989.84	246.22	156.60	99.53	86.52
Less : Depreciation	68.56	32.66	21.71	15.33	11.73
Net Block	921.28	213.56	134.89	84.20	74.79
Capital Work in Progress	315.24	279.83	-	-	-
Investments	852.97	28.13	294.59	4.87	4.87
Working Capital	1095.14	1794.32	854.02	471.70	249.45
Miscellaneous Expenditure	0.15	0.15	43.07	-	0.02
Total	3184.78	2315.99	1326.57	560.77	329.13
What we owed					
Secured Loans	1284.34	1063.13	415.71	355.28	224.24
Unsecured Loans	43.73	299.79	87.56	19.35	-
Deferred Tax Liability	17.81	4.49	0.96	0.75	0.40
Total	1345.88	1367.41	504.23	375.38	224.64
Net Worth	1838.90	948.58	822.34	185.39	104.49
Represented by					
Share Capital	166.85	142.85	142.85	20.00	20.00
Reserves & Surplus	1672.05	805.73	679.49	165.39	84.49

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Pratibha Industries Limited will be held on Friday, 20th June, 2008 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 businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at March 31, 2008, 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 on equity shares;
3. To appoint a Director in place of Mrs. Usha B. Kulkarni who retires by rotation and being eligible offers herself for re-appointment;
4. To appoint a Director in place of Mr. Awinash M. Arondekar, 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 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. Rohit Katyal, a relative of Mrs. Usha B. Kulkarni, Chairperson of the Company, to hold an office or place of profit as the Chief Operating Officer of the Company for a period of five years commencing from 01st April, 2008 or from such date as the Central Government may approve, on the following terms and conditions:
 1. Salary : Not exceeding Rs. 4,00,000 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.5,00,000/-
 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.
7. 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. Rahul Katyal, a relative of Mrs. Usha B. Kulkarni, Chairperson of the Company, to hold an office or place of profit as the Chief Marketing Officer of the Company for a period of five years commencing from 01st April, 2008 or from such date as the Central Government may approve, on the following terms and conditions:
 1. Salary : Not exceeding Rs. 3,00,000 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.3,00,000/-

3. Perquisites and Allowances as per the policy of the company, including:
- (i) Leave Travel Allowance;
 - (ii) Bonus;
 - (iii) Medical and Accident Insurance premium as per Company rules;
 - (iv) Provision for chauffer driven car;
 - (v) Leaves in accordance with the leave rules of the Company from time to time;
 - (vi) Other benefits as per the policy of the Company applicable from time to time.
8. 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. Sanjay Kulkarni, a relative of the Directors of the Company, to hold an office or place of profit as the General Manager- Business Development of the Company for a period of five years commencing from 1st April, 2008, or from such date as the Central Government may approve, on the following terms and conditions:
1. Salary : Not exceeding Rs. 2,25,000 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.2,25,000/-
 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 chauffer 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.
9. 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 Section 163 of the Companies Act, 1956, the company hereby approves that the Register of Members, the Index of Members, and copies of all annual returns prepared under section 159 of the Act together with the copies of the certificate and documents required to be annexed thereto under section 161 of the Act or any one or more of them or any other Statutory Register, be kept at the company’s Administrative office at ‘Shrikant Chambers, Phase II, 5th Floor, Sion Trombay Road, Chembur, Mumbai – 400 071 instead of being kept at the Registered Office of the company”

By Order of the Board of Directors

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

Date : 2nd May, 2008
Place : Mumbai,

Pankaj S. Chourasia
Company Secretary

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 dematerialised 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 Saturday & Sunday, 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 Friday, 13th June, 2008 to Friday, 20th June, 2008 (both days inclusive).
9. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Intime Spectrum Registry 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. Intime Spectrum Registry Ltd.
11. Re-appointment of Directors
At the ensuing Annual General Meeting, Mrs. Usha B. Kulkarni and Mr. Awinash M. Arondekar, 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.

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

ITEM NO. 6

Mr. Rohit Katyal was appointed as Chief Operating Officer of the Company w.e.f. 1st November, 2005 by the Board of Directors. The appointment at an office or place of profit of Mr. Rohit Katyal is approved by the Board of Directors, Members in General Meeting and the same is also approved by the Central Government as per the provisions under Section 314 (1) (B) of the Companies Act, 1956.

Considering the increase in business activities, complexity, growth of the Company and prevalent industry standards for such posts, the board has decided to re-appoint Mr. Rohit Katyal as Chief Operating Officer for a further period of five year commencing from 1st April, 2008.

Mr. Rohit R. Katyal, aged 37, is a commerce graduate from Mumbai University. He established Mechanical Division for one of the promoter group companies in 1996 and has gained vast experience of about 17 years in various capacities in the promoter group companies. He is responsible for various functions such as planning & execution, finance & accounts, corporate affairs, team building, interacting with clients etc..

The Board of Directors and also the Remuneration Committee [in terms of Director's Relatives (Office or Place of Profit) Rules, 2003] in their respective meetings held on 02-May-2008, appointed Mr. Rohit R. Katyal as Chief Operating Officer for a further period of five years w.e.f. 1st April, 2008.

Further, the Company shall approach to the Central Government to take approval under Section 314 (1B) of the Companies Act, 1956, for a maximum remuneration upto Rs. 4,00,000 per month plus annual bonus, perquisites, benefits and increments. The Board of Directors shall within this limit 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. Rohit R. Katyal.

In the light of explanations and justifications given above, it is recommended to approve the appointment of Mr. Rohit Katyal as the Chief Operating Officer for a period of five years w.e.f. 01-April-2008. The remuneration proposed to be paid to Mr. Rohit Katyal is commensurate with his experiences and is in line with Company's HR Policies and prevalent industry standard.

The appointment is in the interest of the company and the Board recommended the resolution as special resolution for approval of the members.

Except Mrs. Usha B. Kulkarni, Chairperson, none of the Directors of the Company is concerned or interesting in the resolution.

Item No. 7

Mr. Rahul Katyal was appointed as Chief Marketing Officer of the Company w.e.f. 1st April, 2007 by the Board of Directors of the Company in their meeting held on 11th May, 2007 and also approved by the shareholders of the Company in their 12th Annual General Meeting held on 20.06.2007. The Company has also received approval of the Central Government under Section 314 (1) (B) of the Companies Act, 1956, for holding of office or place of profit by Mr. Rahul Katyal.

Considering the increase in business activities, complexity, growth of the Company and prevalent industry standards for such posts, the board has decided to re-appoint Mr. Rahul Katyal as Chief Marketing Officer for a further period of five years commencing from 1st April, 2008.

Mr. Rahul Katyal aged 32, a commerce graduate, having more than 10 years of experience in the field of business development, has been appointed as Chief Marketing Officer in the Company.

The Board of Directors and also the Remuneration Committee [in terms of Director's Relatives (Office or Place of Profit) Rules, 2003] in their respective meetings held on 02-May-2008, appointed Mr. Rahul R. Katyal as Chief Marketing Officer for a further period of five years w.e.f. 1st April, 2008 at a salary not exceeding Rs. 3,00,000 per month plus annual performance bonus, other perquisites and increments.

Further the Company is proposed to approach to the Central Government to take approval under Section 314 (1B) of the Companies Act, 1956, for a maximum remuneration upto Rs. 3,00,000 per month plus Annual Bonus, other perquisites and increment. The Board of Directors shall within this limit 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. Rahul R. Katyal.

In the light of explanations and justifications given above, it is recommended to approve the appointment of Mr. Rahul Katyal as the Chief Marketing Officer for a period of five years w.e.f. 01-April-2008. The remuneration proposed to be paid to Mr. Rahul Katyal is commensurate with his experiences and is in line with Company's HR Policies and prevalent industry standard.

The propose appointment is in the interest of the company and the Board recommended the resolution as special resolution for approval of the members.

Except Mrs. Usha B. Kulkarni, Chairperson, none of the Directors of the Company is concerned or interesting in the resolution.

Item No. 8

Mr. Sanjay V. Kulkarni was appointed as General Manager – Business Development of the Company w.e.f. 1st November, 2003 by the Board of Directors of the Company. The appointment at an office or place of profit of Mr. Sanjay V. Kulkarni is approved by the Board of Directors, Members in General Meeting and the same is also approved by the Central Government as per the provisions under Section 314 (1) (B) of the Companies Act, 1956.

Considering the increase in business activities, complexity, growth of the Company and prevalent industry standards for such posts, the board has decided to re-appoint Mr. Sanjay V. Kulkarni as General Manager – Business Development for a period of five years commencing from 1st April, 2008.

Mr. Sanjay V. Kulkarni, aged 33, possesses Diploma in Civil Engineering, a Degree in Mechanical Engineering and also a Degree in Master of Business Administration in business finance, having more than 9 years of experience in the field of business development has been appointed as General Manager – Business Development in the Company, Prior to this assignment Mr. Sanjay Kulkarni was employed with Pratibha Pipes & Structural Limited, an associates concern of Pratibha Industries Limited, for more than 6 years, where he had proven his skills.

The Board of Directors and the Remuneration Committee [in terms of Director's Relatives (Office or Place of Profit) Rules, 2003] in their respective meetings held on 02-May-2008, appointed Mr. Sanjay Kulkarni as General Manager – Business Development for a further period of five years w.e.f. 1st April, 2008 at a salary not exceeding Rs. 2,25,000 per month plus Annual Performance Bonus, other perquisites and increment.

Further, the Company is proposed to approach to the Central Government to take approval under Section 314 (1B) of the Companies Act, 1956, for a maximum remuneration upto Rs. 2,25,000 per month plus Annual Performance Bonus and other perquisites, The Board of Directors shall with in this limit or such limit as may be approved by the Central Government in this behalf, decide from time to time the remuneration to be paid to Mr. Sanjay Kulkarni.

In the light of explanations and justifications given above, it is recommended to approve the appointment of Mr. Sanjay Kulkarni as the General Manager- Business Development for a period of five years w.e.f. 1.4.2008. The remuneration proposed to be paid to Mr. Sanjay Kulkarni is commensurate with his experiences and is in line with Company's HR Policies and prevalent industry standard.

The propose appointment is in the interest of the company and the Board recommended the resolution as special resolution for approval of the members.

Except Mrs. Usha B. Kulkarni, Chairperson, and Mr. Vinayak B. Kulkarni, Whole Time Director, none of the Directors of the Company is concerned or interesting in the resolution.

Item No. 9

As per the provisions of the Section 163 of the Companies Act, 1956, the statutory records of the company are required to be kept at the registered office of the company. If the same are to be maintained other than the registered office then the same is required to be approved by the members in general meeting.

Due to insufficient space and for better administrative control and convenience, the same is proposed to be kept at the administrative office at Shrikant Chambers, Phase-II, 5th Floor, Sion - Trombay Road, Next to R. K. Studio, Chembur, Mumbai – 400071.

The Board recommended the resolution as special resolution for approval of the members.

None of the Directors of the Company are concerned or interested in the resolution.

By Order of the Board of Directors

Date : 2nd May, 2008
Place : Mumbai,

Pankaj S. Chourasia
Company Secretary

DIRECTORS' REPORT

To,

The Members

Your Directors have great pleasure in presenting the 13th Annual Report together with the Statement of Accounts for the financial year ended 31st March, 2008.

The performance of the Company for the financial year ended 31st March, 2008, is summarised below:

FINANCIAL RESULTS:

	(Rupees in Millions)	
	Consolidated	
	31.03.2008	31.03.2007
Income	5651.07	3007.77
EBIDTA	662.75	370.28
Less : Interest & Finance Charges	225.05	123.40
Less : Depreciation & Amortisation	35.99	11.26
Profit Before Tax	401.71	235.62
Provision for Tax	59.10	31.33
Profit After Tax (PAT)	342.61	204.29
Earning Per Share- Basic & Diluted (in Rs.)	22.88	14.30

PERFORMANCE REVIEW:

The performance of the Company was robust during the last year and company has clocked a record turnover of Rs.565 Crores, which has increased by phenomenal 85% compared to Rs.301 cores in the previous year. The order book position of the company has also seen a substainal growth. The order book has surged to a record level and crossed the psychological land mark of Rs. 2000 Crores and stood at Rs. 2050 Crores. The execution period of these orders ranges from one year to four years. Your company is very confident and bullish on getting more big size orders, which will have substantial positive impact on the working, profitability and standing of the company in the industry.

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 constitutes approximately 60-70 % of total turnover of the Company and the order book also consists of substainal projects from the water segment. During the financial year the company has successfully commissioned the crucial and sizeable first phase of the New Mumbai Municipal Corporation (NMMC) water pipeline project. In addition to water projects, roads, tunnelling, airports, urban infrastructure etc. are also contributing towards the encouraging performance of the company.

In a conscious deviation move, your company is exploring various options to expand the base of activities. Accordingly, in recent past, the company has aggressively and consciously ventured into relatively new segments viz. building and modernisation of airports, tunnelling, construction of high rises, shopping malls, development of urban infrastructure etc. In pursuit of this, 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's foray into relatively new fields is an indication of the Company's desire to diversify itself and play a role of full fledged infrastructure development Company. The efforts for diversifying activities will enable company to execute more extreme engineering projects in future. The Company, despite increasing its base and diversifying activities, has maintained its edge and efficiency in niche water segments. Your Company further wishes to diversify and embark upon lucrative and complex highway construction projects of NHAI, Hydrocarbon, civil work for power generation and waste water treatment in near future.

The Company has been awarded the following contracts during the year under review.

Sr.	Name of work	Department	Value of Contract in INR
1	Construction of a Tunnel and allied works from Malabar Hill to Cross Maidan for transportation of water in joint venture with Patel Engineering Limited. The project involves construction of a 3.5 k.m. Tunnel of 2800 mm diameter with shafts and allied works from Malabar Hill to Cross maidan	Municipal Corporation of Brihanmumbai Mumbai Maharashtra	1,566,803,000.00
2	Construction of a tunnel and allied works at Modak Sagar for transportation of water in joint venture with Ostu- Stettin Hoch u. Tiefbau GmbH and Austrian company. The project involves construction of a 7.5 km Tunnel of 4100 mm diameter with allied work.	Municipal Corporation of Brihanmumbai Mumbai Maharashtra	2,225,237,638.00
3	Improvement of Nishant & Doodhganga Water supply schemes by providing, laying of D.I. pipe lines including allied works at Srinagar in the State of Jammu & Kashmir	Project Manager Project Implementation Unit-Urban Srinagar J&K Economic Reconstruction Agency Shrinagar (J & K)	196,906,623.00
4	Providing, laying, Jointing, Testing & Commissioning of clear water rising mains and feeder mains at Jabalpur.	The Commissioner, Municipal Corporation, Jabalpur. Madhya Pradesh	264,380,414.00
5	Supply, laying & jointing of feeders mains and all allied works in Indore city	The Commissioner, Indore Municipal Corporation, P I U MP Urban (ADB) Project Musakhedi, Indore Madhya Pradesh	641,697,162.26
6	Supply and laying of pure water pumping main and all allied works from water treatment plant to break pressure tank	The Commissioner, Indore Municipal Corporation, P I Unit MP Urban (ADB) Project Indore, Madhya Pradesh	336,109,669.90
7	Providing & laying 3000mm Internal diameter M.S. above ground water main including cement mortar lining from inside & allied works, Section-I from Aghai to Jamboli	Municipal Corporation of Brihanmumbai Mumbai Maharashtra	2,737,144,760.04
8	Providing & laying 3000mm Internal diameter M.S. above ground water main including cement mortar lining from inside & allied works, Section-III from Pogon to Gundvali	Municipal Corporation of Brihanmumbai Mumbai Maharashtra	1,611,411,796.18

9	Construction of link road MR-9 (MR-10 to bye By-pass via Electronic Complex) Indore.	Indore Development Authority, Indore, Madhya Pradesh	311,800,000.00
10	Construction of Link Road from White Church to Bye Road.	Indore Vikas Pradhikari, Indore, Madhya Pradesh	162,200,000.00
11	Construction of Pilot corridor on A.B. Road, (Niranjanpur to Rajiv Gandhi Square) under BRTS, Indore, M.P.	Indore Development Authority, Indore, Madhya Pradesh	1,377,014,087.47
12	Construction / Expansion of Domestic Arrival Terminal Building for Delhi International Airport (P) Ltd. Delhi.	Delhi International Airport Pvt. Ltd. New Delhi	413,500,000.00
13	Design and construction of storm water pumping station including supply, delivery, erection, commissioning of mechanical, electrical instrumentation and automation works and comprehensive operation and maintenance of pumping plant at Irla, Mumbai	Municipal Corporation of Brihanmumbai Mumbai Maharashtra	770,667,300.00
14	Construction of Imperial Height at Oshiwara embracing podium upto 4th floor above G.L. & 4 towers of 44 floors above podium P1 to P4 & Deck level P5.	Vijay Associate Constructions Pvt. Ltd. Mumbai Maharashtra	589,185,798.00
15	Replacement of worn out rising mains and laying of New Rising mains and gravity mains in various part of Jammy City (Strengthening of existing system Phase-III)	Project Manager (Urban), PIU, J&K ERA, 13, C/C Gandhi Nagar, Jammu & Kashmir	454,873,261.00
16	Civil Mechanical & Electrical works for 900 MLD capacity water pumping station at Bhandup Complex.	Municipal Corporation of Brihanmumbai, Mumbai Maharashtra	489,157,832.72
17	Proposed Commercial Tower on plot bearing F.P. No. 616 (PT) OF T.P.S., IV, Mahim Division, on Tulsi Pipe Road, Dadar, (West), Mumbai. (Sunshine Tower)	Sunshine Housing Devl. Pvt. Ltd. Mumbai Maharashtra	370,252,089.00
		TOTAL	14,518,341,431.57

SAW PIPE DIVISION

During the year under review, the Company has commissioned its SAW 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). The Saw Pipes division has a capacity of 92000 TPA. The Pipe division also has a coating division viz., 3 LP coating plant, which is on schedule. The commercial productions are likely to be started in second quarter of the next fiscal. The capacity of 3 LP coating plant is 1.7 million sq. mtrs.

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 big way.

CERTIFICATION

Recently, the Company has received prestigious and crucial API certifications from American Petroleum Institute for its SAW Pipe Manufacturing Unit. These certifications will enable Company to supply and undertake work order for lucrative Oil and Gas Industries.

SCHEME OF ARRANGEMENT AND AMALGAMATION

To augment synergies between the group companies and to improve the working of the companies and also to concentrate on two business segments (viz. infrastructure and pipe manufacturing) more judiciously and efficiently, a scheme of amalgamation and reconstruction is proposed.

The Board of Directors of the Company in their meeting held on 17th March, 2008 has approved the Scheme of Amalgamation of Pratibha Shareholding Private Limited (PSPL) and One Metro India Private Limited (OMIPL) with the Company and also to de-merger of Saw Pipes division of the Company to Pratibha Pipes & Structural Limited (PPSL)

On Amalgamation of PSPL and OMIPL with the Company, PPSL will become the wholly owned subsidiary of the Company. Demerger of Saw pipes divisions into PPSL will help the Company to concentrate on infrastructure business and ultimately will substantially enhance the stakeholders' value.

The Company has also received approval from the BSE and NSE in respect of the Composite Scheme of Merger and Demerger.

DIVIDEND

The Board recommends dividend @ 20% on equity shares of Rs. 10 each. The total outgo on this account shall be 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.

QIP ISSUE

During the year under review, to augment the source and expedite the execution of the various projects, the Company has issued and allotted 24,00,000 equity shares to qualified institutional buyers at a price of Rs.253.00 (Including premium of Rs.243/-) per shares on QIP (Qualified Institutional Placement) basis. The company has raised Rs. 60.72 Crores by the QIP issue. The shares were allotted to Reliance Capital Asset Management Limited and Merrill Lynch Capital Markets Espana S.A.

FIXED DEPOSITS

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

DIRECTORS

Mrs. Usha B. Kulkarni and Mr. Awinash M. Arondekar 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 with the Stock Exchanges have been given under Corporate Governance of this Report.

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, 2008 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.

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 at the Registered Office 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 letter from them to the effect that their appointment / 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

Your Company is dedicated for Conservation of Energy for its manufacturing division. Conservation of energy is an on going process in the Company's construction divisions. The Company has commenced manufacturing activities during the year; therefore, the Company is exploring the various areas for conservation of energy by implementation of various proposals. Your company is confident to get better results for such measures in coming years.

Power and Fuel Consumption

Particular	Units	Total cost (Rs.)	Rs. Per Unit
i. Electricity			
(a) Purchased – Saw pipes Division	1011540	4,999,664	4.94
(b) Own Generation			
Diesel Generator	383675	4,185,540	10.91
ii. Coal	Nil	Nil	Nil
ii. Furnace Oil	Nil	Nil	Nil

Consumption per unit of Production

Particulars	Total Unit	Total Production(MT)	Unit/MT
Electricity	1395215	26121	53.41
Coal	Nil	Nil	Nil
Furnace Oil	Nil	Nil	Nil

There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted. Innovation is a culture in the Company to achieve cost efficiency in the construction activity to be more and more competitive in the prevailing environment that cannot be quantified.

During the period under review, the Company had incurred Rs. 332,947,178 expenses in Foreign Currency. Out

of these INR 1,586,000, is incurred on foreign travel and INR 325,186,820 being the CIF Value of capital goods, materials & stores imported, rest is incurred on professional fees, registration fees and training of staff.

There are no foreign exchange earnings in the period under review.

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 with the stock exchanges, a separate section on Corporate Governance forms part of the Annual Report

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.

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 continued support and co-operation received from the Central and State Governments, civic corporations 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 : 2nd May, 2008
Place : Mumbai,

Usha B. Kulkarni
Chairperson

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure – General

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. With rapid growth of the economy in recent years, the importance and urgency of putting in place a quality infrastructure has increased. The Indian infrastructure / construction industry is expected to continue its northward movement in the future as well. As per estimated figure the infrastructure and construction industries will contribute 16.98% to Indian GDP by 2012.

In the past few years, the Indian government's focus has been directed towards improvement of road, housing infrastructure, urban water supply & sanitation and development of airports. As per the estimates of the Planning Commission, about US\$ 500 billion needs to be spent over the 11th Five Year Plan period of 2007-08 to 2011-12 on building India's infrastructure. The Government has increased allocations for power, road, water etc, which would augur good times for construction companies in terms of healthy order book growth and better revenues. CRISIL Research estimates suggest that these allocations would translate into construction investments of INR 290.86 billion in the segments of roads, urban infrastructure and irrigation [including water].

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.

In Road sector, substantial development has been taken place. The Government has earmarked about INR 14000 billion for construction and upgradation of various roads. A further investment of INR 31415 billion has been earmarked by the Central Government for the roads and bridges sector during the Eleventh Five Year Plan. Apart from construction of Highways, the Government is also upgrading thousand of kilometers of NHDP under Phase-III.

In recent times, major initiatives have been taken to maximize the role of public-private partnerships (PPPs). The government has provided a large number of incentives to attract private sector investment. This includes creation of Special Purpose Vehicles and a Viability Gap Funding scheme for financing infrastructure projects. Barring aviation, all infrastructure sectors have also been opened up for 100 per cent FDI. There is a growing trend of Public-Private Partnership (PPP) in implementation of infrastructure projects in India.

The Central Government, in 2005-06, has launched a scheme "Jawaharlal Nehru National Urban Renewal Mission" for urban infrastructure development. This scheme ensures and encourages public-private participation in the areas where it is feasible. Under the scheme, the highest priority has been accorded to sectors namely water supply, sanitation and storm water drainage etc. A total investment of INR 33535 billion has been envisaged for the development of urban services.

Industry Structure – Specific to Pratibha Industries Limited

Pratibha Industries Limited has continued to exhibit its abilities to undertake more challenging and complex project(s) involving serious engineering and executed various project(s) during the year under review. The endeavor to venture into more engineering based projects which currently have lower penetration from competition perspective, ensured that your company was successful in maintaining profitability projections even as the top-line grew 80% and despite of huge volatility in the commodity markets.

Pratibha Industries Limited will continue to strive to explore new areas which fall in the ambit of its core competence. The entry into the lucrative hydrocarbons division is well on track. With the commissioning of the HSAW pipe division in 2007-08 and with the coating division slated to start commercial production from August 2008, your Company will be amongst the first to have world class pipe manufacturing and coating facilities to fully back up the piping needs arising from its operations in water and hydro-carbon segments, as also to cater to the ever increasing market which is currently witnessing serious demand supply mismatch. We are convinced that efforts taken over the past two years will put your company well and truly on the road to realize its goal of being a leading player in its area of operation.

In view of the new manufacturing facilities built during the financial year under review, which have already been accorded with ISO/TS 29001 certification for Design and Manufacture of Line Pipe by American Petroleum Institute and owing to the enhanced execution abilities of construction projects, your Company will continue to focus with enhanced vigor and greater determination on the following segments, on both – EPC and PPP basis;

1. Water Projects including treatment, re-cyclanation, storage & distribution, with special focus on water management projects.
2. Irrigation Projects.
3. Urban Infrastructure
 - a. Airports,
 - b. Malls and retail infrastructure,
 - c. High Rise buildings,
 - d. Specialty buildings,
 - e. Mass rapid transit systems,
 - f. Car parks,
 - g. Tunneling projects,
 - h. Construction of modern age railway stations.
4. Surface transportation segment – roads and highways.
5. Construction activities in thermal power plants.
6. Hydrocarbons.

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 mid term. 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 specialised projects.

Saw Pipes division

The recently commissioned pipe manufacturing unit 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 and water. Many companies including public sector companies are opting for transportation of the Hydro Carbon through pipe lines. 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.

Industry concerns and Company's perspective

Risk is inherent in every business, whether internal or external. Global slowdown, resultant of which India too could witness some slowdown, though a hypothetical thought at this moment, could translate into a potential risk. Allied risks like inflationary trends in commodity prices, higher interest rates, volatility in forex rates and shortage of skilled human resource are issues which need to be addressed and processes have been formalized for identifying and assessing such business risks. For one, having your own manufacturing base for the commodity substantially used by your infrastructure division, cuts down risk posed by volatility related to this commodity, to a large extent. Similarly, long term contracts with main producers of other commodities [DI Pipes, Valves etc], also helps in addressing the price escalation risks.

We now address each concern specific to the industry in which Pratibha operates, followed by your Company's perspective and subsequent preparedness in respect to such risks;

Concern - 1

The prices of commodities [fuel, steel & cement] have risen substantially over the past four months. This will impact the profitability of the Company.

Company's Perspective

There is no denying the fact that the prices of all important commodities consumed in our projects have increased substantially. However, alongside such increase the inflation index, both Wholesale Price Index & Commodity Based Index have also increased likewise. Since, all the projects being currently executed for the public sector utilities / bodies carry escalation clauses [majority being commodity linked], a major part of such increase is bound to be realized. Similarly, for all projects being executed in the Private sector, your Company has pass through clauses, which means that any & all increases in commodities [steel / cement] will be reimbursed in totality by such private sector clients. In spite of such indemnity by virtue of the existing price escalation clauses, there is bound to be some minor impact, due to which margin expansion in the financial year 2008-09 is not foreseen, in spite of the fact that revenues will grow and direct costs as a percentage to turnover will reduce.

Concern - 2

Interest rates have been increasing, which are not reimbursable in contracts taken up by the Company, This could have adverse impact on the margins.

Company's Perspective

The interest costs have been more or less stable over the past 12-14 months. Owing to the robust growth and better margins the Company as a fact has been able to reduce the commissions on the non fund based limits [bank guarantees & letter of credits]. Further, your Company has been rated as A-/Stable for long term loans and P2 + for short term loans by CRISIL, which will enable it to negotiate better and favorably with banks / financial institutions in respect to the rate of interest being currently charged.

Concern - 3

Prevailing liquidity crunch in the global markets could result in inadequate financial arrangements, resultant of which projects under execution could be delayed and result in cost overruns.

Company's Perspective

The year under consideration [2007-08] saw your company reducing the debt-equity ratio from 1.44:1 to 0.72:1. In view of reduced debt-equity ratio, enhanced net worth, free cash reserves and better margin guidelines for Infrastructure Companies, the balance sheet of your Company is well leveraged to raise substantial funds as required to maintain the CAGR. Further, all the public private partnership [PPP] projects will be executed at SPV level, thereby ensuring that the balance sheet of the Company remains well leveraged at all times.

Concern - 4

Complex infrastructures projects are by nature have long gestation periods. While project execution is planned after taking into consideration all possible factors, unexpected events may still cause delays. For instance in the case of Tunnel Projects, which is currently under execution, there could be geological surprises causing the projects to be delayed.

Company's Perspective

Your Company has been executing complex projects successfully for years together and such risks, as mentioned hereinabove, are inherent to the business in which it operates. However, your Company has ensured an order book with geological spread [pan India presence] and clients from both – public and private sector and orders from practically all segments in which it operates. Further, tunneling projects being executed are in technical joint venture will established global partners, who have more than three decades of experience in similar activities. Moreover, execution of such projects is started only once proper study on geological front is conducted. It is essential to add that projects like tunneling are equipment based / lesser dependent on human skills and your Company has acquired all such critical equipments as necessary to execute such projects involving extreme engineering.

Concern - 5

Shortage of skilled manpower could derail the Company's expansion plans and result in time & subsequent cost overruns

Company's perspective

Your company has placed serious emphasis on human resource, its training and growth. Lower rates of attrition amongst all level of its employee's bear testimony of having successfully created an environment conducive to overall growth of the most priced asset of the organization – its people. The company is and shall remain committed to providing its work force with a setting, which guarantees mutual development. The Company has identified and put in place experience and youth which augur well for the future growth plans of the company.

On the basis of the above submission, it can be safely concluded that the Company has requisite human resource to achieve the targeted revenues

Outlook

Your company has shown robust growth over the past five years and will continuously focus to achieve similar growth in future as well. Pratibha believes in increasing the value of all its stakeholders and will endeavor to do so by enhancing qualitative presence in all the segments of infrastructure sector it currently operates in and by adding hydrocarbons to the list in the current fiscal.

With opportunities galore in the construction and infrastructure space, your Company is well equipped to further strengthen its position in the Industry.

Segment Wise Performance

Segment wise performance is indicated hereunder

[Amount in million]			
Sl.	Segment	Turnover	% - Turnover
1	Water & Environmental Engineering	3707.55	65.61%
2	Urban Infrastructure	810.56	14.35%
3.	Roads	140.56	2.49%
4.	Manufacturing – SAW Pipes	991.83	17.55%
	Total	5650.50	100.00%

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 ERP program has been partially implemented and some departments have already been linked. The SAW Pipe division will be totally integrated by August 2008.

Financial Performance

Your Company recorded remarkable increase in profits through twin approach of growth in top-line and effective cost management.

The Company has achieved turn over of Rs.565.05 crores during the years ended 31st March, 2008 as compared to Rs.300.39 crores lat years reflecting growth of 88% in turnover.

Profit after tax, is Rs. 34.26 crores as compared to Rs. 20.42 crores during the previous year reflecting growth of 67.70%.

Basic earning per shares for the year is Rs. 22.88 as compared to Rs. 14.36 per shares during the previous year.

Conclusion

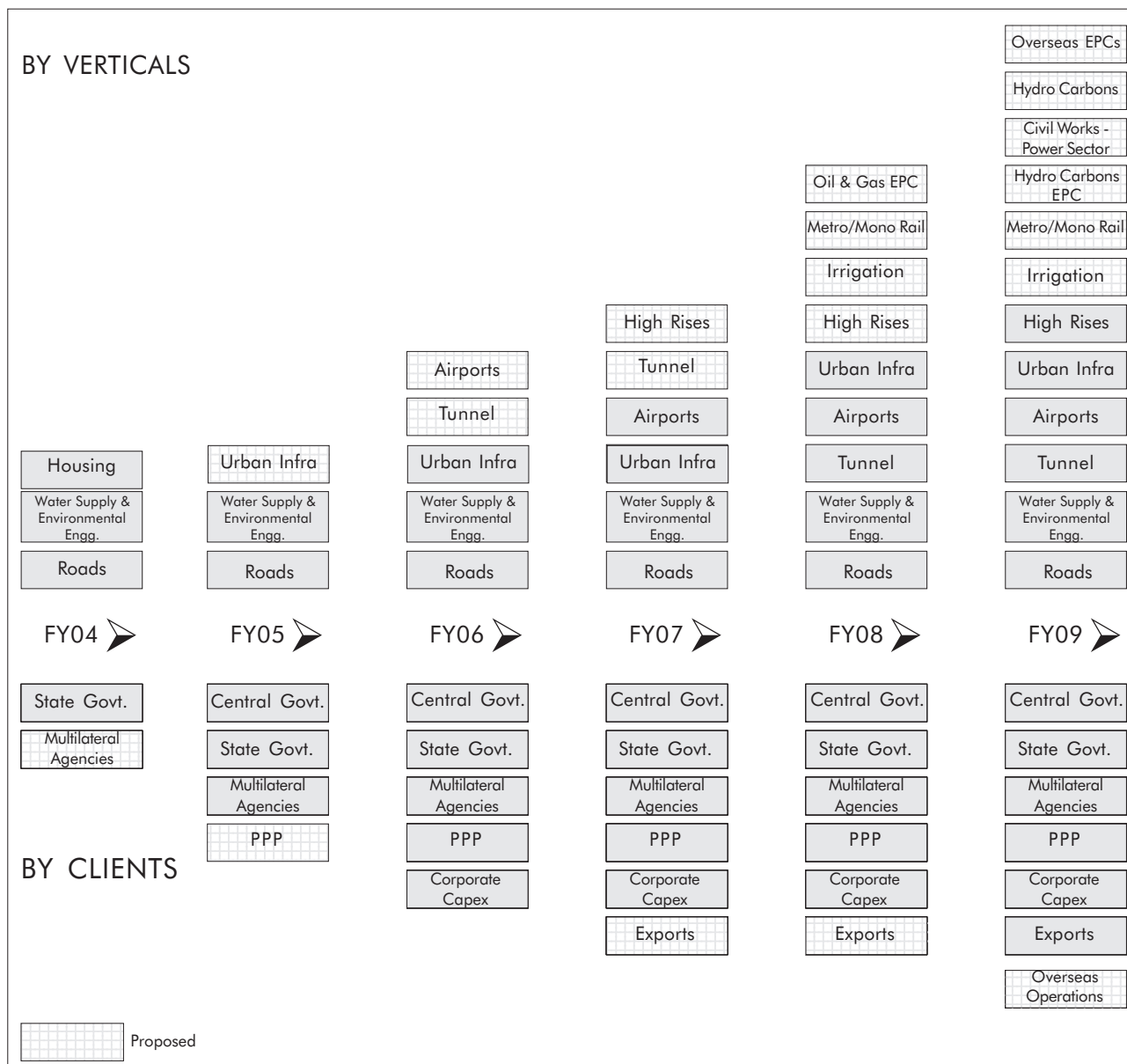
To conclude, your Company has delivered a healthy performance, particularly viewed in the backdrop of the challenging environment the entire Industry faced during the year under discussion. The outlook appears bright on the back of growth initiatives planned in the pipe manufacturing business and the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

CHANGE IN ORDER MIX LEADING TO MARGIN EXPANSION



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 values. Good Governance practices stem from the culture and mindset of the organization. The Company makes the management transparent and efficient to maximize the long term value of all the stakeholders. The Company also believes into complete disclosure, accountability, adequate systems and procedures to monitor the state of affairs of the Company to enable the Management to effectively discharge its responsibilities to the stakeholders of the Company.

The Company believes that good corporate governance contemplates that corporate actions balance the interest of all shareholders and satisfy the tests of accountability and transparency.

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 of the Company (the Board) consists of six Directors, of which three are Independent Directors.

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	Director	Independent Non-Executive
Mr. Awinash M. Arondekar	Director	Independent Non-Executive
Mr. Shrikant T. Gadre	Director	Independent Non-Executive

The directors bring to the Board wide range of experience and skills.

(b) Attendance of Directors at Board Meetings, Annual General Meeting and Extra Ordinary General Meeting 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	10	Yes	5	2	5
Mr. Ajit B. Kulkarni	10	Yes	7	5	-
Mr. Vinayak B. Kulkarni	10	Yes	6	2	-
Mr. Anilkumar G. Karkhanis	3	No	4	2	1
Mr. Awinash M. Arondekar	11	Yes	2	3	1
Mr. Shrikant T. Gadre	11	Yes	3	2	1

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

(c) Details of Board Meeting

Eleven Board meetings were held during the year, as against the minimum requirement of four meetings. The dates on which the meetings were held are: 28th April, 2007, 11th May, 2007, 03rd July, 2007, 24th July, 2007, 02nd August, 2007, 15th October, 2007, 26th October, 2007, 11th December, 2007, 19th December, 2007, 18th January, 2008 and 17th March, 2008.

(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 discussions

Name of Director	Name of the Committee				
	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	No	No	Yes*	Yes	No
Mr. Awinash M. Arondekar	Yes	No	Yes	Yes*	No
Mr. Shrikant T. Gadre	Yes*	No	Yes	No	No

* Chairperson

None of the Directors of the Company was a member of more than ten committees nor was the Chairperson 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 framed guidelines for the meeting 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 may also -approve permitted urgent matters by passing resolutions by circulation.

ii) The Chairman of the Board and 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 to the Meeting.

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 key developments relating to the Company in diverse areas, development at various sites, receipt of major orders and their 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 there under and the secretarial standard recommended by the Institute of Company Secretaries of India.

Information placed before the Board of Directors, inter alia, 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. It 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: 11th May, 2007, 24th July, 2007, 26th October, 2007 and 18th January, 2008. In addition to the members and 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 recommends/review 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 Committee

The Committee comprises of the following members

Name of the Members	Designation	Nature of Directorship
Mr. Anil Kumar G. Karkhanis	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

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 11th May, 2007, 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, 2008 to the Managing Director and Whole Time Director is as follows:

Name of the Director	Designation	Salary (Rs.)	Perquisites	Performance Bonus
Mr. Ajit B. Kulkarni	Managing Director	60,00,000	2,44,347	Nil
Mrs. Usha B. Kulkarni	Chairperson	14,40,000	3,138	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 their 12th Annual General Meeting & subsequently by remuneration committee and board meeting. The sitting fee and commission paid to the Non- Executive Directors during the financial year 2007-08 are as under:

Name of the Director	Sitting fees	Total
Mr. Shrikant T. Gadre	Rs. 160,000	Rs.2,85,000
Mr. Awinash M. Arondekar	Rs. 170,000	Rs.2,95,000
Mr. Anilkumar G. Karkhanis	Rs. 60,000	Rs.1,85,000

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 Intime Spectrum Registry 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 only 21 complaints, against the 256 complaints received last year 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 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.

Number of pending share transfers

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, 2008, no share transfer request was pending. All the Share Transfers and other requirement have been completed during the year in the stipulated time period.

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.

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.

9. 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)
2006-07	Hotel Oasis, Nr. Deonar Bus Depot, Sion Trombay Road, Deonar, Mumbai – 400 088	20 th 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 th June, 2006	3.30 P.M.	6
2004-05	Shrikant Chambers, Chembur, Mumbai -71	21 st June, 2005	11.00 A.M.	6

(b) Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the year under review.

(c) Postal Ballot

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

10. 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 'T', forming part of the Annual Report.

The Company's related party transactions are generally with its Associates. 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 Exchange 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 personnel 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.

11. MEANS OF COMMUNICATION

- Half Yearly report sent to each of shareholders : No.
- Quarterly Results
Which newspapers normally published in : Free Press Journal - English
Economic Times - English
Nav Shakti – Marathi
- Any Web site, where displayed. : www.pratibhagroup.com
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.

11. 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) 13th Annual General Meeting date, Time and Venue:

Date : Friday, 20th day of June, 2008
 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, 2008 - 3rd/4th week of July, 2008
 Results for quarter ending September 30, 2008 - 3rd/ 4th week of October, 2008
 Results for quarter ending December 31, 2008 - 3rd/ 4th week of January, 2009
 Results for year ending March 31, 2009 - April/May, 2009
 Fourteenth Annual General Meeting - June/July, 2009

(d) Dividend Payment Date

On or after 20th June, 2008

(e) Book Closure Period

Friday, 13/06/2008 to Friday, 20/06/2008 (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

Annual listing fee for the year 2008-09, (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 31st March, 2008 are as under.

Month	Highest	Lowest	Highest	Lowest
April 2007	202.50	144.00	230.00	145.00
May 2007	240.70	198.50	230.00	198.00
June 2007	240.50	202.50	240.80	201.60
July 2007	299.90	230.00	300.00	229.70
August 2007	273.40	229.00	274.00	229.30
September 2007	275.00	241.10	275.20	236.55
October 2007	270.00	196.25	269.95	201.50
November 2007	359.70	230.00	359.95	210.05
December 2007	452.60	330.05	452.50	331.25
January 2008	469.80	280.40	470.00	287.00
February 2008	400.00	292.00	414.40	285.00
March 2008	350.00	252.00	374.00	251.65

(i) Registrars and Transfer Agents

M/s 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.intimespectrum.com
 E- Mail: pratibha@intimespectrum.com

(j) Share Transfer System

The shareholding of the Promoters and Promoters group amounting to 60.15% of the total paid up share capital. The substantial shareholding of the promoters group is subject to a lock in period of 3 years and cannot be transferred till March 7, 2009.

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 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. A copy of the same is also submitted to the Stock Exchanges.

(k) Shareholding Pattern as on March 31, 2008

Category code	Category of shareholder	Number of shareholders	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)
(A) Shareholding of Promoter and Promoter Group						
(1) Indian						
(a)	Individuals/ Hindu Undivided Family	15	10035950	10035950	60.15	60.15
(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
	Sub-Total (A)(1)	15	10035950	10035950	60.15	60.15
(2) Foreign						
(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
	Sub-Total (A)(2)	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		15	10035950	10035950	60.15	60.15
(B) Public Shareholding						
(1) Institutions						
(a)	Mutual Funds/ UTI Bank Limited	4	1755943	1755943	10.52	10.52
(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	13	2945363	2945363	17.65	17.65
(g)	Foreign Venture Capital	0	0	0	0	0
(h)	Any Other	0	0	0	0	0
	Sub-Total (B)(1)	17	4701306	4701306	28.18	28.18
(2) Non-institutions						
(a)	Bodies Corporate	314	530678	530678	3.18	3.18
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	10619	1102252	1102186	6.61	6.61
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	6	211647	211647	1.27	1.27
(c)	Any Other (specify)					
	i. Clearing Member	83	20658	20658	0.12	0.12
	ii. NRIs (Repatriation)	199	82509	82509	0.49	0.49
	iii. OCBs					
	Sub-Total (B)(2)	11221	1947744	1947678	11.67	11.67
Total Public Shareholding (B)= (B)(1)+(B)(2)		11238	6649050	6648984	39.85	39.85
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)		11253	16685000	16684934	100.00	100.00

During the financial year 2007-08, the Company has issued and allotted 24,00,000 equity shares to Qualified Institutional Buyers pursuant to QIP issue.

(l) 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 to the investors.

There are no ADRs / GDRs / warrants or any convertible instruments issued by the Company.

(m) Work Sites for contracts:

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

(n) Address for Correspondence:

For all matters relating to Shares, Annual Reports

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 6641 4499,

Fax 91 22 2520 1135

E-mail: investor.relations@pratibhagroup.com

12. 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 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 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 herewith.

13. 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.

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING. (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

ANNEXURE- A

Name of Director	Mrs. Usha B. Kulkarni	Mr. Awinash M. Arondekar
Date of Birth	05 th May, 1935	1 st March, 1942
Date of appointment	Since Inception (19/07/1995)	12 th September, 2005
Areas of Experience	Mrs. Usha B. Kulkarni is Chairperson, 73 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. She is very active in Social activities and also associated with charitable and religious trust. She had also been honored by President of India for her efforts towards social welfare activities	Mr. Arondekar is an Independent Director and about aged 66 years He has worked for 38 years in Bank of India at various places including posting in Tokyo, Japan. He retired from Bank of India as General Manager in the year 2001. Currently he is working as Financial Consultant
Educational Qualifications	Graduate in Arts from Pune University	Graduate in Arts and Law and Post Graduate in Financial Management from Bombay University
Companies in which he holds directorship	1. Pratibha Pipes & Structural Limited 2. Pratibha Shareholding Private Limited 3. Pratibha & Heng Structural Private Limited 4. Pratibha Struct Build Private Limited	1. Spectra Industries Limited 2. Core Projects & Technologies Limited
Membership Chairmanship of Board Committees	Chairperson of Share Transfer Committee of Pratibha Industries Limited	Member of Audit Committee and Remuneration Committee and Chairman of Shareholder Grievance Committee of the Company. Member of Audit Committee and Remuneration Committee of Spectra Industries Limited
Shareholding	26,00,500 Equity Shares	NIL

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 31st March, 2008, 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.

Date : 2nd May, 2008

Place : Mumbai,

Mr. Ajit B Kulkarni

Managing Director

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 31st March 2008, 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 : 2ND May 2008

AUDITORS' REPORT

To,
The Members of Pratibha Industries Limited

We have audited the attached Balance Sheet of Pratibha Industries Limited as at 31st March 2008, 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 31st March 2008 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 31st March 2008 ;
 - (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 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 : 2nd May 2008

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 off 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 31st March 2008 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 31.03.2008.
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 Sanghrajika & Co.
Chartered Accountants

Ashish Sheth
(M.No.107162)
Partner

Place : Mumbai
Date : 2nd May 2008

BALANCE SHEET AS AT 31ST MARCH 2008

Particulars	Schedule	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
Sources of Funds			
Shareholders Funds			
Share Capital	A	166,850,000	142,850,000
Reserves & Surplus	B	1,672,119,003	805,765,894
		<u>1,838,969,003</u>	<u>948,615,894</u>
Deferred Tax Liability		17,810,982	4,486,471
Loan Funds			
Secured Loans	C	1,274,567,153	1,028,589,850
Unsecured Loans	D	43,640,436	299,705,694
		<u>1,318,207,589</u>	<u>1,328,295,544</u>
TOTAL		3,174,987,574	2,281,397,909
Applications of Funds			
Fixed Assets			
Gross Block	E	975,660,853	245,195,241
Less: Depreciation		67,166,417	32,500,975
Net Block		<u>908,494,436</u>	<u>212,694,266</u>
Capital Work In Progress		315,243,893	279,832,501
Investments	F	1,035,144,718	119,000,200
Current Assets Loans & Advances			
Inventories	G	1,560,384,122	216,375,183
Sundry Debtors	H	711,492,039	1,538,435,675
Cash & Bank Balance	I	460,365,770	396,349,838
Loans, Advances & Deposits	J	830,973,842	231,772,356
		<u>3,563,215,773</u>	<u>2,382,933,052</u>
Less: Current Liabilities & Provisions			
Sundry Creditors	K	1,471,993,626	414,660,558
Other Liabilities & Provisions	L	194,776,222	124,965,454
Advances & Deposits	M	980,341,398	173,436,098
		<u>2,647,111,246</u>	<u>713,062,110</u>
Working Capital		<u>916,104,527</u>	<u>1,669,870,942</u>
Misc. Exp. (to the extent not w/off)	N	-	-
TOTAL		3,174,987,574	2,281,397,909

Significant Accounting Policies & 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: 2nd May 2008

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: 2nd May 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2008

Particulars	Schedule	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
Income			
Income from Operation		4,759,191,529	2,952,439,763
Other Income	O	36,835,039	3,510,210
		4,796,026,568	2,955,949,973
Expenses			
Cost of Work Done	P	3,685,347,439	2,375,521,798
Personnel Expenses	Q	159,311,103	80,732,562
Establishment & Selling Expenses	R	315,229,278	136,072,624
Finance Expenses	S	201,874,581	116,772,772
Depreciation	E	34,752,516	11,206,815
Preliminary Expenses Written Off		-	84,750
		4,396,514,917	2,720,391,321
Profit Before Tax		399,511,651	235,558,652
<u>Provision For Taxation</u>			
Current Tax		42,307,442	26,384,026
Deferred Tax		13,324,511	3,525,665
Fringe Benefit Tax		2,926,280	2,257,554
<u>Extra Ordinary items</u>			
Income Tax of Earlier Years		(1,652,731)	(898,982)
Profit After Tax and Available for Appropriation		342,606,149	204,290,388
Proposed Dividend		33,370,000	28,570,000
Corporate Dividend Distribution Tax		5,671,231	4,855,472
General Reserve		35,000,000	25,000,000
Balance Carried forward to Balance Sheet		268,564,918	145,864,917
Weighted Average Number of shares		14,973,525	14,285,000
Basic & Diluted Earning Per Share		22.88	14.30

Significant Accounting Policies & 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: 2nd May 2008For 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: 2nd May 2008

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2008

Particulars	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
SCHEDULE: A : SHARE CAPITAL		
Authorised Capital 25000000 Equity Shares of Rs 10/- Each (P.Y. 25000000 Equity Shares of Rs.10/- Each)	250,000,000	250,000,000
Issued,Subscribed & Fully Paid Up 16685000 Equity shares of Rs.10/- Each (P.Y. 14285000 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	142,850,000
Total	166,850,000	142,850,000
SCHEDULE: B : RESERVES & SURPLUS		
Profit & Loss Account		
Opening Balance	354,004,550	208,139,633
Addition During Period	268,564,918	145,864,917
Less:Employees benefits provisions	1,422,201	-
(A)	621,147,268	354,004,550
Security Premium Account		
Opening Balance	426,761,344	471,350,000
Addition During Period	583,200,000	-
Less:Deduction during the Year	18,989,608	44,588,656
(B)	990,971,736	426,761,344
General Reserve		
Opening Balance	25,000,000	-
Addition During Period	35,000,000	25,000,000
Less:Deduction during the Year	-	-
(C)	60,000,000	25,000,000
Total (A) + (B) + (C)	1,672,119,004	805,765,894
SCHEDULE: C : SECURED LOANS		
Loans for Property ,Vehicles & Construction Equipments (For Security See Note (a) below)	278,607,694	88,517,724
Working Capital Finance from consortium of banks (net) (For Security See Note (b) below)	291,324,688	195,686,233
Project - Specific Finance (For Security See Note (c) below)	188,018,344	654,091,188
Buyer's Purchase Credit Facility (For Security See Note (d) below)	337,264,582	90,294,705
Term Loan - Saw Pipe Division (For Security See Note (e) below)	179,351,844	-
Total	1,274,567,153	1,028,589,850

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2008

- 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), (iii) mortgage of fixed assets belonging to the Promoters of the Company, (iv) corporate guarantees of Pratibha Pipes & Structural Ltd. & Pratibha Precast Concrete Industries Pvt. Ltd. and (v) 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, 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 from our bankers 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. 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.

Particulars	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
SCHEDULE : D : UNSECURED LOANS		
From Banks & Financial Institutions	43,640,436	299,705,694
Total	43,640,436	299,705,694
SCHEDULE: F : INVESTMENTS		
Trade Unquoted		
2660 Equity Shares of Abhyudaya Co Op. Bank Ltd	26,600	26,600
50,100 Equity Shares of Janakalyan Sahakari Bank Ltd	501,000	1,000
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	100,000	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	-
Non-Trade Unquoted		
Bonds of Industrial Development Bank of India	-	2,500,000
National Saving Certificates	15,000	15,000
Non-Trade Quoted		
Investment in Gold Coins (Market Value Rs. 97000/- P.Y. Rs. 75160/-)	43,911	43,911

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2008

Particulars	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
Investment in Mutual Fund		
881235.845 Units of Birla Sun Life MF (Income Plus)	30,000,000	-
1038975.432 Units of Birla Sun Life MF (Income Fund)	30,000,000	-
2085375.263 Units of Birla Sun Life MF (Short Term)	30,000,000	-
2087711.729 Units of HDFC Mutual Fund (Floating Rate)	30,000,000	-
2241750.359 Units of HDFC Mutual Fund (Short Rate) 30,000,000	-	-
2432774.336 Units of ICICI Prud MF (Floating)	30,000,000	-
2058894.682 Units of ICICI Prud MF (liquid)	40,000,000	-
2053781.697 Units of ICICI Prud MF (Flexible)	30,000,000	-
1965331.551 Units of ICICI Prud MF (Short Term)	20,139,975	-
2404173.645 Units of Principal PNB AMC (Floating)	30,000,000	-
2251001.696 Units of Principal PNB AMC (Short)	30,000,000	-
2418984.188 Units of Principal PNB AMC (Floating Flexible)	30,000,000	-
2254943.965 Units of Principal PNB AMC (inst)	30,000,000	-
2419764.638 Units of Reliance MF (Floating)	30,000,000	-
1555080.968 Units of Reliance MF (liquid Treasury)	30,000,000	-
4199351.62 Units of Reliance MF (Liquidity)	50,000,000	-
2132499.289 Units of Reliance MF (Short Term)	30,000,000	-
2437557.892 Units of Standard Chartered MF (Floating)	30,000,000	-
26423.232 Units of Standard Chartered MF (Liquid Manager)	30,000,000	-
6953067.2591 Units of SBI Premier Liquid Fund IP Growth	90,000,000	-
7818710.9935 Units of SBI Premier Liquid Fund SIP Growth	100,000,000	-
6649662.003 Units of SBI Short Horizon Fund IP Growth (Market Value Rs. 86,28,85,739/- P.Y. NIL)	70,000,000	-
Investment in Joint Ventures and Partnership Firms	182,268,207	114,313,664
Total	1,035,144,718	119,000,200
<u>Aggregate Value of</u>		
Quoted Investments	850,183,886	43,911
Market Value - Quoted Investments	862,982,739	75,160
Un Quoted Investments	184,960,832	118,956,289

SCHEDULE : E : FIXED ASSETS AS AT 31.03.08

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.07	Addition	Sale/ Transfers/ Impairment	As on 31.03.2008	As on 01.04.07	For The Period 31.03.2008	On Sale/ Transfers	As on 31.03.2008	As on 31.03.2007	As on 31.03.2008
1	Office Premises	20,856,680	9,449,081	-	30,305,761	1,591,255	616,247	-	2,207,502	19,265,425	28,098,259
2	Plant & Machinery	156,015,825	449,128,869	-	605,144,694	16,045,604	21,385,333	-	37,430,937	139,970,220	567,713,756
3	Furniture & Fixture	12,675,223	13,280,042	-	25,955,265	2,302,440	1,362,695	-	3,665,135	10,372,783	22,290,130
4	Electrical Installation	763,370	53,391,516	-	54,154,886	242,633	1,707,949	-	1,950,581	520,737	52,204,305
5	Office Equipment	7,762,408	8,741,153	44,000	16,459,561	2,198,149	575,202	2,017	2,771,334	5,564,259	13,688,227
6	Vehicles	45,493,070	38,681,848	200,000	83,974,919	9,955,537	6,108,944	85,057	15,979,424	35,537,534	67,995,495
7	Computer Software	1,138,284	3,378,342	-	4,516,625	154,254	686,149	-	840,403	984,030	3,676,223
8	Factory Building	490,380	145,195,054	-	145,685,434	11,104	2,309,997	-	2,321,101	479,276	143,364,333
9	Land	-	9,463,708	-	9,463,708	-	-	-	-	-	9,463,708
	TOTAL	245,195,240	730,709,613	244,000	975,660,853	32,500,975	34,752,516	87,074	67,166,417	212,694,265	908,494,436

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2008

Particulars	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
SCHEDULE : G : INVENTORIES		
Raw Material	197,180,178	-
Consumable Stores	3,285,770	-
Work In Progress	1,344,208,914	216,375,183
Finished Stock	15,709,260	-
(As per Inventories certified and valued by the Management)		
Total	1,560,384,122	216,375,183
SCHEDULE : H : SUNDRY DEBTORS		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding 6 months	56,196,029	13,898,273
Other Debts	317,681,342	391,041,143
Project Specific Debts (Akola Municipal Corp. & NMMC)	337,614,668	1,133,496,260
Total	711,492,039	1,538,435,675
SCHEDULE : I : CASH & BANK BALANCE		
Cash in hand	5,634,854	9,017,089
Balance with Banks		
In Current Account of Scheduled Banks	25,919,954	9,995,904
In Demand Deposit of Scheduled Banks	428,810,962	377,336,845
Total	460,365,770	396,349,838
SCHEDULE : J : LOANS, ADVANCES & DEPOSITS		
Advance for Land	117,784,354	7,666,000
Advance to Pratibha Infrastructure Pvt. Ltd.	115,926	413,498
Advance to Pratibha Ostu-Stettin Infrastructure Pvt Ltd	250,000	-
Advances to Suppliers	1,353,078	1,096,161
Excise Balance	44,012,671	22,186
Excise Duty Credit Available	3,894,041	5,226,264
Interest Accrued But Not Due	17,755,014	8,079,236
Loans and Advances to staff	1,456,017	1,289,387
Mobilisation Advances given	15,333,436	3,140,496
Other Advances	84,758,489	626,362
Other Deposits	356,909,724	164,380,671
Prepaid Expenses	22,119,792	3,729,046
Service Tax Credit Available	7,401,792	635,745
Tax Deducted At Source And Advance Tax	129,754,486	30,689,152
VAT Credit Available	28,075,022	4,778,152
Total	830,973,842	231,772,356
SCHEDULE : K : SUNDRY CREDITORS		
Creditors under Letter of credit	1,060,420,773	159,315,216
(Security as mentioned in the Schedule C, point b)		
Creditors under Purchase Bill Discounting	38,734,035	23,373,856
Other Sundry Creditors	372,838,818	231,971,486
Total	1,471,993,626	414,660,558

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2008

Particulars	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
SCHEDULE : L : OTHER LIABILITIES & PROVISIONS		
Provision for Income Tax	62,184,705	26,384,026
Provision for Annuity Period Expenses	52,382,275	43,449,755
Provision for Works Contract Tax	1,376,949	2,674,424
TDS Payable (Including Interest thereon)	14,566,178	6,975,533
Provision for Fringe Benefit Tax	926,280	146,050
Provision for Gratuity & Other Employee Benefit	2,407,402	100,000
Provision for Cess Tax	2,634,113	2,193,955
Provision for Service Tax	3,619,525	125,810
Unpaid Dividend	200,606	-
Proposed Dividend	33,370,000	28,570,000
Provision for Corporate Dividend Tax	5,671,231	4,855,472
Provision for Director's Remuneration	530,875	5,158,890
Provision for Expenses	1,638,655	354,372
Provision for ESIC & Provident Fund	280,869	293,113
Provision for Interest on loan accrued but not due	1,280,006	-
Provision for Professional Tax	111,301	51,865
Provision for Salary & Wages	11,595,252	3,632,189
Total	194,776,222	124,965,454
SCHEDULE : M : ADVANCES & DEPOSITS		
Mobilisation Advance	479,014,104	134,501,685
Secured Advance	434,635,850	429,750
Security Deposit	66,691,444	38,504,663
Total	980,341,398	173,436,098
SCHEDULE : N : MISCELLANEOUS EXPENSES		
Expenses on Initial Public Offering	-	43,317,406
Preliminary Expenses	-	1,356,000
Less : written off/squared off	-	44,673,406
Total	-	-

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

Particulars	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
SCHEDULE: O : OTHER INCOME		
Dividend Received	30	30
Interest received from others	-	45,791
Profit on Redemption of Mutual Fund	139,975	-
Share of Profit from Partnership and JV	36,695,034	2,670,708
Profit on Sale of Fixed Assets	-	793,681
Total	36,835,039	3,510,210
SCHEDULE: P : COST OF WORK DONE		
Opening Stock	216,375,183	361,933,631
Add : Purchases	3,560,649,620	1,205,831,916
Add : Direct Expenses	1,468,706,758	1,024,131,434
	5,245,731,561	2,591,896,981
Less : Closing Stock	1,560,384,122	216,375,183
Total	3,685,347,439	2,375,521,798
SCHEDULE: Q : PERSONNEL EXPENSES		
Directors Remuneration	8,640,000	13,484,000
Directors Sitting Fees	390,000	300,000
Directors medical expenses	247,485	210,225
Insurance Charges (Key man)	1,003,000	1,003,000
Salaries and wages	130,308,967	58,059,098
Contribution to PF, ESIC, Gratuity etc.	3,478,584	1,103,527
Staff welfare expenses	15,243,067	6,572,713
Total	159,311,103	80,732,562
SCHEDULE: S : FINANCE EXPENSES		
Bank Charges & Commission	16,060,390	5,621,893
Bank Commission (BG/LC)	49,442,941	23,509,394
Factoring Charges	22,969,370	3,031,001
Interest on Mobilisation	4,789,271	1,111,177
Interest (Others)	4,464,457	1,629,577
Interest Paid (Bank)	98,078,437	42,140,139
Interest Paid on Annuity Projects	11,262,555	57,139,042
Interest on Finance for Vehicles & Construction Equipments	8,180,152	3,680,870
Banking Cash Transaction Tax	89,085	54,631
Less: Interest Received From Banks	(13,462,077)	(21,144,952)
Total	201,874,581	116,772,772

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

Particulars	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
SCHEDULE: R : ESTABLISHMENT & SELLING EXPENSES		
Auditors Remuneration	1,537,080	860,000
Advertisement Exps.	2,569,321	3,080,374
Brokerage Expenses	676,700	166,533
Computer & Software Exps.	1,508,945	331,663
Discount	-	1,753,355
Donation	1,053,423	176,502
Electricity Charges	6,353,377	1,314,778
Fees & Subscription	1,471,742	338,073
ISO Expenses	-	8,418
Insurance	24,179,102	10,480,222
Impairment Loss on Goodwill	-	7,500,000
Loss of Subsidiary Company	66,955	-
Loss on Sale of Fixed Assets	27,426	-
Loss on Securitisation	64,008,154	-
Legal Fees & Professional Fees	44,396,976	18,988,877
Listing Fees	58,000	58,000
Pooja & Festival Expenses	1,571,479	1,167,867
Postage & Telegram & Telephone	5,806,857	3,716,312
Printing & Stationery	4,917,297	2,429,126
Registration Fees	366,826	476,023
Rates & Taxes	97,444,614	53,444,255
Rent	17,730,710	6,469,622
Repair & Maintenance - Office	806,892	485,887
Royalty Expenses	3,281,991	2,043,546
Sales Promotion	3,912,066	2,434,426
Security Service Charges	5,400,191	2,638,663
Service Charges	541,615	30,347
Tender Expenses	1,610,410	1,388,911
Travelling Expenses	11,055,778	7,835,839
Vehicle Expenses	8,356,518	6,455,006
Carriage Outward	4,518,834	-
Total	315,229,278	136,072,624

SCHEDULE : T

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

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. Cost of fixed assets also includes exchange differences arising in respect of foreign currency loans or other liabilities incurred for the purpose of acquisition of imported fixed assets. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred. There has been no revaluation of fixed assets and no assets have been acquired on hire purchase basis during the period.

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

D. Intangible Assets:

Intangible Assets are stated at cost of acquisition. Computer software is amortized over a period of five years.

E. 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.

F. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract. As on 31st March 2008 there is no Mark-to-Market loss on account of derivative forward exchange contract.

G. Investments:

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Long Term Investments 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.

H. Inventories:

Items of inventories are measured at lower of cost or net realizable value. 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.

I. Revenue Recognition:

a) Construction Contract Sales:

In view of revised AS -7, "Accounting for Construction Contracts" issued by "The Institute of Chartered Accountants of India", the Company is following "Percentage of Completion method as stipulated. Revenue of the Company from the execution of Long term Fixed Price Contracts is recognized based on percentage of completion. Profit is recognized and taken as the revenue of the year only when the work on the contract has progressed to a reasonable extent.

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.

J. 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 from the year under consideration. The retirement benefits are actuarially valued at the year end and provided for in the accounts. Accrued liability at the beginning of the year has been adjusted against opening balance of Profit & Loss Account.

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.

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 incurred include amount paid on account of assessment order received during the year.

K. 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. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

L. 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.

M. 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.

N. The scheme of 1] amalgamation of M/s. Pratibha Shareholdings Pvt. Ltd and M/s. One Metro India Pvt. Ltd. with M/s. Pratibha Industries Ltd, and 2] De-Merger of Saw Pipe division of M/s. Pratibha Industries Limited with M/s. Pratibha Pipes & Structural Ltd is under consideration. The scheme has been approved by Board of Directors. The said scheme is subject to approval of various statutory & other authorities.

O. 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.

P. 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:

a) Particulars of Subsidiary / Associate Concerns :

Sr. No.	Name of the Related Party	Nature of Relationship
1.	Pratibha Pipes & Structural Ltd.	Associate Concern
2.	Pratibha Precast Concrete Industries Pvt.Ltd.	Associate Concern
3.	Teknoworks (India)	Jointly Controlled Entities
4.	Muktangan Developers Pvt. Ltd.	Associate Concern
5.	Pratibha & Heng Structural Private Limited	Associate Concern
6.	Pratibha Shareholding Pvt. Ltd.	Associate Concern
7.	Pratibha Infrastructure Pvt. Ltd.	Subsidiary Company
8.	Pratibha Ostu-Stettin Infrastructure Pvt. Ltd.	Associate Concern
9.	Pratibha Struct Build Pvt. Ltd.	Associate Concern
10.	Elegant Infrastructure & Real Estate Pvt. Ltd.	Associate Concern

b) Details of Key Management Personnel & Their Relatives:

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.	A.K.Dutta	President – Execution
9.	Rahul R. Katyal	Chief Marketing Office
10.	A.K.Wadhera	Chief Operating Officer
11.	T. R. Radhakrishnan	Chief Financial Officer
12.	Sanjay V. Kulkarni	General Manager-Business Development , Son of Whole Time Director
13.	Shyam R.Kulkarni	Sr. Officer-Co-ordination , Grand son of Chairperson
14.	Manohar D.Kulkarni	Sr. Officer, Grand son of Chairperson
15.	Ravi A.Kulkarni	Management Trainee, Son of M.D.

Name of Person	Sales/ Share Of Profit / Loss	Purchases / Direct Exp	Salary Or Other Expenses	Closing Balance In Balance Sheet	Highest Balance During The Period	Amt. Paid to / on behalf During the Period
Pratibha Pipes & Structural Ltd.	2141.39 (293.49)	10654.31 (5978.66)	279.29 (2163.77)	1987.85 (1984.71)	5779.36 (3074.17)	8938.11 (5513.40)
Pratibha Precast & Concrete Industries Pvt. Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	-20.28 (-20.32)	-20.32 (-27.41)	0.04 (7.08)
Muktangan Developers Pvt. Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	648.50 (76.66)	648.50 (76.66)	571.84 (NIL)
Pratibha Infrastructure Pvt. Ltd.	NIL (NIL)	16.80 (NIL)	NIL (NIL)	1.16 (4.13)	17.96 (4.13)	14.30 (5.00)
Petron Pratibha Joint Venture	1.98 (-22.27)	NIL (NIL)	NIL (NIL)	42.31 (55.65)	73.81 (220.65)	37.02 (140.37)
Pratibha & Heng Structural Pvt. Ltd. (Formerly known as Pratibha Ispat Pvt.Ltd.)	NIL (NIL)	NIL (NIL)	NIL (NIL)	1.10 (1.10)	1.10 (1.10)	NIL (NIL)
Unity Pratibha Multimedias Joint Venture	NIL (12.15)	NIL (47.39)	NIL (NIL)	343.22 (455.19)	461.91 (619.71)	11.82 (124.72)
Pratibha Unity Joint Venture	NIL (-4.65)	NIL (NIL)	NIL (NIL)	161.35 (165.62)	161.35 (165.62)	0.38 (163.41)
Pratibha Ostu-Stettin Joint Venture	0.06 (-0.60)	NIL (NIL)	19.11 (NIL)	895.23 (172.94)	895.23 (172.94)	889.24 (173.54)
Pratibha Rohit JV (TMC Rcc pipe line)	NIL (NIL)	NIL (NIL)	NIL (1.06)	36.79 (33.37)	36.79 (50.07)	3.42 (64.21)
Pratibha Rohit JV (MMRDA Andheri Kurla)	22.64 (NIL)	NIL (NIL)	NIL (NIL)	30.08 (7.78)	8.16 (27.69)	135.47 (57.51)
Pratibha Rohit JV (TMC RCC P. B. (II))	20.31 (9.11)	NIL (NIL)	NIL (0.81)	-19.83 (8.16)	8.16 (8.89)	65.21 (35.16)
Pratibha Rohit JV (TMC RCC P. B. (III))	0.98 (2.58)	NIL (NIL)	NIL (0.67)	5.45 (24.04)	24.04 (1.31)	1.43 (24.04)
Unity Pratibha Consortium	27.50 (N.A.)	NIL (N.A.)	NIL (N.A.)	32.58 (N.A.)	99.04 (N.A.)	NIL (N.A.)
Usha B. Kulkarni	NIL (NIL)	NIL (NIL)	14.40 (14.10)	NIL (NIL)	NIL (NIL)	14.40 (14.10)
Ajit B. Kulkarni	NIL (NIL)	NIL (NIL)	60.00 (113.24)	NIL (NIL)	NIL (NIL)	60.00 (113.24)
Vinayak B. Kulkarni	NIL (NIL)	NIL (NIL)	12.00 (9.60)	NIL (NIL)	NIL (NIL)	12.00 (9.60)
Rohit R. Katyal	NIL (NIL)	NIL (NIL)	19.80 (17.40)	NIL (NIL)	NIL (NIL)	19.80 (17.40)
Rahul Katyal	NIL (N.A.)	NIL (N.A.)	5.85 (N.A.)	NIL (N.A.)	NIL (N.A.)	5.85 (N.A.)
A.K.Dutta	NIL (N.A.)	NIL (N.A.)	5.23 (N.A.)	NIL (N.A.)	NIL (N.A.)	5.23 (N.A.)
A.K.Wadhera	NIL (N.A.)	NIL (N.A.)	18.00 (N.A.)	NIL (N.A.)	NIL (N.A.)	18.00 (N.A.)
T.R.Radhakrishna	NIL (NIL)	NIL (NIL)	11.70 (9.60)	NIL (NIL)	NIL (NIL)	11.70 (9.60)
Relatives of key management personnel	NIL (N.A.)	NIL (N.A.)	16.36 (5.76)	NIL (N.A.)	NIL (N.A.)	16.36 (5.76)

*Figures in Brackets are relating to the Financial Year ended on 31st March 2007

Q. Leases:

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

R. Earning per share:

Disclosure is made in Profit & Loss Account as per the requirement of the AS-20. During the year, the company has issued 24,00,000 additional equity shares through QIP. While Calculating the E.P.S., Weighted Average Number of Equity Shares outstanding during the period have been considered. Both the basic and diluted EPS have been disclosed on the face of Profit & Loss A/c.

S. 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 (JV's) 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, 2008. 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.
- The Consolidated Financial Statements include the interest of the Company in JV's, which has been accounted for using the proportionate consolidation method of accounting and reporting.

T. Accounting for Investments in Associates in Consolidated Financial Statements:

As per the guidelines of the Accounting Standard 23, investments in associates in consolidated financial statements have been accounted as per the guidelines issued in Accounting Standard 13.

U. Interim Financial Reporting:

Financial statements disclosure requirements under AS- 25 issued by ICAI have been duly complied.

V. 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	% SHARE	ASSETS	LIABILITIES	INCOME	EXPENSES
Petron Pratibha Joint Venture	100%	103.96	61.65	2.21	0.23
Unity Pratibha Multimedia Joint Venture	100%	365.22	22.00	--	--
Pratibha Unity Joint Venture	100%	294.20	132.85	--	--
Pratibha Ostu Stettin Joint Venture	50%	1026.42	131.19	30.00	29.94
Unity Pratibha Consortium	100%	2446.29	2238.71	2943.87	2741.37
Pratibha Rohit Joint Venture	80%	355.30	302.80	604.38	560.44
ITD Pratibha Consortium	100%	1536.71	1500.67	1099.82	1063.79
Patel Pratibha Joint Venture	100%	968.34	958.71	310.16	300.52
Pratibha Pipes & Structural Consortium	40%	289.44	287.81	3506.18	3504.55
Pratibha JV	95%	779.61	728.12	305.95	237.97
Pratibha GIN KJI Consortium	100%	98.02	94.77	97.97	94.77

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, income, expenses assets, and liabilities are incorporated in the Consolidated Balance sheet of the Pratibha Industries Ltd.

W. Impairment of Assets:

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

X. 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.

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:

(Figures in Lac)

Particulars	As at 31.03.2008	As at 31.03.2007
a) Unutilised Letters of Credit with Bankers – Domestic	3817.31	645.72
b) Unutilised Letters of Credit with Bankers – Foreign	USD 4.01 SFK 3.09 CHF 0.34	11.05
c) Bank Guarantee	24322.00	10880.49
d) Corporate Guarantee	3421.05	2500.00
e) Securitization of receivable and not realized (Secured by hypothecation of receivable from NMMC)	10459.08	--
f) Estimated amounts of contract remaining to be executed on Capital Account and not provided for	323.73	--
g) Cases in the court for which in the opinion of the management demand no provision of liability than what is recorded in accounts.	5.6	--

3. Loss on Securitization of receivable:

During the year, the Company has entered into an agreement with Reliance Capital Ltd for securitization of Receivables of Navi Mumbai Municipal Corporation amounting to Rs.146.40 Crores. The Loss on account of securitization has been recognized and shown in the Profit & Loss Account.

4. Payment to Auditors:

Particulars	31.03.2008	31.03.2007
a. Audit Fees	11,44,396	4,93,856
b. Tax Audit Fees	1,04,036	44,896
c. In other Capacity	12,40,342	3,08,852
	24,88,774	8,47,604

(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. Sundry Creditors include amount payable to Small Scale Industrial (SSI) units. List of Small Scale Industrial Units whose outstanding is more than Rs. 1 Lakh and above 30 days and which have not fallen due for payment as payments terms is more than 30 days.
 - a) Mehta Trading Company
 - b) Samir Engineering Corporation
 - c) Alphonz Engg Enterprises
 - d) Laxmi Steel Industries

8. Managerial Remuneration:

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

	31.03.2008	31.03.2007
Profit before tax	39,95,11,651	23,55,58,652
Add: Managerial Remuneration	92,77,485	1,39,94,225
Add: Loss on Sale of Fixed Assets	27,426	67,06,319
Less: Profit on redemption of Investment	1,39,975	--
TOTAL	40,86,76,587	25,62,59,196
Managerial Remuneration ceiling @ 10%	4,08,67,659	2,56,25,920

Remuneration paid is within the limit as calculated above

9. Earning in Foreign Exchange : Nil (P. Y. Nil)

10. Expenditure in Foreign Currency :

Particulars	31.03.2008	31.03.2007
On Foreign Travel	15,86,000	13,48,322
On Professional Fees	61,74,358	10,25,712
On Registration Fees	--	2,43,476
On Staff Training	--	16,635
On Import of Capital Goods (CIF Value)	28,19,25,202	13,51,54,707
On Import of Material & Stores (CIF Value)	4,32,61,618	--
Total	33,29,47,178	13,77,88,852

11. 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.

12. The Subscribed Capital includes:

- 11,50,000 Ordinary Shares allotted to the Partners & Lenders of M/s. Pratibha Industries in terms of the Scheme of Business Takeover in the financial year 1999-2000.
- 80,00,000 Ordinary Shares were issued as fully paid up Bonus Shares by utilization of funds from General Reserve on 21st June, 2005.

13. 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)	
		2007-08	2006-07	2007-08	2006-07
M S Pipe	MT	46.50	--	26.121	--

* As certified by the management and accepted by Auditors. Above figures are from July 07 to March 08.

B. Turnover

Product	Unit	2007-08		2006-07	
		Qty. ('000)	Value (in Lac)	Qty. ('000)	Value (in Lac)
M S Pipe	M.T.	24.977	7703.04	--	--
M S Cut End	M.T.	0.201	37.34	--	--

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

C. Inventory

Product	Unit	As at 31.03.2008		As at 31.03.2007	
		Qty. ('000)	Value (in Lac)	Qty. ('000)	Value (in Lac)
M S Pipe	MT	1.143	157.09	--	--

D. Raw Material, Stores & Spares

a) Raw Material, Stores & Spares Consumed:

Product	Unit	2007-08		2006-07	
		Qty. ('000)	Value (in Lac)	Qty. ('000)	Value (in Lac)
H R Coil	M.T.	14.823	7542.42	--	--
Steel	M.T.	0.961	0.53	--	--
Others			197.03	--	--

b) Purchase of Finished Goods: NIL

c) Value of Imports (CIF Value)

(Rs. In Lacs)

Particulars	2007-08	2006-07
Steel	45.62	--
Consumables Stores	50.24	--
Capital Goods	2819.25	13,51.55

d) Value of imported & indigenous raw materials, spare parts & consumables

Product	2007-08		2006-07	
	Value (in Lac)	%	Value (in Lac)	%
Raw Materials			--	--
Imported	45.62	0.60	--	--
Indigenous	7542.70	99.40	--	--
Total	7588.32	100.00		
Spare Parts & Consumables				
Imported	50.24	2.31	--	--
Indigenous	2126.16	97.69	--	--
Total	2176.40	100.00		

14. The Company has raised Rs. 60.72 Crores by way of private placement to QIB during the year 2007-08. Details of investment of unutilized money out of the said issue is given below:

Sr. No	Fund	Amount	No. of units
1	Birla Sun Life MF (Income Plus)	30000000	881235.845
2	Birla Sun Life MF (Income Fund)	30000000	1038975.432
3	Birla Sun Life MF (Short Term)	30000000	2085375.263
4	HDFC Mutual Fund (Floating Rate)	30000000	2087711.729
5	HDFC Mutual Fund (Short Rate)	30000000	2241750.359
6	ICICI Prud MF (Floating)	30000000	2432774.336
7	ICICI Prud MF (liquid)	40000000	2058894.682
8	ICICI Prud MF (Flexible)	30000000	2053781.697
9	ICICI Prud MF (Short Term)	20139975	1965331.551
10	Principal PNB AMC (Floating)	30000000	2404173.645
11	Principal PNB AMC (Short)	30000000	2251001.696
12	Principal PNB AMC (Floating Flexible)	30000000	2418984.188
13	Principal PNB AMC (inst)	30000000	2254943.965
14	Reliance MF (Floating)	30000000	2419764.638
15	Reliance MF (liquid Treasury)	30000000	1555080.968
16	Reliance MF (Liquidity)	50000000	4199351.62
17	Reliance MF (Short Term)	30000000	2132499.289
18	Standard Chartered MF (Floating)	30000000	2437557.892
19	Standard Chartered MF (Liquid Manager)	30000000	26423.232

*All the above mutual funds are Debt oriented.

15. Segment wise Revenue, Results and Capital employed for the Year ended March 31, 2008

Particulars	Amount (Rs. In Lakhs)
1. Segment Revenue	
a. Infrastructure & Construction	38,586.60
b. Manufacturing	9,918.26
c. Unallocated	1.40
Total	48,506.26
Less : Inter Segment Revenue	546.67
Net Sales/ Income from Operations	47,959.60
2. Segment Results	
a. Infrastructure & Construction	5,105.77
b. Manufacturing	906.69
c. Unallocated	1.40
Total	6,013.86
Interest	2,018.75
Income Tax	569.05
Net Profit	3426.06
Segment Assets	
a. Infrastructure & Construction	34,388.93
b. Manufacturing	14,265.48
c. Unallocated Corporate Assets	9,565.90
Total Assets	58220.31
Segment Liabilities	
a. Infrastructure & Construction	26,204.53
b. Manufacturing	9,757.17
c. Unallocated Corporate Assets	3,868.93
Total Liabilities	39830.63
Capital Employed	
a. Infrastructure & Construction	8,184.40
b. Manufacturing	4,508.31
c. Unallocated Corporate Assets	5,696.97
Capital Expenditure	
Depreciation	
a. Infrastructure & Construction	175.39
b. Manufacturing	172.13
Non Cash Expenses other than Depreciation	
a. Unallocated Corporate Assets	0.94

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

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

For Jayesh Sanghrajka & Co.
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

Place : Mumbai
Date : 2nd May 2008

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 : 2nd May 2008

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2008

Particulars	31.03.2008 Amount Rs.	31.03.2007 Amount Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	399,511,651	235,558,652
Adjustment for :		
Depreciation	34,752,516	11,206,815
Loss / (Profit) on Sale of Assets & Investment	(112,549)	(793,681)
Preliminary Expenses Written Off	-	84,750
Impairment Loss of Goodwill	-	7,500,000
Finance Charges	201,874,581	116,772,772
Dividend Received	(30)	(30)
Proposed Dividend	(33,370,000)	(28,570,000)
Corporate Dividend Tax	(5,671,231)	(4,855,472)
Loss from Subsidiary	66,955	-
Employees benefits - Op. Provisions	(1,422,200)	-
Operating Profit before working Capital Changes	595,629,694	336,903,806
Adjustment for:		
Inventories	(1,344,008,939)	145,558,448
Sundry Debtors	826,943,636	(1,059,742,834)
Loans & Advances	(599,201,487)	(6,662,820)
Sundry Creditors	1,057,333,069	3,092,207
Other Liabilities	69,810,768	100,550,381
Advances & Deposits	806,905,301	85,046,597
	1,413,412,042	(395,254,214)
Direct Taxes Paid	(43,580,991)	(27,742,598)
Net cash used in Operating Activities	1,369,831,051	(422,996,813)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Additions to Fixed Assets	(730,709,613)	(99,518,707)
Deletion to Fixed Assets (net)	129,500	2,946,666
Redemption / (Purchase) of investments	(916,144,518)	259,807,085
Profit on redemption of Mutual Funds	139,975	-
Loss From Subsidiary	(66,955)	-
Dividend Received	30	30
Addition to Capital Work in Progress	(35,411,392)	(279,832,501)
Net cash used in investing activities	(1,682,062,974)	(116,597,427)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	607,200,000	-
Expenses for Issue of Capital	(18,989,608)	(1,601,683)
Proceeds from Long Term Borrowings (Net)	369,441,813	587,677,576
Proceeds from Short Term Borrowings (Net)	(379,529,769)	302,441,712
Finance Charges paid (Net)	(201,874,581)	(116,772,772)
Net cash from Financing Activities	376,247,855	771,744,833
NET INCREASE IN CASH AND CASH EQUIVALENTS	64,015,932	232,150,594
Opening Cash and Cash Equivalents	396,349,838	164,199,244
Closing Cash and Cash Equivalents	460,365,770	396,349,838

Notes :

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

For Jayesh Sanghrajka & Co.
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

Place : Mumbai
Date : 2nd May 2008

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 : 2nd May 2008

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

0	9	0	7	6	0
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 State Code

1	1
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 (Refer Code List 1)

Balance -sheet

3	1
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0	3
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0	8
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Date

Date

Month

Year

II Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	Right Issue																					
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			N	I	L																	
Bonus Issue	Private Placement																					
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td><td> </td></tr></table>				N	I	L					<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>2</td><td>4</td><td>0</td><td>0</td><td>0</td></tr></table>							2	4	0	0	0
			N	I	L																	
						2	4	0	0	0												

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

Total Liabilities	Total Assets																										
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>3</td><td>1</td><td>7</td><td>4</td><td>9</td><td>8</td><td>8</td></tr></table>			3	1	7	4	9	8	8	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>3</td><td>1</td><td>7</td><td>4</td><td>9</td><td>8</td><td>8</td></tr></table>			3	1	7	4	9	8	8								
		3	1	7	4	9	8	8																			
		3	1	7	4	9	8	8																			
Sources of Funds	Reserves & Surplus																										
Paid-up Capital	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>6</td><td>7</td><td>2</td><td>1</td><td>1</td><td>9</td></tr></table>							1	6	7	2	1	1	9													
						1	6	7	2	1	1	9															
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>6</td><td>6</td><td>8</td><td>5</td><td>0</td></tr></table>							1	6	6	8	5	0	Deferred Tax Liabilities														
						1	6	6	8	5	0																
Secured/Unsecured Loans	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>7</td><td>8</td><td>1</td><td>1</td></tr></table>							1	7	8	1	1															
						1	7	8	1	1																	
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>1</td><td>3</td><td>1</td><td>8</td><td>2</td><td>0</td><td>8</td></tr></table>			1	3	1	8	2	0	8	Application of Funds																	
		1	3	1	8	2	0	8																			
Net Fixed Assets	Investments																										
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>2</td><td>2</td><td>3</td><td>7</td><td>3</td><td>8</td></tr></table>							1	2	2	3	7	3	8	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>0</td><td>3</td><td>5</td><td>1</td><td>4</td><td>5</td></tr></table>							1	0	3	5	1	4	5
						1	2	2	3	7	3	8															
						1	0	3	5	1	4	5															
Net Current Assets	Misc. Expenditure																										
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>9</td><td>1</td><td>6</td><td>1</td><td>0</td><td>5</td></tr></table>							9	1	6	1	0	5	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>											N	I	L	
						9	1	6	1	0	5																
										N	I	L															
Accumulated Losses																											
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>											N	I	L														
										N	I	L															

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

Turnover/Income	Total Expenditure																										
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>4</td><td>7</td><td>9</td><td>6</td><td>0</td><td>2</td><td>7</td></tr></table>			4	7	9	6	0	2	7	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>4</td><td>3</td><td>9</td><td>6</td><td>5</td><td>1</td><td>5</td></tr></table>			4	3	9	6	5	1	5								
		4	7	9	6	0	2	7																			
		4	3	9	6	5	1	5																			
+ - Profit / Loss Before Tax	+ - Profit / Loss After Tax																										
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>														<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>													
(Please tick Appropriate box + for Profit - for Loss)																											
Earning Per Share in Rs.	Dividend @ %																										
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>2</td><td>3</td></tr></table>							2	3	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>2</td><td>0</td></tr></table>							2	0										
						2	3																				
						2	0																				

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

Item Code No. (ITC Code)	Product Description									
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>N</td><td>A</td><td> </td><td> </td><td> </td><td> </td></tr></table>			N	A					<table border="1" style="width: 100%;"><tr><td style="text-align: center;">Building & Construction</td></tr></table>	Building & Construction
		N	A							
Building & Construction										
Item Code No. (ITC Code)	Product Description									
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>N</td><td>A</td><td> </td><td> </td><td> </td><td> </td></tr></table>			N	A					<table border="1" style="width: 100%;"><tr><td style="text-align: center;">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 : 2nd May 2008

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 : 2nd May 2008

STATEMENT PURSUANT TO SECTION 212 (1) (e) 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	31 st March, 2008
(B) Shares of the subsidiary held by the Company on the above date:	
(a) Number of Shares	1000 Equity shares of Rs.100 each
(b) Extent of Holding	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 st March, 2008 amounted to:-	
(i) for the financial years ended as in (A) above;	(29784)
(ii) for the previous financial year of subsidiary since they became the subsidiary of the Company	(37171)
(b) Dealt within the account of the Company for the year ended 31 st March, 2008 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
(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 and on behalf of the Board

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

Place : Mumbai
Date: 2nd May 2008

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 2008. 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 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 2008 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 31st March 2008
 - (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 : 2nd May 2008

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. 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 under Section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. No cost records and accounts are prescribed by the Central Government under Section 209 (1) (d) of the Companies Act 1956.
9. 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 2008 for a period of more than six months from the date of becoming payable.
10. The Company has accumulated losses Rs. 66,955/- 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, the Company on the basis of security by way of pledge of shares, debentures and other securities has granted no loans and advances.
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 not given guarantees for loans taken by others from banks or financial institutions.

16. The Company has not raised term loans during the year.
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 year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. 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 : 2nd May 2008

DIRECTORS' REPORT

To,
The Members,
Pratibha Infrastructure Private Limited

The Directors are pleased to present their 5th Annual Report and Audited Statement of Account for the year ended on 31st March 2008.

OPERATIONS:-

The Company has not yet started its business operation fully.

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, during the period under review.

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

Mr. Ajit B. Kulkarni, Director retire by rotation and being eligible offers himself for re-appointment.

AUDITORS

M/s. Jayesh Sanghrajka & 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 Sanghrajka & 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 Sanghrajka & 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 31st March 2008 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

Date :- 2nd May, 2008
Place: Mumbai

Ajit B Kulkarni
Director

PRATIBHA INFRASTRUCTURE PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2008

Particulars	Schedule	Amount as on 31.03.2008	Amount as on 31.03.2007
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	A	100,000	100,000
Reserve & Surplus		-	-
		<u>100,000</u>	<u>100,000</u>
DEFERRED TAX LIABILITY			
LOAN FUNDS			
Secured Loans		-	-
Unsecured Loans	B	85,855	85,855
		<u>85,855</u>	<u>85,855</u>
Total		<u>185,855</u>	<u>185,855</u>
APPLICATIONS OF FUNDS			
FIXED ASSETS			
Fixed Assets Gross Block	C	51,287	-
Less : Depreciation		2,591	-
		<u>48,696</u>	<u>-</u>
INVESTMENTS			
CURRENT ASSETS LOANS & ADVANCES			
Inventories		-	-
Sundry Debtors		-	-
Cash & Bank Balance	D	65,935	418,498
Loans, Advances & Deposits		-	-
		<u>65,935</u>	<u>418,498</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors for Expenses	E	141,123	418,498
Other Liabilities & Provision	F	3,292	-
		<u>144,415</u>	<u>418,498</u>
WORKING CAPITAL		<u>(78480)</u>	<u>-</u>
MISCELLANEOUS EXPENSES (To the extent not w/off)	G	148,684	148,684
PROFIT AND LOSS ACCOUNT	H	66,955	37,171
Total		<u>185,855</u>	<u>185,855</u>
Notes Forming part of the Accounts	M		

As per our Report of even date

For Jayesh Sanghrajka & Co.
Chartered AccountantsAshish Sheth
(M.No. 107162)
PartnerPlace : Mumbai
Date: 2nd May 2008

For Pratibha Infrastructure Private Limited

Ajit B Kulkarni Director
Samidha A Kulkarni DirectorPlace : Mumbai
Date: 2nd May 2008

PRATIBHA INFRASTRUCTURE PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2008

Particulars	Schedule	31.03.2008 Amount Rs	31.03.2007 Amount Rs
INCOME			
Income From Operations		1,680,120	-
		<u>1,680,120</u>	<u>-</u>
EXPENDITURE			
Cost of Works Done	I	1,050,543	
Establishment, Selling & Other Expenses	J	559,399	-
Finance Charges	K	67	-
Personal Expenses	L	96,906	-
	M	-	-
		<u>1,709,505</u>	<u>-</u>
PROFIT/LOSS BEFORE TAX		(29385)	-
<u>Provision for Tax</u>			
Fringe Benefit Tax		399	-
PROFIT/LOSS AFTER TAX		<u>(29784)</u>	<u>-</u>
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: 2nd May 2008

For Pratibha Infrastructure Private Limited

Ajit B Kulkarni Director
Samidha A Kulkarni Director

Place : Mumbai
Date: 2nd May 2008

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2008

Particulars	31.03.2008 Amount Rs.	31.03.2007 Amount Rs.
SCHEDULE - A : SHARE CAPITAL		
Authorised capital (100000 Equity Shares of Rs. 100/- Each)	10,000,000	10,000,000
Issued, Subscribed and Paid Up Capital (1000 equity shares of Rs.100 each Fully Paid up)	100,000	100,000
	100,000	100,000
SCHEDULE - B : UNSECURED LOAN		
From Share holders & Directors	85,855	85,855
	85,855	85,855

SCHEDULE -C : FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.07	Addn.	Sale/ Transfers	As on 31.03.08	As on 01.04.07	For The Period	On Sale/ Transfers	As on 31.03.08	As on 31.03.08	As on 31.03.07
1	Plant & Machinery	-	41,500	-	41,500	-	1,971	-	1,971	39,529	-
2	Furniture & Fixture	-	9,787	-	9,787	-	620	-	620	9,167	-
	Total	-	51,287	-	51,287	-	2,591	-	2,591	48,696	-

SCHEDULE - D : CASH AND BANK BALANCES

Balance with Bank of Baroda	65,935	418,498
	65,935	418,498

SCHEDULE - E : SUNDRY CREDITORS FOR EXPENSES

Consultancy Charges Payable	25,197	5,000
Other Creditors	115,926	413,498
	141,123	418,498

SCHEDULE - F : OTHER LIABILITIES & PROVISIONS

Provision for FBT	399	-
TDS Payable	2,893	-
	3,292	-

SCHEDULE - G : MISCELLANEOUS EXPENSES

Preoperative and Incorporation Expenses	148,684	148,684
	148,684	148,684

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2008

Particulars	31.03.2008 Amount Rs.	31.03.2007 Amount Rs.
SCHEDULE - H : PROFIT & LOSS ACCOUNT		
Opening Balance	(37171)	(37171)
Add:- Addition During the Year	(29784)	-
	(66955)	(37171)
SCHEDULE - I : COST OF WORKS DONE		
Opening Stock	-	-
Purchases	941,319	-
Add : Direct Expenses	109,224	-
	1,050,543	-
Less : Closing Stock	-	-
	1,050,543	-
SCHEDULE - J : ESTABLISHMENT, SELLING AND OTHER EXP.		
Audit Fees	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	7,083	-
Travelling Expenses	21,270	-
Vehicle Running Expenses	1,500	-
Water Charges	600	-
	559,399	-
SCHEDULE - K : FINANCE CHARGES		
Banking Cash Transaction Tax	67	-
	67	-
SCHEDULE - L : PERSONNEL EXPENSES		
Wages & Salary	91,958	-
Staff Welfare expenses	4,948	-
	96,906	-

SCHEDULE 'M'

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

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. This Company is 100% Subsidiary of Pratibha Industries Limited.

NOTES TO ACCOUNTS

Particulars		31.03.2008	31.03.2007
a.	Audit Fees	28,090	-
c.	In other Capacity	-	-
		28,090	-

(The above figures are inclusive of Service Tax)

- Company has neither expended nor earned any foreign exchange.
- No amount is and payable to any Small Scale Industrial (SSI) Units.
- Additional Information pursuant to provisions of Part II of Schedule VI of the Companies Act, 1956 are not applicable and hence not disclosed.

For Jayesh Sanghrajka & Co.
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

Place : Mumbai
Date: 2nd May 2008

For Pratibha Infrastructure Private Limited

Ajit B Kulkarni Director
Samidha A Kulkarni Director

Place : Mumbai
Date: 2nd May 2008

CASH FLOWS STATEMENT FOR THE PERIOD ENDED 31.03.2008

Particulars	31.03.2008 Amount Rs.	31.03.2007 Amount Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	(29,784)	-
Adjustment for :		
Depreciation	2,591	-
Preliminary Expenses Written Off	-	-
Finance Charges	-	-
Operating Profit before working Capital Changes	(27,193)	-
Adjustment for:		
Sundry Creditors for Expenses	(277,375)	413,498
Change in Other Liabilities	3,292	-
	(274,083)	413,498
Direct Taxes Paid	-	-
Net cash used in Operating Activities	(301,276)	413,498
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(51,287)	-
Net cash used in investing activities	(51,287)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Change in Unsecured Loan	-	5,000
Net cash from Financing Activities	-	5,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	(352,563)	418,498
Opening Cash and Cash Equivalents	418,498	-
Closing Cash and Cash Equivalents	65,935	418,498

Notes

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

For Jayesh Sanghrajka & Co.
Chartered Accountants

For Pratibha Infrastructure Private Limited

Ajit B Kulkarni Director
Samidha A Kulkarni Director

Ashish Sheth
(M.No. 107162)
Partner

Place : Mumbai
Date: 2nd May 2008

Place : Mumbai
Date: 2nd May 2008

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

1	4	3	1	8	7
---	---	---	---	---	---

 State Code

1	1
---	---

 (Refer Code List 1)

Balance -sheet Date

3	1
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0	3
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0	8
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 Date Date Month Year

II Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	Right Issue						
<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					
Bonus Issue	Private Placement						
<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					

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

Total Liabilities	Total Assets						
<table border="1"><tr><td>1</td><td>8</td><td>6</td></tr></table>	1	8	6	<table border="1"><tr><td>1</td><td>8</td><td>6</td></tr></table>	1	8	6
1	8	6					
1	8	6					
Sources of Funds	Reserves & Surplus						
Paid-up Capital	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L			
N	I	L					
<table border="1"><tr><td>1</td><td>0</td><td>0</td></tr></table>	1	0	0	Deferred Tax Liabilities			
1	0	0					
Secured/Unsecured Loans	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L			
N	I	L					
<table border="1"><tr><td>8</td><td>6</td></tr></table>	8	6	Application of Funds				
8	6						
Net Fixed Assets	Investments						
<table border="1"><tr><td>4</td><td>9</td></tr></table>	4	9	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	
4	9						
N	I	L					
Net Current Assets	Misc. Expenditure						
<table border="1"><tr><td>-</td><td>7</td><td>8</td></tr></table>	-	7	8	<table border="1"><tr><td>1</td><td>4</td><td>8</td></tr></table>	1	4	8
-	7	8					
1	4	8					
Accumulated Losses							
<table border="1"><tr><td>6</td><td>7</td></tr></table>	6	7					
6	7						

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

Turnover/Income	Total Expenditure								
<table border="1"><tr><td>1</td><td>6</td><td>8</td><td>0</td></tr></table>	1	6	8	0	<table border="1"><tr><td>1</td><td>7</td><td>0</td><td>9</td></tr></table>	1	7	0	9
1	6	8	0						
1	7	0	9						
+ - Profit / Loss Before Tax	+ - Profit / Loss After Tax								
<table border="1"><tr><td>✓</td></tr></table> <table border="1"><tr><td>2</td><td>9</td></tr></table>	✓	2	9	<table border="1"><tr><td>✓</td></tr></table> <table border="1"><tr><td>2</td><td>9</td></tr></table>	✓	2	9		
✓									
2	9								
✓									
2	9								
(Please tick Appropriate box + for Profit - for Loss)									
Earning Per Share in Rs.	Dividend @ %								
<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1"><tr><td>-</td><td>-</td></tr></table>	-	-			
N	I	L							
-	-								

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

Item Code No. (ITC Code)	Product Description			
<table border="1"><tr><td>N</td><td>A</td></tr></table>	N	A	<table border="1"><tr><td>-</td></tr></table>	-
N	A			
-				

For Jayesh Sanghrajka & Co.
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

Place : Mumbai
Date: 2nd May 2008

For Pratibha Infrastructure Private Limited

Ajit B Kulkarni Director
Samidha A Kulkarni Director

Place : Mumbai
Date: 2nd May 2008

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 31st March, 2008, 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 31st March 2008;
- 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
(M.No. 107162)
Partner

Place : Mumbai
Date: 2nd May 2008

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2008

PARTICULARS	Schedule	As at	
		31 st March,2008	31 st March,2007
<u>Sources of Funds</u>			
Shareholders Funds			
Share Capital	A	349,022,418	248,365,987
Proportionate Consolidation Eliminations		(182,172,418)	(105,515,987)
Sub Total		166,850,000	142,850,000
Reserves & Surplus	B	1,672,052,048	805,728,723
Deferred Tax Liability		17,810,982	4,486,471
Loan Funds			
Secured Loans	C	1,284,340,366	1,063,131,015
Unsecured Loans	D	43,726,291	300,205,047
Proportionate Consolidation Eliminations		-	(413,498)
Sub Total		1,328,066,657	1,362,922,564
TOTAL		3,184,779,687	2,315,987,758
<u>Applications of Funds</u>			
Fixed Assets	E		
Gross Block		989,834,578	246,217,571
Less:Depreciation		68,555,181	32,657,546
Net Block		921,279,397	213,560,025
Capital Work In Progress		315,243,893	279,832,501
Investments	F	1,035,144,718	119,000,200
Proportionate Consolidation Eliminations		(182,172,418)	(90,872,677)
Sub Total		852,972,300	28,127,523
Current Assets Loans & Advances			
Sundry Debtors	G	775,148,794	1,605,330,215
Inventories	H	1,832,899,962	273,195,766
Cash & Bank Balance	I	568,254,011	403,133,214
Loans,Advances & Deposits	J	1,202,243,469	391,258,795
Proportionate Consolidation Eliminations		(115,925)	(413,498)
Sub Total A		4,378,430,311	2,672,504,492
Less:Current Liabilities & Provisions			
Sundry Creditors	K	1,638,990,543	430,449,365
Other Liabilities & Provisions	L	222,885,952	143,418,977
Advances & Deposits	M	1,421,534,328	304,317,124
Proportionate Consolidation Eliminations		(115,925)	-
Sub Total B		3,283,294,898	878,185,466
Working Capital (A-B)		1,095,135,413	1,794,319,026
Misc.Exp.(to the extent not w/off)	N	148,684	148,684
TOTAL		3,184,779,687	2,315,987,758

As per our Report of even date

For Jayesh Sanghrajka & Co.
Chartered AccountantsAshish Sheth
(M.No. 107162)
PartnerPlace : Mumbai
Date: 2nd May 2008

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: 2nd May 2008

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

PARTICULARS	Schedule	As at 31 st March, 2008	As at 31 st March, 2007
Income			
Net Sales/Income from Operation		5,650,507,104	3,003,988,365
Other Income	O	37,253,165	3,918,377
Proportionate Consolidation Elimination		(36,695,034)	(139,721)
TOTAL		5,651,065,235	3,007,767,021
Expenses			
Cost of Works Done	P	4,459,247,830	2,383,972,620
Establishment, Selling & Other Expenses	Q	356,061,805	172,238,898
Finance Expenses	R	225,051,478	123,400,675
Personnel Expenses	S	173,038,988	82,910,226
Depreciation	E	35,986,559	11,264,657
Preliminary Expenses Written Off		-	84,750
Share of other Partners in JV Profit		-	(1,724,235)
Share of Pratibha Inds Ltd. in JV Profit		36,695,034	139,721
Proportionate Consolidation Elimination		(36,695,034)	(139,721)
TOTAL		5,249,386,660	2,772,147,591
Profit Before Tax		401,678,575	235,619,430
Add : Excess Provision Written Back		1,652,730	898,982
<u>Provision for Tax</u>			
Current Tax		44,232,202	26,384,026
Deferred Tax		13,324,511	3,525,665
Fringe Benefit Tax		3,198,226	2,318,334
Profit After Tax and Prior Period Items		342,576,366	204,290,387
Proposed Dividend		33,370,000	28,570,000
Corporate Dividend Tax		5,671,232	4,855,472
General Reserve		35,000,000	25,000,000
Balance Carried forward to Balance Sheet		268,535,134	145,864,915
Weighted Average Number of shares		14,973,525	14,285,000
Basic & Diluted Earning Per Share		22.88	14.30

As per our Report of even date

For Jayesh Sanghrajka & Co.
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

Place : Mumbai
Date: 2nd May 2008

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: 2nd May 2008

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR 2007-08

PARTICULARS	As at 31 st March,2008	As at 31 st March,2007
SCHEDULE: A : SHARE CAPITAL		
<u>Issued,Subscribed & Fully Paid Up</u>		
16685000 Equity shares of Rs.10/- Each	349,022,418	248,365,987
(P.Y. 14285000 Equity Shares Of Rs.10/- Each)		
Proportionate Consolidation Elimination	(182,172,418)	(105,515,987)
Total	166,850,000	142,850,000
SCHEDULE: B : RESERVES & SURPLUS		
Profit & Loss Account		
Opening Balance	353,967,379	208,102,462
Addition During Period	268,535,134	145,864,917
Less:Employees benefits provisions	1,422,201	-
(A)	621,080,312	353,967,379
Security Premium Account		
Opening Balance	426,761,344	471,350,000
Addition During Period	583,200,000	-
Less:Deduction during the Year	18,989,608	44,588,656
(B)	990,971,736	426,761,344
General Reserve		
Opening Balance	25,000,000	25,000,000
Addition During Period	35,000,000	-
Less:Deduction during the Year	-	-
(C)	60,000,000	25,000,000
Total (A) + (B) + (C)	1,672,052,048	805,728,723
SCHEDULE: C : SECURED LOANS		
Loans for Property,Vehicles & Construction Equip.	282,598,541	88,517,724
Working Capital Finance from consortium of banks	291,324,688	195,686,233
Project - Specific Finance	193,800,711	688,632,353
Buyer's Purchase Credit Facility	337,264,582	90,294,705
Term Loan - Saw Pipe Division	179,351,844	-
Total	1,284,340,366	1,063,131,015
SCHEDULE: D : UNSECURED LOANS		
From Banks & Financial Institutions	43,640,436	299,705,694
From Shareholders and Directors	85,855	499,353
Total	43,726,291	300,205,047
SCHEDULE: F : INVESTMENTS		
Trade Unquoted		
2660 Eq Shares of Abhyudaya Co Op. Bank Ltd	26,600	26,600
50,100 Eq Shares of Janakalyan Sahakari Bank Ltd	501,000	1,000
2,00,000 Eq Shares of Muktangam Deve. Pvt. Ltd.	2,000,000	2,000,000
10,000 Eq Shares of Pratibha Infrastructure Pvt Ltd	100,000	100,000
5 Eq Shares of The Greater Bombay Co.Op.Bank Ltd	25	25
5,000 Eq. Shares of Pratibha Osttu-Stettin Infra. P Ltd	50,000	-
Non-Trade Unquoted		
Bonds of Industrial Development Bank of India	-	2,500,000
National Saving Certificates	15,000	15,000
Non-Trade Quoted		
Investment in Gold Coins	43,911	43,911

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR 2007-08

PARTICULARS	As at 31 st March, 2008	As at 31 st March, 2007
Investment in Mutual Fund		
881235.845 Units of Birla Sun Life MF (Income Plus)	30,000,000	-
1038975.432 Units of Birla Sun Life MF (Income Fund)	30,000,000	-
2085375.263 Units of Birla Sun Life MF (Short Term)	30,000,000	-
2087711.729 Units of HDFC Mutual Fund (Floating Rate)	30,000,000	-
2241750.359 Units of HDFC Mutual Fund (Short Rate) 30,000,000	-	-
2432774.336 Units of ICICI Prud MF (Floating)	30,000,000	-
2058894.682 Units of ICICI Prud MF (liquid)	40,000,000	-
2053781.697 Units of ICICI Prud MF (Flexible)	30,000,000	-
1965331.551 Units of ICICI Prud MF (Short Term)	20,139,975	-
2404173.645 Units of Principal PNB AMC (Floating)	30,000,000	-
2251001.696 Units of Principal PNB AMC (Short)	30,000,000	-
2418984.188 Units of Principal PNB AMC (Floating Flexible)	30,000,000	-
2254943.965 Units of Principal PNB AMC (inst)	30,000,000	-
2419764.638 Units of Reliance MF (Floating)	30,000,000	-
1555080.968 Units of Reliance MF (liquid Treasury)	30,000,000	-
4199351.62 Units of Reliance MF (Liquidity)	50,000,000	-
2132499.289 Units of Reliance MF (Short Term)	30,000,000	-
2437557.892 Units of Standard Chartered MF (Floating)	30,000,000	-
26423.232 Units of Standard Chartered MF (Liquid Manager)	30,000,000	-
6953067.2591 Units of SBI Premier Liquid Fund IP Growth	90,000,000	-
7818710.9935 Units of SBI Premier Liquid Fund SIP Growth	100,000,000	-
6649662.003 Units of SBI Short Horizon Fund IP Growth (Market Value Rs. 86,28,85,739/- P.Y. NIL)	70,000,000	-
Investment in Joint Ventures and Partnership Firms	182,268,207	114,313,664
Proportionate Consolidation Elimination	-	-
Total	1,035,144,718	119,000,200
<u>Aggregate Value of</u>		
Quoted Investments	850,183,886	43,911
Market Value - Quoted Investments	862,982,739	75,160
Un Quoted Investments	184,960,832	118,956,289
SCHEDULE : G : SUNDRY DEBTORS		
(Unsecured, Considered good)		
Debt Outstanding for a period exceeding 6 months	63,272,675	80,792,812
Other Debtors	374,261,451	391,041,143
Project Specific Debts (Akola Municipal Corp & NMMC)	337,614,668	1,133,496,260
Total	775,148,794	1,605,330,215

SCHEDULE : E : FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.07	Addition	Sale/ Transfers/ Impairment	As on 31.03.2008	As on 01.04.07	Additions	On Sale/ Transfers	As on 31.03.2008	As on 31.03.2007	As on 31.03.2008
1	Office Premises	21,347,060	9,449,081	-	30,796,141	1,602,359	616,247	-	2,218,606	19,744,701	28,577,535
2	Plant & Machinery	156,786,763	459,055,167	-	615,841,930	16,141,250	22,146,974	-	38,288,224	140,645,513	577,553,706
3	Furniture & Fixture	12,849,840	14,409,031	-	27,258,871	2,329,827	1,465,002	-	3,794,829	10,520,013	23,464,042
4	Electrical Installation	763,370	53,391,516	-	54,154,886	242,633	1,707,949	-	1,950,582	520,737	52,204,305
5	Office Equipment	7,837,334	9,165,824	44,000	16,959,158	2,231,497	600,316	2,017	2,829,796	5,605,837	14,129,362
6	Vehicles	45,494,920	39,503,148	201,850	84,796,219	9,955,727	6,170,571	85,279	16,041,019	35,539,193	68,755,200
7	Computer & Printers	-	851,986	-	851,986	-	281,726	-	281,726	-	570,260
8	Computer Software	1,138,284	3,378,342	-	4,516,625	154,254	686,149	-	840,403	984,030	3,676,222
9	Factory Building	-	145,195,054	-	145,195,054	-	2,309,997	-	2,309,997	-	142,885,057
10	Land	-	9,463,708	-	9,463,708	-	-	-	-	-	9,463,708
		246,217,571	743,862,857	245,850	989,834,578	32,657,547	35,984,931	87,296	68,555,181	213,560,024	921,279,397

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR 2007-08

PARTICULARS	As at 31 st March, 2008	As at 31 st March, 2007
SCHEDULE : H : INVENTORIES		
Raw Material	197,180,178	-
Consumable Stores	3,285,770	-
Work In Progress	1,616,724,754	273,195,766
Finished Stock	15,709,260	-
(As per Inventories certified and valued by the Management)		
Total	1,832,899,962	273,195,766
SCHEDULE : I : CASH & BANK BALANCES		
Cash in hand	6,299,025	10,194,725
Balance with Banks		
In Current Account with Scheduled Banks	133,144,025	15,601,644
In Demand Deposit of Scheduled Banks	428,810,961	377,336,845
Total	568,254,011	403,133,214
SCHEDULE : J : LOANS, ADVANCES & DEPOSITS		
Advance for Land	117,784,354	7,666,000
Advance to Pratibha Infrastructure Pvt. Ltd.	115,926	413,498
Advance to Pratibha Ostu-Stettin Infrastructure Pvt Ltd	250,000	-
Advances to Suppliers	30,722,941	1,096,161
Excise Duty Balance	44,012,671	22,186
Excise Duty Credit Available	3,894,041	5,226,264
Interest Accrued But Not Due	17,755,014	8,079,236
Loans and Advances to Staff	1,575,117	1,289,387
Mobilisation Advances	151,320,531	60,850,803
Other Advances	235,443,057	626,362
Other Deposits	376,520,719	233,413,030
Prepaid Expenses	22,890,942	3,729,046
Sales Tax Refund Due	1,475,765	3,024,544
Service Tax Credit Available	7,401,792	635,745
Tax Deducted At Source And Advance Tax	145,978,575	35,354,489
VAT Credit Available	31,412,052	1,753,607
Deposits with SICOM	1,750,000	1,750,000
Deposits with various Authorities	11,939,972	26,328,437
Total	1,202,243,469	391,258,795
SCHEDULE : K : SUNDRY CREDITORS		
Creditors under Letter of credit	1,060,420,773	162,473,257
Creditors under Purchase Bill Discounting	38,734,035	23,373,856
Other Sundry Creditors	539,835,735	244,602,252
Total	1,638,990,543	430,449,365
SCHEDULE : L : OTHER LIABILITIES & PROVISIONS		
Provision for Annuity Period Expenses	52,593,623	45,783,516
Provision for Director's Remuneration	530,875	5,158,890
Provision for ESIC & Provident Fund	280,869	296,368
Other Provisions	17,414,741	14,643,310
Provision for Professional Tax	116,501	56,515
Unpaid Dividend	200,606	-
Proposed Dividend	33,370,000	28,570,000
Provision for NMMC Cess Tax	2,634,113	2,193,955
Provision for Corporate Dividend Tax	5,671,232	4,855,472
Provision for Gratuity & Employee Benefit	2,415,048	100,000
Provision for Fringe Benefit Tax	1,226,126	173,948
Provision for Service Tax	3,619,525	125,810

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR 2007-08

PARTICULARS	As at 31 st March,2008	As at 31 st March,2007
Provision for Tax	64,109,464	26,384,026
Provision for Salary & Wages	12,260,063	4,014,587
TDS Payable (Including Interest Thereon)	21,078,915	8,020,752
Provision for Expenses	1,723,340	367,404
Provision for Works Contract Tax	2,360,905	2,674,424
Provision for Interest on loan accrued but not due	1,280,006	-
Total	222,885,952	143,418,977
SCHEDULE : M : ADVANCE & DEPOSITS		
Mobilisation Advance	765,335,875	261,302,494
Secured Advance	579,358,573	429,750
Other Advances	733,622	-
Security Deposits	76,106,258	42,584,880
Total	1,421,534,328	304,317,124
SCHEDULE : N : MISCELLANEOUS EXPENSES		
Expenses on Initial Public Offering	-	43,317,406
Preliminary Expenses	148,684	1,504,684
Less : written off/squared off	-	44,673,406
Total	148,684	148,684
SCHEDULE: O : OTHER INCOME		
Dividend Received	30	30
Interest on Income Tax Refund	221,406	49,350
Interest received from others	-	45,791
Profit on redemption of Mutual Funds	139,975	-
Sales-Empty Cement Bag	83,340	-
Share of Profit from Partnership (JV)	36,695,034	2,670,708
Discount Recd	113,380	136,191
Insurance Claim Received	-	222,626
Profit on Sale of Fixed Assets	-	793,681
TOTAL	37,253,165	3,918,377
SCHEDULE: P : COST OF WORK DONE		
Opening Stock	273,195,766	378,247,199
Purchases	4,283,589,100	1,228,586,153
Add : Direct Expenses	1,735,362,926	1,050,335,034
	6,292,147,792	2,657,168,386
Less : Closing Stock	1,832,899,962	273,195,766
TOTAL	4,459,247,830	2,383,972,620
SCHEDULE: Q : ESTABLISHMENT,SELLING AND OTHER EXPENSES		
Administration Charges	26,038	29,369,252
Advertisement Charges	2,604,583	3,086,524
Auditors Remunerstion	1,712,362	860,000
Books,Periodicals,Fees & Subscription	-	31,430
Brokerage Expenses	863,588	168,480
Computer & Software Expenses	1,619,982	346,081
Discounts	5,306	1,753,391
Donation	1,058,374	176,502
Electricity Charges	6,641,626	1,335,410

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR 2007-08

PARTICULARS	As at 31 st March, 2008	As at 31 st March, 2007
Fees & Subscription	1,487,584	338,073
Impairment Loss on Goodwill	-	7,500,000
Insurance Charges	27,755,994	10,486,831
ISO exp	-	8,418
Legal Fees & Professional Charges	59,770,077	22,916,083
Listing Fees	58,000	58,000
Loss of Subsidiary Company	66,955	-
Loss on Sale of Fixed Assets	27,426	-
Loss on Securitisation	64,008,154	-
Pooja & Festival Expenses	1,607,782	1,177,193
Postage & Telegram and Telephone Charges	6,337,737	3,794,190
Printing & Stationery	5,331,678	2,492,724
Rates & Taxes	110,874,188	54,589,278
Registrar Fees	1,425,816	533,844
Rent	19,287,302	6,527,340
Repair & Maintenance-Office	858,547	486,515
Royalty Expenses	3,319,491	2,043,546
Sales Promotion	4,687,168	2,503,559
Security Service Charges	6,077,771	2,962,850
Service Charges	542,176	30,347
Carriage Outward	4,518,834	-
Tender Expenses	1,610,410	1,448,911
Travelling Exp	12,717,472	8,421,774
Vehicle Expenses	9,159,384	6,792,352
TOTAL	356,061,805	172,238,898
SCHEDULE: R : FINANCE CHARGES		
Bank Charges & Commission	16,148,403	6,074,057
Bank Commission (BG/LC)	57,178,292	26,432,521
Bank Cash Transaction Tax	107,599	54,981
Factoring Charges	22,969,370	3,031,001
Interest on Finance for Vehicles & Construction Equipments	8,180,152	3,790,834
Interest On Mobilisation Advances	10,667,045	1,475,556
Interest Paid (Bank)	107,405,625	44,999,950
Interest Paid on Annuity Projects	11,140,256	57,139,042
Interest (Others)	4,716,812	1,547,685
Less: Interest Received From Banks	(13,462,076)	(21,144,951)
TOTAL	225,051,478	123,400,675
SCHEDULE: S : PERSONNEL EXPENSES		
Director Remuneration	8,640,000	13,484,000
Director Sitting Fees	390,000	300,000
Director Medical Expenses	247,485	210,225
Insurance Charges (Key man)	1,003,000	1,003,000
Staff Welfare	17,145,944	6,817,227
Contribution to PF, ESIC, Gratuity etc.	3,710,130	1,110,223
Wages & Salary	141,902,429	59,985,551
TOTAL	173,038,988	82,910,226

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

PARTICULARS	As at 31 st March, 2008	As at 31 st March, 2007
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	401,708,357	235,619,430
Adjustment for :		
Depreciation	35,986,559	11,264,657
Loss / (Profit) on Sale of Assets & Investments	(112,549)	(793,681)
Preliminary Expenses Written Off	-	(63,934)
Impairment Loss of Goodwill	-	7,500,000
Finance Charges	225,051,478	123,400,678
Dividend Received	(30)	(30)
Proposed Dividend	(33,370,000)	(28,570,000)
Corporate Dividend Tax	(5,671,231)	(4,855,472)
Employees Benefits-Opening Provision	(1,422,201)	-
Loss of Subsidiary Company	(29,785)	-
Reserve of Subsidiary Company	66,955	(37,170)
Operating Profit before working Capital Changes	622,207,553	343,464,479
Adjustment for:		
Inventories	(1,559,704,196)	105,051,433
Sundry Debtors	830,181,421	(1,013,659,485)
Loans & Advances	(811,398,173)	(127,321,287)
Sundry Creditors	1,208,541,178	7,852,420
Other Liabilities	79,466,975	107,846,739
Advances & Deposits	1,117,217,204	214,098,879
	1,486,511,964	(362,666,822)
Direct Taxes Paid	(45,777,698)	(27,803,378)
Net cash used in operating activities	1,440,734,265	(390,470,200)
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Additions to Fixed Assets	(743,862,857)	(99,587,524)
Additions to Capital Work in Progress	(35,411,392)	(279,832,501)
Deletion to Fixed Assets (net)	129,500	2,946,666
Redemption / (Purchase) of investments	(824,844,777)	266,459,013
Loss From Subsidiary	(66,955)	-
Profit on redemption of Mutual Funds	139,975	-
Dividend Received	30	30
Net cash used in investing activities	(1,603,916,476)	(110,014,316)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	607,200,000	-
Expenses for Issue of Capital	(18,989,608)	(1,601,683)
Proceeds from Long Term Borrowings (Net)	373,432,660	622,218,742
Proceeds from Short Term Borrowings (Net)	(408,288,568)	237,852,573
Finance Charges paid (Net)	(225,051,478)	(123,400,675)
Net cash from Financing Activities	328,303,007	735,068,953
D NET INCREASE IN CASH AND CASH EQUIVALENTS	165,120,797	234,584,438
Opening Cash and Cash Equivalents	403,133,214	168,548,776
Closing Cash and Cash Equivalents	568,254,011	403,133,214

Notes

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

For Jayesh Sanghrajka & Co.
Chartered Accountants

For Pratibha Industries Limited
Usha B Kulkarni Chairperson
Ajit B Kulkarni Managing Director
Vinayak B Kulkarni Whole Time Director
Pankaj S Chourasia Company Secretary

Ashish Sheth
(M.No. 107162)
Partner

Place : Mumbai
Date: 2nd May 2008

Place : Mumbai
Date: 2nd May 2008

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 Master Folio No.* Client Id No. of Shares (s) held:

NAME AND ADDRESS OF THE SHAREHOLDER

I/We hereby record my/our presence at the 13th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 20th day of June, 2008 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 Physical form.

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PRATIBHA INDUSTRIES LIMITED

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

PROXY FORM

DP Id * Master Folio No. Client Id No. of Shares (s) held:

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 13th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 20th day of June, 2008 at 12.30 P.M. or at any adjournment thereof.

Signed this _____ day of _____ 2008

* 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.



Delhi Airport



Nirmal Mall, Mumbai



Amritsar Airport Project



NMMC Water Pipeline Project



MCGM Tunnel Project



MGL Water Supply Project



Pratibha Industries Limited

Shrikant Chambers, Phase-II, 5th Floor, Slon-Trombay Road, Next to R. K. Studio, Chembur, Mumbai-400 071. India.
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