

CORPORATE INFORMATION

BOARD OF DIRECTORS

<i>Omprakash Anandilal Khandelwal</i>	<i>Managing Director</i>
<i>Subramanya Kusnur</i>	<i>Executive Director</i>
<i>Jils Raichand Madan</i>	<i>Executive Director</i>
<i>Jyoti Munver</i>	<i>Non- Executive Independent Director</i>
<i>Kiran Dilip Thakore</i>	<i>Non- Executive Independent Director</i>
<i>Manish Bhupendra Thakkar</i>	<i>Additional Non- Executive Independent Director</i>

BANKERS

Axis Bank Ltd
Fort,
Mumbai- 400 001

Standard Chartered Bank
M.G Road Fort,
Mumbai- 400 001

ING Vysya Bank
Nariman Point Branch,
Mumbai- 400 001

REGISTERED OFFICE ADDRESS

574/577,Belgium Square,
Ring Road,
Surat- 395 002

AUDITORS

M/s. Ramesh Batham & Co,
Chartered Accountants,
D- 48/ 001, Sector 5,
Shanti Nagar
Mira Road- East
Mumbai- 401 107

REGISTRAR AND SHARE TRANSFER AGENTS

Adroit Corporate Services Private Limited
9/20 Jaferbhoy Ind, Estate,
1st Floor, Makwana Road,
Marol Naka,
Andheri- East,
Mumbai- 400 059

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NOTICE

Notice is hereby given to the Members that the **17th Annual General Meeting** of the members of Prraneta Industries Limited will be held on Friday, 30th September, 2011 at the Registered Office of the Company situated at S-574/577, Belgium Square, Ring Road, Surat- 395 002 at 9.00 A.M. to transact the following

Ordinary Business:-

1. To receive, consider and adopt the Audited Balance sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the financial year ended as on that date along with the Directors and Auditors Reports thereon.
2. To appoint a director in place on Mr. Jils Madan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place on Mrs. Jyoti Munver, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint 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. Ramesh Batham & Co, Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed to between the Board and the Auditor.”

Special Business:-

5. To, consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution

“RESOLVED THAT Mr. Manish B. Thakkar, who was appointed as an Additional Director of the Company by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof for the time being exercising the power conferred to it by the Board) in their meeting held on 19th May, 2011 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors be and is hereby authorized to do all such acts, deeds matters and things as may be deemed appropriate to give effect to the aforesaid resolution.”

6. 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 Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Members be and is hereby accorded for the re-appointment of Mr. Omprakash Anandilal Khandelwal as the Managing Director of the Company for a period of 2 (Two) years with effect from 1st September, 2011, on such terms and conditions, including remuneration as are set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof”.

RESOLVED FURTHER THAT any of the Directors be and is hereby authorized to do all such acts, deeds matters and things as may be deemed appropriate to give effect to the aforesaid resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 21 and all the other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval of the Registrar of Companies or any other authority as may be necessary, consent of the Members be and is hereby accorded to change the name of the Company from

“Prraneta Industries Limited”

to

“Aadhaar India Limited”

or such other name and/or abbreviation as approved by the concerned authorities.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, deal with such matters, take necessary steps and consider such delegations in the matter as the Board may in its absolute discretion deem necessary, and to settle any queries that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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RESOLVED FURTHER THAT upon the issue of a fresh certificate of Incorporation consequent to the change of name of the Company by the Registrar of Companies, Gujarat, the name **“Aadhhar India Limited” or such other name and/or abbreviation** as approved by the concerned authorities, be inserted in place of the present name of the Company wherever appearing in the Memorandum and Articles of Association of the Company, letter heads etc. and anyone of the Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, including the filing of various e-forms and other documents with the Authorities as may be deemed expedient to give effect to the aforesaid resolution.”

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Members of the Company be and is hereby accorded to commence the business as specified under clause 22 (under the heading (c)) of the Other Objects of the Object Clause of the Company that are not included in the Main Object Clause of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT any of the Directors be and is hereby authorized to do all such acts, deeds matters and things as may be deemed appropriate to give effect to the aforesaid resolution.”

By Order of the Board of Directors

sd/-

(Om Prakash Khandelwal)
Managing Director

Registered Office:

S 574/577, Belgium Square,
Ring Road, Surat- 395002.

Place: Surat.

Date: 01.09.2011.

NOTES

1. *An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of the special business is annexed hereto.*
2. *A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the meeting.*
3. *The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2011 to 16th September, 2011 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the Annual General Meeting.*
4. *Members holding shares in physical form are requested to intimate immediately to the Registrar and Share Transfer agents of the Company viz., **ADROIT CORPORATE SERVICES PRIVATE LIMITED** the changes, if any, in their registered address, Bank account number / details etc. at an early date by quoting Registered Folio Number in all their correspondence.*
5. *Members holding shares in Electronic form are requested to intimate immediately to the Depository Participants (DP) the changes, if any, in their registered address, Bank account number / details etc. at an early date by quoting ledger folio numbers /DP Identity and Client Identity Numbers in all their correspondences.*
6. *All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working day, except Saturdays, between 11.00 am and 1.00 p.m. up to the date of the Annual General Meeting.*
7. *Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.*
8. *For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is a part of the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.*
9. *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.*

10. *Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.*
11. *In terms of the provisions of the Articles of Association of the Company, Mr. Jils Madan and Mrs. Jyoti Munver, Directors, are liable to retire by Rotation at the ensuing Annual General Meeting. Being eligible, the aforesaid Directors have offered themselves for re- appointment. The Company has received due notice under section 257 of the Companies Act, 1956 for their re- appointment. The Board of Directors of your Company recommends re- appointment.*

The brief profile of the Directors proposed to be appointed/re-appointed is given as an annexure to this notice.

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

Item No. 5:

Mr. Manish B Thakkar was infused on the Board of Directors of the Company on 19th May, 2011 to hold office till the date of the Annual General Meeting of the Company. In connection to his re- appointment, your Company is in receipt of a notice under section 257 of the Companies Act, 1956 together with a deposit of requisite amount from a shareholders proposing his candidature to the office of Director of the Company.

Your Company is of the view that Mr. Manish Thakkar has to his credit wide experience, expertise and knowledge; and it would be in the interest of the Company if he is appointed as a Non-Executive Independent Director, who shall be liable to retire by rotation in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company.

The Board of directors commends the passing of the resolution

None of the Directors of the company, except Mr. Manish Thakkar, are concerned or interested in the proposed resolution.

Item No. 6:

Mr. Om Prakash Khandelwal has been associated with the Company as a Managing Director since last sixteen years and has played a vital role in getting the Company to new horizons. He has steered the Company through various ups and downs in its journey so far. The tenure of Mr. Om Prakash Khandelwal as a Managing Director of the Company concludes on 31st August, 2011.

Thus the Board of Directors in their meeting held on 1st September, 2011 approved the re-appointment of Mr. Om Prakash Khandelwal as the Managing Director of the Company for a period of 2 years w.e.f. 1st September, 2011, subject to the approval of members, on such remuneration as specified below but which shall at no time exceed the overall limits specified under Schedule XIII of the Companies Act, 1956.

The brief terms of his appointment as a Managing Director are detailed as here under:

- ⇒ *He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.*
- ⇒ *His Re-appointment shall be for a period of 2 (two) w.e.f. 1st September, 2011.*
- ⇒ *He shall be entitled to a Remuneration as under:*
 - Salary (fixed): Rs. 50,000/- per month*
 - or*
 - Rs.6,00,000/- per annum. (All inclusive)*
 - Variable: Rs. 50,000/- per month or Rs. 6,00,000/- per annum.*
- ⇒ *The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors/Remuneration Committee as it may in its discretion, deem fit, within the maximum amounts payable to Managing Directors in accordance with Schedule XIII to the Act, or any amendments made hereafter in this regard.*
- ⇒ *If, at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and terms of the said Agreement shall terminate forthwith.*
- ⇒ *The Managing Director shall, subject to the supervision and control of the Board of Directors, be entrusted with such powers and perform such duties as may, from time to time, be delegated/entrusted to him.*
- ⇒ *The appointment of the Managing Director can be terminated either by the Company or by him, by giving to the other, three month notice in writing.*

The proposed resolution is required to be passed as a Special Resolution under the amended schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

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A Copy of the terms and conditions governing his appointment as a Managing Director is available for the inspection of the members on any working day before the date of Annual General Meeting during business hours.

None of the Directors, except Mr. Om Prakash Khandelwal, are concerned or interested in the said resolution.

Item No.7:

Your Company was incorporated on 1st February, 1995 as a trading Company under the name and style of Prraneta Lease & Finance Limited. Subsequently, as a practice of rebranding exercises, the name of your Company was changed to Prraneta Industries Limited in the year 1997.

Since then the company has gone a long way and has grown into a big tree with operations spread in various verticals from securities trading to Infrastructural activities.

As on the financial year ended 31st March, 2011 your Company has earned substantial revenues from these segments and your Directors are of the opinion that the nature of the Company's business is such that it makes it an integral part of the Indian Development and Growth Story.

Thus, taking into consideration all these aspects in entirety, your Directors are of the opinion that it would be in the interest of the Company if some rebranding exercises are undertaken. Thus they have proposed the said change in the name of the Company from "Prraneta Industries Limited" to "Aadhaar India Limited". Further the word "Aadhaar" signifies foundation of or support to any structure, without which everything else is immaterial.

As the provisions of Section 21 of the Companies Act, 1956 makes it mandatory to seek the approval of the Members by way of a special resolution, the aforesaid resolution is commended for your approval.

A Copy of the Memorandum and Articles of Association, altered consequent to the said change of name of the Company is kept open for inspection by the Shareholders at the Registered Office of the Company during the business hours of the Company.

None of the directors of the Company is in any way concerned or interested in the resolution, except to the extent of the Shareholding held by them.

Item No.8:

The Company currently operates in Infrastructure and Trading & Securities activities. Over a period of time the Company has acquired expertise in the Investing business also. The global markets have been in the jittery on the fears of recession, some of which are genuine and some are the result of speculation. As it is known to us

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that opportunities are mostly found amidst fear and chaos, it would be a great opportunity for us to bank on our expertise and create value for our stakeholders.

Thus, considering the overall situation it is deemed appropriate to diversify and formally enter in this segment and create a strong brand in this business.

The afore- said object forms a part of the other object clause of the Memorandum of Association of the Company and pursuant to the provisions of section 149 (2A) of the Companies Act, 1956 read with the explanation thereof any object forming a part of the other objects of the Memorandum of Association can be commenced only after seeking the approval of the Members in a General Meeting.

Thus the said resolution is commended for your approval.

An altered Copy of the Memorandum and Articles of Association, is kept open for inspection by the Shareholders at the Registered Office of the Company during the business hours of the Company.

None of the directors of the Company is in any way concerned or interested in the resolution, except to the extent of the Shareholding held by them.

By Order of the Board of Directors

sd/-

(Om Prakash Khandelwal)

Managing Director

Registered Office:

*S 574/577, Belgium Square,
Ring Road, Surat- 395002.*

Place: *Surat.*

Date: *01.09.2011.*

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that services of notice/ documents including Annual Report can be sent by email to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

PRRANETA INDUSTRIES LIMITED

ANNEXURE TO THE NOTICE DATED 1ST SEPTEMBER, 2011

Details Of Directors Seeking Appointment/Re-Appointment At The Forthcoming Annual General Meeting (Pursuant To Clause 49 Of The Listing Agreement)

Name of the Director	<i>Jills Madan</i>	<i>Jyoti Munver</i>
Age	<i>33 years</i>	<i>41 years</i>
Date of Appointment on the Board	<i>8th May, 2010</i>	<i>8th May, 2010</i>
Expertise	<i>Mr. Jills Raichand Madan has a vast experience in the field of Finance. He also has a knack in market research and has made a his crucial contribution in the identification of the Business Opportunities At present he is heading the Financial Services division in Prraneta.</i>	<i>Mrs. Jyoti Muinver, brings to the table her vast experience in the field Banking, finance and also in the area of risk management. She has been a vital force in overlooking the management of the Company's affairs.</i>
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	<i>Nil</i>	<i>Nil</i>
Memberships/chairmanships of committees across all companies	<i>Nil</i>	<i>Nil</i>
Shareholding of Non-Executive Directors	<i>N.A</i>	<i>Nil</i>
Relationship between directors inter-se	<i>None</i>	<i>None</i>

PRRANETA INDUSTRIES LIMITED

ANNEXURE TO THE NOTICE DATED 1ST SEPTEMBER, 2011

Details Of Directors Seeking Appointment/Re-Appointment At The Forthcoming Annual General Meeting (Pursuant To Clause 49 Of The Listing Agreement)

Name of the Director	<i>Manish Thakkar</i>	<i>Om Prakash Khandelwal</i>
Age	<i>44 years</i>	<i>44 years</i>
Date of Appointment on the Board	<i>19th May, 2011</i>	<i>1st February, 1995</i>
Expertise	<i>Mr. Manish Thakkar, was infused on the Board of the Company as an Additional Independent Director. He possesses expert knowledge and experience in capital markets and Investment Management. He shall be of great value to the Company in its investments and trading business. He has worked with various organization handling different functions. The Company can benefit from his vast overall experience.</i>	<i>Mr. Om Prakash Khandelwal, has served the Company since its inception. It is his vision that has brought the Company to new highs from being a small Company to being part of BSE top 500 Companies. He has been steering the Company through ups and downs and is capable of taking it to much higher levels in future.</i>
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	<i>Nil</i>	<i>Nil</i>
Memberships/chairmanships of committees across all companies	<i>Nil</i>	<i>One</i>
Shareholding of Non-Executive Directors	<i>Nil</i>	<i>N.A</i>
Relationship between directors inter-se	<i>None</i>	<i>Related to Rajshree Khandelwal</i>

DIRECTORS REPORT

Dear Shareholders

Your directors take pleasure in presenting the **Seventeenth Annual report** together with the Audited Accounts of Your Company for the Year ended 31st March, 2011.

1 Financial Results

(Rs. in lacs)

Particulars	Current Year (31st March, 2011)	Previous Year (31st March, 2010)
Sales/Business Income	26455.63	5327.76
Other Income	99.79	38.96
Total Income	26555.41	5366.72
Profit before Depreciation & Tax	26368.92	176.96
Less: Depreciation	5.16	4.84
Provision for Tax	64.10	53.62
Profit after Depreciation & Tax	128.38	118.92

2 Operations and Future Outlook

Your Company has given an encouraging performance in the year under review. The Top line has grown by nearly four times. As it can be seen that the Trading Division contributed nearly Seventy One percent of the operating revenues and the Infrastructure Division contributed twenty nine percent of the Operating Revenues.

During the year under review, there has been extreme volatility in the input prices and it has been a grueling task to maintain profitability in these taxing times. Your Management, while dealing with this back breaking phase, found it apt to shorten the trade cycle and book profits at every appropriate level in order to reduce the risk of capricious price movements.

While the risk averse approach has resulted in lower profitability it has helped your company to remain afloat in this turmoil.

It is heartening to see the handsome growth in revenues in all the operating segments and your company is hopeful to attain higher margins once there is stability in the input prices.

Your Company also proposes to start the Investment Division to leverage our expertise in this field and is hopeful that it would add great value to the Shareholders Wealth. The resolution, along with

the necessary explanatory statement, for starting the Investment Business is proposed in the Notice of this Annual General Meeting and the said notice forms the part of this Annual Report.

We recommend the members in favour of this resolution.

RBI Guidelines

Your Company is registered with the Reserve Bank of India, as a non-deposit accepting NBFC (NBFC-ND) under section 45-IA of the RBI Act, 1934. As per the Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

3 Dividend

As your company is planning to lay a strong foundation in the new horizons of business it is deemed appropriate to conserve the existing resources and utilize them at the required time.

Thus, the Board has not recommended any dividend for this year.

4 Directors

In accordance with the provisions of the Companies Act, 1956 of the Company, Mr. Jils Madan and Mrs. Jyoti Munver retire by rotation and being eligible for re-election have offered themselves for re appointment.

Also the Board of Directors of the Company had appointed Mr. Manish Thakkar as an Additional Director of the Company on May 19, 2011 to hold the office till the commencement of this Annual General Meeting.

The Board wishes to place on record its appreciation for the valuable contribution rendered by Mr. Jils Madan, Manish Thakkar and Mrs. Jyoti Munver.

Also your Company is also in receipt of a notice from a member proposing their appointment as the directors of the Company, resolution for which has been included in the notice of the Annual General Meeting.

Your Directors commends their appointment for their approval.

5 Auditors

*The Statutory Auditors of the Company, **M/S Ramesh Batham & Co**, Chartered Accountants retires at the ensuing Annual General Meeting and are eligible for re-appointment.*

Your Company has received a written certificate from them to the effect that their reappointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act 1956.

Your Directors request you to appoint the Auditors for the current financial year.

6 Auditors Report

The Auditors Report to the shareholders on the Accounts of the Company for the financial year ended 31st March, 2011 does not does not contain any qualification.

Further the observations furnished by the Auditors in their report is self- explanatory and do not call for any further comments.

7 Deposits

During the year under review, your Company has not accepted any deposits as specified under Section 58A of the Companies Act, 1956.

8 Listing Arrangements

Your Company's shares are listed on Bombay Stock Exchange Limited and the Annual Listing Fees as been paid to the Exchange on a regular basis.

9 Management Discussion and Analysis Report

In accordance with the provisions of Clause 49 of the Listing agreement entered into with the Stock Exchange, the Management Discussion and Analysis Report is given separately and forms a part of the Annual Report.

10 Corporate Governance Report

A Report on Corporate Governance is set out as an annexure hereto and forms an integral part of this report.

Also the Company is in receipt of a certificate from the Statutory Auditors of the Company certifying compliance of the conditions of Corporate Governance and the same also forms a part of this report.

11 Depository System

Majority of the shares of your Company are compulsorily tradable in electronic form.

As on 31st March, 2011, 76.00% of the Company's total paid-up Capital representing 171553280 shares are in dematerialized form.

In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the Depositories.

12 Capital & Finance

During the year under the review, the Company has not issued any Equity Shares and thus there has not been any change in the issued capital of the Company which as on 31st March, 2011 stands at Rs. 22,57,21,000 consisting of 22,57,21,000 Equity Shares of Re. 1/- each.

However, the Company, in compliance with the provisions of section 81(1A) of the Companies Act, 1956 and Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, has issued 3,11,36,300 Convertible Equity Warrants (hereinafter referred to as "Warrants") to various allottees on preferential basis, with each warrant being convertible into one Equity Share of Re. 1/- each fully paid up.

Thus, on an assumption that all the Warrants are converted into Equity Shares, the issued Capital of the Company shall be Rs. 25,68,57,300/- consisting of 25,68,57,300 Equity Shares of Re. 1/- each fully paid up.

Further, during the year under review the Company has repaid the Secured Loan equivalent to about Rs. 432934/- and has carried forward the loans taken from directors equivalent to about Rs. 12,00,000/-. In view of this your Company can be said as a debt-free Company.

13 Particulars of Employees

During the year under review, there was no employee in the Company who was in receipt of remuneration exceeding the limits as mentioned under section 217 (2A) of the Companies Act, 1956.

14 Application of Funds raised through Preferential Allotment

The Company had raised Rs. 32,44,50,000/- by issue of 14,42,00,000 Equity Shares in lieu of Convertible Equity Warrants issued through preferential allotment in the financial year 2009-10. The said amount has been utilized for expansion of the Company's Operations in various business verticals such as Trading as well as the Infrastructure Division.

15 Disclosure of material changes since the end of the financial year ended 31st March, 2011

There has not been any material change in the nature of business or operations of the Company since the end of the financial year ended 31st March, 2011 till the date of this Annual Report.

16 Transfer to Investor Education & Protection Fund

The Company had declared dividend of Rs. 0.02/- per Equity Share in the previous Annual General Meeting. The Company has taken necessary steps in co-ordination with the Registrar and Share Transfer Agent i.e. ADROIT CORPORATE SERVICES PRIVATE LIMITED to locate the shareholders who have not claimed their dues and it is our pleasure to inform you that there are no unpaid/unclaimed dividend as on the date of this report.

As the Company has not declared dividend in the past years, except the previous year, the Company is not required to transfer any amount to Investor Education and Protection Fund.

17 Directors Responsibility Statement

Pursuant to the provisions of section 217 (2AA) of the Companies Act, 1956, your Directors place on record a responsibility statement stating that:

- *In the preparation of the annual accounts for the financial year ended 31st March, 2011 applicable accounting standards have been followed along with proper explanation relating to material departures.*
- *That the Directors, in consultation with the auditors, have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.*
- *That the Directors have taken sufficient and proper care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting material fraud and other irregularities.*
- *That the Directors have prepared the Annual Accounts on a going concern basis.*

18 Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

Since the Company does not own any manufacturing facility, other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are not applicable.

Further, there was no Foreign Exchange Earnings in the year under review.

19 Acknowledgement

Your directors wish to convey their appreciation to all the Company's employees for their uninsted efforts as well as their collective contribution to the Company's performance.

The directors would also like to thank the employees, shareholders, customers, dealers, suppliers, bankers and all other business associates, for the continuous support given by them to the Company and their confidence in its management.

By Order of the Board of Directors

sd/-

(Om Prakash Khandelwal)

Managing Director

Registered Office:

*S 574/577, Belgium Square,
Ring Road, Surat- 395002.*

Place: *Surat.*

Date: *01.09.2011.*

CORPORATE GOVERNANCE REPORT

* Company's Philosophy On Corporate Governance

Good Corporate Governance practice lies at the foundation of Prraneta's business ethos. The Company does not view Corporate Governance principles as a set of binding obligations, but believes in using it as a framework to be followed in spirit.

Prraneta recognizes the fiduciary duty of the Board of Directors towards all its Stakeholders and thus the Board is empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of Shareholders' Value.

It is committed to high levels of ethics and integrity in all its business dealings that avoids all sorts of conflicts of interest. In order to conduct business with these principles, Prraneta has created simple corporate structures based on business needs and maintains a high degree of transparency through regular disclosures and a focus on adequate control systems.

This chapter, along with the chapter on additional shareholders information is not only the Company's Disclosure on compliance with the mandatory requirements on corporate governance stipulated in Clause 49 of the Listing Agreement with BSE, but also reflects true spirit in which these practices are followed at the Prraneta.

* Board Of Directors

- **Selection of Directors:-** *The Board is responsible for selecting members to fill the Board vacancies and nominating candidates for election by the Shareholders at the Annual General Meeting.*
- **Board Membership Criteria:-** *The Board reviews the appropriate skills and characteristics required at every role on the Board and for making recommendations to the Members in the General Meeting.*

The Board has laid down basic criteria including qualifications, skills, experience, character, commitment, and background of a person to be eligible for the required role.

- **Composition of the Board:-** *The Company's policy is to have an appropriate mix of Executive and Non-Executive Directors. As on date, the Board comprises of a Chairman & Managing Director, 2 Executive Directors and 3 Non-Executive Independent Directors.*
- **Number Of Board Meetings:-** *The Board of Directors met 12 times during the year on 1st April, 2010, 8th May, 2010, 15th May, 2010, 21st May, 2010, 27th July, 2010, 10th August, 2010, 25th August, 2010, 1st October, 2010, 10th November, 2010, 27th December, 2010, 9th February, 2011 and 15th February, 2011.*

PRRANETA INDUSTRIES LIMITED

▪ **Composition of the Board of Directors:-**

Name of the Director	Position	No of the meetings	No of the meeting attended	Whether attended last AGM	No. of outside Director-ships of public companies	No. of the Committee Memberships	No. of the Chairmanships of Committees
Mr.OP Khandelwal	Chairman & Managing Director	12	12	Yes	NIL	1	NIL
*Mrs. Rajshree Khandelwal	Whole Time Director	12	9	Yes	NIL	NIL	NIL
**Radheshyam Sharma	Executive Director	12	12	Yes	NIL	NIL	NIL
@Jils Madan	Executive Director	12	11	Yes	1	NIL	NIL
Subramanya Kusnur	Executive Director	10	10	Yes	NIL	NIL	NIL
@Jyoti Munver	Non Executive Independent Director	12	11	Yes	NIL	NIL	NIL
***Vijay Narayan Joshi	Non Executive Independent Director	12	12	Yes	NIL	3	1
***Govind Sharma	Non Executive Independent Director	12	12	Yes	NIL	3	2
#Kiran Thakore	Non Executive Independent Director	12	5	No	NIL	1	NIL
##Manish Thakkar	Additional Non Executive Independent Director	12	N.A	No	NIL	NIL	NIL
?Mr. Ashok Bothra	Non-Executive Independent Director	12	1	Yes	6	Nil	Nil

* Mrs. Rajshree Khandelwal resigned on 27th December, 2010.

** Mr. Radheshyam Sharma resigned on 23rd May, 2011.

*** Mr. Vijay Joshi and Mr. Govind Sharma resigned on 19th May, 2011.

@ Mr. Jills Raichand Madan and Mrs. Jyoti Munver were appointed on 8th May, 2010.

Mr. Kiran Thakore is appointed as an Independent Director in the Last Annual General Meeting held on 30th September, 2010.

Mr. Manish Thakkar is appointed as an Additional Director on 19th May, 2011.

? Mr. Ashok Bothra resigned on 8th May, 2010.

As mandated by the Clause 49, none of the Directors are members of more than Ten Board level committees nor are they Chairman of more than five committees in which they are members.

* **Committees of the Board :-** The Company currently has Three Committees:

1. Audit Committee
2. Remuneration Committee, and
3. Investor Relations Committee

The Board is responsible for constituting, assigning and co-opting the members of the Committees. Each Committee has been assigned scope of responsibilities, duties, and authorities, which is reviewed by the Board from time to time to determine the appropriateness of the purpose for which the Committee was formed in the changing business environment. The Composition of the Committee confirms to with all the applicable laws and regulations. Also the Minutes of all the meetings of the Committee are placed for information in the subsequent Board Meetings.

A Brief of each of the Committee constituted by the Board is given hereunder:

A. Audit Committee :- As on 31st March 2011, the Audit Committee comprises 3 members namely;

Mr. Vijay Narayan Joshi : Non- Executive Independent Director

Mr. Govind Prasad Sharma : Chairman and Non- Executive Independent Director

Mr. O P Khandelwal : Managing Director

During the financial year ended 31st March, 2011, the Audit Committee of your Company met five times namely; 11th May, 2010, 10th August, 2010, 23rd August, 2010, 8th November, 2010 and 7th February, 2011. The details of the attendance of the Directors constituting the Audit Committee is detailed hereunder :

Name of the Member	Position	Status	No of Meetings Held	No of Meetings Attended
Mr. Govind Sharma	Chairman of the Committee	Independent Director	5	5
Mr. Vijay Narayan Joshi	Member	Independent Director	5	5
Mr. O P Khandelwal	Member	Managing Director	5	5

Your Company's Management is responsible for the internal controls systems and the financial reporting process while the Statutory Auditors are responsible for performing the Independent Audits of the Company's financial statements in accordance with the Generally Accepted Auditing Practices (GAAP) and for issuing reports based on such audits.

The Board has entrusted the Audit Committee to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The functions and scope of the Audit Committee includes review of Company's financial reporting, internal controls, related party transactions, utilization of IPO/Private Placement proceeds, insider trading, disclosures in the financial statements, management discussion and analysis report, risk mitigation mechanism, appointment of statutory auditor and internal auditor, etc.

The terms of reference, role and scope of the Committee are in line with those prescribed by clause 49 of the Listing Agreement entered into with the Stock Exchange. Further the Company also complies with the provisions of Section 292A of the Companies Act, 1956 (the Act) in respect of the functioning of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- ♣ Investigate any activity within its terms of reference and to seek any information it requires from an employee.
- ♣ Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

B. Remuneration Committee:- The remuneration Committee constitutes of the Three Non-Executive Independent Directors and One Executive Director as Member.

Name	Status	No. of Meetings during the year	No. of Meetings attended
Mr. Vijay Narayan Joshi	Chairman	3	3
Mr. Govind Sharma	Member	3	3
Mr. Radheshyam Sharma	Member	3	3
*Mr. Kiran Thakore	Member	3	0

* Inducted as member on 1st October, 2010.

The Committee met 3 times during the year on 6th May, 2010, 18th May, 2010 and 23rd August, 2010.

This committee was formed with the view to comply with the Non- Mandatory requirements of the clause 49 of Listing Agreement and the provisions of schedule XIII and other applicable provisions of the Companies Act, 1956.

The Broad terms of reference of the committee are detailed hereunder:

1. To review, assess and recommend the appointment of Executive Directors and Non-Executive Directors.
2. To review the remuneration package payable to the Directors.

Remuneration Policy

The remuneration policy approved by the Board provides for the following:

1. **Executive Directors:**

- ♣ *Salary and commission not to exceed limits prescribed under the Companies Act, 1956, revised from time to time depending upon the performance of the Company, individual director's performance and prevailing industry norms.*
- ♣ *No sitting fees.*
- ♣ *No ESOP for Promoter Directors.*

2. **Non-Executive Directors:**

- ♣ *Eligible for commission based on time effort and output given by them.*
- ♣ *Sitting fees and commission not to exceed the limits prescribed under the Companies Act, 1956.*
- ♣ *Eligible for ESOP (other than Promoter Directors).*

Remuneration to Directors:

Mr. Om Prakash Khandelwal, being the Managing Director, has been paid Rs. 3,6,0,000/- as remuneration in the financial year under review.

None of the other directors have been paid any remuneration or sitting fees in the financial year under review.

C. **Shareholder/Investor Relations Committee:-** *The Composition of the Shareholders/Investors Relations Committee and details of meetings attended by the Directors during the year under review :*

<i>Name of the Director</i>	<i>Designation</i>	<i>No. of Meetings Attended</i>
<i>Mr. Govind Sharma</i>	<i>Chairman</i>	<i>4</i>
<i>Mr. Radheshyam Sharma</i>	<i>Member</i>	<i>4</i>
<i>Mr. Vijay Narayan Joshi</i>	<i>Member</i>	<i>4</i>

The Shareholder/Investor Relations Committee met four times during the year under review on 16th April, 2010, 13th August, 2010, 28th October, 2010 and 28th January, 2011.

Functions of Shareholder/ Investor Relations Committee:

- ♣ *Redressal of Shareholders/Investors Complaints.*
- ♣ *Allotment, transfer & transmission of Shares/Debentures or any other securities and issue of duplicate certificates on split/consolidation/renewal, etc. as may be referred to it by the Registrar and Share Transfer Agent.*

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Particulars	Opening Balance	Received	Resolved	Pending
Complaints:				
SEBI	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Stock Exchange	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

* **Management**

♣ Management Discussion And Analysis

The Management Discussion and Analysis is given separately and forms part of this Annual Report.

♣ Disclosures On Related Party Transactions

- *During the year, there were no transactions of material nature with the Directors or the Management or the subsidiaries or relatives that had potential conflict with the interests of the Company.*
- *The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and /or their relatives have personal interest. There are no materially significant related party transactions which have a potential conflict with the interest of the Company at large.*
- *There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any Statutory authority.*
- *The Board of Directors of the Company has adopted a whistle blower policy for establishing a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or Ethics Policy. The Company affirms that no employee has been denied access to the Audit Committee.*
- *All mandatory requirements as per clause 49 of the Listing Agreement have been complied with by the Company.*
- *The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.*

- *In terms of clause 49(V) of the Listing Agreement, the Managing Director and the Executive Director made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.*

♣ *Disclosure Of Accounting Treatment In Preparation Of Financial Statements*

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 (the 'Act') and the relevant provisions of the Act.

♣ *Details Of Non-Compliance By The Company*

Your Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

♣ *Means Of Communication With Shareholders*

The Quarterly and Half-Yearly/Annual Financial Results are forthwith communicated to the Bombay Stock Exchange Limited (BSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors.

Public notices and financial results are published in leading newspapers, namely, Business in English and Loksatta in Gujarati, etc.

<u>PUBLICATION OF THE FINANCIAL RESULTS DURING 2010-11</u>				
<i>Quarterly Unaudited Financial Results</i>	<i>Date of Board Meeting for approval of the Results</i>	<i>Date of Publication</i>	<i>English Newspaper</i>	<i>Gujarati Newspaper</i>
<i>Q1 FY 2010</i>	<i>10th August, 2010</i>	<i>11th August, 2010</i>	<i>Business Standard</i>	<i>Loksatta</i>
<i>Q2 FY 2010</i>	<i>10th November, 2010</i>	<i>11th November, 2010</i>	<i>Business Standard</i>	<i>Loksatta</i>
<i>Q3 FY 2010</i>	<i>9th February, 2011</i>	<i>10th February, 2011</i>	<i>Business Standard</i>	<i>Loksatta</i>
<i>Q4 FY 2010</i>	<i>12th May, 2011</i>	<i>13th May, 2011</i>	<i>Business Standard</i>	<i>Loksatta</i>

✱ **General Shareholders Information**

♣ *Annual General Meeting*

Date: 30th September, 2011.

Time: 09.00 A.M.

Venue: S-574 / 577 Belgium Square Ring Road, Surat – 395002.

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♣ Book Closure

The dates of book closure are from 14th September, 2011 to 16th September, 2011, inclusive of both days.

♣ Financial Calendar

a.	First Quarter Results	During Second week of August, 2011*
b.	Annual Results of 2010-11	1 st September, 2011
c.	Annual General Meeting	30 th September, 2011
d.	Second Quarter Results	During Second week of November, 2011*
e.	Third Quarter Results	During Second week of February, 2012*
f.	Fourth Quarter Results	During Second week of May, 2012*

* **Tentative.**

♣ General Body Meetings

▪ Details of last 3 years Annual General Meeting

Meeting	Corresponding Year	Date	Venue	No of Special Resolutions Passed
16 th AGM	2009-2010	30 th September, 2010	574 / 577 Belgium Square Ring Road, Surat- 395 002.	NIL
15 th AGM	2008-2009	30 th September, 2009	574 / 577 Belgium Square Ring Road, Surat- 395 002.	NIL
14 th AGM	2007-2008	30 th September, 2008	574 / 577 Belgium Square Ring Road, Surat- 395 002.	NIL

▪ Details of Extra Ordinary General Meeting

Meeting	Year	Date	Venue	No of Special Resolutions Passed
EOGM	2010-2011	12 th March, 2011	574 / 577 Belgium Square Ring Road, Surat- 395 002	2
EOGM	2009-2010	21 st April, 2009	574 / 577 Belgium Square Ring Road, Surat- 395 002	1

▪ Details of Postal Ballot

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During the Financial year under review the Company has sought the shareholders approval through Postal Ballot for the following purposes:

- (i) Alteration of Object clause of the Memorandum of Association by adding the new objects of Infrastructure and Micro-finance.
- (ii) To change the registered Office of the Company from the State of Gujarat to the State of Andhra Pradesh.

♣ Stock Market Data

At present, the equity shares of the company are listed on Bombay Stock Exchange Limited (BSE). The Scrip Code and ISIN Number of the shares are as follows:

Name of the Stock Exchange	Stock Code	ISIN Number
Bombay Stock Exchange Limited	531611	INE063D01022

The annual listing fees for the financial year 2010-11 to BSE has been paid.

♣ Dematerialization and Liquidity

Types of Holding	No. of Shares	% Shareholding
CDSL	141752469	62.80
NSDL	29800811	13.20
PHYSICAL	54167720	24.00
TOTAL	225721000	100.00

♣ Market Price Data

Month- wise high and low price of the Company's shares at Bombay Stock Exchange Limited (BSE) during the year 2010-2011.

Month	Bombay Stock Exchange Limited		
	High(Rs.)	Low(Rs.)	No. of Shares Traded
April, 2010	39.25	31.95	3321947
May, 2010	36.60	31.35	5676126
June, 2010	49.80	32.75	8809183
July, 2010	51.25	44.05	21205089
August, 2010	48.40	41.00	17116797
September, 2010	68.90	46.25	17622003
October, 2010	68.00	60.00	9347208

PRRANETA INDUSTRIES LIMITED

November, 2010	73.45	60.00	11804384
December, 2010	74.50	60.40	18230495
January, 2011	78.05	62.00	13651360
February, 2011	81.00	60.60	24581058
March, 2011	87.10	72.05	23951450

♣ Distribution of the Shareholding as on 31st March, 2011

Share Slab	Shareholders	%	Amounts(Rs)	%
<i>Upto -500</i>	531	36.80	84419	0.04
<i>501-1000</i>	133	9.22	123575	0.05
<i>1001-2000</i>	113	7.83	196308	0.09
<i>2001-3000</i>	60	4.16	165362	0.07
<i>3001-4000</i>	42	2.91	153899	0.07
<i>4001-5000</i>	57	3.95	273531	0.12
<i>5001-10000</i>	126	8.73	1066573	0.47
<i>10001 & above</i>	381	26.40	223657333	99.09
Total	1443	100.00	225721000	100.00

♣ Shareholding Pattern As On 31st March, 2011

Name of the Company		<i>Prraneta Industries Limited</i>	
Scrip code, Name of the Scrip, class of security		<i>531611</i>	
Quarter ended		<i>31st March, 2011</i>	
Partly paid up shares :-	No. of Partly paid up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company
Held by Promoter/ Promoter Group	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Held by public	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Total	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Outstanding convertible securities:-	No. of out standing securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities

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Held by Promoter/ Promoter Group	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Held by public	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Total	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Warrants	No. of Warrants	As a % of total no. of Warrants	As a % of total no. of shares of the company, assuming full conversion of Warrants
Held by Promoter/ Promoter Group	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Held by public	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Total	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Total paid-up capital of the Company assuming full conversion of warrants and convertible securities	225721000		

Category	No. of Shares Held	% of Shareholdings
(A) Promoter & Promoter Group		
(1) Indian		
(a) Individuals /HUF	1,50,700	0.07
(b) Body Corporate	64,00,000	2.84
(c) Director, Promoters & their Relatives	44,33,000	1.96
Sub Total (A)(1)	1,09,83,700	4.87
(2) Foreign	<i>Nil</i>	<i>Nil</i>
Sub Total (A) (2)	1,09,83,700	4.87
Total shareholding of Prom. & Prom. Grp. (A)=(A) (1) + (A) (2)	1,09,83,700	4.87
(B) Public Shareholding		
(1) Institutions		
Foreign Institutional Investors	2,85,211	0.13
Sub Total (B)(1)	2,85,211	0.13
(2) Non-Institutions		
(a) Bodies Corporate	105921550	46.93
Individuals		

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<i>(b) (i) Individual holding nominal share capital < Rs1Lacs</i>	7603974	3.37
<i>(ii) Individual holding nominal share capital > Rs1Lacs</i>	99228524	43.96
<i>(c) Any other (specify)</i>		
<i>Clearing Members</i>	1694300	0.75
<i>Non-Resident Indians</i>	3741	0.01
<i>Total Public Shareholding (B)(2)</i>	214448348	95.00
<i>Total Public shareholding (B)=(B)(1)=(B)(2)</i>	241737300	95.13
<i>TOTAL (A+B)</i>	241737300	95.13
<i>(C) Shares held by Custodians and against which Depository Receipts have been issued</i>	Nil	Nil
<i>TOTAL (A+B+C)</i>	225721000	100

▲ Registrar And Transfer Agent

The Registrar & Share Transfer Agent deals with all shareholders communications regarding change of address, transfer of shares, change of mandate, demat of shares, non-receipt of dividend etc. The address of the Registrar & Share Transfer Agent is as under:

Name and Address of Registrar and Share Transfer Agent	M/S. Adroit Corporate Services Pvt Ltd 19/20 Jaferbhoy Ind. Estate, 1st floor, Makwana Road, Marol, Andheri (E), Mumbai – 400 059. INDIA.
Tel No	022-8594060/28596060
Email id	info@adroitcorporate.com

▲ Transfer System

The shares of the company are compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 30 days from the date of lodgment subject to documents being correct, valid and complete in all respects.

▲ Company's Office Address

Registered Office	Corporate Office
Prraneta Industries Limited 574 / 577 Belgium Square Ring Road, Surat- 395 002 Tel No:- 91-261-2601292/ 2601313. Fax: - 91-261-2601313 Email id:- email@prraneta.in	Prraneta Industries Limited 214, Maker Bhavan, New Marine Lines, Mumbai- 400 020 Tel No:- 65738673/ 32160472 Email id:- email@prraneta.in

❁ Compliance

♣ Adoption of the Non- Mandatory Requirements

The Company is complying with all the mandatory requirements of Clause-49 of the Listing Agreement.

In addition to this, your Company has also adopted the following non-mandatory requirements as prescribed in Clause-49 of the Listing Agreement:

- **Remuneration Committee:** *The Board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration package for Executive Directors including rights and any compensation payment.*
- **Shareholders Rights:** *Your Company recognizes the importance of the rights of the shareholders and hence as per the requirements has set up the Shareholders/Investor Relations Committee which not only looks into the Investor Grievances but has also been empowered to look in to the matters affecting the rights of the shareholders.*

The Company does submit the quarterly, half yearly and annual financial results to the Stock Exchange but has not sent a physical copy of the results, except the annual report, to the shareholders to reduce the consumption of paper. However, as per the requirements the company has published the said results in the news papers having wide circulation for the benefit of the members.

- **Audit Qualifications:** *Your Company has always tried to have the financial results without any audit qualifications and it is our pleasure to inform you that there are no audit qualifications in the results of the financial year under review.*
- **Whistle Blower Policy:** *Your Company has established a mechanism for employees to report to the Management concerns about any unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy.*

Further, the employees have direct access to the chairman of the Audit Committee in exceptional cases and have put in place proper safeguards to protect the interest of the whistle blower.

♣ Code of Conduct

The Board of Directors of your Company has adopted a code of ethics and Business Principles for the Directors as also for the members of senior management. The said Code of Conduct has been communicated to all the Directors and members of the senior management and they have been affirmed their compliance with the code of Conduct/ethics as approved and adopted by the Board of Directors.

A declaration to the effect that the Directors and the senior Management personnel have adhered to the same, signed by the Managing Director of the Company is mentioned hereunder

DECLARATION OF CODE OF CONDUCT

To

The Members

Prraneta Industries Limited

This is to confirm that the Board has laid down a code of conduct for all Board Members and senior management of the Company.

It is further confirmed that all the directors and the senior management personnel of the Company have affirmed the compliance with the code of conduct as envisaged in Clause 49(I) (D) (ii), of the Listing Agreement for the year ended 31st March, 2011.

By Order of the Board of Directors

sd/-

(Om Prakash Khandelwal)

Managing Director

Registered Office:

*S 574/577, Belgium Square,
Ring Road, Surat- 395002.*

Place: Surat.

Date: 01.09.2011.

CERTIFICATE ON CORPORATE GOVERNANCE REPORT

***To,
The Members.
Prraneta Industries Limited,
S 574/577 Belgium Square,
Ring Road,
Surat- 395 002***

We have examined the compliance of conditions of Corporate Governance by Prraneta Industries Limited, for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited (BSE). We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has generally complied with the mandatory conditions of the said Clause 49 of the listing Agreement.

For Ramesh Batham & Co.

Chartered Accountants

Sd/-

Ramesh Batham

Proprietor

M. No. - 114178

Place : Thane

Date : 29th August, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward-looking statements

Certain statements in this “Management’s Discussion and Analysis Report” may not be based on historical information or facts and may be “forward looking statements” within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans & strategy of the Company, its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management’s current views & assumptions which may not remain constant due to risks and uncertainties.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, raw material availability and prices, cyclical demand, changes in Government regulations, tax regimes, competitors actions, economic developments and other factors such as litigations.

The Company assumes no responsibility to publicly amend, modify or revise statement, on the basis of any subsequent development, information or events, or otherwise. The “Management’s Discussion and Analysis Report” does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company’s Shares. The financial figures have been rounded off to the nearest rupee.

Overview

The economy continued to grow appreciably- recording 8.5% growth in 2010-11. Higher growth was achieved despite a slight slow-down witnessed during the second half of the year. The slowdown is a reflection of certain uncertainties prevailing in the Indian economy.

First, there is high rate of inflation. Much of the inflation is driven by high prices of food, which being an essential commodity has curbed general consumption spending in the country. In the process, demand has reduced affecting economic growth.

Second, there is a concern with rising rates of interest. In order to curb inflation rates from spiraling upward, the Reserve Bank of India (RBI) has tightened monetary policies. The resultant reduction in money supply has caused an increase in interest rates. Though RBI expects the inflation to remain at the elevated level of 9.00% during the first half of the current fiscal, its objective is to bring it down to 6.00% by March, 2012.

It is not clear how the inflation rate will come down since the factors igniting inflation are supply side factors which can only be corrected with investments enhancing productivity, both in agriculture and infrastructure.

Though growth outlook for the Indian economy has been moderated, India still remains one of the fastest growing economies in the world. With huge investment opportunities across the sectors, India remains one of the preferred investment destinations. Strong fundamentals of the Indian Economy and underlying growth drivers are mentioned below:

♣ **Savings:**

India has one of the highest household savings rate in the world. Household savings as a percentage of GDP have been rising in the past. Going forward too, reducing dependency ratio signals a strong growth in the household financial savings.

♣ **Consumption:**

Domestic private consumption is a significant component of India's GDP. Private final consumption expenditure to GDP ratio at 58% is among the highest in the world. A large and growing young population and rising income levels will continue to drive the consumption growth in India.

♣ **Infrastructure:**

Infrastructure is known to be a key enabler for sustainable development of any economy. Government of India is laying enhanced focus on infrastructural development. This, coupled with high rate of capital formation and increasing participation of private sector in infrastructural development, is expected to lead to growth in infrastructural investments.

♣ **PRRANETA**

In line with its objective of ongoing growth and value creation, Prraneta is investing its resources in core businesses across all the segments. It is also taking an initiative of investing in new technologies and businesses that help meet changing aspirations of millions of Indian Consumers. These strategies and initiatives are aimed to ensure that Prraneta delivers long-term growth and creates unprecedented value for its stakeholders.

Prraneta has an integrated business model that combines a long term perspective, with focus on operational excellence and disciplined approach towards capital investment to deliver shareholder value. The Company has identified, developed and executed projects in various segments while applying best practices that ensure superior returns across a range of scenarios.

FY-11 was a strong year for its business segments. It has not only shown strength in all the businesses but also registered excellent growth in all the segments. It is the first time in the history of the Company that it is a part of BSE- Top 500 Companies and it shall endeavor to be one of the giants across the world.

The Company is confident that the combination of its complementary strengths will open new opportunities to meet the growing demand in all business verticals and raise value for the shareholders.

✚ **Business Review**

*The business prospects of the Company are quite encouraging considering its diversified business model. The Company mainly operates in **three major segments namely:***

- ⇒ Trading,
- ⇒ Infrastructure and
- ⇒ Investments.

The existing business model facilitates the Company to wedge through business downturns in one segment and to ameliorate operations. The drivers of growth are however different for each segment. The detailed analysis of each segment of operation has been discussed below.

♣ **Infrastructure:**

India is a country of villages and about 50% of the villages have very poor socio-economic conditions. Since the dawn of independence, concerted efforts have been made by the Government of India along with other private organizations to improve the living standard of rural masses.

The Investment in Infrastructure in India has increased from 4.9% of the GDP in 2002-03 to 7.18% in 2008-09. It is expected to increase to 8.37% in the final year of the 11th Plan and likely to touch 10% of GDP in the 12th Five Year Plan (2012-2017).

With the increasing investment, the share of private sector in the total investment on infrastructure has increased rapidly. The contribution of private sector in total infrastructure investment in each of the first two years of 11th Plan (2007-2012) was around 34%. This is higher than the 11th Plan target of 30%, and 25% achieved in 10th Plan period. It is expected to rise to 36% by end of 11th Plan and 50% during the 12th Plan (2012-2017).

The Government initiatives including opening up a number of infrastructure sectors to private players, promoting investment in the sector by private players by permitting FDI, huge spending on projects like the National Highway Development Project, National Maritime Development programme, etc. have opened up huge opportunities for investors.

The Company aims to provide comprehensive solutions spread over a diverse range of Infrastructure and Construction Projects. With the objective of capitalizing on the prospects unfolding in the infrastructure development space, the Company has set up strategic business divisions representing well structured, robust and scalable business lines. Our operations would be divided in two parts:

⇒ **Construction and real estate developments**

and

⇒ **Development in the Infrastructure as a contractor or sub contractor to External clients**

For the year under review the Infrastructure division accounted for nearly **Twenty Nine** percent revenues. In the absolute terms the revenues from Infrastructure division has more than doubled even though the share in infrastructure division has reduced in the total income on a year on year basis.

- **Opportunities in Infrastructure:**

1. **Roads and Bridges:**

- *NHAI is coming up with many bids worth billions of dollars in this year. Many large contractors shall bid for them and many activities shall be outsourced to various sub-contractors.*
- *Various State Government's are also coming up with various bids for developing state highways.*

Prraneta intends to bid for these tenders, either on its own or jointly with other players, and also undertake various activities as sub contractors for such projects.

Further, the Company sees growing business opportunities in other parts of urban infrastructure such as hospitality, educational institutions and healthcare facilities.

2. **Healthcare:**

There has been a significant growth in demand of quality healthcare services in the past decade. The changing demographics and increasingly sedentary lifestyles are expected to increase the healthcare expenditure in India.

There is a huge disparity in healthcare delivery services as a large portion of Indian Population lives in rural areas, where accessibility to healthcare is very low compared to urban areas. Hence, the Government of India (GOI) has started a large number of primary health centres catering to rural population and has taken serious steps to encourage private players to set up quality healthcare delivery infrastructure to cater untapped rural demand.

Prraneta shall tap the healthcare infrastructure segment to cater the growing demand.

3. **Building and Construction:**

With impending economic recovery, the Corporate India is expected to go ahead with the planned capex which in turn will drive the demand for creation of commercial and industrial structures. There is large potential in private sector for construction of housing projects, high rise buildings, commercial complexes, etc. Prraneta shall bid for various projects and explore opportunities in this segment.

4. **Entertainment:**

Entertainment now commands a higher share in the spending pie of every person. This has amplified the demand for various entertainment facilities such as amusement

parks, malls, multiplexes, etc. Prraneta intends to broaden its horizons in such projects in future and establish itself as a strong player in this segment.

▲ **Textiles Trading:**

The Indian textiles and apparel market continues to grow at a healthy pace. In 2010, the total Indian textiles and apparel market was estimated to be around Rs. 3,68,000 Crores and is anticipated to grow at a CAGR of 11% to reach Rs. 10,32,000 Crores by 2020.

Apart from growing domestic demand, exports started picking up since August, 2010 after a slight blip in the first quarter of 2010-11.

The Domestic market has shown a healthy growth rate in the textile industry and the companies have been able to achieve higher revenues. Through 2010-11, and especially from January 2011 there was strengthening of fibre and yarn prices. Due to high demand and supply side constraints, there is a continuous rise in raw material prices. This has put pressures on margins of the textile products. This coupled with volatility in the raw materials has complicated the business environment.

Prraneta has focused on trading in textile products and their raw materials. This has helped it to be better placed as compared to the textile manufacturers who were adversely affected by the volatile raw material prices. Further, the trading business has also assisted Prraneta to ameliorate its overall performance.

- **Opportunities in Textiles:**

1. **International Markets:**

The demand for textile products and its raw materials is expected to improve in future. This shall be a good time to venture into International Markets and create a strong international customer base.

Prraneta shall endeavor to start international operations and set up a supply chain for raw materials and finished textile products.

2. **Manufacturing:**

The textile manufacturers, especially in the last few years, have been through a rough phase of unstable input costs and stagnant demand. The circumstances are still unfavorable and are expected to be so in the near future. However, there is no doubt that the long term prospects are bright and it would not be a bad option to consider venturing into manufacturing in future.

♣ **Investments:**

Even three years after the global financial crisis, its impact continues to reverberate across various sectors. The threat of debt default in certain Euro zone economies, for instance, remains as imminent as before. Closer to home, inflation in India and China remains persistent. With oil prices moving up and firmly in three digits, fuel inflation and a higher deficit can be expected as a natural outcome. The resultant upward march of interest rates, unrelenting in the last year, has therefore the potential of impacting growth.

Though the short term outlook seems to be edgy, there is no doubt that India will be one of the fastest growing economies in the world and it is an excellent opportunity to establish our presence in the Capital Markets and bank on our expertise and create value for our stakeholders.

Prraneta has proposed to commence the Investment Division with a primary objective of long term appreciation in the value of its portfolio. It shall deal in various securities such as stocks, shares, debentures, bonds, etc. The income from the investment division is expected be a combination of dividend and interest income, supplemented to a large extent by profit on sale of investments.

The Board had proposed to venture into micro finance business and the said proposal was approved by the members, through the Postal Ballot process. However, as the circumstances changed and there have been policy changes for the purpose of regulating the micro finance sector, it is no longer profitable and viable to operate in this sector. We shall consider venturing into this space when the situation improves.

✚ **Outlook**

Prraneta's effort of diversifying in various segments and grow as a strong conglomerate have commenced to show marginal results in the form of growing revenues and stable profit from all the segments. This new outlook and vision is expected to provide abundant scope for development. The Business Development activities have been started in all the lines of business and Prraneta shall also consider geographical diversification by expanding to newer markets, domestically as well as internationally.

♣ **Financial Review and Analysis:**

I. Income Statement :

(in Rupees)

Particulars	2010-11	2009-10	% change year on year
Revenue	2655541196	536672892	394.82
EBIDTA	19873720	17742864	12.01
Interest Expenses	108878	46277	135.28
EBDT	19764842	17696587	11.69
Depreciation	515714	484141	6.52

PRRANETA INDUSTRIES LIMITED

Earnings Before Tax	19249128	17212466	11.83
Provision for Tax	6410659	5319803	20.51
Net Profit after Tax	12838469	11892644	7.95

During the year under review the top line has showed a significant growth whereas the EBIDTA has seen a modest growth. The increase in input costs, volatility in raw material prices along with the uncertain economic conditions has impacted the margins. Even though many companies have registered negative earnings growth, Prraneta has managed to maintain the Earnings per share at the same level of 0.06 per share.

The interest cost has increased significantly due to higher borrowings, however the same is quite under control and do not pose any threat to the company's ability to fulfill its obligations.

There has been a trivial rise in the depreciation cost due to increase fixed asset for the purpose of administrative use. There has been a substantial rise in the tax expense as compared to the previous year which has resulted in lower net profit after tax.

Segment wise Revenue share :

(in Rupees)

Segment	2010-11	2009-10	% change year on year
Trading	1875562713	186598568	905.13
Infrastructure	77000000	338740000	127.31

Prraneta has achieved highest ever volume growth in each segment. The trading division has grown almost ten times whereas the Infrastructure division got bigger by one and a quarter times. The trading division contributed to more than seventy percent to the top line where as the infrastructure division accounted to almost thirty percent. There has been a balanced contribution by each segment. Even though the trading operations accounted for major revenue, the proposed investment division is also expected to command sizeable share of the Company's revenue pie. The Company endeavors to improve the margins in each segment and shall take suitable actions to achieve the goal.

II. Balance Sheet :

(in Rupees)

Particulars	March 2011	March 2010
Net Worth	426992891	414154454
Total Debt	1201770	1632934
Deferred Tax Liabilities	180	(42977)
Capital Employed@	1629274661	415787388
Net Block	2239944	2387757
Net Working Capital	1069893790	48417195

Long Term Investments	557140928	364982435
Cash Surplus*	1198026844	149171112

** Includes cash, cheques in hand, remittances in transit, balances with banks and current investments.*

@ Includes amount received as upfront payment towards allotment of convertible equity warrants, issued on preferential basis.

Risk Management

Governance, Risk Management and compliance processes form an integral part of the Company's planning and review mechanism. The Company's risk management framework establishes risk management processes at each business, helping in identifying, assessing and mitigating risks that could materially impact the Company's performance in achieving its stated objectives. The components of risk management are different for different businesses and are defined by various factors including the business model, business strategy, organizational structure, risk appetite and available dedicated resources.

The Company's structured Risk Management process provides confidence to the stake holders that the Company's risks are known and well managed. The risk management framework ensures compliance with the requirements of amended clause 49 of listing agreement.

Since the Company is a diversified conglomerate, the risk events are identified, assessed, mitigated and monitored for each business separately.

The risk management approach comprises three components:

- A. Risk Identification:** External and internal risk events which could affect the profitability and/or image of the Company are identified in the context of the strategy and specific objectives of each individual business.
- B. Risk assessment and mitigation:** The identified risks are further assessed by the senior management team of the respective businesses as to their potential severity of impact and the probability of occurrence and they develop and deploy mitigation strategies.
- C. Risk monitoring and assurance:** The Board of Directors (Board) is the apex body taking all the decisions regarding risk management activities. The overall role of the Board is to review risk management process and implementation and effectiveness of risk mitigation plans.

♠ Risks and Challenges:

1. Business Risks: Business risks are classified into:
 - Strategic,
 - Operations,

- *Financial and Knowledge risks, which are further drilled down to market structure, process, systems, legal compliance, corporate governance and people culture.*

Apart from the internal business risks, the Company is exposed to external risks on account of completion, inflation and interest rates, regulatory changes, which are being effectively monitored and mitigated.

2. *Intensifying Competition: There is cut throat competition in each of the existing as well as the proposed business segment. While the market currently offers adequate growth to all players there are pockets of oversupply in each segment. The intensifying competition may have marginal impact on the margins. Prraneta is an upcoming brand across the country and is rapidly gaining the trust of various stakeholders. This is helping it compete well in areas of competition.*
3. *Inflation and Rising Costs: There has been significant increase inflation in India. While food inflation has been grabbing headlines due to its impact on a larger proportion of the population, there have been increases in operating costs for the Company ranging from salaries, medical supplies, to general and administrative costs. Extraordinary fluctuations in the raw material prices have been witnessed over the last one year. The Company has a centralized purchase department to meet the requirements of all projects and is therefore able to source large volumes at best price and terms.*
4. *Changes in Government policies including changes in tax: While of late, Government policies are tending to be more stable than they were in the past, the Company does provide for such contingencies and consider suitable actions as deemed appropriate on a case to case basis in each segment.*

Internal Control Systems and their Adequacy:

The Company has put in place adequate and effective internal control systems to ensure that all the assets and interests of the Company are safeguarded, transactions are authorized, recorded and reported properly and reliability of accounting data and its accuracy are ensured with proper checks and balances. A renewed emphasis on Internal Audit process and in-house governance policies has been the practice of the day. The Company has endeavored to align all its processes and controls with best practices and have taken necessary steps to strengthen the Internal Control Policies and Practices. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements.

Human Resources and Industrial Relations:

The Company has implemented several plans to attract and retain skilled manpower at all levels. The Company also implemented training programs for its employees to develop their both hard and soft skills required in their profession. The role of the Human Resource team is a strategic partner and is structured to meet the needs of the organization.



To Sum up:

Prraneta has laid a strong foundation to become one of the fastest growing conglomerates. This is an outcome of enhanced focus on profitable growth across the businesses. With a strong presence in the businesses that mirror the growing sectors of the Indian economy, Prraneta is a uniquely positioned conglomerate. Prraneta remains focused to capture opportunities across the businesses to achieve the next level of growth. A strong balance sheet, an experienced and focused management team, growing brand equity, presence in one of the fastest growing sectors and a talented human asset are the key drivers which will support future growth of Prraneta and create value for all stakeholders.

CERTIFICATE ON FINANCIAL STATEMENTS

I Mr. Om Prakash Khandelwal, Managing Director of M/s. Prraneta Industries Limited, hereby certify that:-

✚ I have reviewed Financial Statements and the Cash Flow Statements for the Financial Year ended March 31, 2011 and to the best of my knowledge and belief:

- (i) These statements do not contain any materially untrue statement(s) or omit any material fact(s) or contains statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

✚ To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's code of conduct.

✚ I accept responsibility for establishing and maintaining internal controls for financing reporting and I have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies;

- i) There has not been any significant change in internal control over financial reporting during the year under reference;
- ii) There has not been any significant change in Accounting policies during the year; and
- iii) Instances of significant fraud, if any of which we have become aware, and involvement therein, if any, of the management or an employee having a significant role in Companies internal control system over financial reporting shall be disclosed.

Registered Office:

S 574/577, Belgium Square,
Ring Road, Surat- 395002.

By Order of the Board of Directors

Sd/-

(Om Prakash Khandelwal)
Managing Director

Place: Surat.

Date: 01.09.2011.

AUDITORS REPORT

To
The Shareholders of
PRRANETA INDUSTRIES LIMITED

1. *We have audited the attached Balance Sheet of Prraneta Industries Limited as at 31st March 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.*
2. *We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.*
3. *As required by the Companies (Audit Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the Company as were considered appropriate and the information and explanations given to us during the course of our audit, we enclosed in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.*
4. *Further to our comments in the Annexure referred to above, we report that:*
 - i. *We have obtained all the information and explanations, which to the best of our knowledge and belief necessary for the purposes of our audit;*
 - ii. *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.*
 - iii. *The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.*
 - iv. *In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;*

PRRANETA INDUSTRIES LIMITED

- v. *On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;*
- vi. *In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes give the information required by the Companies Act, 1956, in the manner so required and subject to Note No. 3, 7 & 8 read with Significant Accounting Policies included therein, give a true and fair view in conformity with the accounting principles generally accepted in India.*
- *In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011*
 - *In the case of the Profit and Loss Account, of the profit for the year ended on that date.*
- And*
- *In case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

For RAMESH BATHAM AND CO.
Firm Registration Number:123638W
Chartered Accountants

Sd/-

RAMESH BATHAM
Proprietor
Membership No. 114178

Place : Surat
Dated : 24th August, 2011

ANNEXURE TO THE AUDITORS' REPORT

Re:- Prraneta Industries Limited - F.Y. 2010-11

Referred to in paragraph 3 of our report of even date,

(i) FIXED ASSETS

- (a) *The Company is yet in process of maintaining proper records showing full particulars including quantitative details and situation of fixed assets.*
- (b) *Assets have been physically verified by the management during the year. According to the information and explanations given to us, there is regular programme of verification which, in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.*
- (c) *Based on our scrutiny of the records of the company and the information and explanation received by us, we report that there was no sale of fixed assets. Hence, the question of reporting whether the sale of any substantial part of fixed assets has affected the going concern of the company does not arise.*

(ii) INVENTORIES

- (a) *The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.*
- (b) *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 and no material discrepancy noticed on physical verification.*

(iii) LOANS AND ADVANCES

- a) *The company has not granted unsecured loans or advances to companies covered in the Register maintained under Section 301 of the Act. Hence provisions of clauses (iii)(b),(c),(d) of paragraph 4 are not applicable to the Company.*
- b) *The Company has taken Interest free unsecured loan from one person covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.12,11,037 and the year end balance of loan taken from such party was Rs.9,29,940.*

(iv) INTERNAL CONTROL

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard

to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control except as stated above.

(v) TRANSACTIONS WITH RELATED PARTIES AS PER REGISTER OF CONTRACTS UNDER SECTION 301 OF THE COMPANIES ACT, 1956

- (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into 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, there is no transaction made with related parties in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating the value of rupees five lakhs or more in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) DEPOSITS FROM PUBLIC

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

(vii) INTERNAL AUDIT SYSTEM

The Company has no internal audit system commensurate with size and nature of its business.

(viii) COST RECORDS

As informed to us, The Company is not required to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.

(ix) STATUTORY DUES

- (a) According to the records of the Company, undisputed statutory dues including provident fund, sales tax, custom duty, excise duty, cess and other statutory dues have been regularly deposited with the appropriate authorities.
- (b) According to the information and explanation given to us there is no disputed Liabilities on account of Sales Tax, Custom Duty, Wealth Tax, Service Tax, Excise duty and Cess as on 31st March, 2011.

(x) SICK INDUSTRY

The Company has No accumulated losses and has not incurred any cash losses during the financial year 2010-2011, covered by audit. Further, the Company has no cash losses in the immediately preceding financial year.

(xi) DUES TO FINANCIAL INSTITUTIONS

Based on our audit procedures performed and on the information and explanation given by the management we are of the opinion that the Company has not defaulted in making repayment of dues for a period over 12 months.

Further, The Company has neither taken any loans from debenture holder hence no question of reporting arises to that extent.

(xii) SECURED LOANS AND ADVANCES GRANTED

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.

(xiii) CHIT FUND, NIDHI OR MUTUAL BENEFIT COMPANY

In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor Report) Order, 2003 are not applicable to the Company.

(xiv) INVESTMENT COMPANY

In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor Report) Order, 2003 are not applicable to the Company.

(xv) GUARANTEES GIVEN BY COMPANY

The Company has not given any guarantees for loans taken by other from banks or financial institutions. There is no guarantee given by the Company to third party.

(xvi) TERM LOANS

In our opinion and according to the information and explanation given to us, the company has not taken any term loan during the year, hence no question of reporting arise to that extent.

(xvii) SOURCE OF FUNDS AND ITS APPLICATION

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

(xviii) PREFERENTIAL ISSUE

According to the information and explanations given to us, the Company has taken application money for issue of 4,50,00,000 Nos Convertible Equity Warrants on Preferential basis at a price of Rs.70/-per Equity

Warrants including premium of Rs.69/- Per Share. The price at which the Convertible Equity Warrants application money have been issued is not prejudicial to the interests of the Company.

(xix) DEBENTURES

According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.

(xx) PUBLIC ISSUE

The Company has not raised any money by the public issue during the year covered by our audit report.

(xxi) FRAUD

Based upon our audit procedures performed and on the information and explanations given by the management we are of the opinion that no fraud on or by the Company has been noticed or reported during the course of our audit.

***For RAMESH BATHAM AND CO.
Firm Registration Number:123638W
Chartered Accountants***

Sd/-

***RAMESH BATHAM
Proprietor
Membership No. 114178***

***Place : Surat
Dated : 24th August, 2011***

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011 & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2011.

SCHEDULE: "N "

Notes to the Accounts

1. SIGNIFICANT ACCOUNTING POLICIES

a Basis for Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles, Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of The Companies Act 1956, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

b Revenue Recognition

Revenue from the sale of Textile products is recognized when delivery is made and invoice to the parties is being made. Income from land leveling work is recognized as and when the work has been successfully accomplished and invoices have been raised to the Customers. In respect of all other income Company account the same on accrual basis.

c Expenditure

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

d Inventory

Inventories are valued at cost or estimated net realizable value whichever is lower. Cost of Inventory is determined following the FIFO basis. Finished goods and Work in Progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition as certified by the management.

e Fixed Assets

Fixed assets are stated at cost of acquisition for assets installed and put to use less accumulated Depreciation.

f Depreciation

Depreciation on fixed assets has been provided using the straight-line method as per the Companies Act, 1956. Depreciation is charged on pro-rata basis for assets purchased/sold during the year.

g Investments

Investments are classified into Current investments and long-term investments. Current Investments are carried at lower of cost or market value and provision is made to recognize any decline in the carrying value. Long-term investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investment.

h Retirement Benefits

Contributions to defined contribution schemes such as Provident Fund are charged to profit and loss account as incurred. The Company does not provide for any post retirement benefits.

i. Taxation

Income-tax expense comprises current tax expense, and deferred tax expense or credit.

⇒ **Current tax**

Provision for current tax is recognised in accordance with the provisions of the Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

⇒ **Deferred tax**

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

j. Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

k. **Provisions and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29- 'Provisions, Contingent Liabilities and Contingent Assets' is made.

2. PREVIOUS YEAR'S FIGURES

The Previous year's figures have been recast/restated, wherever necessary to confirm to current year classification.

3. LOANS & ADVANCES

Advances recoverable in cash, kind or value to be received are primarily towards prepayments for value to be received and same has been confirmed by the management.

4. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY.

	<u>2010-11</u>	<u>2009-10</u>
Earning in foreign currency	NIL	NIL
Expenditure in foreign currency	NIL	NIL

5. DIRECTOR'S REMUNERATION

	<u>2010-11</u>	<u>2009-10</u>
	(Rs.)	(Rs.)
Om Prakash Khandelwal	3,60,000	1,80,000
<u>Auditors Remuneration</u>		
Audit Fees	20,000	20,000
Tax Audit Fees	5,000	5,000
Other Services	3,500	3,500

6. RELATED PARTY DISCLOSURE

i) List of Related Party and Relationships.

a) Key Management Personnel

- ⇒ OmPrakash A Khandelwal *Managing Director*
- ⇒ Subramanya Kusnur *Director*
- ⇒ Jils Raichand Madan *Director*
- ⇒ Jyoti Munver *Director*
- ⇒ Kiran Dilip Thakore *Director*
- ⇒ Manish B Thakkar *Director*

b) Related Parties with whom has transaction

- ⇒ Om Prakash Khandelwal
- ⇒ Samyak Multitrade Pvt Ltd

c) Nature of Transactions

Sr. No.	Party Name	Relationship	Nature of Transaction	Amount (In Rs.) 2010-11	Amount (In Rs.) 2009-2010
1.	Om Prakash Khandelwal	Director	Unsecured Loan	929940 (Cr)	1200000
2.	Samyak Multitrade Pvt Ltd	Director	Trade Advance	1500000 (Dr)	-

7. Sundry Debtors, Creditors, Loans & Advances and bank balances are stated as appear in the books of accounts in the ordinary course of business. The balances are un-confirmed and are subject to confirmation from the party/Bank.
8. Investments in quoted or unquoted shares are subject to physical verification. The market values of unquoted shares are not ascertainable.
9. As per Accounting Standard 17 issued by the Institute of Chartered Accountants of India regarding Segmental Reporting, As per the explanation and clarification given by the management the Company has following reported segment:
- A. Textile
 - B. Infrastructure and
 - C. Trading of Securities

Same is reported segment wise separately in Annexure-1.

PRRANETA INDUSTRIES LIMITED

10. During the financial year 2010-11 the Company has taken application money for issue of 4,50,00,000 Nos Convertible Equity Warrants on Preferential basis to various allottees with each Warrant Convertible into one Equity share of Rs.1/-each At a price of Rs.70/-Per Share which include a premium of Rs.69/- Per Share, entitling each holder thereof to get One fully paid Equity Share of Rs.1/-each to be issued and allotted upon conversion of the Warrants, at the sole option of the warrant holder.

11. **MICRO, SMALL AND MEDIUM ENTERPRISES:-**

There are no Micro, Small & Medium Enterprises in respect of whom the company's dues are outstanding for more than 45 days as at the balance sheet date

12. **QUANTITATIVE PARTICULARS:-**

a) Capacities:-

License Capacity - Not Applicable

Install Capacity - Not Applicable

Purchase, Turnover, and Stock (Trading)

PARTICULARS	CURRENT YEAR 2010-2011		PREVIOUS YEAR 2009-2010	
	QUANTITY (Units)	AMOUNT RUPEES	QUANTITY (Units)	AMOUNT RUPEES
<i>Stock of Textile Product- (Sarees)</i>				
Opening Stock	150 Pcs.	49,140	150 Pcs	49,140
Purchases	-	-	-	-
Sale	150 Pcs	30000	-	--
Closing Stock	-	-	150 Pcs	49,140
<i>Stock of Textile Product- (Fabric)</i>				
Opening Stock	-	-		
Purchases	41543892 Mtr	1895653234	2536097 Mtr.	18,46,19,418
Sale	41543892 Mtr	875532712	2536097 Mtr.	18,65,16,868
Closing Stock	-	-	-	-
<i>Land Leveling Work</i>				
Opening Stock	-		-	
Purchases	4162162 Cum	737743243	4234.25 Acre	33,17,53,488
Sale	4162162 Cum	770000000	4234.25 Acre	33,87,40,000
<i>Stock of Shares</i>				
Opening Stock				
Purchase				
Sales				
Closing Stock				
Grand Total			150 Pcs.	42749140

PRRANETA INDUSTRIES LIMITED

As per our Report of Even Date Attached

For RAMESH BATHAM AND CO.
Firm Registration Number:123638W
Chartered Accountants

Sd/-

RAMESH BATHAM
Proprietor
Membership No. 114178

For PRRANETA INDUSTRIES LIMITED

Sd/-

Director

Sd/-

Director

Place : Surat

Dated : 24th August, 2011

PRRANETA INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	For the Year Ended 31st March, 11	For the Year Ended 31st March, 10
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDERS' FUND</u>			
Share Capital	A	225,721,000	225,721,000
Application Money of Convertible Equity Warrants		1,201,080,000	-
Reserve & Surplus	B	201,271,891	188,433,454
<u>LOAN FUNDS</u>			
Secured Loans	C	271,830	432,934
Unsecured Loans	D	929,940	1,200,000
	TOTAL	1,629,274,661	415,787,388
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	E	6,854,755	6,486,855
Less:-Depreciation		4,614,811	4,099,098
Net Block		2,239,944	2,387,757
<u>INVESTMENT</u>			
	F	557,140,928	364,982,435
<u>CURRENT ASSETS LOANS & ADVANCES</u>			
Cash & Bank Balance	G	6,161,482	1,649,706
Loans & advances	G	1,191,865,362	147,521,405
Sundry Debtors	G	148,425,336	50,623,981
Inventories	K	-	49,140
TOTAL (A)		1,346,452,180	199,844,233
Less: Current Liabilities & Provisions	H		
Current Liabilities		263,152,483	140,444,303
Provisions		13,405,907	10,982,734
TOTAL (B)		276,558,390	151,427,037
Net Current Assets (A-B)		1,069,893,790	48,417,195
<u>MISC. EXPENDITURE</u>			
		-	-
	TOTAL	1,629,274,662	415,787,388

Notes forming part of balance sheet

N

As per our Report of even date attached.
 For **RAMESH BATHAM AND CO.**
 Firm Registration Number: 123638W
 CHARTERED ACCOUNTANTS

For & on behalf of the Board of
PRRANETA INDUSTRIES LIMITED

Sd/-
RAMESH BATHAM
 PROPRIETOR
 Membership No:- 114178

Sd/-
 Director

Sd/-
 Director

Place: Surat
 Date: 24th August, 2011

PRRANETA INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2011

	Schedule	For the Year Ended 31st March,11	For the Year Ended 31st March,10
INCOME			
Income From Operation	I	2,645,562,713	532,776,124
Other Income	J	9,978,483	3,896,768
Total		2,655,541,196	536,672,892
EXPENDITURE			
Cost Of Material		2,633,445,588	516,453,131
Administrative Exp.	L	2,221,888	2,476,898
Financial Expenses	M	108,878	46,277
Depreciation	E	515,714	484,141
		2,636,292,068	519,460,446
Profit/(Loss) before Tax		19,249,128	17,212,447
Provision for Income Tax		6,410,479	5,362,780
Provision for Differed Tax		180	(42,977)
Profit/ (Loss) after Tax		12,838,469	11,892,644
Proposed Dividend		-	(4,514,420)
Tax on Proposed Dividend		-	(765,194)
Short provision of dividend		(31.00)	-
Balance B/F from Previous Year		8,083,450	1,470,420
Balance carried to Balance Sheet		20,921,887	8,083,450
Profit Considered for arriveing at EPS		12,838,469	11,892,644
Earning per Share (Basic)		0.06	0.05
Earning per Share (Diluted)		0.40	0.37
Number of Sahares used in computing			
- Earning per Share (Basic)		225,721,000	225,721,000
- Earning per Share (Diluted)		32,396,917	32,396,917

**Read with Accounting Policies and Notes on Accounts" N"
As per our Report of even date attached.**

For **RAMESH BATHAM AND CO.**
Firm Registration Number:123638W
CHARTERED ACCOUNTANTS

Sd/-
RAMESH BATHAM
PROPRIETOR
Membership No:- 114178

Place: Surat
Date: 24th August, 2011

**For & on behalf of the Board of
PRRANETA INDUSTRIES LIMITED**

Sd/-
Director

Sd/-
Director

CASH FLOW STATEMENT

PARTICULARS	As At 31/03/2011 Rupees	As At 31-03-2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
1 Net Profit (including cap.reserves)	12,838,469	11,892,644
Short Provision of Dividend	(31)	-
Deletion from fixed assets (car)	-	-
Depreciation	515,714	484,141
Operating Profits before working capital changes A	13,354,152	12,376,785
Adjustments for:-		
Loans & Advances	(1,044,343,957)	(120,116,370)
Current liabilities and provisions	125,131,352	85,624,057
Sundry Debtors	(97,801,355)	13,198,491
Inventories	49,140	42,700,000
Change in Working Capital B	(1,016,964,819)	21,406,178
2 Cash Generated From Operating : B+A	(1,003,610,668)	33,782,963
CASH FLOW FROM OPERATING ACTIVITIES		
Sale/(Purchase)of investment	(192,158,493)	(364,966,585)
Sale/(Purchase)of Fixed assets	(367,900)	(872,285)
Net cash from investing activities: C	(192,526,393)	(365,838,870)
3 CASH FLOW FROM FINANCING ACTIVITIES		
(Share allotment + Premium+Share Application Money)	1,201,080,000	328,278,704
Secured Loan received	(161,104.00)	432,934
Unsecured Loan repaid	(270,060)	1,200,000
cash flow from financial Activities D	1,200,648,836	329,911,638
Net increase in cash & cash equivalent: C+(D+B+A)	4,511,775	(2,144,269)
Opening cash & cash equivalent	1,649,707	3,793,976
Closing cash & cash equivalent	6,161,482	1,649,707

For **RAMESH BATHAM AND CO.**
Firm Registration Number:123638W
 CHARTERED ACCOUNTANTS

Sd/-
RAMESH BATHAM
 PROPRIETOR
Membership No:- 114178

Place: Surat
 Date: 24th August, 2011

For **PRRANETA INDUSTRIES LIMITED**

Sd/-
 Director

Sd/-
 Director

SCHEDULES TO ACCOUNTS

	For the Year Ended 31st March,11	For the Year Ended 31st March,10
<u>SCHEDULE - A</u>		
<u>SHARE CAPITAL</u>		
I- <u>AUTHORISED SHARE CAPITAL</u> 30,00,00,000 Nos of Equity Shares of Re.1/- each (Previous Year 25,00,00,000 Nos of Equity Shares of Re.1/- each)	300,000,000	250,000,000
II - <u>ISSUED, SUBSCRIBED & PAID UP</u> 225721000 Nos. of Equity Shares of Re.1/-each.fully paid up (Previous Yr 225721000 Nos. of Equity Share of Re.1/- each)	225,721,000	225,721,000
III - <u>Application Money of Convertible Equity Warrants</u> (See Note No.10)	1,201,080,000	-
	1,426,801,000	225,721,000
<u>SCHEDULE - B</u>		
<u>RESERVE & SURPLUS</u>		
Share Premium	180,250,004	180,250,004
General Reserve	100,000	100,000
Brought from P & L A/c	20,921,887	8,083,450
	201,271,891	188,433,454
<u>SCHEDULE - C :</u>		
<u>SECURED LOANS</u>		
ICICI (Car Loan) (Secured against Hypothecation of Car)	271,830	432,934
	271,830	432,934
<u>SCHEDULE - D :</u>		
<u>UNSECURED LOANS</u>		
From :- Director's Loan	929,940	1,200,000
	929,940	1,200,000

SCHEDULE "E"
SHOWING THE DETAILS OF FIXED ASSETS & DEPRECIATION CLAIMED THEREON UNDER COMPANIES ACT, ON S.L.M. BASIS
ACCOUNTING YAER 2010-2011

Schedule - E

Block NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS ON 1/4/2010	ADDIT-IONS	DEDUC-TION	AS ON 31/3/2011	RATE (%)	AS ON 1/4/2010	FOR THE YEAR	DEDUC-TION	AS ON 31/3/2011	AS ON 31/3/2011	AS ON 31/3/2010
1	AIR CONDITIONER	282,240	-	-	282,240	4.75	171,297	13,190	-	184,487	97,753	110,943
2	FURNITURE & FIXTURE	1,858,790	-	-	1,858,790	6.33	1,726,750	117,660	-	1,844,410	14,380	132,040
3	COMPUTER	480,980	316,400	-	797,380	16.21	437,251	73,031	-	510,283	287,097	43,729
4	VEHICLES	3,142,845	-	-	3,142,845	9.50	1,583,729	292,244	-	1,875,972	1,266,873	1,559,116
5	OFFICE EQUIPMENT	103,610	51,500	-	155,110	4.75	23,564	5,979	-	29,543	125,567	80,046
6	BUILDINGS	573,600	-	-	573,600	1.63	138,998	9,350	-	148,348	425,252	434,602
7	Motor Cycle	44,790	-	-	44,790	9.50	17,507	4,260	-	21,767	23,023	27,283
	TOTAL	6,486,855	367,900	-	6,854,755		4,099,097	515,714	-	4,614,811	2,239,944	2,387,758
	PREVIOUS YEAR	RS. 6,332,390	33,580	-	6,365,970		2,938,750	511,130	-	3,449,880	2,916,090	

For **RAMESH BATHAM AND CO.**
Firm Registration Number:123 638W
CHARTERED ACCOUNTANTS

Sd/-
RAMESH BATHAM
PROPRIETOR
Membership No:- 114178

Place: Surat
Date: 24th August, 2011

For **PRRANETA INDUSTRIES LIMITED**

Sd/-
Director

Sd/-
Director

PRRANETA INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

<i>PARTICULARS</i>	<i>CURRENT YEAR 2010-2011</i>		<i>PREVIOUS YEAR 2009-2010</i>	
	<i>No. of Shares</i>	<i>AMOUNT RUPEES</i>	<i>No. of Shares</i>	<i>AMOUNT RUPEES</i>
<u>SCHEDULE : "F"</u>				
INVESTMENTS (AT COST)				
LONG TERM INVESTMENTS :				
<i>(A) In Shares (Quoted)</i>				
<i>Yash Management Services Limited</i>	<i>10</i>	<i>5,000</i>	<i>10</i>	<i>5,000.00</i>
<i>TCS Limited</i>	<i>2</i>	<i>850</i>	<i>2</i>	<i>850.00</i>
<i>Jagson Airlines Limited</i>	<i>10</i>	<i>10,000</i>	<i>10</i>	<i>10,000.00</i>
<i>(Market Value As on 31.03.2010 Rs.1733.50)</i>				
Total ' A '	22	15,850	22	15,850.00
<i>(B) In Shares (Unquoted)</i>				
<i>Investments in Various Unquoted Shares</i>		<i>557,125,078</i>		<i>364,966,585</i>
Total ' B '	-	557,125,078	-	364,966,585
Total ' A ' + ' B '		557,140,928	22	364,982,435

PRRANETA INDUSTRIES LIMITED

	For the Year Ended 31st March,11	For the Year Ended 31st March,10
<u>SCHEDULE - G :</u>		
<u>Debtors</u>		
<i>(Unsecured and Considered Good, Unless otherwise Stated)</i>		
<i>Over Six Month (Considered Good)</i>	61,072,163	-
<i>Other (Considered Good)</i>	87,353,173	50,623,981
	148,425,336	50,623,981
<u>CASH & BANK BALANCES</u>		
<i>Cash in Hand</i>	5,607,239	197,700
<i>Balance With Banks</i>		
<i>In Current Account</i>	554,243	1,452,006
	6,161,482	1,649,706
<u>SCHEDULE - G :</u>		
<u>Loans & Advances :</u>		
<i>Advances Recoverable in Cash or</i>	1,168,710,616	140,404,133
<i>Kind or for value to be Received</i>	1,168,710,616	140,404,133
<u>OTHER CURRENT ASSETS - :</u>		
<i>Advance Income Tax & TDS</i>	22,711,949	7,074,295
<i>Deposit</i>	400,000	-
<i>Deffered Tax - Assets</i>	42,797	42,977
	23,154,746	7,117,272
	1,191,865,362	147,521,405

PRRANETA INDUSTRIES LIMITED

	For the Year Ended 31st March,11	For the Year Ended 31st March,10
<u>SCHEDULE - H :</u>		
<u>CURRENT LIABILITIES AND PROVISION</u>		
<u>Provision</u>		
Provision for Proposed Devidend	-	4,514,420
Provision for Taxes on Devidend F.Y.2009-10	765,194	765,194
Provision for Taxation Ass Yr 2010-11	5,362,780	5,362,780
Provision for Taxation Ass Yr 2011-12	6,410,479	-
Auditors Remuneration	28,500	28,500
TDS Payable	838,954	311,840
	13,405,907	10,982,734
<u>Current Liabilities:</u>		
Sundry Creditors for Goods	181,227,083	48,251,303
Sundry Creditors for Others	430,400	18,000
Others Trade Advances	81,495,000	92,175,000
	263,152,483	140,444,303
	276,558,390	151,427,037
<u>SCHEDULE - I :</u>		
<u>Income From Operation</u>		
Sales of Shares	-	7,437,557
Sales of Fabric and Cloths	1,875,562,713	186,598,568
Agricultural Land Leveling Work (TDS Rs.1,54,00,000/-)	770,000,000	338,740,000
	2,645,562,713	532,776,124
<u>SCHEDULE - J :</u>		
<u>Other Income:</u>		
Interest Income (TDS Rs.237654/-)	2,360,422	1,511,184
Profit on sales of Investment (Unquoted)	2,382,781	-
Other Income:-Sundry Credit balance W\O	5,235,280	2,385,584
	9,978,483	3,896,768

PRRANETA INDUSTRIES LIMITED

SCHEDULE - K **INVENTORIES**

PARTICULARS	CURRENT YEAR 2010-2011		PREVIOUS YEAR 2009-2010	
	QUANTITY (Units)	AMOUNT RUPEES	QUANTITY (Units)	AMOUNT RUPEES
<u>Stock of Cloth</u>				
Opening Stock	150	49,140	150	49,140.00
Add : Purchases	-	-	-	-
Service Charges	-	-	-	-
Less : Sale	150	30,000	-	-
Closing Stock	-	-	150	49,140.00
<u>Stock of Fabric</u>				
Opening Stock	-	-	-	-
Add : Purchases	41,543,892	1,895,653,234	2,536,097	184,699,643.00
Less : Sale	41,543,892	1,875,532,712	2,536,097	186,598,567.90
Closing Stock	-	-	-	-
<u>Stock of Shares</u>				
Opening Stock	-	-	-	-
Add : Purchases	-	-	-	-
Less : Sale	-	-	-	-
Closing Stock	-	-	-	-
<u>Stock of Land Leveling Work</u>				
Opening Stock (Qty in Cum, (Previous yrs Sqm))	-	-	-	-
Add : Purchases	4,162,162	737,743,243	4,234	331,753,488
Less : Sale	4,162,162	770,000,000	4,234	338,740,000
Closing Stock	-	-	-	-
Grand Total	-	-	-	49,140
Less Closing Stock of Previous Year	-	49,140	-	42,749,140
Net Increase/Decrease in Stock	-	(49,140)	-	(42,700,000)

PRRANETA INDUSTRIES LIMITED

<u>SCHEDULE - L:</u>		
<u>Administrative & Selling Expenses :-</u>		
Auditors Remuneration	28,500	28,500
AGM Expenses	-	670
Books & Periodicals	855	3,719
Computer Expenses	8,244	1,000
Consultancy Fees	12,000	-
Conveyance Expenses	25,668	2,050
Demat Expenses	-	9,000
Directors Sitting Expenses	-	48,000
Directors Remuneration	360,000	180,000
Diwali Expenses	-	12,700
Donation	100,000	67,200
Digital Signature	1,500	2,500
Electric Expenses	31,097	31,260
Employees Fooding & Beverages Expenses	19,503	52,329
Internet Expenses	7,426	5,000
Insurance Charges	12,490	13,080
Legal Expenses	19,130	-
Lodging & Boarding	-	31,639
Listing Fees	253,700	119,725
Medical Expenses	1,000	1,563
Maintenance Charges	9,594	20,366
Motor Car Expenses	18,088	22,610
Office Expenses	10,982	48,692
Petrol Expenses	-	13,110
Postage & Telegram Expenses	495	3,020
Printing & Stationery	11,372	76,551
Rent, Rates & Taxes	916,250	173,000
Registrar Fees	131,623	98,126
CDSL/NSDL Charges	110,300	44,120
Salary Expenses	1,000	203,710
SMC Tax	12,092	9,700
Stamp Duty Expenses	-	855,205
Telephone Expenses	96,027	82,070
Travelling Expenses	22,952	210,465
Visa Expenses	-	500
FBT Paid	-	5,718
	2,221,888	2,476,898
<u>SCHEDULE -M:</u>		
Bank Charges	80,592	38,738
Bank Interest	16,591	7,539
Intrest on late payment	11,695	
	108,878	46,277

PRRANETA INDUSTRIES LIMITED

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT '1956

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

I	Registration Details	L67120GJ1995PLC024449	State Code	04
	Balance Sheet Date	31st March,11		
II	Capital raised during the year (Amount in Rupees Thousand)			
	Public Issue	NIL	Right Issue\Conversion of Warrants	
	Bonus Issue	NIL	Private Placement	NIL
III	Position of Mobilisation and Development of funds: (Amount in Rupees Thousand)			
	Total Liabilities	1,629,275	Total Asstes	1,629,275
	Sources of Funds			
	Paid up Capital	225,721	Reserves & Surplus	201,272
	Secured Loans	272	Unsecured Loans	930
	Application of Funds			
	Net Fixed Assets	2,240	Investments	557,141
	Net Current Assets	1,069,894	Misc. Expenditure	-
IV	Performance of Company			
	Turnover	2,645,563	Total Expenditure	2,636,292
	Profit/Loss (Before Tax)	19,249	Profit/Loss (After Tax)	12,838
	Earning per Share In Rs.	0.06	Dividend Rate (%)	0%
V	Generic Names of One Principal Product/Services of the Company (As per Monetary terms)			
	Item Code No.	N.A.	Product Description	N.A.
<p>For and on behalf of the Board</p>				
Place: Surat Date: 24th August, 2011		Sd/- Director		Sd/- Director

PRRANETA INDUSTRIES LIMITED

NAME : Prraneta Industires Limited
ADDRESS : S-574-575, BELGIUM SQUARE, RING ROAD, SURAT, GUJRAT - 395002
: Mumbai - 53
PAN : AABCP4155F
STATUS : LIMITED COMPANY
PREVIOUS YEAR : 2010 - 2011 (01.04.2010 TO 31.03.2011)
ASSESSMENT YEAR : 2011- 2012

COMPUTATION OF TOTAL INCOME LIABLE TO TAX & TAX PAYABLE THEREON

I COMPUTATION OF INCOME LIABLE TO TAX

Rs.

BUSINESS INCOME

Net Profit As Per P & L A/c		19,249,097
Add: Depreciation As Per Companies Act		515,714
Add: Disallowances - Donation		100,000
		<u>19,864,811</u>

Less: Depreciation As Per Income Tax Act	516,314	
Less: capital gain (short term)	2,382,781	2,899,095

Balance business Income 16,965,716

Capital Gain (Short Term)

Total Consideration received	646,212,124	
Less : Cost of Acquisition	643,829,342	<u>2,382,782</u>
Total Income		19,348,498

Less : Donation to Dr Ambedkar Vanwasi Trust 100000 @50% 50,000

Taxable Income 19,298,498

Tax payable @ 30% 5,789,549

Tax as per 115 JB 3,464,837

Tax Payable (A or B which ever is higher) **5,789,549**

Add : Surchage @ 7.5% 434,216

6,223,766

Add: Education Cess @ 3% 186,713

Total Taxpayable **6,410,479**

Add : Interest Payable U/s 234 A, 234 B & 234C -

6,410,479

BOOK PROFIT U/S 115JB Taxpayable **6,410,479**

As per certificate 29B 3,464,837

PRRANETA INDUSTRIES LIMITED

PROXY FORM

Folio No. _____

Client ID no. & DP ID no. _____

I/We _____ of _____ being
Member/Members of Prraneta Industries Limited, hereby appoint _____ of
_____ or failing him/her _____ of _____
as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held on
Friday, 30th September, 2011 at 9.00 A.M at the Registered Office of the Company situated at S-574 / 577 Belgium Square
Ring Road, Surat - 395002 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix Re.1/-
Revenue Stamp here
& Sign

Signature of the Shareholder(s)

Note: The Proxy form duly completed must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. The Proxy need not be a member of the Company.

PRRANETA INDUSTRIES LIMITED

ATTENDANCE SLIP

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

<i>Name and Address of the Member</i>	<i>Registered Folio No.</i>	<i>Client ID & DP ID No.</i>	<i>Number of Shares held</i>

I/We hereby record my/our presence at the Annual General Meeting of the Company to be held on Friday, 30th September, 2011 at 9.00 A.M at the Registered Office of the Company situated at S-574 / 577, Belgium Square Ring Road, Surat - 395002.

Signature of the Member or the Proxy Attending the Meeting

<i>If Member, please sign here</i>	<i>If Proxy, please sign here</i>

Note: *Members are requested to bring their copies of Notice and the Annual Report to the meeting as the same will not be circulated at the meeting.*