



# PRATIBHA INDUSTRIES LIMITED

Ideate Innovate Integrate



18<sup>th</sup> Annual Report  
2012-13

DMRC Site - New Delhi - Tunnel Day Light (Break Through)



*" We are committed to meet the expectations of our customers. Through our well designed and established service delivery system , that is sensitive and accommodative to continues technology upgradation and value analysis. We shall continuously strive to improve the effectiveness of our quality system . . . "*



DMRC Tunnel - New Delhi



## Board of Directors

**Mrs. Usha B. Kulkarni**  
Chairperson

**Mr. Ajit B. Kulkarni**  
Managing Director

**Mr. Ravi A. Kulkarni**  
Whole Time Director

**Mr. Sharad P. Deshpande**  
Whole Time Director

**Mr. Awinash M. Arondekar**  
Director

**Mr. Shrikant T. Gadre**  
Director

**Dr. S. L. Dhingra**  
Director

**Mr. V. Sivakumaran**  
Director

**Mr. Vilas B. Parulekar**  
Director

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

**Bankers To the Company**  
Bank of Baroda  
Axis Bank Limited  
Bank of India  
ICICI Bank Limited  
Punjab National Bank  
State Bank of India

**Statutory Auditors**  
Jayesh Sanghrajka & Co.,  
Chartered Accountants

**Internal Auditors**  
Choksi & Choksi  
Chartered Accountants

**Cost Auditors**  
Narasimha Murthy & Co.  
Cost Accountants

**Registered Office**  
Shrikant Chambers, Phase - II,  
Next to R. K. Studio,  
Sion Trombay Road,  
Chembur, Mumbai - 400 071  
(E) [investors.relations@pratibhagroup.com](mailto:investors.relations@pratibhagroup.com)  
Website: [www.pratibhagroup.com](http://www.pratibhagroup.com)

## Corporate Office

14<sup>th</sup> Floor, Universal Majestic,  
P. L. Lokhande Marg, Off. Ghatkopar Mankhurd  
Link Road, Govandi (W),  
Mumbai - 400 043.  
Tel: 91 - 22 - 3955 9999  
Fax: 91 - 22 - 3955 9900

## Works

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

**Registrars and Transfer Agents**  
**Link Intime India Private Limited,**  
C-13, Pannalal Silk Mills Compound, L.B.S.  
Marg, Bhandup (W),  
Mumbai - 400 078  
Tel No. 91 - 22 - 2596 3838  
Fax: 91 - 22 - 2594 6969  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
E-Mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## 18<sup>th</sup> ANNUAL GENERAL MEETING

On 30<sup>th</sup> September, 2013 at 3.00 p.m.

The Bombay Presidency Golf Club Ltd.  
Dr. C.G. Road. Chembur,  
Mumbai - 400 071

## Message from Chairperson



**Dear Fellow Shareholders,**

I am delighted to re-connect with you through this 18<sup>th</sup> annual report of the Company.

I would like to express our delight at presenting you the financial result of your Company. The performance of the Company is quite satisfactory during the year 2012-13. During the year, your Company grew its consolidated gross revenues from Rs. 1,68,942 lacs to Rs. 2,18,215 lacs, an increase about 29%. During the same period, the consolidated net profit grew marginally from Rs. 8110 lacs to Rs. 8270 lacs.

We are currently executing various projects of clients viz. Delhi Metro Rail Corporation (DMRC), Delhi Jal Board (DJB), Public Health and Engineering Department (PHED) Rajasthan and Bihar, Gujarat Water Infrastructure Limited (GWIL), Municipal Corporation of Greater Mumbai (MCGM), etc.

Depreciation in rupees and high interest rates may hinder investment and future growth. These are troublesome and may affect growth in the near terms even in India, but I do believe that the macro-economic fundamentals and the demographic characteristics are well in place to foster growth momentum in the long run.

We are vigilant, as responsible corporate, towards our CSR and initiated and maintained various efforts to meet this aspect and extend our helping hand for social, religious and cultural cause apart from helping under privileged section of our Society.

We stay committed to deliver value to our shareholders and renew our promise to constantly focus on exceeding client's expectations by providing excellent services.

I also take this opportunity to thank our Customers, Joint Venture Partners, Bankers and Shareholders for reposing their confidence in the Company and providing their unstinted support. I wish to express my appreciation to my colleagues on the Board and our employees for their dedication and commitment.

With Best Wishes

Usha B. Kulkarni  
Chairperson

# Corporate Social Responsibility (CSR)

Pratibha Foundation, a trust operating under Pratibha Industries Limited leads the Company's philanthropic outreach programs and social upliftment. Pratibha Foundation ably led by Mrs. Usha B. Kulkarni (fondly called as "Mousiji"). We, Pratibha, firmly believe that as organizations grow in size and scale, they must play an active role in public welfare. Organizations accountability must go beyond business interests towards society at large and in transforming communities they operate in.

We are committed in delivering our corporate social responsibilities by making a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational, cultural, health and environment initiatives. Our employees-volunteers enjoy spending their personal time with less fortunate sections of the society, which includes visiting orphanages and old age homes. We want our CSR initiatives to have a long lasting and positive imprint on the society at large.

We will integrate our business values and operations to meet the expectations of our shareholders, customers, employees, regulators, investors, suppliers and the community and take care of environment with best interest.



## Five Years at a Glance (Consolidated)

(₹ in million)

Particulars	2012 - 13	2011 - 12	2010 - 11	2009 - 10	2008 - 09
Total Income	21,821.51	16,894.19	12,734.22	10,134.33	8,107.63
Operating Expenses	18,733.91	14,465.47	10,960.61	8,705.24	7,141.48
Operating Profit	3,087.53	2,428.72	1,773.61	1,429.09	966.15
Finance Charges	1,582.95	960.69	635.55	522.35	340.51
Depreciation	309.98	227.89	170.17	140.43	71.26
Profit before Tax	1,194.60	1,106.09	967.89	766.31	554.38
Provision for Tax	367.65	295.06	253.59	201.21	107.11
Profit after Tax	826.95	811.03	714.30	565.10	447.28
<b>What we owned</b>					
Fixed Assets					
Gross Block	9,568.61	5,461.23	3,585.58	3,169.00	1,683.21
Less : Depreciation	908.01	615.55	427.17	278.43	139.41
Net Block	<b>8,660.60</b>	<b>4,845.68</b>	<b>3,158.41</b>	<b>2,890.57</b>	<b>1,543.80</b>
Capital Work in Progress	303.71	2,766.26	544.85	113.66	607.46
Investments	3.22	29.68	1.43	51.43	0.93
Working Capital	11,844.87	7,235.43	5,701.72	4,176.18	2,640.88
Miscellaneous Expenditure	-	-	0.67	0.87	0.30
<b>Total</b>	<b>20,812.40</b>	<b>14,877.06</b>	<b>9,407.08</b>	<b>7,232.71</b>	<b>4,793.37</b>
<b>What we owed</b>					
Secured Loans	13,412.47	7,026.67	3,270.38	3,047.78	2,179.33
Unsecured Loans	733.64	2,034.55	1,118.03	1,300.09	305.13
Deferred Tax Liability	335.11	240.67	183.96	131.10	61.70
<b>Total</b>	<b>14,481.22</b>	<b>9,301.89</b>	<b>4,572.37</b>	<b>4,478.97</b>	<b>2,546.16</b>
<b>Networth</b>					
Share Capital	202.11	348.85	348.85	166.85	166.85
Reserves & Surplus	6,129.07	5,226.32	4,485.86	2,586.89	2,080.35
<b>Total</b>	<b>6,331.18</b>	<b>5,575.17</b>	<b>4,834.71</b>	<b>2,753.74</b>	<b>2,247.20</b>
EPS	8.20	8.15	7.90	33.87	26.81
Divident per Share	0.60	0.60	0.60	3.00	2.00
Book Value per Share	62.65	56.07	48.62	165.04	134.68
Debt Equity Ratio	2.23	1.47	0.77	1.58	1.11

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# Notice

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Pratibha Industries Limited will be held on Monday, 30<sup>th</sup> September, 2013 at 3.00 p.m., at The Bombay Presidency Golf Club Ltd., Dr. C. G. Road, Chembur, Mumbai - 400 071, to transact the following businesses:

## ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at March 31, 2013, 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 final dividend, if any;
3. To appoint a Director in place of Mr. Awinash Arondekar, who retires by rotation under Article 152 of Articles of Association of the Company, and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. Shrikant T. Gadre, who retires by rotation under Article 152 of Articles of Association of the Company, and being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Dr. S. L. Dhingra, who retires by rotation under Article 152 of Articles of Association of the Company, and being eligible, offers himself for re-appointment;
6. 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:

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

**“RESOLVED THAT** Mr. Sharad Prabhakar Deshpande, who was appointed as an additional Director of the Company by the Board of Directors, pursuant to Section 260 of the Companies Act, 1956, w.e.f. 25<sup>th</sup> February, 2013 and in respect of whom the Company has received notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

**“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government or any other competent authority, from time to time, the consent of members be and is hereby accorded to the appointment of Mr. Sharad Prabhakar Deshpande, as Whole Time Director of the Company for a period of five years with effect from 25<sup>th</sup> February, 2013, on the terms and conditions, as are set out in the agreement to be entered into between the Company and Mr. Sharad Prabhakar Deshpande, is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee or any other Committee constituted by the Board in this behalf) to alter and vary the terms and Conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force



or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Sharad Prabhakar Deshpande.

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

**Registered Office:**

Shrikant Chambers, Phase II, 5<sup>th</sup> Floor,  
Next to R. K. Studio, Sion Trombay Road,  
Chembur, Mumbai – 400 071.

Date : 13<sup>th</sup> August, 2013

Place : Mumbai

**By the Order of the Board of Directors**

**For Pratibha Industries Limited**

**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/HERSELF 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 in original authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
5. Members who hold shares in dematerialized form are requested to write their **Client ID and DP ID** Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11 a.m. and 1 p.m. up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, 26<sup>th</sup> September, 2013 to Monday, 30<sup>th</sup> September, 2013 (both days inclusive).
9. Non-Resident Indian members are requested to inform the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited, immediately of:
  - (a) The change in the residential status on return to India for permanent settlement;
  - (b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to

send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s. Link Intime India Private Limited.

**11. Re-appointment of Directors:**

At the ensuing Annual General Meeting, Mr. Awinash M. Arondekar, Mr. Shrikant T. Gadre and Dr. S. L. Dhingra, retire by rotation and being eligible offer themselves for re-appointment. As per the provisions of Clause 49 (IV) (G) 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.

**12.** After declaration of dividend, if any, at the Annual General Meeting, the dividend Warrants / Pay Orders / Drafts for the dividend amount are scheduled to be posted from onwards to the members, whose names appear on the Register of Members on close of business hours on 25<sup>th</sup> September, 2013. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership, as per details to be furnished for this purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**13.** The dividend will be paid through NECS in respect of shareholders having demat accounts, to the credit of related bank accounts as furnished by the depositories. Members who desire the warrants and would like to have their bank accounts details incorporated in their dividend warrants may please furnish the following details;

- i. Folio No./DP ID/ Client ID
- ii. Name and Address of sole/ first shareholder.
- iii. Bank Account No. (With prefix SB/ CA etc.).
- iv. Name of the bank and branch.
- v. Full address of the bank with Pin Code.

**14.** The Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies (vide its Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) and clarified that the service of documents/communications including the Notice of calling the Annual General Meeting, audited financial statements, directors' report, auditors' report etc. via electronic mode by a company can be made through electronic mode

instead of sending the physical copy of the document(s).

Henceforth, the email addresses indicated in your respective Depository Participants (DP) accounts which will be periodically downloaded from Depositories will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website of the company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the company at the address mentioned in (e) above quoting their Folio No(s).

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

**ITEM NO. 7 & 8**

The Board of Directors at the meeting held on 08<sup>th</sup> February, 2013 has appointed Mr. Sharad P. Deshpande as an Additional Director of the Company in accordance with the provisions of Section 260 of the Companies Act, 1956. Pursuant to Section 260, a Director appointed under the section, holds office upto the date of next Annual General Meeting. The Company has received notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director.

Mr. Sharad P. Deshpande, B. E. Civil, aged 62, is having a more than 35 years of experience in Civil Engineering and Execution of large infrastructure projects.

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

The Board of Directors and also the Remuneration Committee in their respective meetings held on 08<sup>th</sup> February, 2013, have approved appointment and remuneration of Mr. Sharad P. Deshpande, w.e.f. 25<sup>th</sup> February, 2013 for a period of five years.

The broad particulars of remuneration payable to and the terms of the appointment of Mr. Sharad P. Deshpande during his tenure as Whole Time Director are as under:

Basic Salary: ₹ 2,50,000/- p.m.

In addition to the basic salary, the Whole Time Director shall also be entitled to such facilities, Perquisites and Allowances as may be decided by the Board of Directors time to time. The remuneration payable to Mr. Sharad P. Deshpande, including salary, is subject to overall ceiling of ₹ 60 Lacs with an annual increment not exceeding 30% over the previous year.

Further, where in any financial year comprised by the period of appointment, the Company has no profits or

its profits are inadequate, the aforesaid salary shall be paid to the Whole Time Director in accordance with the applicable provisions of Schedule XIII of the said Act and subject to the approval of the Central Government, if any required.

The Board recommends the Resolutions for approval of the members for Item no. 7 as an ordinary resolution and Item no. 8 as a Special Resolution respectively.

Mr. Sharad P. Deshpande may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other directors are, in any way, concerned or interested in the said resolution.

**Registered Office:**

Shrikant Chambers, Phase II, 5<sup>th</sup> Floor,  
Next to R. K. Studio, Sion Trombay Road,  
Chembur, Mumbai – 400 071.

Date : 13<sup>th</sup> August, 2013

Place : Mumbai

**By the Order of the Board of Directors**

**For Pratibha Industries Limited**

**Pankaj S. Chourasia**

**Company Secretary**

# Directors' Report

To,  
The Members  
**Pratibha Industries Limited**

Your Directors have great pleasure in presenting the 18<sup>th</sup> Annual Report together with the Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2013.

## FINANCIAL RESULTS:

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2013, is summarised below:

(₹ in Lacs)

Particulars	Consolidated	
	31.03.2013	31.03.2012
Income	2,18,215.10	1,68,941.87
<b>EBIDTA</b>	<b>30,875.18</b>	<b>24,287.19</b>
Less : Interest & Finance Charges	15,829.47	10,947.38
Less : Depreciation & Amortisation	3,099.75	2,278.92
Profit Before Tax	11,945.96	11,060.89
Provision for Tax	3,676.45	2,950.62
Profit After Tax (PAT)	8,269.51	8,110.27
<b>APPROPRIATIONS</b>		
<b>Dividend</b>		
On Equity Shares	606.33	596.55
On Compulsorily Convertible Participatory Preference Shares	-	9.78
Annual fixed Dividend on CCPPS	-	0.15
Tax on Dividend	103.05	98.39
Transfer to General Reserve	953.00	833.00
<b>Balance Carried to the Balance Sheet</b>	<b>6,607.13</b>	<b>6,572.40</b>
<b>Earning Per Share (in ₹)</b>		
Basic	8.20	8.04
Diluted	8.20	8.04

## **PERFORMANCE REVIEW:**

Your Company was able to sustain a growth in turnover despite of many challenges faced in the last financial year, such as liquidity, rising fiscal deficits, adverse trade balance and continued inflation results into high interest rates, uncertain political environment.

For the period under review, your Company has registered healthy 29% increase in total income generated, growing from ₹ 1689.41 Crores in FY 2011-12 to a record ₹ 2182.15 Crores in FY 2012-13. The EBITDA have also, during the period under review, witnessed a significant growth of about 27% and increased from ₹ 242.87 Crores in FY 2011-12 to ₹ 308.75 Crores in FY 2012-13.

However, due to rising commodity price and higher borrowing cost, the net profits marginally increased to ₹ 82.70 Crores compare to previous year figure of ₹ 81.10 Crores.

Despite of heavy pressure on Infra Companies, your Company was able to grab the good work contracts into its kitty and order book of the Company stood at approx. ₹ 6200 crores as on 31<sup>st</sup> March, 2013 which is to be executed in span of three to five years time. Your Management is expected that these new projects shall improve the profitability of the Company and ease pressure on profitability due to increased commodity prices and higher interest cost. Your management are confident to come out of all the external and internal challenges affecting the business environment of the Company and will achieve highest growth rate in turnover and net profit in years to come.

## **DIVIDEND**

Despite of pressure on profitability, your Directors are confident of maintaining & improving cash flow and profitability and hence your Directors recommended dividend of ₹ 0.60 i.e. 30% per equity share of ₹ 2/- each. The dividend distribution will result in a cash outgo of ₹ 709.38 lacs (including Dividend Distribution Tax of ₹ 103.05 lacs).

## **TRANSFER TO RESERVE**

Your Directors propose to transfer a sum of ₹ 953.00 lacs to the General Reserve account.

## **SAP IMPLEMENTATION**

At the end of the financial year, the Company has successfully rolled out SAP system and made it

operational. With implementation of SAP, it is expected to achieve better transparency, higher efficiency, accountability and reliability of information system and its timely retrieving of the same.

## **FIXED DEPOSITS**

The Company has invited and accepted the fixed deposits from public and shareholders during the year and has complied with all the regulatory requirements. At the end of the year, there were no unclaimed, unpaid or overdue deposits.

## **SAW PIPE DIVISION**

The Company has not undertaken production of SAW pipes in its SAW pipes division as the SAW pipe business is no more lucrative/profitable due to sluggishness in demand and excessive supplies from other domestic and international players.

## **DIRECTORS**

During the year, Promoters of the Company have restructured shareholding in the Company and other business owned by the Promoters. Pursuant to amicable and friendly settlement, Mr. Vinayak B. Kulkarni had resigned with effect from 30<sup>th</sup> April, 2013 as the Director and Whole Time Director of the Company. The Board expresses its sincere gratitude towards the guidance and services extended by Mr. Vinayak B. Kulkarni during his tenure with the Company.

At the ensuing AGM three directors are liable to retire by rotation, these include Mr. Awinash M. Arondekar, Mr. Shrikant T. Gadre and Dr. S. L. Dhingra. These directors are eligible for reappointment and expressed their willingness to be reappointed.

Mr. Sharad P. Deshpande was appointed as an Additional Director designated as Whole Time Director of the Company with effect from 25<sup>th</sup> February, 2013. Mr. Sharad P. Deshpande will hold office till the date of the forthcoming Annual General Meeting and notice has been received from a member proposing the candidature of Mr. Sharad P. Deshpande as Director of the Company.

The information on the particulars of Directors seeking re-appointment as required under Clause 49 of the Listing Agreement executed with the Stock Exchanges have been given under Corporate Governance section 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, 2013 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.

## **SUBSIDIARIES**

The Company has four subsidiaries out of which one is overseas subsidiary. The Indian subsidiaries are 1. Prime Infrapark Private Limited, 2. Bhopal Sanchi Highways Private Limited, 3. Muktangan Developers Private Limited and one overseas subsidiary is Pratibha Holding (Singapore) Pte Limited and one step down overseas subsidiary is Pratibha Infra Lanka (Private) Limited.

As per Section 212 of the Companies Act, 1956, The Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of subsidiaries. In accordance with the general circular No. 2/2011 dated 08<sup>th</sup> February, 2011, has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statement in the Annual Report. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Consolidated Financial Statements presented by the

Company include the financial results of its subsidiary companies.

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-27 on reporting of interest in Joint Ventures and AS-23 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 Annual Report 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 confirmation from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and also that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. The Auditors has also submitted peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, New Delhi as required under the listing agreement.

The Notes on Accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments under section 217 (3) of the Companies Act, 1956.

Your Company has re-appointed Chokshi & Chokshi as Internal Auditors of the Company for the financial year 2013-14.

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

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

## **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.

## **PLEDGE OF SHARES**

None of the equity shares of the directors of the Company are pledged with any banks, financial institutions.

## **EMPLOYEE RELATIONSHIP**

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

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

## **APPRECIATION**

The Board of Directors thanks the Banks, Financial Institutions, Central and State Government Authorities, Shareholders, Customers, Suppliers, Employees and Business Associates for their continued co-operation and support to the Company.

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

**Date : 13<sup>th</sup> August, 2013**

**Place : Mumbai**

**Usha B. Kulkarni**

**Chairperson**

# Annexure to Directors' Report

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors Report for the period ended 31<sup>st</sup> March, 2013.

## (A) Conservation of Energy

- (a) Energy Conservation and efficiency measures undertaken  
Energy Conservation during the financial year has accrued as a result of the following steps:
- Reduction in the specific consumption of electricity by optimizing its usage.
  - Maintaining power factor from 0.99 to 1 for MSEDCL power.
- (b) Additional Proposals being implemented for further conservation of energy : **Not applicable**
- (c) Impact of the above measures for reduction of energy consumption and consequent impact on cost of production of goods : **Not applicable**
- (d) Total energy consumption and energy consumption per unit of production as per Form A : **Not applicable**

## (B) Technology Absorption

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

## (C) Research & Development

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

## (D) Foreign Exchange Earnings and Outgo

### 1. Activities relating to Exports :

There were no significant exports of goods by the Company during the year.

### 2. Total Foreign exchange used and earned:

(₹ in lacs)

	Year ended	
	31.03.2013	31.03.2012
(i) Foreign Exchange earned	16,702.95	20,996.02
(ii) Foreign Exchange used	32,250.24	31,922.96



# Management Discussion And Analysis (MDA)

## INDUSTRY STRUCTURE – GENERAL

Total USD 55 to 60 trillion in infrastructure investment is needed worldwide between 2013 and 2030 to keep up with global growth momentum. Developed countries will have to invest to maintain aging transport, power, water and telecom networks, while India need to focus on just getting basic infrastructure in place. India could create 3.4 million new direct and indirect jobs with an increase in infrastructure spending equivalent to 1% of gross domestic product.

India has called for USD 1 trillion in public and private infrastructure spending in the next five years. Government has announced plans for various infrastructure developments across the Country including two major ports, three airports, nearly 6,000 miles of new road projects and an elevated rail-corridor in Mumbai.

At present, India spends 4.7% of GDP on infrastructure, compared to 8.5% of GDP in China and 2.6% in the U.S.. Ramping up spending could create millions of new jobs in India. India's estimated 5% GDP growth for the financial year 2013-14 is stoking concerns among policymakers that unemployment could spike, especially among youth.

By following "best practices" to build as efficiently as possible, Countries could save as much as USD 1 trillion per year in infrastructure development costs. In India, most road projects get delayed 15%-20% beyond their intended timelines because of land acquisition issues and the same situation for other infrastructure development of the Country.

## OUTLOOK – GENERAL

The outlook for the infrastructure sector continues to remain under pressures in the 2013-14 largely due to unfavourable macro-economic conditions, liquidity, weak rupees and project level stresses.

The slowing economy will have a negative impact on transportation assets. A sizeable proportion of power, road and other mega infra projects continue to be affected by the Country's systemic fuel shortages and execution bottlenecks. A combination of project-level failings and negative macro-economic conditions has contributed to the deterioration in credit profiles of the

Indian Companies. As per the report of Credit Rating Companies, ratings were downgraded in respect to Infrastructure Development Companies during the last one year to reflect defaults in payment of debt service or pending finalization of loan restructuring packages etc.

The Government's numerous policy measures are positive for the sector but their impact on infrastructure and credit quality will be reflected only over the medium term. The long-term credit fundamentals for infrastructure projects remain protected, underpinned by favourable demand trends due to India's massive infrastructure deficit. However, the pain points, in short term, are unlikely to materially subside.

## OPPORTUNITIES – SPECIFIC TO PRATIBHA INDUSTRIES LIMITED

The management of Pratibha Industries Limited presents the analysis of division-wise performance of the Company for the year 2012-2013 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic, political and other developments, both in India and abroad.

With the government clearly spelling out its focus on taking development of the Infrastructural sector, today there is demand and opportunity to extend our business beyond the metropolises of India into the real 'Bharat'.

The Company's performance was exemplary during 2012-2013, yet another year of growing business environment. Notwithstanding the intense competitive pressures, the Company maintained its sound position during 2012-2013. While coping with the challenges of sluggish investment climate, declining operating margins, higher interest and input costs and increasing customer expectations, the Company focused on strengthening its capabilities. The Company launched a series of initiatives aimed at enhancing its value proposition to the customer.

## AN ANALYSIS OF THE INFRASTRUCTURE SECTORS PERTINENT TO THE COMPANY IS DETAILED BELOW:

### **WATER SUPPLY**

The 74<sup>th</sup> Constitutional Amendment, mandating state governments to transfer responsibility for water supply and sanitation (WSS) services to urban local bodies (ULBs), provides an opportunity to drive far-reaching reforms. State governments are in a position to articulate public service obligations that will accompany this devolution of responsibility, define policies, provide fiscal and financial incentives and offer technical support for ULBs to meet their service and financial obligations, particularly during the critical transition leading to complete empowerment of the ULB. Implementation of the State's policy framework would be the responsibility of ULBs and would need to take into account local conditions. One of the most salient factors in the quicker and cleaner facilitation of water resources to all the remotest parts of India is the laying of water pipelines.

Your Company has created niche for itself in the water segment. Recently, we have been awarded five water supply and distribution projects of approx. ₹ 1200 crores contract value from PHED in the State of Rajasthan. We see a tremendous opportunity in being involved in such a foundational rung of India's development.

#### **SEWERAGE SYSTEM**

With the increasing population as well as all round development in the Country, the competing demand for water for irrigation, domestic use and power generation sectors are exerting enormous pressure on our water resources as utilization of water has also been consequently increasing at a fast pace. In 1951, the actual utilization of surface and ground water was about 20% and 10%, respectively, of the utilizable potential. In 1997 - 1998, the utilization of surface and ground water increased to about 57.8% (329 billion Cubic Meters (bcm)) and about 53.2% (230 bcm), respectively, of the utilizable potential. The precarious balance between growing demands and supplies brings forth the importance of recycling and reuse of water so that same water can be used for multiple uses one after the other thereby reducing demand for fresh supplies.

The Company takes pride in participating in cleaning the Yamuna River for Engineers India Limited and the

Delhi Jal Board by laying of 33 kms of sewage network using trenchless technology and construction of sewage pumping stations.

#### **TUNNELING**

A tunnel is an underground passageway, completely enclosed except for openings for entrance and exit, commonly at each end. A tunnel may be for foot or vehicular road transport or for a canal. There are many opportunities abound for underground construction such as hydropower, irrigation and metros.

Your Company has an expertise in tunneling as it has made more than 11 kms of day-lighted tunnels in and around Mumbai and Delhi. Your Company is presently executing tunneling projects for DMRC, Delhi & Jaipur for their Metro rail network and also executing micro tunneling project for Delhi Jal Board.

#### **SOLID WASTE MANAGEMENT**

The increase in generation of solid waste is only the result of the rapidly growing human population and the adopted modern life style; the substantial increase in the solid waste generation resulting into the contamination of air, water and land resources. Municipal solid wastes, commonly known as trash or garbage, are the solid wastes generated from different municipalities. Some of these wastes have been proved to be extremely toxic and infectious. The uncontrolled and un-scientific disposal of such wastes has brought about a rising number of incidents of hazards to human health. Contamination of surface and ground water arose more serious human health risk.

Methods of waste reduction, waste reuse and recycling are the preferred options while managing waste. There are many environmental benefits that can be derived from the use of these methods. They reduce or prevent green house gas emissions, reduce the release of pollutants, conserve resources, save energy and reduce the demand for waste treatment technology and landfill space.

Your Company is establishing its footprint in Solid Waste Management and bidding for various project of solid waste management with or without joint venture.

## **BUILDINGS**

Real estate is a very important sector and one of the biggest drivers of economic growth and investments. The Indian real estate sector can be broadly categorized as residential, commercial, retail and hospitality. The real estate demand from the hospitality sector is very modest compared to the other three segments. Last two years were challenging for the Indian real estate sector marked by declining volumes, over supply (in certain pockets) and lack of sustained economic activity. The recent policy initiatives are expected to improve the investment climate and business environment and they are likely to benefit the real estate sector in 2013. It has created a place for itself in this segment and aiming to expand line of business in this area.

## **RISK AND CONCERNS**

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

## **HUMAN RESOURCES DEVELOPMENT**

PIL talent base as on March 31, 2013 stands at 3,450.

As we continue to grow rapidly, there is an increasingly sharper focus on the HR functional alignment with the business and building people capability. The Company has adopted a policy whereby the existing talent to nurture and put to optimum utilization and thereby provide adequate growth opportunity.

## **CONCLUSION**

In conclusion, it can be said that although there is huge competition increasing in the market, the Company is ready for the same. The hard working team of Pratibha Industries Limited along with its experts will help the Company to grow and sustain in this world. The opportunities and strengths are the major factors for the future prospectus of the Company. Your Company will surely help the nation to achieve new heights of success and glory.

## **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.

# Report On Corporate Governance

As required under Clause 49 of the Listing Agreements with Stock Exchanges.

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company continues to uphold its commitment to adhere to high standard of Corporate Governance. The Company strives to ensure transparency in all its operation and emphasis focus on corporate governance as a means to achieve optimum performance at all levels and maximize stakeholders' value through disciplined and sustained growth and value creation.

The Company in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with Stock Exchanges.

### A. MANDATORY REQUIREMENTS

#### 1. BOARD OF DIRECTORS

##### 1.1 Composition of the Board

The Board, at present, consists of nine directors, including the Executive Chairperson. Out of these 5 directors are Non Executive and Independent Director. The Company has had no pecuniary relations or transactions with the Non Executive Directors.

**Composition of the Board and category of Directors as on date of this report 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. Ravi A. Kulkarni*	Whole Time Director	Executive
Mr. Sharad P. Deshpande**	Whole Time Director	Executive
Mr. Awinash M. Arondekar	Director	Independent Non-Executive
Mr. Shrikant T. Gadre	Director	Independent Non-Executive
Mr. Vilas B. Parulekar	Director	Independent Non-Executive
Dr. S. L. Dhingra	Director	Independent Non-Executive
Mr. V. Sivakumaran	Director	Independent Non-Executive

\* Appointed w.e.f. 26.10.2012

\*\* Appointed w.e.f. 25.02.2013

Mr. Rohit R. Katyal, Mr. Vinayak B. Kulkarni and Mrs. Samidha A. Kulkarni have resigned as Director of the Company on 27-06-2012, 30-04-2013 & 08-02-2013 respectively.

**1.2** Details of attendance of Directors at Board Meetings, Annual General Meeting and Extra Ordinary General Meeting, and other Directorships and Memberships/ Chairmanships of Committees of each Director in other companies:

Five Board meetings were held during the year, as against the minimum requirement of four meetings. The dates on which the meetings were held are: 25<sup>th</sup> May, 2012, 31<sup>st</sup> July, 2012, 13<sup>th</sup> August, 2012, 26<sup>th</sup> October, 2012 and 08<sup>th</sup> February, 2013.

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	4	Yes	5	-	-
Mr. Ajit B. Kulkarni	5	Yes	7	3	-
Mr. Ravi A. Kulkarni#	2	N.A.	2	-	-
Mr. Sharad P. Deshpande#	N.A.	N.A.	2	-	-
Mr. Awinash M. Arondekar	5	Yes	3	3	1
Mr. Shrikant T. Gadre	5	Yes	3	3	2
Mr. V. B. Parulekar	4	Yes	2	1	-
Dr. S. L. Dhingra	5	No	1	-	-
Mr. V. Sivakumaran	5	Yes	1	-	-

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

# Appointed during the year.

**1.3 Board Committees**

The Board functions either as full board or through various committees which meet at regular intervals. Strategic supervision in the form of policy formulation, evaluation of performance and control functions vest solely with the Board, while the committees oversee operational issues. These committees facilitate focused, timely & efficient deliberation and discussions.

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

## Constitution

Name of Director	Name of the Committee			
	Audit	Remuneration/ Compensation	Shareholder's Grievance	Finance
Mrs. Usha B. Kulkarni	No	No	No	Yes*
Mr. Ajit B. Kulkarni	Yes	Yes	Yes	Yes
Mr. Ravi A. Kulkarni	No	No	No	No
Mr. Sharad P. Deshpande	No	No	No	Yes
Mr. Awinash M. Arondekar	Yes	Yes	Yes*	No
Mr. Shrikant T. Gadre	Yes*	Yes*	Yes	No
Mr. V. B. Parulekar	No	Yes	No	No
Dr. S. L. Dhingra	No	No	No	No
Mr. V. Sivakumaran	No	No	No	No

### \* Chairperson/Chairman

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

## 1.4 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 are been 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) All divisions/departments in the Company are encouraged to plan their functions well in advance particularly with regard to matters requiring discussion/approval/ decision in the Board/Committee meetings. After that, the Chairperson of the Board and the Company Secretary in consultation with other concerned persons in the senior management, finalize 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.

## 1.5 Briefing by the Managing Director & Whole Time Director:

At the beginning of each meeting of the Board, Managing Director, Whole Time Director and Chief Executive Officer brief the Board Members about the key developments relating to the Company in diverse areas, development at various sites, labour relations, CSR activities, receipt of major orders and their progress on regular basis.

## **1.6 Post Meeting Follow up mechanism**

Important decisions taken by the Board/Committee are promptly communicated to the concerned department head. Action Taken Reports (ATR) on decisions of previous meetings are placed at the succeeding meetings of the Board/Committee for their perusal.

## **1.7 Recording minutes of proceedings at the Board and Committee meetings**

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.

## **2. AUDIT COMMITTEE**

The Audit Committee is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

### **2.1 Terms of Reference**

The terms of reference of the Audit Committee are broadly as under:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, of and removal of statutory auditor, fixation of audit fee and approval for payment for any other services.
3. Reviewing, with the management, the annual financial statements before submission to the Board, focusing primarily on :
  - a. Any change in accounting policies and practices;
  - b. Major accounting entries based on the exercise of judgment by management;
  - c. Significant adjustments made in the financial statements arising out of audit findings;
  - d. Compliance with listing and other legal requirements relating to financial statements;
  - e. Disclosure of any related party transactions;
  - f. Qualifications in the draft audit report.
4. Reviewing, with the management, external and internal auditors the adequacy of Internal Control Systems.
5. Reviewing the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
6. Discussion with internal auditors any significant findings and follow up there on.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
10. Appointment of Cost Auditor.

## 2.2 Composition

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.

The Audit Committee invites head of the finance and account function and representatives of the Statutory Auditors, Internal Auditors to be present at its meeting. The Company Secretary acts as the Secretary to the Audit Committee.

## 2.3 Meetings and Attendance during the year

During the year under review, the Audit Committee met four times. The gap between two meetings did not exceed four months. The dates on which Audit Committee meetings were held are: 25<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 26<sup>th</sup> October, 2012 and 08<sup>th</sup> February, 2013.

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

## 3. REMUNERATION/COMPENSATION COMMITTEE

### 3.1 Composition

The Committee comprises of the following members:

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. Vilas B. Parulekar	Member	Independent & Non Executive Director
Mr. Ajit B. Kulkarni	Member	Promoter & Executive Director

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

### 3.2 Terms of Reference

- To recommend/review/approve the remuneration of Executive Directors, including Managing Director(s) on the basis of their performance;
- To ensure that the remuneration policy of the Company is directed towards rewarding performance;
- To ensure that the remuneration policy is in consonance with the existing industry practice and market trend;



- To ensure appropriate recommendation for appointment under section 314 of the Companies Act, 1956.

The Committee which also functions as Compensation Committee administers and superintends the stock options granted to eligible employees of the Company. The Company is also empowered to formulate any proposal or issue of shares under Employee Stock Option Schemes.

### 3.3 Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, nurture and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the appraisal process.

### 3.4 Meeting and Attendance during the financial year

During the financial year, two meetings of the Remuneration Committee were held on 25<sup>th</sup> May, 2012 and 26<sup>th</sup> October, 2012. The Committee has considered the revision of salaries of the Directors & appointment of persons at office or place of profit.

### 3.5 Details of Remuneration

#### EXECUTIVE DIRECTORS

The aggregate value of salary and perquisites including performance bonus / commission / compensation, if any, paid for the year ended March 31, 2013, to the Managing Director and Whole Time Directors are as follows:

Name of the Director	Designation	Salary & Allowances (₹)	Performance Bonus / Commission / Compensation (₹)
Mr. Ajit B. Kulkarni	Managing Director	3,00,00,000	3,63,00,000
Mrs. Usha B. Kulkarni	Chairperson	36,00,000	1,63,00,000
Mr. Ravi A. Kulkarni*	Whole Time Director	17,50,000	0
Mr. Sharad P. Deshpande*	Whole Time Director	5,23,809	0

\* Part of the year.

#### NON EXECUTIVE DIRECTORS

Name of the Director	Sitting fees (₹)	Commission*(₹)	Total (₹)
Mr. Shrikant T. Gadre	1,20,000	2,00,000	3,20,000
Mr. Awinash M. Arondekar	1,20,000	2,00,000	3,20,000
Mr. Vilas B. Parulekar	60,000	2,00,000	2,60,000
Mr. S. L. Dhingra	50,000	2,00,000	2,50,000
Mr. V. Sivakumaran	50,000	2,00,000	2,50,000

\* Recommended for financial year 2012-13.

#### 4. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted the Shareholders' / Investors' Grievance Committee to specifically look into the unresolved shareholders grievance with regard to transfer / transmission / demat / remat of shares, non-receipt of Annual Report 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. Shrikant T. Gadre	Member	Independent & Non Executive Director
Mr. Ajit B. Kulkarni	Member	Executive Director

As on March 31, 2013, no request for transfer of shares and for dematerialization/rematerialisation of shares was pending for approval. There were no major complaints from the investors.

Complaints received and redressed during the financial year 2012-13:

Pending at beginning of the year	Received during the year	Resolved during the year	Pending at end of year
0	12	12	0

No.	Nature of Complaint	Number of Complaints
1	Non Receipt of Dividend	11
2	Non Receipt of Annual Report	1
	Total	12

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

#### 5. FINANCE COMMITTEE

The Board of Directors of the Company has constituted a Finance Committee of Directors. The Committee has been formed to avail credit facilities 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. Sharad P. Deshpande as the other members.

#### 6. SUBSIDIARY COMPANY

Your Company does not have any material non listed Indian Subsidiary Company. The Audit committee and Board reviews the minutes, financial statement, significant transactions and working of the unlisted subsidiary companies.

## 7. GENERAL BODY MEETINGS

### 7.1 General Body Meetings:

Details of the last three Annual General Meetings of the Company are as under:

Year	Location	Date	Time	Special Resolution(s)
2011-12	Hotel Oasis, Nr. Deonar Bus Depot, Sion Trombay Road, Deonar, Mumbai - 400 088.	12 <sup>th</sup> July, 2012	3:00 P.M.	3
2010-11	Natraj Avenues, Next to R. K. Studio, Sion Trombay Road, Chembur, Mumbai - 400 071.	21 <sup>st</sup> July, 2011	3.30 P.M.	4
2009-10	Hotel Oasis, Nr. Deonar Bus Depot, Sion Trombay Road, Deonar, Mumbai - 400 088.	30 <sup>th</sup> June 2010	3.30 P.M.	3

### 7.2 Extra Ordinary General Meeting

No Extraordinary general Meeting was held during the year.

### 7.3 Postal Ballot

During the year, the Company conducted Postal Ballot process in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. Mr. Dinesh Kumar Deora, A.C.A. and A.C.S., a Practicing Company Secretary had been appointed as Scrutinizer for the postal ballot process. He has submitted his report to Chairperson and accordingly, the result of postal ballot process had been announced by the Chairperson on 21<sup>st</sup> December, 2012 in the presence of Mrs. Asha Lata Maheshwari and Mrs. Celestine Mascarenhas as Representatives of Shareholders.

Date of Completion of Postal Ballot	Brief of Resolution(s)	Percentage of votes cast in favour of resolution
21 <sup>st</sup> December, 2012	Increase in borrowing power u/s. 293 (1) (d) not exceeding ₹ 10,000 Crores (Rupees Ten thousand crores only)	100%
	Authority to Board to sell/transfer/dispose of the whole or part of the Company's undertakings	100%
	Appointment of Mrs. Samidha A. Kulkarni as Director of the Company	100%
	Appointment of Mr. Ravi A. Kulkarni as Director of the Company	100%
	Appointment of Mr. Ravi A. Kulkarni as Whole Time Director of the Company	100%
	Inter corporate loans and investment under section 372A upto a sum of ₹ 4,000 Crores	100%
	Waiver of recovery of excess remuneration paid to Mr. Rahul R. Katyal	100%
	Appointment of Mr. Anand A. Kulkarni at office or place of profit	100%

## 8. DISCLOSURES

### 8.1 Related Party Transactions

During the year, the Company has not entered into any transactions of material nature with the Directors, their relatives or management which 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 Note No. 34 forming part of the Annual Report.

## 8.2 Compliance with Regulations

There are no instances of imposition of penalties and/or strictures on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of the Listing Agreement with Stock Exchange as well as Regulations and Guidelines prescribed by SEBI.

## 9. SHAREHOLDERS' INFORMATION

### 9.1 Company Registration details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) of the Company is **L45200MH1995PLC090760**.

### 9.2 18<sup>th</sup> Annual General Meeting:

Date : Monday, 30<sup>th</sup> day of September, 2013  
Time : 3.00 P.M.  
Venue : The Bombay Presidency Golf Club Ltd., Dr. C. G. Road,  
Chembur, Mumbai - 400 071.

### 9.3 Financial Calendar (tentative)

<b>First Quarter Results</b>	- 1 <sup>st</sup> / 2 <sup>nd</sup> Week of August, 2013
<b>Second Quarter Results</b>	- 1 <sup>st</sup> / 2 <sup>nd</sup> Week of November, 2013
<b>Third Quarter Results</b>	- 1 <sup>st</sup> / 2 <sup>nd</sup> week of February, 2014
<b>Last Quarter and Annual Audited Results</b>	- 2 <sup>nd</sup> / 3 <sup>rd</sup> week of May, 2014
<b>Eighteenth Annual General Meeting</b>	- June/July, 2014

### 9.4 Book Closure Period

Thursday, 26<sup>th</sup> September, 2013 to Monday, 30<sup>th</sup> September, 2013 (both days inclusive).

### 9.5 Dividend Payment Date

On or after 30<sup>th</sup> September, 2013

### 9.6 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 2012-13, as applicable, has been paid by the Company to BSE and NSE.

Annual Custody fee for the year 2012-13, as applicable, has been paid by the Company to CDSL and NSDL.

### 9.7 Security Code

- (i) Scrip Code on BSE is '**532718**'
- (ii) Trading Symbol on NSE is '**PRATIBHA EQ**'
- (iii) ISIN in NSDL & CDSL for Equity Shares – **ISIN - INE308H01022**

### 9.8 Means of Communication

- Half Yearly report sent to each of shareholders : No
- Quarterly Results  
Which newspapers normally published in : Free Press Journal - English  
Nav Shakti - Marathi
- Any Web site, where displayed : [www.pratibhagroup.com](http://www.pratibhagroup.com)

- Presentation made to Institutional Investors or to Analyst : Yes
- Whether Management Discussion and Analysis Report : Yes  
is a part of annual report or not

### 9.9 Unclaimed Shares lying in the Escrow Account

The Company entered the Capital Market with Initial Public Offer through 100% Book Building process for 42,50,000 equity shares of ₹ 10/- each at a premium of ₹ 110/- per share. The Company has opened a separate demat accounts to credit the unclaimed shares which could not be allotted to the rightful shareholder due to insufficient/incorrect information or any other reason. The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

As per Clause 5A(l) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the public issue of the Company:

Particulars	No. of Shareholders	No. of Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2012.	9	2,250
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders to whom shares were transferred from the suspense account during the year.	Nil	Nil
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2013.	9	2,250

As part of good corporate governance practice, the Company has also initiated to send reminder to the IPO applicants who have not claimed their refund amount and accordingly 6 (Six) IPO applicants have claimed their IPO refund amount. The Company has transferred unclaimed IPO refund amount of ₹ 4,08,000 to the Investor Protection Fund maintained by Ministry of Corporate Affairs.

### 9.10 Market Price Data

The details of high and low of the Market Price Data of the equity shares of the Company for the financial year ending on 31<sup>st</sup> March, 2013 are as under.

Month	Bombay Stock Exchange Share Price		National Stock Exchange Share Price	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-12	49.10	42.40	49.80	43.30
May -11	45.90	35.25	46.00	33.00
June-12	50.00	37.75	49.90	36.90
July-12	53.00	40.10	53.50	37.10
August-12	50.25	44.55	52.90	44.55
September-12	53.70	45.15	53.85	45.05
October-12	58.35	48.75	59.00	48.75
November-12	53.15	47.15	53.00	47.50
December-12	57.40	50.00	57.45	49.65
January-13	58.65	47.00	58.40	47.00
February-13	51.15	39.90	51.25	38.05
March-13	48.25	37.10	48.00	37.00

Source: BSE – NSE website

### 9.11 Registrars and Transfer Agents

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

### 9.12 Share Transfer System

The Share transfers are approved by a Committee of Directors, which is normally done once in 10 days. Share transfers are registered within a period of 15 days from the date of receipt, if the documents are complete in all respect. The Company has followed the guidelines issued by SEBI for dematerialization/rematerialization of Shares.

### 9.13 Distribution of Shareholding on March 31, 2013

Distribution of Shares		No. of Shareholders	% of Shareholders	No. of Shares	% of Shares	
Upto	500	20,142	84.10	33,67,472	3.33	
	501	1,976	8.25	16,38,378	1.62	
	1001	867	3.62	13,27,652	1.31	
	2001	337	1.41	8,66,405	0.86	
	3001	160	0.67	5,76,673	0.57	
	4001	118	0.49	5,61,675	0.56	
	5001	174	0.73	12,63,909	1.25	
	10001	above	175	0.73	9,14,53,348	90.50
<b>Grand Total</b>		<b>23,949</b>	<b>100.00</b>	<b>10,10,55,392</b>	<b>100.00</b>	

### 9.14 Shareholding Pattern as on 31<sup>st</sup> March, 2013

Shareholders	No. of Shares held	% to total shares held
Directors and Relatives	5,20,74,489	51.53
Corporate Bodies	81,89,707	8.10
Nationalized Bank / MF / Insurance Companies	62,09,805	6.15
FII's	1,58,15,457	15.65
NRI	7,33,905	0.73
Foreign Company	54,34,783	5.38
Resident Individuals	1,24,04,484	12.27
Trust / Clearing Members	1,92,762	0.19
<b>Total</b>	<b>10,10,55,392</b>	<b>100.00</b>

#### **9.15 Dematerialization of shares and liquidity:**

The Equity Shares of the Company are compulsorily to be traded in Electronic form through Stock Exchanges. The Equity Shares of the Company are actively traded both on BSE and NSE thus ensure good liquidity for the investors. More than 99.99% shares of the Company are in dematerialized form as on 31<sup>st</sup> March, 2013.

#### **9.16 Work Sites for contracts:**

The Company has various work sites across the Country and the operations are controlled by respective zonal office in co-ordination with head office.

#### **9.17 Address for Correspondence:**

For all matters relating to Shares and Annual Reports:

**Mr. Pankaj S. Chourasia**

Company Secretary & Compliance Officer

14<sup>th</sup> Floor, Universal Majestic, P. L. Lokhande Marg,

Off Ghatkopar Mankhurd Link Road, Govandi (W), Mumbai – 400 043

Tel: 91- 22- 3955 9999 | Fax 91- 22- 3955 9900 | E-mail: [investor.relations@pratibhagroup.com](mailto:investor.relations@pratibhagroup.com)

### **10. Risk Management Framework**

The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and/or mitigation of the same are dealt with by the executive management through the means of the properly defined framework under the overall supervision of the Managing Directors of the Company. The Audit Committee periodically reviews the adequacy and efficacy of the overall risk management system.

### **11. 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.

A declaration signed by Managing Director regarding compliance by Board members and Key Management Personnel with Code of Conduct is attached herewith.

### **12. 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.

## **B. NON-MANDATORY REQUIREMENTS**

The Company has fulfilled the following non-mandatory requirements as prescribed in Clause 49 of the Listing Agreements with the Stock Exchanges.

- a. The Company ensures that any person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b. The Company has set up a Remuneration Committee, details of which have been given earlier in this Report. The said committee also functions as Compensation Committee.
- c. The Statutory financial statements of the Company are unqualified.
- d. The Company has formulated a Whistle Blower Policy and the same has been circulated among the employees of Head Office, Plant and all the projects sites of the Company in three different languages like English, Hindi and Marathi. Further the same has also been posted on the Notice Board of the Company.

**Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting.**

**(Pursuant to Clause 49 of the Listing Agreement)**

**ANNEXURE- A**

<b>Name of Director</b>	<b>Mr. Awinash M. Arondekar</b>	<b>Mr. Shrikant T. Gadre</b>
Date of Birth	01 <sup>st</sup> March, 1942	24 <sup>th</sup> July, 1943
Date of appointment	12 <sup>th</sup> September, 2005	12 <sup>th</sup> September, 2005
Areas of Experience	<p>Mr. Arondekar is an Independent Director and about aged 71 years. He has worked for 38 years in Bank of India at various places including posting in Tokyo, Japan.</p> <p>He retired from Bank of India as General Manager in the year 2001. Currently he is working as Financial Consultant.</p>	<p>Mr. S. T. Gadre has 32 years of banking experience as a techno and development banker. He was a General Manager in Bank of India. He had joined the United Western Bank Limited as Executive Director and then became the Managing Director of the Bank. He was also a member of various committees related to banking and has written several articles on banking in various dailies and journals. He was also visiting faculty members in Bankers Training College of Reserve Bank of India and other management institutes. He has traveled abroad to attend various courses and participate in conferences. Presently, he is a Chairman of Finance and Insurance, Sub Committee of Mahratta Chambers of Commerce, Industry and Agriculture (MCCIA), Pune and visiting faculty of Sinhgad institute of Management, Pune.</p>
Educational Qualifications	Graduate in Arts and Law and Post Graduate in Financial Management from Bombay University	Bachelors Degree in Mechanical Engineering from University of Pune. He is also a graduate in Economics, Politics, Commerce and Marathi Literature. He also has to his credit a Post Graduate Diploma in Industrial Engineering. He is a M.E. from Institute of Production Engineering, London and a Chartered Engineer with Fellowship of Institute of Engineers (India)
Companies in which he holds directorship	<ol style="list-style-type: none"> <li>1. Spectra Industries Limited</li> <li>2. Canara Bank Securities Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Pune Stock Exchange Limited</li> <li>2. Paranjape Schemes (Constructions) Ltd</li> </ol>
Membership Chairman-ship of Board Committees	<ol style="list-style-type: none"> <li>1. Member of Audit Committee and Remuneration Committee and Chairman of Shareholders' / Investors' Grievance Committee of Pratibha Industries Limited.</li> <li>2. Member of Audit Committee and Remuneration Committee of Spectra Industries Limited.</li> </ol>	Chairman of Audit Committee and Remuneration Committee and member of Shareholders' / Investors' Grievance Committee of Pratibha Industries Limited.
Shareholding	NIL	NIL



Name of Director	Dr. S. L. Dhingra	Mr. Sharad P. Deshpande
Date of Birth	11 <sup>th</sup> October, 1942	20 <sup>th</sup> August, 1951
Date of appointment	24 <sup>th</sup> September, 2009	25 <sup>th</sup> February, 2013
Areas of Experience	Dr. S. L. Dhingra is a Professor (Retd.) & Emeritus Fellow, Transportation Systems Engineering, Civil Engineering Department, Indian Institute of Technology Bombay. He has provided his services as faculty for various institutes such as Punjab Engg. College, Chandigarh, Malviya NIT Jaipur, IIT Delhi, HOD Civil Engg. 1996-2000, Convener of Traffic & Transportation Planning & Monitoring Committee, Member of Master Plan committee, Member of Institute Maintenance Committee etc.	Mr. Sharad P. Deshpande is an Executive Director of the Company. He is having more than 35 years experience in the field of Civil Engineering and Infrastructure Development.
Educational Qualifications	B.Sc. Engg. (Civil) & M.Sc. Engg. (Highways & Traffic) from Punjab Engineering College, Chandigarh, and Ph.D. from IIT Kanpur in Transportation Systems Engineering	B. E. Civil
Companies in which he holds directorship	None	1. Prime Infrapark Private Limited
Membership Chairmanship of Board Committees	None	None
Shareholding	NIL	NIL

**DECLARATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

To,  
The Shareholders of  
Pratibha Industries Limited  
Mumbai – 400 071.

We hereby declare that all the Board and Senior Management Personnel have affirmed compliance with the respective provisions of the Code of Conduct of the Company formulated by the Board of Directors for the financial year ended 31<sup>st</sup> March, 2013.

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

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

## **Auditor's Certificate on Corporate Governance**

To,  
The Members,  
**Pratibha Industries Limited**

We have examined the compliance of conditions of corporate governance by Pratibha Industries Limited, for the year ended on 31<sup>st</sup> March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of 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  
(Registration No. 10418)

**Hemant Agrawal**  
Partner  
Membership No. 403143

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

# Independent Auditors' Report

To,  
The Members of **PRATIBHA INDUSTRIES LIMITED**

## Report on the Financial Statements

We have audited the accompanying financial statements of **PRATIBHA INDUSTRIES LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Statement of Profit and Loss, of

- c. the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of audit have been received from branches not visited by us;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited us;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Jayesh Sanghrajka & Co**  
Chartered Accountants  
Firm's Regn. No.: 104184W

**Hemant Agrawal**  
(Partner)  
M. No.: 403143

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

# Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on other Legal & Regulatory requirements" 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, all 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 a substantial part of its 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 were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956:
  - a. The Company has given interest free unsecured loans to ten parties aggregating of ₹ 4515.10 lakh.
  - b. In our opinion and according to the information and explanations given to us, terms and conditions of the loans given by the Company are not prima facie prejudicial to the interest of the Company.
  - c. As informed to us, there is no schedule for repayment of these loans.
  - d. As informed to us, there is no overdue payment from these parties.
  - e. The Company has not taken any loan during the year 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 is an adequate internal control system 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 need to be entered into in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions aggregating during the year to ₹ 5,00,000/- or more in respect of each party, have been made at prices which appear reasonable as per information available with the Company.
6. The Company has accepted deposits from the public. As per our verification of records and information & explanations given to us, the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there-under, where applicable, have been complied with. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of the cost records under section 209(1)(d) of the Companies Act 1956 and are of the opinion that prima facie the prescribed accounts and prescribed records have been maintained. We have, however, not made a detailed examination of the

cost records with a view to determine whether they are accurate or complete.

**9. In respect of statutory dues:**

a. As per 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 31<sup>st</sup> March, 2013 for a period of more than six months from the date of becoming payable.

b. The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:

Nature of Dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax	192.42	F.Y. 2004-2005	CIT(Appeal), Mumbai
Income Tax	309.87	F.Y. 2005-2006	CIT(Appeal), Mumbai
Income Tax	385.60	F.Y. 2006-2007	CIT(Appeal), Mumbai
Income Tax	77.74	F.Y. 2008-2009	CIT(Appeal), Mumbai
Income Tax	3,072.69	F.Y. 2009-2010	CIT(Appeal), Mumbai
Excise Duty	24.27	F.Y. 2005-06 to F.Y. 2006-07	CESTAT, Kolkata
Service Tax	36.87	F.Y. 2007-08 to F.Y. 2009-0	Appellate Tribunal, Kolkata
Service Tax	99.66	For 2009-10	Appellate in Dadar Corrigendum

**10.** The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and 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 Debentures.

**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 / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

**14.** In our opinion, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All these investments have been held by the Company in the name of the Company.

**15.** The Company has given guarantees for loans taken by others 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 used term loans for the purposes for which they were raised.

**17.** According to the information and explanation given to us and on the basis of an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on a short-term basis, which have been used for long term investment.

**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. Therefore, the provisions of Clause (xix) of paragraph 4 of the Order are not applicable to the Company.

**20.** During the year, the Company has not raised money by public issue. Therefore, the provisions of Clause (xx) of paragraph 4 of the Order are not applicable to the Company.

**21.** In our opinion and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Jayesh Sanghrajka & Co.**  
Chartered Accountants  
Firm Regn. No. 104184W

**Hemant Agrawal**  
Partner  
Membership No. 403143

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

# Balance Sheet as at 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	Notes	31.03.2013	31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	2,021.11	3,488.50
(b) Reserves and Surplus	3	62,752.46	52,477.78
		<b>64,773.57</b>	<b>55,966.28</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	49,306.15	17,956.09
(b) Deferred tax liabilities	5	3,351.08	2,406.68
		<b>52,657.23</b>	<b>20,362.77</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	52,426.80	46,061.61
(b) Trade payables	7	31,482.26	39,534.90
(c) Other current liabilities	8	46,165.44	39,951.75
(d) Short-term provisions	9	3,474.27	7,440.00
		<b>133,548.77</b>	<b>132,988.26</b>
<b>Total Liabilities</b>		<b>250,979.56</b>	<b>209,317.31</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		67,098.67	46,607.93
(ii) Intangible assets		850.47	374.50
(iii) Capital work-in-progress		50.29	11,659.20
(iv) Intangible assets under development		-	523.14
		<b>67,999.43</b>	<b>59,164.78</b>
(b) Non-current investments	11	513.70	331.02
(c) Long term loans and advances	12	10,407.63	11,331.03
(d) Other Non Current Assets	13	2,588.32	2,041.98
		<b>81,509.08</b>	<b>72,868.81</b>
<b>(2) Current assets</b>			
(a) Current investments	14	-	200.00
(b) Inventories	15	64,082.62	45,757.58
(c) Trade receivables	16	25,738.10	27,182.79
(d) Cash and Bank balance	17	9,674.09	12,656.94
(e) Short-term loans and advances	18	63,465.61	43,038.81
(f) Other current assets	19	6,510.07	7,612.37
		<b>169,470.48</b>	<b>136,448.50</b>
<b>Total Assets</b>		<b>250,979.56</b>	<b>209,317.31</b>

Significant Accounting Policies 1

The accompanying Notes 1 to 43 are an integral part of Financial Statements.

As per our Report of even date  
For **Jayesh Sanghrajka & Co.**  
Chartered Accountants  
Firm No.: 104184W

**Hemant Agrawal**  
Partner  
Membership No.: 403143

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**For and on behalf of the Board**

**Ajit B. Kulkarni**  
Managing Director

**Yogen Lal**  
Chief Executive Officer

**Pankaj S. Chourasia**  
Company Secretary

**S. P. Deshpande**  
Whole Time Director

**T. R. Radhakrishnan**  
Chief Financial Officer

## Statement of Profit and Loss for the Year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	Notes	31.03.2013	31.03.2012
Revenue from operations	20	165,168.16	150,882.81
Less: Excise Duty		(204.18)	(539.29)
		164,963.98	150,343.53
Other Income	21	1,152.54	1,851.69
<b>Total</b>		<b>166,116.52</b>	<b>152,195.22</b>
<b>Expenses:</b>			
Cost of Material consumed	22	73,378.54	62,325.82
Manufacturing, Construction & Operating Expenses	23	53,498.14	52,835.03
Change In Inventories	24	(18,402.51)	(11,252.63)
Employee Benefit expenses	25	11,324.47	9,040.96
Financial costs	26	11,614.24	9,719.04
Depreciation and Amortization expense	27	2,912.23	1,884.53
Other expenses	28	18,711.50	16,527.53
<b>Total</b>		<b>153,036.61</b>	<b>141,080.28</b>
<b>Profit Before Tax</b>		<b>13,079.91</b>	<b>11,114.94</b>
Tax expense:			
(1) Current tax		2,618.84	2,223.85
(2) Deferred tax		944.40	567.09
<b>Profit for the year</b>		<b>9,516.67</b>	<b>8,324.00</b>
<b>Earning per equity share: (in ₹)</b>	29		
(1) Basic		9.44	8.36
(2) Diluted		9.44	8.24

Significant Accounting Policies

1

The accompanying Notes 1 to 43 are an integral part of Financial Statements.

As per our Report of even date  
For **Jayesh Sanghrajka & Co.**  
Chartered Accountants  
Firm No.: 104184W

**Hemant Agrawal**  
Partner  
Membership No.: 403143

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**For and on behalf of the Board**

**Ajit B. Kulkarni**  
Managing Director

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Company Secretary

**S. P. Deshpande**  
Whole Time Director

**T. R. Radhakrishnan**  
Chief Financial Officer

# Cash Flow Statement

## for the Year Ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary items	13,079.91	11,114.94
Adjustment for :		
Depreciation & Amortization	2,912.23	1,884.53
(Profit)/Loss on Sale of Assets	15.02	(453.42)
(Profit)/Loss on Sale of Investment	-	(12.77)
Finance Charges	10,901.41	9,571.43
Unrealised Foreign Exchange Gain	(281.03)	52.75
Loss / (Profit) from JV	1,125.53	887.10
Dividend Received	(9.20)	-
Profit from Subsidiary	-	(0.81)
<b>Operating Profit before working Capital Changes</b>	<b>27,743.87</b>	<b>23,043.75</b>
Adjustment for:		
Inventories	(18,325.03)	(11,368.09)
Trade Receivables	1,444.69	(9,012.48)
Other Assets	(18,671.66)	(21,464.97)
Trade Payables	(8,052.64)	18,296.69
Other Liabilities	(376.56)	14,494.64
	(16,237.33)	13,989.55
Less: Direct Taxes Paid	-	(1,100.00)
<b>Net cash used in Operating Activities (a)</b>	<b>(16,237.33)</b>	<b>12,889.55</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale of/ (Additions to) Fixed Assets (net)	(11,761.91)	(27,988.23)
Sale of/ (Additions to) Investments (net)	(1,654.54)	(363.17)
Dividend Received	9.20	-
<b>Net cash used in investing activities (b)</b>	<b>(13,407.25)</b>	<b>(28,351.40)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(606.33)	(605.35)
Corporate Dividend Tax paid	(98.38)	(67.15)
Proceeds from Long Term Borrowings (Net)	31,546.05	9,502.56
Proceeds from Short Term Borrowings (Net)	6,452.09	18,489.15
Finance Charges paid	(10,901.41)	(9,571.43)
<b>Net cash from Financing Activities (c)</b>	<b>26,392.01</b>	<b>17,747.77</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (a+ b + c)</b>	<b>(3,252.57)</b>	<b>2,285.92</b>
<b>Opening Cash and Cash Equivalents</b>	<b>6,719.70</b>	<b>4,433.78</b>
<b>Closing Cash and Cash Equivalents</b>	<b>3,467.13</b>	<b>6,719.70</b>



Notes :

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

(₹ in Lakhs)

<b>Cash and Cash Equivalent</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Cash in hand	128.86	141.89
Balance with Banks	3,346.28	6,584.80
Less: Unpaid Dividend Balance	(8.00)	(6.99)
<b>Total</b>	<b>3,467.13</b>	<b>6,719.70</b>

The accompanying Notes 1 to 43 are an integral part of Financial Statements.

For **Jayesh Sanghrajka & Co.**  
Chartered Accountants  
Firm No.: 104184W

**Hemant Agrawal**  
Partner  
Membership No.: 403143

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**For and on behalf of the Board**

**Ajit B. Kulkarni**  
Managing Director

**Yogen Lal**  
Chief Executive Officer

**Pankaj S. Chourasia**  
Company Secretary

**S. P. Deshpande**  
Whole Time Director

**T. R. Radhakrishnan**  
Chief Financial Officer

# Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

## Note 1: Significant accounting policies and notes on accounts

### Company Overview

**Pratibha Industries Limited** ('the Company'), is one of the fastest growing Infrastructure Company in India. The Company undertakes infrastructure projects, which includes designing, engineering and execution/construction of complex & integrated water transmission & distribution projects, water treatment plants, elevated and underground reservoirs, mass housing projects, commercial complexes, pre-cast design & construction, road construction and urban infrastructure.

### Significant Accounting Policy

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

The financial statements are 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. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### C. Operating cycle for current and non-current classification:

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/project line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

#### D. Fixed Assets:

Fixed Assets are stated at cost net of recoverable taxes, less accumulated depreciation. All costs including finance costs, exchange differences, arising in respect of foreign currency loans or other liabilities incurred and expenses incidental to acquisition and installation attributable to fixed assets till the date of readiness of their use are capitalized. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

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

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization /

depletion. All costs, including finance costs, exchange differences and expenses incidental to acquisition and installation attributable to the intangible assets are capitalized.

#### E. Depreciation & Amortization:

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

Computer software is amortized over a period of five years.

#### F. Foreign Currency Transactions:

##### Indian Operation:

- Foreign exchange transactions are recorded at the prevailing rate on the date of the transaction.
- Monetary items are restated at the exchange rate prevailing on the date of balance sheet.
- Non-monetary items are stated at historical cost.
- Gains or losses arising out of remittance / conversion at the year-end are credited / debited to the profit and loss account for the year.
- Gains & losses in respect of foreign exchange contracts are recognized as income or expenses over the life of the contract.

##### Foreign Operation:

- Income and expenses other than depreciation costs are translated at the rate prevailing on the date of transaction.
- Monetary assets and liabilities are restated at the rate prevailing on the date of balance sheet.
- Fixed Assets are translated at exchange rates on the date of transaction and depreciation on fixed asset is translated at the exchange rate used for translating underlying fixed asset.
- Gains or losses arising out of remittance / conversion at the year-end are credited / debited to the profit and loss account for the year.

As on 31<sup>st</sup> March 2013, 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:

Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

them to their respective present location and condition. The FIFO method is being followed for arriving at cost.

- a) Raw materials are valued at lower of cost or net realizable value.
- b) Work-in-progress (other than project and construction-related) at lower of cost including related overheads or net realizable value. Project and construction-related work-in-progress at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure of incomplete contracts is stated at cost.
- c) Stores, Spares and Fuel are carried at cost.
- d) Purchase goods and raw materials in transit are carried at cost.
- e) Finished goods are valued at cost or net realizable value whichever is lower.

### I. Revenue Recognition:

#### a) Construction Contract Sales:

The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done. Profit is recognized and taken as the revenue of the year only when the work on the contract has progressed to a reasonable extent. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

#### b) Claim for Extra Work and Escalation:

The Company's claim for extra work and escalation in rates relating to execution of contracts are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

- c) Revenues from construction/project related activity and contracts executed in Joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Ventures"] is accounted as and when the same is determined by the joint ventures. Revenue from services rendered to such joint ventures is accounted on accrual basis.

#### d) Sales recognition:

1. 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.

2. Export Sales are recognized on dispatch of material from the premises of the Company irrespective of the date of shipping document.

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

- e) Input VAT credit not utilized against current year's Output VAT liability is available for either refund or set-off in future. Therefore, all the purchase & expense transactions involving VAT are accounted net of tax to the extent tax is recoverable and the balance in Value added tax account is included under the head recoverable from Tax department under Short term Loans and Advances.

- f) Input Cenvat Credit not utilized against current year's Cenvat liability is available set-off in future. Therefore, all the purchase & expense transactions involving Cenvat are accounted net of tax to the extent tax is recoverable and the balance in Cenvat account is included under the head recoverable from Tax department under Short term Loans and Advances.

- g) Profit on sale of investment is recognized on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the Investment.

- h) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is accrued at applicable interest rate.

- i) Export Benefits / incentives and other incomes are accounted on accrual basis except Dividend, which recognized when right to receive is established.

### J. Service Tax & 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.

### K. Employee Benefits:

Contribution to defined contribution scheme such as Provident Fund, Employees Pension Scheme is charged to the Profit & Loss Account as incurred.

Defined benefit plans like gratuity are determined based on actuarial valuation carried out by an independent actuary at the balance sheet date using the Projected Unit Credit Method, which

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

recognizes each period of service as giving rise to additional unit of employee benefit and measures each unit separately to build up final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities at the balance sheet date. Actuarial gains and losses are recognized immediately in the profit and loss account. The Company has taken comprehensive policy from the Life Insurance Corporation of India for its Gratuity liability.

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

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

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

### L. Provision for Current & Deferred Taxes:

Tax expenses comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961. Deferred income taxes reflects the impact of current year time differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off.

Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

### M. Borrowing Costs:

Borrowing costs directly attributable and identifiable to the acquisition and construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. All other borrowings costs are expensed out.

### N. Provisions, Contingent Liabilities & Contingent Assets:

The Company creates a provision when there is present obligation because of a past event that will probably result in the outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each

balance sheet date and adjusted to reflect current best estimate. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### O. Leases:

Lease arrangements, where the risk and rewards incidental to the ownership of asset substantially vests with the lessor are recognized as operating lease. Lease payments under operating leases are recognized as an expense in the Profit and Loss Account. Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

### P. Segment Accounting:

#### a) Segment accounting policies:

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- i. Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result. Expenses, which relate to the Company as a whole and not allocable to segments are included under "Unallocable Corporate Expenditure".
- iii. Income which relates to the Company as a whole and not allocable to segments is included in "Unallocable Corporate Income".
- iv. Segment result includes margins on inter-segment transactions, which are reduced in arriving at the profit before tax of the Company.
- v. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

#### b) Inter-segment transfer pricing:

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 2 Share Capital

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
<b>AUTHORIZED SHARE CAPITAL</b>		
12,50,00,000 (P.Y. 12,50,00,000) Equity Shares of ₹ 2/- Each	2,500.00	2,500.00
16,31,000 (P.Y. 16,31,000) Compulsorily Convertible Participatory Preference Shares of ₹ 92/- Each	1,500.52	1,500.52
	<b>4,000.52</b>	<b>4,000.52</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
10,10,55,392 (P.Y. 9,94,24,957) Equity shares of ₹ 2/- Each fully paid up	2,021.11	1,988.50
NIL (P.Y. 16,30,435) Compulsorily Convertible Participatory Preference Shares (CCPPS) of ₹ 92/- Each fully paid up	-	1,500.00
<b>Total</b>	<b>2,021.11</b>	<b>3,488.50</b>

#### 2.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

##### Equity Shares

Particulars	31.03.2013		31.03.2012	
	No of Shares	Amount (₹ in Lakhs)	No of Shares	Amount (₹ in Lakhs)
Number of Shares at the beginning	99,424,957	1,988.50	994.25	198,849,914
Add:- CCPPS Converted into Equity Share	1,630,435	32.61	-	-
<b>Number of Shares at the end</b>	<b>101,055,392</b>	<b>2,021.11</b>	<b>994.25</b>	<b>198,849,914</b>

##### Compulsorily Convertible Participatory Preference Shares

Particulars	31.03.2013		31.03.2012	
	No of Shares	Amount (₹ in Lakhs)	No of Shares	Amount (₹ in Lakhs)
Number of Shares at the beginning	1,630,435	1,500.00	1,630,435	1,500.00
(Less):- CCPPS Converted into Equity Share	(1,630,435)	(1,500.00)	-	-
<b>Number of Shares at the end</b>	<b>-</b>	<b>-</b>	<b>1,630,435</b>	<b>1,500.00</b>

#### 2.2 Terms/Rights attached to equity shares

Equity shares are having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

The Board of Directors in their meeting held on 24<sup>th</sup> May 2013, proposed final dividend of ₹ 0.60 per share. The proposal is subject to approval of shareholders at next Annual General Meeting to be held. The total appropriation for the year ended March 31, 2013 amounted to ₹ 709.38 lakhs including corporate dividend tax of ₹ 103.04 Lakhs.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 2.3 Details of shareholders holding more than 5% shares in the Company

Particulars	31.03.2013		31.03.2012	
	No. of shares	%	No. of shares	%
<b>Equity shares of ₹ 2 each fully paid</b>				
Usha Bhagwan Kulkarni	13,002,500	12.87%	13,002,500	13.08%
Ajit B. Kulkarni	11,835,854	11.71%	11,835,854	11.90%
Sunanda Datta Kulkarni	10,000,000	9.90%	10,000,000	10.06%
Vinayak Bhagwan Kulkarni	7,817,185	7.74%	7,864,225	7.91%
Warhol Limited	6,097,561	6.03%	6,097,561	6.13%
Reliance Capital Trustee Co Ltd A/c Reliance				
Rural Saving Fund- Equity Option	6,000,000	5.94%	5,000,000	5.03%
Van Dyck	5,434,783	5.38%	-	-

As per the records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

2.4 16,30,435 Shares were allotted on conversion of Compulsorily Convertible Participatory Preference Shares during the year.

2.5 Company has neither issued any bonus shares nor any shares (apart from above) pursuant to contract without payment being received in cash during preceding five years. It has also not bought back any shares during these years.

### 3 Reserves & Surplus

(₹ in Lakhs)

Particulars	31-03-2013	31-03-2012
<b>Securities Premium Reserve</b>		
Balance as per last financial statement	22,462.99	22,462.99
Add : On conversion of CCPPS into Equity Shares	1,467.39	-
	<b>(A) 23,930.38</b>	<b>22,462.99</b>
<b>General Reserve</b>		
Balance as per last financial statement	3,073.00	2,240.00
Add : Transferred from the statement of Profit and Loss	953.00	833.00
	<b>(B) 4,026.00</b>	<b>3,073.00</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statement	26,941.79	20,155.66
Profit for the year	9,516.67	8,324.00
	<b>36,458.46</b>	<b>28,479.66</b>
Less : Appropriations		
- Proposed Dividend		
- On Equity Shares ₹ 0.60 (P.Y. ₹ 0.60 ) per share	(606.33)	(596.55)
- On CCPPS ₹ NIL (P.Y. ₹ 0.60 ) per share	-	(9.78)
- Annual fixed Dividend on CCPPS [amount per share NIL ( P.Y 0.01%)]	-	(0.15)
- Corporate Dividend Tax	(103.05)	(98.39)
- Transferred to General Reserve	(953.00)	(833.00)
	<b>(C) 34,796.08</b>	<b>26,941.79</b>
<b>Total</b>	<b>(A)+(B)+(C) 62,752.46</b>	<b>52,477.78</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 4 Long Term Borrowings

(₹ in Lakhs)

Particulars	31-03-2013	31-03-2012
<b>Term Loan</b>		
- Foreign Currency Loan from Banks	7,550.51	9,062.50
- Rupee Loan from Banks	32,428.23	6,695.17
- Rupee Loan from Financial Institutions	7,283.77	2,198.42
Fixed Deposit from Public	2,043.64	-
<b>Total</b>	<b>49,306.15</b>	<b>17,956.09</b>
The above amount includes		
Secured Borrowings	47,262.51	17,956.09
Unsecured Borrowings	2,043.64	-
Secured by Personal Guarantee by Promoters/ Directors	47,262.51	17,956.09

**4.1** Foreign Currency Loans are repayable in 4 to 6 year from the date of loan at interest rates ranging from 1.25% p.a. to 5.15% p.a.. Above loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of promoter directors of the Company.

**4.2** Rupee Loans from banks are repayable in 3 to 5 years at interest rates ranging from 10.20% p.a. to 13.75% p.a.. Above loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of Promoter Directors of the Company.

**4.3** Rupee Loans from Financial Institutions are repayable in 3 to 4 years from the date of loan at interest rates ranging from 12.25% p.a. to 14.00% p.a.. Above loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of promoter directors of the Company.

**4.4** Fixed Deposit from Public are repayable in 2 to 3 years from the date of deposit at an interest rates ranging from 11.50% p.a. to 12.50% p.a.. These deposits are unsecured in nature.

### 5 Deferred Tax Liabilities

Deferred Tax Liability		
- On account of Depreciation difference	3,351.08	2,406.68
Deferred Tax Asset	-	-
<b>Total</b>	<b>3,351.08</b>	<b>2,406.68</b>

### 6 Short Term Borrowings

<b>Loan Repayable on Demand</b>		
- Foreign Currency Loan from Banks.	4,566.70	483.28
- Rupee Loan from Banks.	47,305.15	45,578.33
Fixed Deposit from Public.	554.95	-
<b>Total</b>	<b>52,426.80</b>	<b>46,061.61</b>
<b>The above amount includes</b>		
Secured Borrowings	47,546.68	33,506.54
Unsecured Borrowings	4,880.13	12,555.07
Secured by personal guarantee by Promoters / Directors	51,871.85	46,061.61

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

- 6.1** Foreign Currency loan (Buyers credit) is repayable in 90 days from the date of availment at interest rates ranging from 2.00% p.a. to 3.75% p.a..
- 6.2** Rupee loan taken from various banks at interest rates ranging from 10.20% p.a. to 13.75% p.a.. Above loans are secured against; 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) Project specific current assets and iv) Personal guarantees of Promoter-Directors of the Company.
- 6.3** Fixed Deposit from Public are repayable within an year from the date of deposit at an interest rate of 11.50% p.a. & 11.75% p.a.. These deposits are unsecured in nature.

### 7 Trades Payable

(₹ in Lakhs)

Particulars	31-03-2013	31-03-2012
Micro Small & Medium Enterprises	15.52	-
Other Trade Payables	31,466.74	39,534.90
<b>Total</b>	<b>31,482.26</b>	<b>39,534.90</b>

\* The above amount includes creditors under Letter of Credit and Bill of Exchange amounting to ₹13564.56 Lakhs (P.Y. ₹ 14,862.76 Lakhs)

- 7.1** The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

Principal Amount due and remaining unpaid	-	-
Interest due and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

### 8 Other Current Liabilities

Current maturities of long-term borrowings	9,315.89	6,582.43
Withholding & other taxes payable	1,502.83	655.01
Unclaimed Dividend	8.00	6.99
Security Deposits	4,898.72	3,123.96
Mobilisation & other contract Advances	11,481.52	20,913.05
Interest accrued but not due.	147.24	58.05
Creditors for Capital expenses	2,290.29	1,927.46
Advances From Related Parties#	15,735.08	6,050.39
Other Payables*	785.87	634.40
<b>Total</b>	<b>46,165.44</b>	<b>39,951.75</b>

\* Primarily includes various expenses payable

# Refer Note 34



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 9 Short Term Provisions

(₹ in Lakhs)

Particulars	31-03-2013	31-03-2012
Provision for Gratuity*	140.39	132.00
Provision for Income Tax	2,618.84	6,597.36
Proposed Dividend	606.33	606.33
Dividend Distribution Tax Payable	103.05	98.38
Provision for Wealth Tax	5.66	5.93
<b>Total</b>	<b>3,474.27</b>	<b>7,440.00</b>

\* Includes Gratuity provision of overseas operations

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 10 Fixed Assets

(₹ in Lakhs)

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		01/04/2012	Additions	Deduction/ Adjustments	31/03/2013	01/04/2012	Additions	Deduction/ Adjustments	31/03/2013	As on 31/03/2013	As on 31/03/2012
<b>I</b>	<b>Tangible Assets</b>										
1	Land	630.97	-	0.60	630.37	-	-	-	-	630.37	630.97
2	Building	5,923.09	-	-	5,923.09	525.89	197.83	-	723.72	5,199.37	5,397.20
3	Plant and Equipment	32,704.39	20,265.96	976.22	51,994.12	3,142.14	1,936.22	36.77	5,041.59	46,952.53	29,562.24
4	Furnitures & Fixtures	1,789.08	38.36	49.39	1,778.06	190.29	112.05	17.74	284.60	1,493.46	1,598.79
5	Vehicles	2,054.28	147.52	256.22	1,945.58	654.76	196.25	94.08	756.93	1,188.65	1,399.52
6	Office Equipment	310.63	50.73	6.43	354.93	59.97	14.39	-	74.36	280.58	250.67
7	Computer	509.40	148.16	-	657.56	141.53	89.05	-	230.58	426.98	367.87
8	Electrical Installation	732.15	-	-	732.15	148.00	34.78	-	182.78	549.37	584.15
9	Office Premises	7,033.81	3,773.27	94.49	10,712.58	217.28	144.69	26.76	335.22	10,377.36	6,816.53
	<b>(A)</b>	<b>51,687.80</b>	<b>24,424.00</b>	<b>1,383.35</b>	<b>74,728.44</b>	<b>5,079.87</b>	<b>2,725.26</b>	<b>175.35</b>	<b>7,629.78</b>	<b>67,098.67</b>	<b>46,607.93</b>
<b>II</b>	<b>Intangible Assets</b>										
1	Computer Software	547.43	662.94	-	1,210.37	172.93	186.97	-	359.90	850.47	374.50
	<b>(B)</b>	<b>547.43</b>	<b>662.94</b>	<b>-</b>	<b>1,210.37</b>	<b>172.93</b>	<b>186.97</b>	<b>-</b>	<b>359.90</b>	<b>850.47</b>	<b>374.50</b>
	<b>Total [A + B]</b>	<b>52,235.23</b>	<b>25,086.94</b>	<b>1,383.35</b>	<b>75,938.82</b>	<b>5,252.80</b>	<b>2,912.23</b>	<b>175.35</b>	<b>7,989.68</b>	<b>67,949.14</b>	<b>46,982.43</b>
	Previous Year	33,394.84	19,946.70	1,106.31	52,235.23	3,556.08	1,884.53	187.81	5,252.80	46,982.43	29,838.76
<b>III</b>	Capital Work-in-progress									50.29	11,659.20
<b>IV</b>	Intangible Assets under Development									-	523.14

- 10.1** Additions in Plant and Machinery and Capital WIP includes ₹ 179.62 Lakhs [Previous Year ₹ 1,289.10 Lakhs ] on account of foreign exchange loss during the year.
- 10.2** The borrowing cost capitalized during the year ended 31<sup>st</sup> March, 2013 was ₹ 36.69 Lakhs [Previous Year ₹ 1,162.53 ]. The Company capitalized this borrowing cost in the capital work-in-progress (CWIP).
- 10.3** During the year under consideration, none of the assets has been revalued or impaired.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 11 Non Current Investment

(₹ in Lakhs)

Particulars	31-03-2013	31-03-2012
<b>Non Trade Investments</b>		
<b>Unquoted</b>		
<u>In equity shares - Fully paid up</u>		
2,660 (2660) Abhyudaya Co Op. Bank Ltd.	0.27	0.27
100,100 (100,100) Janakalyan Sahakari Bank Ltd.	10.01	10.01
5 (5) the Greater Bombay Co-op. Bank Ltd. (₹ 25/- P.Y. ₹ 25/-)	0.00	0.00
100 (100) Baramati Tollways Pvt. Ltd.	0.01	0.01
<u>In equity shares of Subsidiaries - Fully paid up</u>		
4,00,000 (3,00,000) Muktangan Developers Pvt. Ltd.	190.00	30.00
NIL (1000) Pratibha Infrastructure Pvt. Ltd.	-	1.00
10,00,000 (10,00,000) Prime Infrapark Pvt. Ltd.	100.00	100.00
5,100 (5,100) Bhopal Sanchi Highways Pvt. Ltd.	0.51	0.51
NIL (50,000) Pratibha Heavy Engineering Ltd.	-	5.00
10,000 (10,000) Pratibha Holdings (Singapore) Pte. Ltd.	4.49	4.49
<u>In Preference shares of Subsidiaries - Fully paid up</u>		
2,45,365 (2,45,365) Pratibha Holdings (Singapore) Pte. Ltd.	88.98	88.98
<u>Investment in Associate Companies</u>		
Pratibha Industries General Contracting LLC	-	9.32
Saudi Pratibha Industries LLC	69.67	69.67
<u>Investment in Joint ventures</u>		
	49.32	11.32
<b>Quoted</b>		
Investment in Gold Coins	0.44	0.44
<b>Total</b>	<b>513.70</b>	<b>331.02</b>
<b>Aggregate value of</b>		
Quoted Investments	0.44	0.44
Market Value - Quoted Investments	2.37	2.24
Unquoted Investments	513.26	330.58
<b>12 Long Term Loans and Advances</b>		
Capital Advances	4,409.08	2,460.37
Security Deposits	819.08	103.94
Balance with statutory/ Government Authorities	5,179.47	8,766.72
<b>Total</b>	<b>10,407.63</b>	<b>11,331.03</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

<b>13 Other Non Current Assets</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>31-03-2013</b>	<b>31-03-2012</b>
Term Deposits with maturity more than 12 months	2,588.32	2,041.98
<b>Total</b>	<b>2,588.32</b>	<b>2,041.98</b>

13.1 For details on margin money refer note 17.1

### 14 Current Investments

<b>Investment in Mutual Funds &amp; Bonds - Quoted &amp; Fully paid</b>		
NIL (9,993.64) Baroda Pioneer Liquid Fund - Institutional Daily Div Plan	-	100.00
NIL (9,99,990) Baroda Pioneer 90 Day FMP - Series 6 Dividend Plan	-	100.00
<b>Total</b>	<b>-</b>	<b>200.00</b>
<b>Aggregate value of</b>		
Quoted Investments	-	200.00
Market Value - Quoted Investments	-	201.23
Unquoted Investments	-	-

#### 14.1 Details of Investment purchased & sold during the year

<b>Mutual Funds</b>	<b>NAV per unit</b>	<b>Nos. Purchased / (Sold)</b>	<b>Purchase Cost/ Cost of Sales</b>
Baroda Pioneer Liquid Fund - Growth	1,000.63	449.26	4.50
Baroda Pioneer Liquid Fund - Growth	1,000.63	(10,529.90)	(105.37)
Baroda Pioneer 90 Day Fmp - Series 6 Div Plan	10	(999,990.00)	(100.00)
Edelweiss Ultra Short Term Bond Fund	1,000.16	20,173.47	201.77
Edelweiss Ultra Short Term Bond Fund	1,000.16	(20,173.47)	(201.77)

<b>15 Inventories</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>31-30-2013</b>	<b>31-03-2012</b>
Raw Material	6,203.12	6,258.39
Construction Work-In-Progress	57,166.85	38,003.92
Manufacturing Work-In-Progress	10.99	264.41
Finished Goods	53.44	560.45
Stores & Spares	648.20	670.41
<b>Total</b>	<b>64,082.62</b>	<b>45,757.58</b>

### 16 Trade Receivables

Outstanding for more than six months	9,079.50	6,695.09
Others	16,658.60	20,487.70
<b>Total</b>	<b>25,738.10</b>	<b>27,182.79</b>

All above receivables are Unsecured and Considered Good

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

17 Cash & Bank Balance <span style="float: right;">(₹ in Lakhs)</span>		
Particulars	31-03-2013	31-03-2012
<b>Cash &amp; Cash Equivalent</b>		
Balances with banks in Current Accounts	3,346.28	6,584.80
Cash on Hand	128.86	141.89
<b>Others</b>		
Balances with banks in current accounts in Term Deposits	6,198.96	5,930.25
<b>Total</b>	<b>9,674.09</b>	<b>12,656.94</b>
Balances with bank in unpaid dividend accounts	8.00	7.06
Balances with bank held as margin money deposit against guarantees	7,121.03	5,425.74
Balances with bank held as collateral securities	781.00	1,010.45
<p>17.1 Bank balances in Current accounts and Term Deposit (including with maturity more than 12 months # Note 13) as on March 31, 2013 and March 31, 2012 include restricted balances of ₹ 7,910.03 Lakhs and ₹ 6,443.25 Lakhs, respectively. The restrictions are primarily on account of Bank balances held as margin money deposits against guarantees, as collateral security and unclaimed dividends.</p> <p>17.2 The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice.</p>		
<b>18 Short Terms Loans and Advances</b>		
Retention & Security Deposits.	19,867.82	11,710.15
Loans & Advances to related parties #	34,261.91	20,412.52
<b>Other Loans &amp; Advances</b>		
- Loans & Advances to Employees	48.60	94.67
- Advances to suppliers	3,178.66	2,513.67
- Mobilisation Advance	507.30	3,390.87
- Other Advances	152.23	13.38
- Balance with statutory/ Government Authorities	5,449.08	4,903.56
<b>Total</b>	<b>63,465.61</b>	<b>43,038.81</b>
<p>All above are Unsecured and Considered Good # Refer note 34</p>		
<b>19 Other Current Assets</b>		
Interest Accrued But Not Due	350.21	667.00
Prepaid Expenses	2,198.33	2,138.99
Other assets	3,961.53	4,806.38
<b>Total</b>	<b>6,510.07</b>	<b>7,612.37</b>
<b>20 Revenue from operations</b>		
Construction Contract	162,491.22	145,340.45
Sale of Products	2,033.75	5,026.14
	164,524.97	150,366.59
Other Operating Revenue		
- Sale of Scrap	643.20	516.22
	643.20	516.22
<b>Total</b>	<b>165,168.16</b>	<b>150,882.81</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 20.1 Details of Sale of Products

(₹ in Lakhs)

Particulars	31-03-2013	31-03-2012
- Hsaw Pipe & Coating	1,905.73	4,019.20
- H R Coils and H R Plate	-	980.42
- Others	128.02	26.52

### 21 Other Income

Profit on sale of Investment	-	12.77
Profit on sale of Fixed Assets	-	453.42
Dividend	9.20	-
Profit of Subsidiary co.	-	0.81
Other Income	389.64	60.00
Interest income	753.69	1,324.69
<b>Total</b>	<b>1,152.54</b>	<b>1,851.69</b>

### 22 Cost of Material consumed

Raw Material Stock at the beginning of the period	6,258.39	6,127.59
Add :- Purchases during the year	73,323.27	62,456.62
	<b>79,581.66</b>	<b>68,584.21</b>
Less :- Raw Material Stock at the end of the period	6,203.12	6,258.39
<b>Total</b>	<b>73,378.54</b>	<b>62,325.82</b>

### 23 Manufacturing, Construction & Operating Expenses

Consumption of Stores & Spares	3,022.85	2,986.44
Sub-contract & Labour Charges	45,451.71	40,512.62
Repairs & Maintenance - Machinery	327.29	545.59
Equipment Hire Charges	1,125.35	1,861.17
Power & Fuel Charges	501.43	1,420.53
Freight Inwards	1,033.19	1,838.38
Custom & Excise Duty	59.60	197.35
Site Mobilisation Expenses	55.30	400.33
Other Expenses	1,921.42	3,072.62
<b>Total</b>	<b>53,498.14</b>	<b>52,835.03</b>

### 24 Change In Inventories

Inventory at the end of the period		
- Work-in-progress		
- Construction Work-In-Progress	57,166.85	38,003.92
- Manufacturing Work-In-Progress	10.99	264.41
- Finished goods	53.44	560.45
	<b>(A) 57,231.29</b>	<b>38,828.78</b>
Inventory at the beginning of the period		
- Work-in-progress.		
- Construction Work-In-Progress.	38,003.92	25,954.02
- Manufacturing Work-In-Progress.	264.41	772.15
- Finished goods.	560.45	849.97
	<b>(B) 38,828.78</b>	<b>27,576.15</b>
<b>Total</b>	<b>(B - A)</b>	<b>(11,252.63)</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

25 Employee Benefit expenses	(₹ in Lakhs)	
Particulars	31-03-2013	31-03-2012
Contribution to PF & other fund	131.24	88.36
Directors Remuneration	955.65	446.90
Salaries & Wages	9,709.90	8,047.18
Staff Welfare Expenses	402.68	374.91
Gratuity Expenses*	125.01	83.61
<b>Total</b>	<b>11,324.47</b>	<b>9,040.96</b>

\* Includes Gratuity expenses of overseas operations

25.1 The following table set out the status of the Gratuity Plan as required under AS-15 for Indian Operations

### Reconciliation of opening and closing balance of present value of the defined benefit obligation and plan assets:

Obligation at the beginning	239.68	209.90
Interest Cost	20.37	17.32
Service Cost	56.11	75.56
Actuarial (Gain)/Loss	7.28	(52.72)
Benefit Paid	(83.37)	(10.38)
Obligation at the period end	<b>240.07</b>	<b>239.68</b>

### Defined benefit obligation liability as at the Balance Sheet is wholly funded by the Company :

Change in plan assets:		
Fair Value of plan asset at the beginning	163.45	122.00
Expected return on plan assets	13.89	9.76
Actuarial Gain	2.54	2.56
Contribution	85.89	39.52
Benefit paid	(83.37)	(10.38)
Fair Value of plan asset at the end of the year	<b>182.40</b>	<b>163.45</b>

### Reconciliation of present value of obligation and fair value of plan asset:

Fair Value of plan asset at the end of the year	182.40	163.45
Present Value of defined obligation at the end of the period	240.07	239.68
Liability recognized in the balance sheet	<b>57.67</b>	<b>76.22</b>

### Actuarial Assumptions:

Discount Rate (p.a.)	8.00%	8.50%
Estimated rate of return on plan assets (p.a.)	8.70%	8.50%
Mortality Table	IALM 2006-08 (Ultimate)	LIC 1994-96 (Ultimate)
Rate of escalation in salary (p.a.)	6.00%	6.00%

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	31-03-2013	31-03-2012
<b>Gratuity Cost for the period</b>		
Service cost	56.11	75.56
Interest cost	20.37	17.32
Expected return on plan assets	(13.89)	(9.76)
Actuarial (gain)/loss	4.75	(55.28)
Expense recognized in Profit and Loss Account	<b>67.34</b>	<b>27.84</b>

### 26 Financial costs

Interest Expense	9,674.51	8,740.11
Other Borrowing cost	1,226.90	831.32
Foreign Exchange Fluctuation Loss / (gain)	712.83	147.61
<b>Total</b>	<b>11,614.24</b>	<b>9,719.04</b>

### 27 Depreciation and Amortization expense

Depreciation	2,725.26	1,802.90
Amortization	186.97	81.63
<b>Total</b>	<b>2,912.23</b>	<b>1,884.53</b>

### 28 Other expenses

Advertising & Business Promotion Expenses	155.51	401.11
Auditors Remuneration	57.20	75.04
Carriage Outward	71.93	364.15
Commission & Brokerage Expenses	6.74	18.68
Computer & Software Expenses	130.92	73.72
Directors Sitting Fees & Commission	13.80	3.48
Donation	203.04	38.87
Electricity Charges	326.02	297.94
General Expenses	200.67	254.12
Insurance Charges	478.91	362.45
Legal Fees & Professional Charges	2,398.37	1,855.95
Loss on Sale of Fixed Asset	15.02	-
Postage & Courier Charges	20.94	29.51
Printing & Stationery	48.66	140.44
Rates & Taxes	10,295.43	8,265.28
Rent	582.38	752.46
Repairs & Maintenance - Office	460.22	515.85
Security Service Charges	637.02	412.78
Travelling & Visa Expenses	661.06	776.04



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	31-03-2013	31-03-2012
Telephone & Internet Expenses	158.30	175.96
Vehicle Expenses	438.53	781.78
Share of Loss from Joint Venture	1,125.53	887.10
Foreign Exchange Fluctuation Loss	225.29	44.83
<b>Total</b>	<b>18,711.50</b>	<b>16,527.53</b>

### 28.1 Payment to Auditors

<b>As Auditors</b>		
- Audit Fee	20.00	12.00
- Tax Audit Fee	7.50	3.00
<b>In Other Capacity</b>		
- Taxation matters	16.20	45.77
- Management Services	7.08	12.00
- Other Services	6.43	2.27
<b>Total</b>	<b>57.20</b>	<b>75.04</b>

### 29 Earning Per Share

<b>Total operations from the year</b>		
Profit/loss after Tax	9,516.67	8,324.00
Less : Dividends on Compulsorily Convertible Participatory Preference Shares and tax thereon	-	11.54
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>9,516.67</b>	<b>8,312.46</b>
Net profit as above	9,516.67	8,312.46
Add: Dividends on convertible preference shares & tax thereon	-	11.54
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>9,516.67</b>	<b>8,324.00</b>
<b>Weighted average number of equity shares in calculating basic EPS</b>	<b>100,814,177</b>	<b>99,424,957</b>
Compulsorily Convertible Participatory Preference Shares	-	1,630,435
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>100,814,177</b>	<b>101,055,392</b>
<b>Earnings Per Share</b>		
(1) Basic	9.44	8.36
(2) Diluted	9.44	8.24

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 30 Contingent Liabilities:

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
i. Unutilized Letters of Credit with Bankers	27,452.26	20,696.71
ii. Bank Guarantee	1,35,502.61	1,01,359.86
iii. Corporate Guarantee	1,01,434.00	63,884.00
iv. Estimated amounts of contract remaining to be executed on Capital Account and not provided for	13,455.26	1,053.24
v. Cases in the court, which in the opinion of the management, require no provision of liability than what is recorded in accounts.	379.00	597.29
vi. Income Tax liability (excluding Penalties) that may arise. The ITAT has allowed the claim of Section 80IA and has passed all the appeal orders in favour of the Company.	--	8,272.49
vii. Central Excise Liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	24.27	138.74
viii. Service Tax liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	136.53	99.66
ix. Sales Tax Liability (excluding Penalties). The matters are in appeal and management is of the opinion that the liability may not arise. Accordingly no provision has been made.	135.53	--
x. Assignment of Retention Receivables to IndusInd Bank with recourse to the extent of amount.	2,987.98	4,500.00

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

### 31 Change of Policy of Operating cycle for current and non-current classification:

Company has changed its policy of operating cycle for current and non-current classification for the business activities of the Company from 12 months "to the duration of the specific project/contract/project line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business". There is no financial impact on profit and loss account. However, balance sheet figures have been regrouped, rearranged and reclassified wherever necessary.

### 32 Disclosure pursuant to Accounting Standard – 7 "Construction Contracts":

In terms of the disclosure required to be made under the Accounting Standard 7 for "Construction Contracts" as notified in the Companies (Accounting Standard) Rules, 2006, the amounts considered in the financial statements up to the balance sheet date are as follows:

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	2012-13	2011-12
Contract Revenue recognised as revenue during the year	162,491.22	145,340.45
Aggregate amount of Contract Cost incurred and recognised profits, less losses.	533,458.64	290,801.6
Advances received, net recoveries from progressive bills	11,481.52	20,913.05
Gross amount due from customers for contract works	23,505.84	23,393.99
Retention Money	19,867.82	11,710.15

### 33 Leases:

The Company has operating lease agreements, primarily for leasing office space and residential premises for its employees. Most of these lease agreements provide for cancellation by either party with a notice period ranging from 30 days to 120 days and contain a clause for renewal of lease agreement at the option of the Company. There are no non-cancelable operating leases. There are no assets taken on finance lease.

### 34 Related Party Disclosure:

As per the accounting standard 18 prescribed by Companies (Accounting Standards) Rules, 2006, details of related parties & transactions with them are given below:

Sr. No.	Name of Related Party	Relationship
1	Bhopal Sanchi Highways Pvt. Ltd.	Subsidiary Companies
2	Muktangan Developers Pvt. Ltd.	
3	Pratibha Holding (Singapore) Pte. Ltd.	
4	Pratibha Infra Lanka (Private) Ltd. (Wholly owned subsidiary of Pratibha Holding (Singapore) Pte Limited)	
5	Prime Infrapark Pvt. Ltd.	
6	Pratibha Pipes & Structural Ltd.	Associates & Enterprises over which Key Managerial Personnel are able to exercise significant influence
7	Pratibha Struct Build Pvt. Ltd.	
8	Pratibha Inds. Gen. Contracting LLC	
9	Pratibha Shareholding Pvt. Ltd.	
10	Saudi Pratibha Industries LLC	
11	Rahul Associates	
12	Petron Pratibha JV	Joint Ventures
13	Pratibha JV	
14	Pratibha Ostu JV	
15	Pratibha Rohit JV	
16	Patel Pratibha JV	
17	Pratibha Unity	
18	MEIL Saisudhir Pratibha JV	
19	Pratibha China State JV	
20	Unity Pratibha Multimedia JV	
21	Niraj Pratibha JV	
22	Unity Pratibha Consortium	
23	ITD Pratibha Consortium	
24	Pratibha GIN KJI Consortium	
25	Pratibha SMS JV	
26	Pratibha Al Ambia JV	
27	Pratibha Aparna JV	

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

Sr. No.	Name of Related Party	Relationship
28	Pratibha Membrane Filters JV	Joint Ventures
29	Pratibha Mosinzhstroi Consortium	
30	Pratibha CRFG JV	
31	Pratibha GECPL JV	
32	Pratibha Pipes & Structural Consortium	
33	Gammon Pratibha JV	
34	FEMC Pratibha JV	
35	KBL PIL Consortium	
36	Pratibha Jain Irrigation Navana JV	
37	Mrs. Usha B. Kulkarni	Key Managerial Personnel
38	Mr. Ajit B. Kulkarni	
39	Mr. Ravi A. Kulkarni	
40	Mr. Vinayak B. Kulkarni	
41	Mr. Rohit Katyal (Resigned on 27 <sup>th</sup> June, 2012)	
42	Mr. Rahul Katyal (Resigned on 31 <sup>st</sup> July, 2012)	
43	Mr. Sharad P. Deshpande	
44	Mr. Yogen Lal	
45	Mr. Sanjay Kulkarni	Relatives of Key Managerial Personnel
46	Mr. Shyam Kulkarni	
47	Mr. Anand Kulkarni	

### Disclosure of related party transactions:

(₹ in Lakhs)

Particulars	Subsidiaries	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Associate / Affiliates
Sales & Services	445.75 <i>7,605.55</i>	26,130.37 <i>23,005.02</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	27.59 <i>1,934.50</i>
Interest & Other Incomes	NIL <i>NIL</i>	1,208.28 <i>2,293.30</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	NIL <i>9.97</i>
Purchase of Goods / Payment for other services	1.25 <i>69.34</i>	54.39 <i>2,829.81</i>	14.40 <i>1.90</i>	NIL <i>1.46</i>	3,789.50 <i>3,854.38</i>
Remuneration	NIL <i>NIL</i>	NIL <i>NIL</i>	1,007.12 <i>524.93</i>	40.31 <i>94.85</i>	NIL <i>NIL</i>
Sale of Fixed Assets	NIL <i>NIL</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	8.74 <i>NIL</i>
Purchase of Fixed Assets	NIL <i>NIL</i>	NIL <i>294.78</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	NIL <i>2,500.00</i>
Loan/Advance/ Security Deposit given/(received)	2,633.66 <i>4,028.07</i>	22,148.77 <i>1,483.86</i>	375.00 <i>NIL</i>	NIL <i>NIL</i>	6.81 <i>(8.98)</i>
Guarantee given/(received)*	NIL <i>2,500.00</i>	39,590.00 <i>31,500.00</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	NIL <i>NIL</i>
Investment made/(received)	NIL <i>108.47</i>	601.19 <i>25.28</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	NIL <i>69.77</i>

Note: Previous year's figures are given in italic.

\* Guarantee given/ (received) represents corporate guarantee given by Pratibha Industries Limited for related party to third party during the year.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

Out of the above, transaction with related parties in excess of 10% of the total related party transactions are as under:

(₹ in Lakhs)

Particulars	2012-13	2011-12
<b>Subsidiaries</b>		
i) Sales & Service: Prime Infrapark Pvt. Ltd.	445.75	7,605.55
ii) Interest & Other Income Received: Bhopal Sanchi Highways Pvt. Ltd.	44.38	29.66
iii) Purchases of Goods /Payment for other services: Prime Infrapark Pvt. Ltd.	1.25	-
Pratibha Infrastructure Pvt. Ltd.	-	69.34
iv) Loan/Advance given: Prime Infrapark Pvt. Ltd.	2,460.70	2,726.08
Muktangan Developers Pvt. Ltd.	45.11	1,172.57
v) Guarantees Given: Prime Infrapark Pvt. Ltd.	-	2,500.00
vi) Investment: Pratibha Holding (Singapore) Pvt. Ltd.	-	93.47
<b>Joint Ventures</b>		
i) Sales & Service: Pratibha China State JV	5,474.20	11,322.57
Patel Pratibha JV	2,389.10	3,451.16
Pratibha AI Ambia JV	3,207.10	3,949.32
Pratibha Mosinzhstroi Consortium	4,112.70	1,258.16
Pratibha Ostu Stettin JV	4,006.80	1,203.65
Pratibha FEMC JV	3,699.50	-
ii) Interest & Other Income Received: Pratibha Aparna JV	152.16	167.75
Pratibha AI Ambia JV	190.67	412.09
Pratibha Mosinzhstroi Consortium	755.32	-
Pratibha Ostu JV	-	902.12
Pratibha CRFG JV	-	363.52
iii) Purchases of Goods /Payment for other services: Niraj Pratibha JV	54.39	-
Pratibha AI Ambia JV	-	2,584.76
iv) Purchase of Fixed Assets: Pratibha Ostu JV	-	134.92
Pratibha CRFG JV	-	159.86
v) Loan/Advance given: Niraj Pratibha JV	1,292.80	4,460.05
Pratibha SMS JV	673.24	866.02
Pratibha AI Ambia JV	3,433.80	(2,598.42)
Pratibha Aparna JV	1,983.80	1,442.33
Pratibha CRFG JV	1,322.10	(3,457.29)
Pratibha Mosinzhstroi Consortium	8,577.20	-
Pratibha FEMC JV	4,779.50	-

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	2012-13	2011-12
vi) Guarantees Given:		
Pratibha CRFG JV	-	20,500.00
Pratibha AI Ambia JV	-	6,000.00
Pratibha Membrane JV	-	5,000.00
Pratibha FEMC JV	39,500.00	-
vii) Investment made:		
Pratibha GECPL JV	371.51	-
ITD Pratibha Consortium	229.68	-
Pratibha SMS JV	-	25.28
<b>Associate / Affiliates</b>		
i) Sales & Service:		
Pratibha Pipes & Structural Limited	27.59	1,934.50
ii) Interest & Other Income Received:		
Pratibha Pipes & Structural Limited	-	9.97
iii) Purchases of Goods/Payment for other services:		
Pratibha Pipes & Structural Limited	3,789.50	3,854.38
iv) Sale of Fixed Assets:		
Pratibha Pipes & Structural Limited	8.74	-
v) Purchase of Fixed Assets:		
Pratibha Pipes & Structural Limited	-	2,500.00
vi) Loans & Advance given/(received):		
Saudi Pratibha Industries LLC	8.11	-
Pratibha Pipes & Structural Limited	-	(10)
vii) Investment:		
Saudi Pratibha Industries LLC	-	69.67
<b>KMP</b>		
i) Purchase of Goods/Payment for other services:		
Usha B. Kulkarni	2.40	1.90
Ajit B. Kulkarni	12.00	-
ii) Remuneration :		
Ajit B. Kulkarni	688.40	240.31
Usha B. Kulkarni	203.95	36.00
Rohit Katyal	130.67	120.00
Rahul Katyal	32.68	98.03
Ravi Kulkarni	17.50	42.33
Yogen Lal	117.13	-
iii) Security Deposit given:		
Ajit B. Kulkarni	375.00	-
<b>Relatives of KMP</b>		
i) Purchase of goods/Payment for other services:		
Sunanda Kulkarni	-	0.72
Ramdas Kulkarni	-	0.72
ii) Remuneration:		
Sanjay Kulkarni	20.31	41.88
Shyam Kulkarni	15.34	10.63
Anand Kulkarni	4.67	-

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

35 Disclosure as per amendment to clause 32 of the Listing Agreement

(₹ in Lakhs)

Sr. No.	Particulars	Outstanding Balance		Maximum Balance during the year	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	<b>Loans and advances in the nature of loans to subsidiaries</b>				
	Bhopal Sanchi Highways Pvt. Ltd.	313.23	149.14	313.23	136.87
	Prime Infrapark Pvt. Ltd.	2,498.37	3,988.29	4,002.73	3,988.29
	Muktangan Developers Pvt. Ltd.	1,217.68	1,172.57	1,217.68	1,172.57
	Pratibha Infra Lanka (Private) Ltd. (Wholly owned subsidiary of Pratibha Holding (Singapore) Pte Limited)	90.73	41.16	103.64	41.16
2	<b>Loans and advances in the nature of loans to associates</b>				
	Saudi Pratibha Industries LLC	69.67	86.87	86.87	86.87
3	<b>Loans and advances in the nature of loans to firms/companies in which directors are interested</b>				
	Pratibha Shareholding Pvt. Ltd.	0.63	0.63	0.63	0.63
	Pratibha Struct Build Pvt. Ltd.	0.01	0.06	0.06	0.06

### 36 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:

(₹ in Lakhs)

NAME	%	ASSETS	LIABILITIES	INCOME	EXPENSES
Patel Pratibha JV	100%	1,198.45	1,094.83	2,403.82	2,407.81
Pratibha JV	95%	68.77	11.82	-	2.33
Pratibha SMS JV	100%	2,880.23	2,523.00	2,596.13	2,597.64
Unity Pratibha Consortium	100%	936.74	248.92	14.76	9.03
Niraj Pratibha JV	50%	3,682.95	6,451.16	2,057.16	2,506.24
Pratibha Ostu JV	50%	2,595.61	2,258.81	2,587.17	2,587.78
Pratibha Rohit JV	80%	630.84	559.78	1.16	0.36
Pratibha CRFG JV	100%	17,306.19	17,318.16	27,607.68	28,132.66
ITD Pratibha Consortium	100%	276.36	0.84	-	0.11
Petron Pratibha JV	100%	0.10	-	-	-
Pratibha AI Ambia JV	100%	5,295.80	4,974.45	8,262.22	8,202.43
Pratibha Aparna JV	100%	2,632.93	3,738.84	3,334.66	3,814.97
Pratibha China State JV	60%	2,486.59	2,393.03	3,308.62	3,296.73
Pratibha Membrane Filters JV	51%	2,014.34	1,032.35	2,626.80	2,315.83
Pratibha GECPL JV	70%	373.04	112.99	213.52	213.52
Pratibha Mosinzstroi Consortium	100%	13,476.80	13,510.19	13,744.61	13,798.59
Pratibha Unity JV	50%	147.10	14.25	-	-
Unity Pratibha Multimedia JV	100%	195.70	20.74	-	1.26
Pratibha Pipes & Structural Consortium	40%	4.30	0.82	4.34	0.87
FEMC Pratibha JV	100%	29,999.41	29,999.41	1,920.58	1,920.58
KBL PIL Consortium *	50%	174.35	1,170.55	84.82	86.76
Pratibha GIN KJI Consortium*	74%	1,752.45	275.75	268.55	179.37
MEIL Saisudhir Pratibha JV*	25%	2,208.28	1,052.23	1,531.15	173.91
Gammon Pratibha JV *	49%	1,980.13	1,900.41	2,566.12	1,921.47

\* Joint Ventures are in the nature of jointly controlled operations.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

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

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

### 37 Earning in Foreign Exchange:

(₹ in Lakhs)

Particulars	2012-13	2011-12
Consultancy Fees	194.28	86.69
Overseas Contract Revenue	16,508.67	20,909.33

### 38 Expenditure in Foreign Currency:

(₹ in lakhs)

Particulars	2012-13	2011-12
On Foreign Travel	94.67	65.85
On Professional Fees / Consultancy Charges	2,182.64	1,135.26
On Interest & Bank Commission Charges	498.77	292.61
On Fees & Subscription	1.84	1.47
On Import of Capital Goods (CIF Value)	6,218.25	5,915.04
On Import of Material & Stores (CIF Value)	314.12	286.00
On Equipment, spares and maintenance	-	29.23
On overseas Branch Administration Expenses	2,736.20	1,110.04
On Overseas Contract Expenses	20,203.75	23,087.46
<b>Total</b>	<b>32,250.24</b>	<b>31,922.96</b>

38.1 During the year, the Company has not remitted dividend in foreign currency (P.Y. NIL).

### 39 Additional Information under Revised Schedule VI of the Companies Act, 1956:

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

#### A. Raw Material Purchased

(₹ in Lakh)

Particulars	2012-13	2011-12
H R Coil	98.39	4,753.58
M S Pipes	1,073.47	11.91
<b>Total</b>	<b>1,234.51</b>	<b>5,223.26</b>

#### B. Consumption

##### a. Raw Material, Stores & Spares consumed:

(₹ in Lakh)

Particulars	2012-13	2011-12
H R Coil	349.34	5,361.02
M S Pipe	1,828.62	-
Consumable & Others	121.82	610.83



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

### b. Value of imported & indigenous raw materials, spare parts & consumables:

Product	2012-13		2011-12	
	Value (₹ in Lakh)	% Value	Value (₹ in Lakh)	%
<b>Raw Materials</b>				
Imported	-	-	-	-
Indigenous	1,266.26	100.00	5,457.20	100.00
<b>Total</b>	<b>1,266.26</b>	<b>100.00</b>	<b>5,457.20</b>	<b>100.00</b>
<b>Spares Parts &amp; Consumables</b>				
Imported	-	-	286.00	65.03
Indigenous	28.17	100.00	179.98	34.97
<b>Total</b>	<b>28.17</b>	<b>100.00</b>	<b>465.98</b>	<b>100.00</b>

C. Purchase of Finished Goods NIL (P.Y. NIL)

### D. Value of Imports (CIF Value)

(₹ in Lakhs)

Particulars	2012-13	2011-12
Consumables Stores	-	286.00

### 40 Segment Information:

The Company has identified two reportable segments viz. Infrastructure & Construction and Manufacturing & Coating. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

#### • Primary Segment Information:

(₹ in Lakhs)

Particulars	2012-13	2011-12
<b>Segment Revenue</b>		
a. Infrastructure & Construction	163,129.38	145,704.68
b. Manufacturing	2,670.30	9,032.14
c. Unallocated	1,145.65	1,851.69
<b>Total</b>	<b>166,945.32</b>	<b>156,588.51</b>
Less : Inter Segment Revenue	828.81	4,393.29
<b>Net Sales/ Income from Operations</b>	<b>166,116.52</b>	<b>152,195.22</b>
<b>Segment Results</b>		
a. Infrastructure & Construction	24,819.77	19,016.83
b. Manufacturing	(217.33)	610.52
c. Unallocated	91.70	1,206.63
<b>Total</b>	<b>24,694.15</b>	<b>20,833.98</b>
Less:(1) Interest	11,614.24	9,719.04
(2) Income tax	3,563.24	2,790.94
<b>Total Profit After Tax</b>	<b>9,516.67</b>	<b>8,324.00</b>
<b>Segment Assets</b>		
a. Infrastructure & Construction	210,965.04	163,598.53
b. Manufacturing	14,772.20	15,614.31
c. Unallocated	25,242.32	30,104.46
<b>Total Assets</b>	<b>250,979.56</b>	<b>209,317.30</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	2012-13	2011-12
<b>Segment Liabilities</b>		
a. Infrastructure & Construction	167,665.01	132,365.70
b. Manufacturing	1,214.11	3,870.53
c. Unallocated	17,326.88	17,114.80
<b>Total Liabilities</b>	<b>186,205.99</b>	<b>153,351.03</b>
<b>Capital Employed</b>		
a. Infrastructure & Construction	43,300.03	31,232.84
b. Manufacturing	13,558.09	11,743.78
c. Unallocated	7,915.44	12,989.66
<b>Total</b>	<b>64,773.57</b>	<b>55,966.28</b>
<b>Capital Expenditure</b>		
a. Infrastructure & Construction	8,920.34	20,169.12
b. Manufacturing	24.03	42.52
c. Unallocated	4,010.51	10,437.60
<b>Total</b>	<b>12,954.89</b>	<b>30,649.24</b>
<b>Depreciation</b>		
a. Infrastructure & Construction	1,936.22	800.92
b. Manufacturing	216.80	567.02
c. Unallocated	759.21	516.59
<b>Total</b>	<b>2,912.23</b>	<b>1,884.53</b>
<b>Non-Cash Expenses other than Depreciation</b>		
a. Infrastructure & Construction	1,216.62	971.47
b. Manufacturing	-	10.42
c. Unallocated	-	-
<b>Total</b>	<b>1,216.62</b>	<b>981.89</b>

• **Secondary Segment Information:**

(₹ in Lakhs)

Particulars	2012-13	2011-12
<b>Segment Revenue - External Turnover</b>		
Within India	149,607.65	131,285.89
Outside India	16,508.87	20,909.33
<b>Total Revenue</b>	<b>166,116.52</b>	<b>152,195.22</b>
<b>Segment Assets</b>		
Within India	241,024.85	193,705.89
Outside India	9,954.71	15,611.41
<b>Total Assets</b>	<b>250,979.56</b>	<b>209,317.30</b>
<b>Segment Liabilities</b>		
Within India	174,936.22	139,784.84
Outside India	11,269.77	13,566.19
<b>Total Liabilities</b>	<b>186,205.99</b>	<b>153,351.03</b>
<b>Capital Expenditure</b>		
Within India	12,954.89	30,373.48
Outside India	-	275.76
<b>Total Expenditure</b>	<b>12,954.89</b>	<b>30,649.24</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2013

- 41 Other Information under Part II of Schedule VI of the Companies Act, 1956 are not applicable and hence not disclosed.
- 42 Balance under the head 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof.
- 43 The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

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For **Jayesh Sanghrajka & Co.**  
Chartered Accountants  
Firm No.: 104184W

**Hemant Agrawal**  
Partner  
Membership No.: 403143

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

### For and on behalf of the Board

**Ajit B. Kulkarni**  
Managing Director

**Yogen Lal**  
Chief Executive Officer

**Pankaj S. Chourasia**  
Company Secretary

**S. P. Deshpande**  
Whole Time Director

**T. R. Radhakrishnan**  
Chief Financial Officer

## Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

(₹ in Lakhs)

Name of Subsidiary Company	Prime infrapark Private Limited	Bhopal Sanchi Higways Private Limited	Muktangan Developers Pvt. Ltd.	Pratibha Holding (Singapore) Pte Ltd	Pratibha Infra Lanka (Private) Ltd
<b>A)</b> The Financial year of the Subsidiary Company	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2013
<b>B)</b> Shares of the subsidiary held by the Company on the above date:					
<b>a)</b> Number of Shares	10,00,000 equity shares of ₹ 10/- each	5,100 equity shares of ₹ 10/- each	4,00,000 equity shares of ₹ 10/- each	10,000 equity Share & 2,45,365 Preference Share Capital of Singapore \$ 1 each	10,000 equity Share of LKR 10 each
<b>b)</b> Extent of Holding	100%	51%	100%	100%	100% by Pratibha Holding (Singapore) Pte Ltd
<b>C)</b> The net aggregate of profit/loss of the subsidiary Company so far as its concerns the members of the Company					
<b>a)</b> Not dealt within the account of the Company for the year ended 31 <sup>st</sup> March, 2013 amounted to:-					
<b>(I)</b> for the financial years ended as in (A) above;	(1,309.18)	NIL	NIL	(22.26)	(3.81)
<b>(II)</b> for the previous financial year of subsidiary since they became the subsidiary of the Company	NIL	NIL	NIL	(7.00)	(81.45)
<b>b)</b> Dealt within the account of the Company for the year ended 31 <sup>st</sup> March, 2013 amounted to:-					
<b>(I)</b> for the financial years ended as in (A) above;	NIL	NIL	NIL	NIL	NIL
<b>(II)</b> for the previous financial year of subsidiary since they became the subsidiary of the Company	NIL	NIL	NIL	NIL	NIL
<b>D)</b> 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.	N.A.	N.A.	N.A.	N.A.

**For and on behalf of the Board**

**Ajit B. Kulkarni**  
Managing Director

**S. P. Deshpande**  
Whole Time Director

**Yogen Lal**  
Chief Executive Officer

**T. R. Radhakrishnan**  
Chief Financial Officer

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**Pankaj S. Chourasia**  
Company Secretary

# Independent Auditors' Report on Consolidated Financial Statement

To  
The Members of  
**PRATIBHA INDUSTRIES LIMITED**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Pratibha Industries Limited** (the "Company"), its subsidiaries and Joint ventures (collectively referred to as the "Group") which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the accounting standard referred to in section 211(3C) of the Companies Act 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Other Matters

We have relied on the unaudited financial statements of certain subsidiaries and associates wherein the group's share of profit/(loss) aggregate to ₹ (172.55) Lakh. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management and our report in so far as it relates to the amount included in respect of these subsidiaries and associate companies is based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect of other matters.

For **Jayesh Sanghrajka & Co.**  
Chartered Accountants  
Firm Regn. No. 104184W

**Hemant Agrawal**  
Partner  
Membership No. 403143

Place : Mumbai  
Date : 24<sup>th</sup> May 2013

# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	Notes	31.03.2013	31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	2,021.11	3,488.50
(b) Reserves and Surplus	3	61,290.67	52,263.15
		<b>63,311.78</b>	<b>55,751.65</b>
<b>(2) Minority Interest</b>			
		0.49	10.49
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	67,848.46	34,169.75
(b) Deferred tax liabilities	5	3,351.08	2,406.68
(c) Other Long term liabilities	6	685.09	-
		<b>71,884.63</b>	<b>36,576.43</b>
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	7	73,612.63	56,393.69
(b) Trade payables	8	47,219.19	45,248.61
(c) Other current liabilities	9	54,339.40	38,119.36
(d) Short-term provisions	10	3,588.16	7,700.56
		<b>178,759.38</b>	<b>147,462.21</b>
<b>Total Liabilities</b>		<b>313,956.29</b>	<b>239,800.78</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		68,414.86	48,082.25
(ii) Intangible assets		18,191.17	374.50
(iii) Capital work-in-progress		3,037.08	11,659.20
(iv) Intangible assets under development		-	16,003.43
		<b>89,643.10</b>	<b>76,119.39</b>
(b) Non-current investments	12	32.16	96.85
(c) Long term loans and advances	13	12,213.65	12,992.17
(d) Other Non Current Assets	14	2,588.32	2,011.98
		<b>104,477.23</b>	<b>91,220.38</b>
<b>(2) Current assets</b>			
(a) Current investments	15	-	200.00
(b) Inventories	16	102,137.90	62,634.78
(c) Trade receivables	17	35,161.06	23,339.06
(d) Cash and Bank balance	18	14,248.18	17,276.82
(e) Short-term loans and advances	19	50,460.53	37,074.28
(f) Other current assets	20	7,471.39	8,055.45
		<b>209,479.06</b>	<b>148,580.40</b>
<b>Total Assets</b>		<b>313,956.29</b>	<b>239,800.78</b>

Significant Accounting Policies

1

The accompanying Notes 1 to 38 are an integral part of Financial Statements.

As per our Report of even date  
For **Jayesh Sanghrajka & Co.**  
Chartered Accountants  
Firm No.: 104184W

**Hemant Agrawal**  
Partner  
Membership No.: 403143

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

For and on behalf of the Board

**Ajit B. Kulkarni**  
Managing Director

**Yogen Lal**  
Chief Executive Officer

**Pankaj S. Chourasia**  
Company Secretary

**S. P. Deshpande**  
Whole Time Director

**T. R. Radhakrishnan**  
Chief Financial Officer

## Consolidated Statement of Profit and Loss for the Year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	Notes	31.03.2013	31.03.2012
Revenue from operations	21	217,126.02	167,544.52
Less: Excise Duty		(204.18)	(539.29)
		216,921.84	167,005.23
Other Income	22	1,293.26	1,936.64
<b>Total</b>		<b>218,215.10</b>	<b>168,941.87</b>
<b>Expenses:</b>			
Cost of Material consumed	23	102,112.80	75,734.62
Manufacturing, Construction & Operating Expenses	24	78,277.56	62,383.73
Change In Inventories	25	(35,705.22)	(23,649.17)
Employee Benefit expenses	26	15,316.99	10,691.53
Financial costs	27	15,829.47	10,947.38
Depreciation and Amortization expense	28	3,099.75	2,278.92
Other expenses	29	27,337.78	19,493.96
<b>Total</b>		<b>206,269.13</b>	<b>157,880.98</b>
<b>Profit Before Tax</b>		<b>11,945.96</b>	<b>11,060.89</b>
Tax expense:			
(1) Current tax		2,726.71	2,383.53
(2) Deferred tax		944.40	567.09
Prior Period Items			
Short/(excess) Provision of Prior years Tax		5.34	-
<b>Profit for the year</b>		<b>8,269.51</b>	<b>8,110.28</b>
<b>Earning per equity share: (in ₹)</b>	30		
(1) Basic		8.20	8.04
(2) Diluted		8.20	8.04

Significant Accounting Policies

1

The accompanying Notes 1 to 38 are an integral part of Financial Statements.

As per our Report of even date  
For **Jayesh Sanghrajka & Co.**  
Chartered Accountants  
Firm No.: 104184W

**Hemant Agrawal**  
Partner  
Membership No.: 403143

**For and on behalf of the Board**

**Ajit B. Kulkarni**  
Managing Director

**Yogen Lal**  
Chief Executive Officer

**Pankaj S. Chourasia**  
Company Secretary

**S. P. Deshpande**  
Whole Time Director

**T. R. Radhakrishnan**  
Chief Financial Officer

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

# Consolidated Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary items	11,945.96	11,060.89
Adjustment for :		
Depreciation & Amortization	3,099.75	2,278.92
(Profit)/Loss on Sale of Assets	15.02	(453.42)
(Profit)/Loss on Sale of Investment	(0.21)	(12.77)
Finance Charges	15,116.64	10,799.77
Unrealised Foreign Exchange Gain	(281.03)	52.75
Dividend Received	(9.20)	-
(Profit) / Loss of Associate Company	55.36	-
Operating Profit before working Capital Changes	<b>29,942.30</b>	<b>23,726.14</b>
Adjustment for:		
Inventories	(39,503.12)	(24,714.74)
Trade Receivables	(11,822.00)	(4,144.34)
Other Assets	(12,148.68)	(16,335.87)
Preliminary Expenses	-	(206.77)
Trade Payables	1,970.58	23,423.92
Other Liabilities	10,083.50	7,603.87
Minority Interest	(10.00)	10.00
Less: Direct Taxes Paid	(21,487.40)	9,362.21
	(28.50)	(1,100.00)
<b>Net cash used in Operating Activities (a)</b>	<b>(21,515.90)</b>	<b>8,262.21</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale of/ (Additions to) Fixed Assets (net)	(16,638.49)	(39,415.98)
Sale of/ (Additions to) Investments (net)	(366.81)	(2,272.45)
Dividend Received	9.20	-
<b>Net cash used in Investing Activities (b)</b>	<b>(16,996.10)</b>	<b>(41,688.43)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(606.33)	(605.35)
Corporate Dividend Tax paid	(98.38)	(67.15)
Proceeds from Long Term Borrowings (Net)	33,874.70	20,833.01
Proceeds from Short Term Borrowings (Net)	17,305.85	28,126.97
Finance Charges paid	(15,116.64)	(10,799.77)
<b>Net cash from Financing Activities (c)</b>	<b>35,359.19</b>	<b>37,487.71</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (a+ b + c)</b>	<b>(3,152.81)</b>	<b>4,061.50</b>
Opening Cash and Cash Equivalents	10,732.52	6,671.02
Closing Cash and Cash Equivalents	7,579.71	10,732.52



Notes:

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

(₹ in Lakhs)

<b>Cash and Cash Equivalent</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Cash in hand	131.77	149.99
Balance with Banks	7,455.94	10,589.51
Less: Unpaid Dividend Balance	(8.00)	(6.99)
<b>Total</b>	<b>7,579.71</b>	<b>10,732.52</b>

The accompanying Notes 1 to 38 are an integral part of Financial Statements.

For **Jayesh Sanghrajka & Co.**

Chartered Accountants  
Firm No.: 104184W

**Hemant Agrawal**

Partner

Membership No.: 403143

Place : Mumbai

Date : 24<sup>th</sup> May, 2013

**For and on behalf of the Board**

**Ajit B. Kulkarni**

Managing Director

**Yogen Lal**

Chief Executive Officer

**Pankaj S. Chourasia**

Company Secretary

**S. P. Deshpande**

Whole Time Director

**T. R. Radhakrishnan**

Chief Financial Officer

# Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

## Note: '1' – Significant Accounting Policies on Consolidated Accounts

### A. Basis of preparation of Consolidated Financial Statements:

The accompanying consolidated financial statements have been prepared in compliance with the requirement of Companies Act, 1956, guidelines issued by the Securities Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India under historical cost convention. GAAP comprise of mandatory accounting standards as specified by the Companies (Accounting Standard Rules), 2006 issued by the Central Government.

The preparation of financial statements in accordance with generally accepted accounting principles 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. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any difference between the actual results and estimates is recognized in the period in which the results are known/materialized.

### B. Basis of Consolidation:

The Consolidated Financial Statements relate to Pratibha Industries Limited ("the Company"), its subsidiary companies, the interest of the Company in joint ventures in the form of jointly controlled entities and associates.

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 in accordance with Accounting Standard 21- "Consolidated Financial Statement". The intra group balances and intra group transactions and un-realized profits or losses resulting from intra group transactions are fully eliminated.

The Build, Operate and Transfer (BOT) contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the building/ car parking premise, but gets "Lease rental & parking charge collection rights" against the construction services rendered. Since the construction cost incurred

by the operator is considered as exchanged with the grantor against these rights, profit from such contracts is considered as realized. Accordingly, in case of BOT contracts awarded to group companies (operator), where work is subcontracted to group companies, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation in profit & loss account.

The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.

Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

The Consolidated Financial Statements include the interest of the Company in JVCs (Jointly controlled entities), which has been accounted for using the proportionate method prescribed by Accounting Standard 27- "Financial Reporting of Interest in Joint Ventures".

Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline, which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/ losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### C. Fixed Assets:

Tangible assets are stated at cost less accumulated depreciation. Cost includes inward freights, duties and taxes to the extent credit is not available and incidental expenses incidental to acquisition and installation. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred. Cost of assets also includes exchange differences arising, for period upto the date of readiness of its use, in respect of foreign currency loans or other liabilities incurred for the purpose of its acquisition.

Intangible Asset is stated at cost of acquisition less accumulated amortization / depletion. All costs, including finance costs and expenses incidental to acquisition attributable to the intangible assets are capitalized. Costs include upfront payment made to Grantor and all other incidental expenses related to such acquisition. It also includes direct and indirect expenses on construction and allied infrastructure. These items are capitalized during the year on completion of constructions and commencement of right.

Capital Work-In-Progress & Intangible assets under Development are stated at amount expended upto the date of Balance Sheet including preoperative expenditure.

### D. Depreciation/Amortization:

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

Computer software is amortized over a period of five years.

Intangible asset i.e., Lease Rental & Car Parking charges collection Right is amortized over the period of concession, using revenue based amortization as prescribed in the Schedule XIV to the Companies Act, 1956. Under this methodology, the carrying value is amortized in the proportion of actual lease revenue for the year to projected revenue for the balance lease period, to reflect the pattern in which the asset's economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of Lease collection rights is changed prospectively to reflect any changes in the estimates.

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

### E. Revenue Recognition:

#### a) Construction Contract Sales:

The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done. Profit is recognized and taken as the revenue of the year only when the work on the contract has progressed to a reasonable extent. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

#### b) Claim for Extra Work and Escalation:

The Company's claim for extra work and escalation in rates relating to execution of contracts are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

#### c) Revenues from construction/project related activity and contracts executed in Joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Ventures"] is accounted as and when the same is determined by the joint ventures. Revenue from services rendered to such joint ventures is accounted on accrual basis.

#### d) Sales recognition:

1. 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.
2. Export Sales are recognized on dispatch of material from the premises of the Company irrespective of the date of shipping document.
3. Scrap Sales are accounted net of excise duty,

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

Sales Tax, Discount, Returns and Rejections.  
Scrap Sales are recognized on dispatch of material from the factory of the Company.

- e) Input VAT credit not utilized against current year's Output VAT liability is available for either refund or set-off in future. Therefore, all the purchase & expense transactions involving VAT are accounted net of tax to the extent tax is recoverable and the balance in Value added tax account is included under the head recoverable from Tax department under Short term Loans and Advances.
- f) Input Cenvat Credit not utilized against current year's Cenvat liability is available set-off in future. Therefore, all the purchase & expense transactions involving Cenvat are accounted net of tax to the extent tax is recoverable and the balance in Cenvat account is included under the head recoverable from Tax department under Short term Loans and Advances.
- g) Profit on sale of investment is recognized on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the Investment.
- h) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is accrued at applicable interest rate.
- i) Export Benefits / incentives and other incomes are accounted on accrual basis except Dividend,

which recognized when right to receive is established.

- j) Lease rentals are recognized on accrual basis net of rebate, discounts and service tax. Car parking charges are recognized on accrual basis.

### F. Provision, Contingent Liabilities and Contingent Assets:

The group creates a provision when there is present obligation because of a past event that will probably result in the outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### G. Operating cycle for current and non-current classification:

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/project line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

### H. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 2 Share Capital

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
<b>AUTHORIZED SHARE CAPITAL</b>		
12,50,00,000 (P.Y. 12,50,00,000) Equity Shares of ₹ 2/- Each	2,500.00	2,500.00
16,31,000 (P.Y. 16,31,000) Compulsorily Convertible Participatory Preference Shares of ₹ 92/- Each	1,500.52	1,500.52
	<b>4,000.52</b>	<b>4,000.52</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
10,10,55,392 (P.Y. 9,94,24,957) Equity shares of ₹ 2/- Each fully paid up	2,021.11	1,988.50
NIL (P.Y. 16,30,435) Compulsorily Convertible Participatory Preference Shares of ₹ 92/- Each	-	1,500.00
<b>Total</b>	<b>2,021.11</b>	<b>3,488.50</b>

### 3 Reserves & Surplus

<b>Securities Premium Reserve</b>		
Balance as per last financial statement	22,462.99	22,462.99
Add : On conversion of CCPPS into Equity Shares	1,467.39	-
Less : Utilised towards issue expenses of shares		
<b>(A)</b>	<b>23,930.38</b>	<b>22,462.99</b>
<b>General Reserve</b>		
Balance as per last financial statement	3,073.00	2,240.00
Add : Transferred from the statement of Profit and Loss	953.00	833.00
<b>(B)</b>	<b>4,026.00</b>	<b>3,073.00</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statement	26,727.16	20,154.76
Profit for the year	8,269.51	8,110.27
	<b>34,996.67</b>	<b>28,265.03</b>
Less : Appropriations		
- Proposed Dividend		
- On Equity Shares ₹ 0.60 (P.Y. ₹ 0.40) per share	(606.33)	(596.55)
- On CCPPS ₹ 0.60 (P.Y. ₹ 0.40 ) per share	-	(9.78)
- Annual fixed Dividend on CCPPS [amount per share 0.01% (P.Y 0.01%)]	-	(0.15)
- Corporate Dividend Tax	(103.05)	(98.39)
- Transferred to General Reserve	(953.00)	(833.00)
<b>(C)</b>	<b>33,334.29</b>	<b>26,727.16</b>
<b>Total (A)+(B)+(C)</b>	<b>61,290.67</b>	<b>52,263.15</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

<b>4 Long Term Borrowings</b>		(₹ in Lakhs)	
<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>	
<b>Term Loan</b>			
- Foreign Currency Loan from Banks	7,550.51	9,062.50	
- Rupee Loan from Banks	48,057.00	19,944.56	
- Rupee Loan From Financial Institutions	9,784.66	4,697.91	
Fixed Deposit from Public	2,043.64	-	
Loans & Advances From Related Parties	412.65	464.78	
<b>Total</b>	<b>67,848.46</b>	<b>34,169.75</b>	
<b>The above amount includes</b>			
Secured Borrowings	65,392.17	33,704.97	
Unsecured Borrowings	2,456.29	464.78	
Secured by Personal Guarantee by Promoter Directors	65,392.17	33,704.97	
<b>4.1</b> Foreign Currency Loans are repayable in 4 to 6 years from the date of loan at interest rates ranging from 1.25% p.a. to 5.15% p.a.. Above loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of Promoter Directors of the Company.			
<b>4.2</b> Rupee Loans from banks are repayable in 3 to 5 years at interest rates ranging from 10.20% p.a. to 13.75% p.a.. Above loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of Promoter Directors of the Company.			
<b>4.3</b> Rupee Loans from Financial Institutions are repayable in 3 to 4 year from the date of loan at interest rates ranging from 12.25% p.a. to 14.00% p.a.. Above loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of Promoter Directors of the Company.			
<b>4.4</b> Fixed Deposit from Public are repayable in 2 to 3 years from the date of deposit at an interest rates ranging from 11.50% p.a. to 12.50% p.a.. These deposits are unsecured in nature.			
<b>5 Deferred Tax Liabilities</b>			
<b>Deferred Tax Liability</b>			
- On account of Depreciation difference	3,351.08	2,406.68	
<b>Deferred Tax Asset</b>			
	-	-	
<b>Total</b>	<b>3,351.08</b>	<b>2,406.68</b>	
<b>6 Other Long Term Liabilities</b>			
<b>Security Deposits</b>			
	685.09	-	
<b>Total</b>	<b>685.09</b>	<b>-</b>	
<b>7 Short Term Borrowings</b>			
<b>Loan Repayable on Demand</b>			
- Foreign Currency Loan from Banks	4,566.70	483.28	
- Rupee Loan from Banks	68,490.98	55,910.40	
Fixed Deposit from Public	554.95	-	
<b>Total</b>	<b>73,612.63</b>	<b>56,393.69</b>	
<b>The above amount includes</b>			
Secured Borrowings	68,732.50	43,838.61	
Unsecured Borrowings	4,880.13	12,555.07	
Secured by Personal Guarantee by Promoter Directors	73,057.68	56,393.69	

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

7.1 Foreign Currency loan (Buyers credit) is repayable in 90 days from the date of availment at interest rates ranging from 2.00% p.a. to 3.75% p.a..

7.2 Rupee loan taken from various banks at interest rates ranging from 10.20% p.a. to 13.75% p.a.. Above loans are secured against 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) Project specific current assets and iv) Personal guarantees of Promoter Directors of the Company.

7.3 Fixed Deposit from Public are repayable within an year from the date of deposit at an interest rate of 11.50% p.a. & 11.75% p.a.. These deposits are unsecured in nature.

### 8 Trade Payable

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Micro Small & Medium Enterprises	15.52	-
Other Trade Payables*	47,203.67	45,248.61
<b>Total</b>	<b>47,219.19</b>	<b>45,248.61</b>

\* The above amount includes creditors under Letter of Credit and Bill of Exchange amounting to ₹ 17,928.71 Lakhs (P.Y. ₹ 16,836.94 Lakhs)

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

Principal Amount due and remaining unpaid	-	-
Interest due and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

### 9 Other Current Liabilities

Current maturities of long-term borrowings	9,315.89	6,582.43
Withholding & other taxes payable	2,400.99	1,645.98
Unclaimed Dividend	8.00	6.99
Security Deposits	6,523.78	4,256.31
Mobilisation & other contract Advances	31,960.94	22,785.21
Interest accrued but not due	147.24	69.50
Creditors for Capital expenses	2,290.29	1,810.01
Advances From Related Parties	105.94	48.79
Other Payables	1,586.34	914.14
<b>Total</b>	<b>54,339.40</b>	<b>38,119.36</b>

### 10 Short Term Provisions

Provision for Gratuity	140.39	132.00
Provision for Income Tax	2,732.74	6,857.92
Proposed Dividend	606.33	606.33
Dividend Distribution Tax Payable	103.05	98.38
Provision for Wealth Tax	5.66	5.93
<b>Total</b>	<b>3,588.16</b>	<b>7,700.56</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 11 Fixed Assets

(₹ in Lakhs)

Sr. No	Particulars	Gross Block				Provision for Depreciation				Net Block	
		01/04/2012	Additions	Deduction/ Adjustments	31/03/2013	01/04/2012	Additions	Deduction/ Adjustments	31/03/2013	As on 31/03/2013	As on 31/03/2012
<b>I</b>	<b>Tangible Assets</b>										
1	Land	1,035.93	-	0.60	1,035.32	-	-	-	-	1,035.32	1,035.93
2	Building	5,923.09	-	-	5,923.09	525.89	197.83	-	723.72	5,199.37	5,397.20
3	Plant and Equipment	34,585.48	20,266.34	976.22	53,875.60	4,002.76	2,089.33	36.75	6,055.34	47,820.27	30,582.72
4	Furnitures & Fixtures	1,817.00	38.89	49.39	1,806.50	199.70	113.90	17.74	295.87	1,510.64	1,617.29
5	Vehicles	2,082.74	147.52	256.22	1,974.05	666.64	198.74	94.08	771.30	1,202.75	1,416.10
6	Office Equipment	330.84	50.73	6.43	375.14	66.76	15.73	-	82.49	292.65	264.08
7	Computer	523.91	148.16	-	672.07	155.65	89.28	-	244.93	427.13	368.26
8	Electrical Installation	732.15	-	-	732.15	148.00	34.78	-	182.78	549.37	584.15
9	Office Premises	7,033.81	3,773.27	94.49	10,712.58	217.28	144.69	26.76	335.22	10,377.36	6,816.53
	<b>TOTAL (A)</b>	<b>54,064.95</b>	<b>24,424.91</b>	<b>1,383.35</b>	<b>77,106.50</b>	<b>5,982.70</b>	<b>2,884.28</b>	<b>175.33</b>	<b>8,691.65</b>	<b>68,414.86</b>	<b>48,082.25</b>
<b>II</b>	<b>Intangible Assets</b>										
1	Computer Software	547.43	662.94	-	1,210.37	172.93	186.97	-	359.90	850.47	374.50
2	Lease Right	-	17,219.19	-	17,219.19	-	28.50	-	28.50	17,190.70	-
3	Goodwill on Consoildation	-	150.00	-	150.00	-	-	-	-	150.00	-
	<b>TOTAL (B)</b>	<b>547.43</b>	<b>18,032.14</b>	<b>-</b>	<b>18,579.56</b>	<b>172.93</b>	<b>215.47</b>	<b>-</b>	<b>388.40</b>	<b>18,191.17</b>	<b>374.50</b>
	<b>Total [A + B]</b>	<b>54,612.38</b>	<b>42,457.04</b>	<b>1,383.35</b>	<b>95,686.07</b>	<b>6,155.63</b>	<b>3,099.75</b>	<b>175.33</b>	<b>9,080.05</b>	<b>86,606.02</b>	<b>48,456.75</b>
	Previous Year	35,855.83	20,158.27	1,401.81	54,612.38	4,271.70	2,278.92	187.81	6,155.63	48,456.75	31,584.14
<b>III</b>	<b>Capital Work-in-progress</b>									3,037.08	11,659.20
<b>IV</b>	<b>Intangible Assets Under Development</b>									-	16,003.43

11.1 Additions in Plant and Machinery and Capital WIP includes ₹ 179.62 Lacs [Previous Year ₹ 1,289.10 Lacs ] on account of foreign exchange loss during the year.

11.2 The borrowing cost capitalized during the year ended 31<sup>st</sup> March, 2013 was ₹ 36.69 Lacs [Previous Year ₹ 1,162.53 Lacs]. The Company capitalized this borrowing cost in the capital work-in-progress (CWIP).

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



## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

12 Non Current Investment	(₹ in Lakhs)	
Particulars	31.03.2013	31.03.2012
<b>Non Trade Investments</b>		
<b>Unquoted</b>		
<u>In equity shares - Fully paid up</u>		
2,660 (2,660) Abhyudaya Co Op. Bank Ltd.	0.27	0.27
1,71,350 (1,71,350) Janakalyan Sahakari Bank Ltd.	17.14	17.14
5 (5) the Greater Bombay Co-op. Bank Ltd. (₹ 25 P.Y. ₹ 25/-)	0.00	0.00
100 (100) Baramati Tollways Pvt. Ltd.	0.01	0.01
<u>Investment in Associate Companies</u>		
Pratibha Industries General Contracting LLC	-	9.32
Saudi Pratibha Industries LLC	14.31	69.67
<b>Quoted</b>		
Gold Coins	0.44	0.44
<b>Total</b>	<b>32.16</b>	<b>96.85</b>
<b>Aggregate value of</b>		
Quoted Investments	0.44	0.44
Market Value - Quoted Investments	2.37	2.24
Unquoted Investments	31.72	96.41
<b>13 Long Term Loans and Advances</b>		
Capital Advances	4,409.08	2,471.44
Security Deposits	876.89	1,973.69
Balance with statutory/Government Authorities	6,927.68	8,547.04
<b>Total</b>	<b>12,213.65</b>	<b>12,992.17</b>
All above advances are Unsecured and Considered Good		
<b>14 Other Non Current Assets</b>		
Term Deposits with maturity more than 12 months	2,588.32	2,011.98
<b>Total</b>	<b>2,588.32</b>	<b>2,011.98</b>
14.1 For details on margin money refer note 18.1		
<b>15 Current Investments</b>		
NIL (9,993.64) Baroda Pioneer Liquid Fund - Institutional Daily Div Plan	-	100.00
NIL (9,99,990) Baroda Pioneer 90 Day FMP - Series 6 Dividend Plan	-	100.00
<b>Total</b>	<b>-</b>	<b>200.00</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 16 Inventories

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Raw Material	11,432.25	7,612.15
Construction Work-In-Progress	89,993.01	53,527.37
Manufacturing Work-In-Progress	10.99	264.41
Finished Goods	53.44	560.45
Stores & Spares	648.20	670.41
<b>Total</b>	<b>102,137.90</b>	<b>62,634.78</b>

### 17 Trade Receivables

Outstanding for more than six months	8,746.88	5,968.94
Others	26,414.18	17,370.13
<b>Total</b>	<b>35,161.06</b>	<b>23,339.06</b>

All above receivables are Unsecured and Considered Good

### 18 Cash & Bank Balance

<b>Cash &amp; Cash Equivalent</b>		
Balances with banks:		
- In current accounts	7,455.94	10,589.51
Cash on hand	131.77	149.99
<b>Others</b>		
- In Term Deposits	6,660.47	6,537.31
<b>Total</b>	<b>14,248.18</b>	<b>17,276.82</b>
Balances with bank in unpaid dividend accounts	8.00	7.06
Balances with bank held as margin money deposit against guarantees	7,273.69	5,597.55
Balances with bank held as collateral securities	781.00	1,010.45

**18.1** Bank balances in Current accounts and Term Deposit (including with maturity more than 12 months # Note 14) as on March 31, 2013 and March 31, 2012 include restricted balances of ₹ 8,062.69 Lakhs and ₹ 6,615.06 Lakhs, respectively. The restrictions are primarily on account of Bank balances held as margin money deposits against guarantees, as collateral security and unclaimed dividends.

**18.2** The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice.

### 19 Short Terms Loans and Advances

Retention & Security Deposits.	25,016.55	12,830.60
Loans & Advances to related parties	7,891.92	530.02
Other Loans & Advances		
- Loans & Advances to Employees	119.96	154.41
- Advances to suppliers	3,755.96	3,769.87
- Mobilisation Advance	3,568.11	3,680.82
- Other Advances#	796.57	6,676.20
- Balance with statutory/Government Authorities	9,311.46	9,432.37
<b>Total</b>	<b>50,460.53</b>	<b>37,074.28</b>

# All above are Unsecured and Considered Good.

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 20 Other Current Assets

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Interest Accrued But Not Due	407.14	704.27
Prepaid Expenses	3,102.57	2,340.36
Other Assets	3,961.68	5,010.82
<b>Total</b>	<b>7,471.39</b>	<b>8,055.45</b>

### 21 Revenue From Operation

Construction Contract	214,125.92	161,974.48
Sale of Products	1,824.72	5,026.14
<b>(A)</b>	<b>215,950.64</b>	<b>167,000.62</b>
Other Operating Revenue		
- Sale of Scrap	872.31	543.90
- Rental Income	303.07	-
<b>(B)</b>	<b>1,175.38</b>	<b>543.90</b>
<b>Total (A)+(B)</b>	<b>217,126.02</b>	<b>167,544.52</b>

#### 21.1 Details of Sale of Products

- HSAW Pipe & Coating	1,673.20	4,019.20
- H R Coils and H R Plate	-	980.42
- Others	151.52	26.52

### 22 Other Income

Profit on sale of Investment	0.21	12.77
Profit on sale of Fixed Assets	-	453.42
Dividend	9.20	-
Other Income	463.97	129.98
Interest income	819.88	1,340.48
<b>Total</b>	<b>1,293.26</b>	<b>1,936.64</b>

### 23 Cost of Material Consumed

Raw Material Stock at the beginning of the period	7,612.15	6,508.46
Add :- Purchases during the year	105,932.91	76,838.30
	<b>113,545.06</b>	<b>83,346.77</b>
Less :- Raw Material Stock at the end of the period	11,432.25	7,612.15
<b>Total</b>	<b>102,112.80</b>	<b>75,734.62</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 24 Manufacturing, Construction & Operating Expenses

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Consumption of Stores & Spares	3,108.76	3,605.36
Sub-contract & Labour Charges	65,820.37	46,297.17
Repairs & Maintenance - Machinery	384.50	688.07
Equipment Hire Charges	4,012.90	3,127.71
Power & Fuel Charges	590.69	1,992.97
Freight Inwards	1,281.66	1,988.30
Custom & Excise Duty	248.74	202.36
Site Mobilisation Expenses	63.10	741.97
Other Expenses	2,766.84	3,739.82
<b>Total</b>	<b>78,277.56</b>	<b>62,383.73</b>

### 25 Change in Inventories

Inventory at the end of the period		
- Work-in-progress		
- Construction Work-In-Progress	89,993.01	53,527.37
- Manufacturing Work-In-Progress	10.99	264.41
- Finished goods	53.44	560.45
	<b>90,057.45</b>	<b>54,352.23</b>
Inventory at the beginning of the period		
- Work-in-progress		
- Construction Work-In-Progress	53,527.37	29,080.93
- Manufacturing Work-In-Progress	264.41	772.15
- Finished goods	560.45	849.97
	<b>54,352.23</b>	<b>30,703.06</b>
<b>Total</b>	<b>(35,705.22)</b>	<b>(23,649.17)</b>

### 26 Employee Benefit expenses

Contribution to PF & other fund	149.63	94.95
Directors Remuneration	955.65	446.90
Salaries & Wages	13,593.54	9,612.94
Staff Welfare Expenses	493.17	453.12
Gratuity Expenses	125.01	83.61
<b>Total</b>	<b>15,316.99</b>	<b>10,691.53</b>

### 27 Financial Costs

Interest Expense	13,279.98	9,541.51
Other Borrowing cost	1,836.66	1,258.26
Foreign Exchange Fluctuation Loss / (gain)	712.83	147.61
<b>Total</b>	<b>15,829.47</b>	<b>10,947.38</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 28 Depreciation & Amortised Cost

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Depreciation	2,884.28	1,990.04
Amortization	215.47	288.88
<b>Total</b>	<b>3,099.75</b>	<b>2,278.92</b>

### 29 Other Expenses

Advertising & Business Promotion Expenses	175.08	420.33
Auditors Remuneration	64.96	81.29
Carriage Outward	73.41	364.15
Commission & Brokerage Expenses	228.49	27.30
Computer & Software Expenses	139.97	79.55
Directors Sitting Fees	13.80	3.48
Donation	203.53	39.51
Electricity Charges	577.67	413.06
General Expenses	235.50	538.13
Insurance Charges	742.91	581.93
Legal Fees & Professional Charges	6,310.77	2,983.74
Loss on Sale of Fixed Asset	15.02	-
Postage & Courier Charges	23.18	30.49
Printing & Stationery	64.00	169.07
Rates & Taxes	14,194.93	9,798.70
Rent	778.21	864.09
Repairs & Maintenance - Office	475.46	535.35
Security Service Charges	1,210.15	546.73
Travelling & Visa Expenses	710.84	852.95
Telephone & Internet Expenses	205.85	209.18
Vehicle Expenses	732.54	936.52
Foreign Exchange Fluctuation Loss	106.14	18.42
Loss of Associate Company	55.36	-
<b>Total</b>	<b>27,337.78</b>	<b>19,493.96</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 30 Earning Per Share:

(₹ in Lakhs)

	31.03.2013	31.03.2012
<b>Total operations from the year</b>		
Profit/loss after Tax	8,269.51	8,110.27
Less : Dividends on Compulsorily Convertible Participatory Preference Shares and tax thereon	-	11.54
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>8,269.51</b>	<b>8,098.73</b>
Net profit as above	8,269.51	8,098.73
Add: Dividends on convertible preference shares & tax thereon	-	11.54
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>8,269.51</b>	<b>8,110.27</b>
<b>Weighted average number of equity shares in calculating basic EPS</b>	100,814,177	99,424,957
Compulsorily Convertible Participatory Preference Shares	-	1,630,435
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>100,814,177</b>	<b>101,055,392</b>
<b>Earnings Per Share</b>		
(1) Basic	8.20	8.15
(2) Diluted	8.20	8.03

### 31 Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
a) Unutilized Letters of Credit with Bankers:		
In respect of joint ventures	1,611.02	2,368.10
In respect of others	27,452.27	20,696.71
b) Bank Guarantee:		
In respect of joint ventures	13,643.15	10,578.12
In respect of others	135,502.62	101,359.86
c) Corporate Guarantee:		
In respect of joint ventures	-	-
In respect of others	9,605.00	109.18
d) Estimated amounts of contract remaining to be executed on Capital Account and not provided for:		
In respect of joint ventures	-	-
In respect of others	13,455.26	1,053.24
e) Cases in the court, which in the opinion of the management, require no provision of liability other than what is recorded in accounts:		
In respect of joint ventures	922.96	-
In respect of others	379.00	597.29

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
f) Income Tax liability (excluding Penalties) that may arise. The ITAT has allowed the claim of Section 80IA and has passed all the appeal orders in favour of the Company:		
In respect of joint ventures	-	375.34
In respect of others	-	8,272.49
g) Central Excise Liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made:		
In respect of joint ventures	-	-
In respect of others	24.27	138.74
h) Service Tax liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made:		
In respect of joint ventures	-	-
In respect of others	136.53	99.66
i) Sales Tax Liability that may arise. The matter is with Appellate Authority. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made:		
In respect of joint ventures	155.59	186.80
In respect of others	135.53	-
j) Assignment of Retention Receivables to IndusInd Bank with recourse to the extent of amount:		
In respect of joint ventures	-	-
In respect of others	2,987.98	4,500.00

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

### 32 Segment Information:

The Company has identified two reportable segments viz. Infrastructure & Construction and Manufacturing & Coating. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

• Primary Segment Information:

(₹ in Lakhs)

Particulars	2012-13	2011-12
<b>Segment Revenue</b>		
a. Infrastructure & Construction	234,092.26	188,921.13
b. Manufacturing	2,670.30	9,032.14
c. Unallocated	1,286.37	1,936.64
<b>Total</b>	<b>238,048.93</b>	<b>199,889.91</b>
Less : Inter Segment Revenue	19,833.83	30,948.04
<b>Net Sales/ Income from Operations</b>	<b>218,215.10</b>	<b>168,941.87</b>
<b>Segment Results</b>		
a. Infrastructure & Construction	27,824.87	20,113.06
b. Manufacturing	(217.33)	610.52
c. Unallocated	167.90	1,284.63
<b>Total</b>	<b>27,775.44</b>	<b>22,008.21</b>
Less:		
Interest Expense	15,829.47	10,947.32
Income Tax	3,676.46	2,950.62
<b>Net Profit</b>	<b>8,269.51</b>	<b>8,110.27</b>
<b>Segment Assets</b>		
a. Infrastructure & Construction	268,252.69	192,219.26
b. Manufacturing	14,772.20	15,614.31
c. Unallocated	30,931.40	31,967.21
<b>Total Assets</b>	<b>313,956.29</b>	<b>239,800.78</b>
<b>Segment Liabilities</b>		
a. Infrastructure & Construction	237,088.62	162,874.12
b. Manufacturing	1,214.11	3,870.53
c. Unallocated	12,341.78	17,304.48
<b>Total Liabilities</b>	<b>250,644.51</b>	<b>184,049.13</b>
<b>Capital Employed</b>		
a. Infrastructure & Construction	31,164.07	29,345.14
b. Manufacturing	13,558.09	11,743.78
c. Unallocated	18,589.62	14,662.73
<b>Total</b>	<b>63,311.78</b>	<b>55,751.65</b>
<b>Capital Expenditure</b>		
a. Infrastructure & Construction	13,796.94	31,683.87
b. Manufacturing	24.03	42.52
c. Unallocated	4,010.51	10,646.02
<b>Total</b>	<b>17,831.49</b>	<b>42,372.41</b>



## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	2012-13	2011-12
<b>Depreciation</b>		
a. Infrastructure & Construction	2,123.73	1,195.30
b. Manufacturing	216.80	567.03
c. Unallocated	759.21	516.59
<b>Total</b>	<b>3,099.75</b>	<b>2,278.92</b>
<b>Non Cash Expenses other than Depreciation</b>		
a. Infrastructure & Construction	1,271.99	84.37
b. Manufacturing	-	10.42
c. Unallocated	-	207.26
<b>Total</b>	<b>1,271.99</b>	<b>302.05</b>

• **Secondary Segment Information:**

(₹ in Lakhs)

Particulars	2012-13	2011-12
<b>Segment Revenue - External Turnover</b>		
Within India	201,706.23	148,032.54
Outside India	16,508.87	20,909.33
<b>Total Revenue</b>	<b>218,215.10</b>	<b>168,941.87</b>
<b>Segment Assets</b>		
Within India	304,001.58	224,189.37
Outside India	9,954.71	15,611.41
<b>Total Assets</b>	<b>313,956.29</b>	<b>239,800.78</b>
<b>Segment Liabilities</b>		
Within India	239,374.73	170,482.94
Outside India	11,269.77	13,566.19
<b>Total Liabilities</b>	<b>250,644.51</b>	<b>184,049.13</b>
<b>Capital Expenditures</b>		
Within India	17,831.49	42,096.65
Outside India	-	275.76
<b>Total Expenditures</b>	<b>17,831.49</b>	<b>42,372.41</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

### 33 The subsidiaries considered in the consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	% of Shareholding
Prime Infrapark Pvt. Ltd.	India	100%
Bhopal Sanchi Highways Pvt. Ltd.	India	51%
Muktangan Developers Pvt. Ltd.	India	100%
Pratibha Holding (Singapore) Pte Ltd.	Singapore	100%
Pratibha Infra Lanka (Private) Ltd. (Wholly owned subsidiary of Pratibha Holding (Singapore) Pte Limited)	Sri Lanka	100%

### 34 Interests in Joint Ventures considered in the consolidated financial statements are:

Name of the Joint Venture	Country of Incorporation	%
Patel Pratibha JV	India	100%
Pratibha JV	India	95%
Pratibha SMS JV	India	100%
Unity Pratibha Consortium	India	100%
Niraj Pratibha JV	India	50%
Pratibha Ostu JV	India	50%
Pratibha Rohit JV	India	80%
Pratibha CRFG JV	India	100%
ITD Pratibha Consortium	India	100%
Petron Pratibha JV	India	100%
Pratibha AI Ambia JV	India	100%
Pratibha Aparna JV	India	100%
Pratibha China State JV	India	60%
Pratibha Membrane Filters JV	India	51%
Pratibha GECPL JV	India	70%
Pratibha Mosinzhstroi Consortium	India	100%
Pratibha Unity JV	India	50%
Unity Pratibha Multimedia JV	India	100%
Pratibha Pipes & Structural Consortium	India	40%
FEMC Pratibha JV	India	100%

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2013

- 35** The Financial Statements of the subsidiary companies and the joint venture companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of the Company i.e. 31<sup>st</sup> March, 2013.
- 36** In the opinion of the Directors, the Current Assets have a value on realization in the ordinary course of the business, which is at least equal to the amount at which they are stated in the balance sheet.
- 37** Balance under the head 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof.
- 38** The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

For **Jayesh Sanghrajka & Co.**

Chartered Accountants

Firm No.: 104184W

**Hemant Agrawal**

Partner

Membership No.: 403143

Place : Mumbai

Date : 24<sup>th</sup> May, 2013

For and on behalf of the Board

**Ajit B. Kulkarni**

Managing Director

**Yogen Lal**

Chief Executive Officer

**Pankaj S. Chourasia**

Company Secretary

**S. P. Deshpande**

Whole Time Director

**T. R. Radhakrishnan**

Chief Financial Officer

## Financial Information of Subsidiary Companies for the Year Ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Name of the Subsidiary	Country	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Total Turnover/Income	Profit before Tax	Provision for Taxation	Profit after Tax	Proposed Dividend
Prime Infrapark Pvt. Ltd.	India	₹	100.00	(1,309.19)	18,184.60	18,184.60	-	328.66	(1,309.19)	-	(1,309.19)	-
Bhopal Sanchi Highways Pvt. Ltd.	India	₹	1.00	-	3,809.91	3,809.91	-	-	-	-	-	-
Muktangan Developers Pvt. Ltd.	India	₹	40.00	-	1,268.47	1,268.47	7.13	-	-	-	-	-
Pratibha Holding (Singapore) Pte. Ltd	Singapore	₹	112.91	(29.31)	6.51	6.51	91.20	-	(22.26)	-	(22.26)	-
		USD	2.08	(0.54)	1.80	1.80	1.68	-	(0.41)	-	(0.41)	-
Pratibha Infra Lanka (Private) Ltd.	Sri Lanka	₹	42.83	(92.64)	97.71	97.71	-	-	(3.81)	-	(3.81)	-
		LKR	100.00	(216.31)	97.66	97.66	-	-	(8.90)	-	(8.90)	-

# Proxy Form

## PRATIBHA INDUSTRIES LIMITED

Regd. Off.: Shrikant Chambers, 5<sup>th</sup> Floor, Phase II, Next to R. K. Studio, 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. \_\_\_\_\_ Client ID\* /Folio No. \_\_\_\_\_

Name and Address of the Shareholder : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

I/We hereby record my/our presence at the **18<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on Monday, the 30<sup>th</sup> day of September, 2013 at 3.00 p.m. at The Bombay Presidency Golf Club Ltd., Dr. C.G. Road, Chembur, Mumbai - 400 071.

.....  
Signature of the Shareholder or Proxy

.....

## PRATIBHA INDUSTRIES LIMITED

Regd. Off.: Shrikant Chambers, 5<sup>th</sup> Floor, Phase II, Next to R. K. Studio, Chembur, Mumbai – 400 071.

### PROXY FORM

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

No. of Shares \_\_\_\_\_

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

of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the **18<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on Monday, the 30<sup>th</sup> day of September, 2013 at 3.00 p.m. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

\_\_\_\_\_  
Signature of the Shareholder

Affix Re.1  
Revenue  
Stamp

#### 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.**



Imperial Heights Site - Goregaon



Water Supply Project – HUDA



Water Supply Project - Nagaur - Rajasthan





DJB Micro Tunneling Project

## **PRATIBHA INDUSTRIES LIMITED**

Universal Majestic, 14<sup>th</sup> Floor, P. L. Lokhande Marg, Ghatkopar Mankhurd Link Road,  
Opp. RBK International School, Govandi, Mumbai - 400 043, Maharashtra, India.

Contact No: +91 - 22 - 39559999 (Board). Fax: +91 - 22 - 39559900

E-mail: [info@pratibhagroup.com](mailto:info@pratibhagroup.com)