



*Scaling
Greater Heights*

PRATIBHA INDUSTRIES LIMITED
ANNUAL REPORT 2010-11



A Word from the Chairperson



Dear Shareholders,

In the last year, the economy had mixed signals. The year started on a cautious note and then picked up, increasing the business confidence. Due to the good monsoon, agriculture picked up and the manufacturing sector progressed well. Also, investments in the construction sector grew well with a pickup in demand. This has created new opportunities, both domestically and overseas.

Against this backdrop, Pratibha Industries has turned out a good performance in the last fiscal. Despite the tough competitive environment, we were able to make some significant breakthroughs which boosted our order intake substantially and we grew profitably as you would read in the subsequent pages of this report.

Growth with profitability has been and is our motto. We will be selective in taking up orders that bring us positive returns. While we are confident to grow in the existing businesses, we will additionally look at new business opportunities to diversify. This will ensure that we create a more solid base for our Company in the future.

As a responsible citizen, we are conscious of our responsibility towards the Society and our neighbourhood. This year, we have undertaken a few local initiatives and are committed to bettering the lives of the less fortunate under the umbrella of Pratibha Foundation.

Our employees have been the key driving force behind our success and we are committed to developing their capabilities and recognizing potential. For the year ahead we have outlined several new HR initiatives that will focus on performance management, learning and development and employee engagement.

In this journey of success, I would like to thank all the employees, staff members and workers for their hard work and support for bringing Pratibha to the position it is today. I would like to thank our Customers for the confidence they have placed in our capabilities and our Board of Directors for their valuable support and guidance given to us. Most importantly, I would like to thank you, our Shareholders, for the trust you have reposed in us.

Usha B. Kulkarni (Chairperson)
Pratibha Industries Limited

Board of Directors

Mrs. Usha B. Kulkarni	Chairperson
Mr. Ajit B. Kulkarni	Managing Director
Mr. Vinayak B. Kulkarni	Whole Time Director
Mr. Rohit R. Katyal	Whole Time Director
Mr. Awinash M. Arondekar	Independent Director
Mr. Shrikant T. Gadre	Independent Director
Dr. S. L. Dhingra	Independent Director
Mr. V. Sivakumaran	Independent Director
Mr. Vilas B. Parulekar	Independent Director

Company Secretary

CS. Pankaj S. Chourasia

Statutory Auditors

Jayesh Sanghrajka & Co.,
Chartered Accountants

Internal Auditors

Chokshi & Chokshi,
Chartered Accountants

Bankers to the Company

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

Registrars and Transfer Agents Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078
Tel No. 022-25963838 / Fax: 022 - 25946969
Website: www.linkintime.co.in
E- Mail: rnt.helpdesk@linkintime.co.in

Registered Office

Shrikant Chambers, Phase-II,
5th Floor, Sion - Trombay Road,
Next to R.K. Studio, Chembur,
Mumbai 400071.

Corporate Office

14th Floor, Universal Majestic,
P. L. Lokhande Marg, Off. Ghatkopar Mankhurd
Link Road, Govandi (W), Mumbai – 400 043.
Tel : 91- 22-3955 9999
Fax : 91- 22-3955 9900
E-mail: info@pratibhagroup.com
Website: www.pratibhagroup.com

Works

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

16th Annual General Meeting

On 21st July, 2011 at 3:30 p.m.

Natraj Avenue,
Next to R.K. Studio, Sion Trombay Road,
Chembur, Mumbai – 400 071.

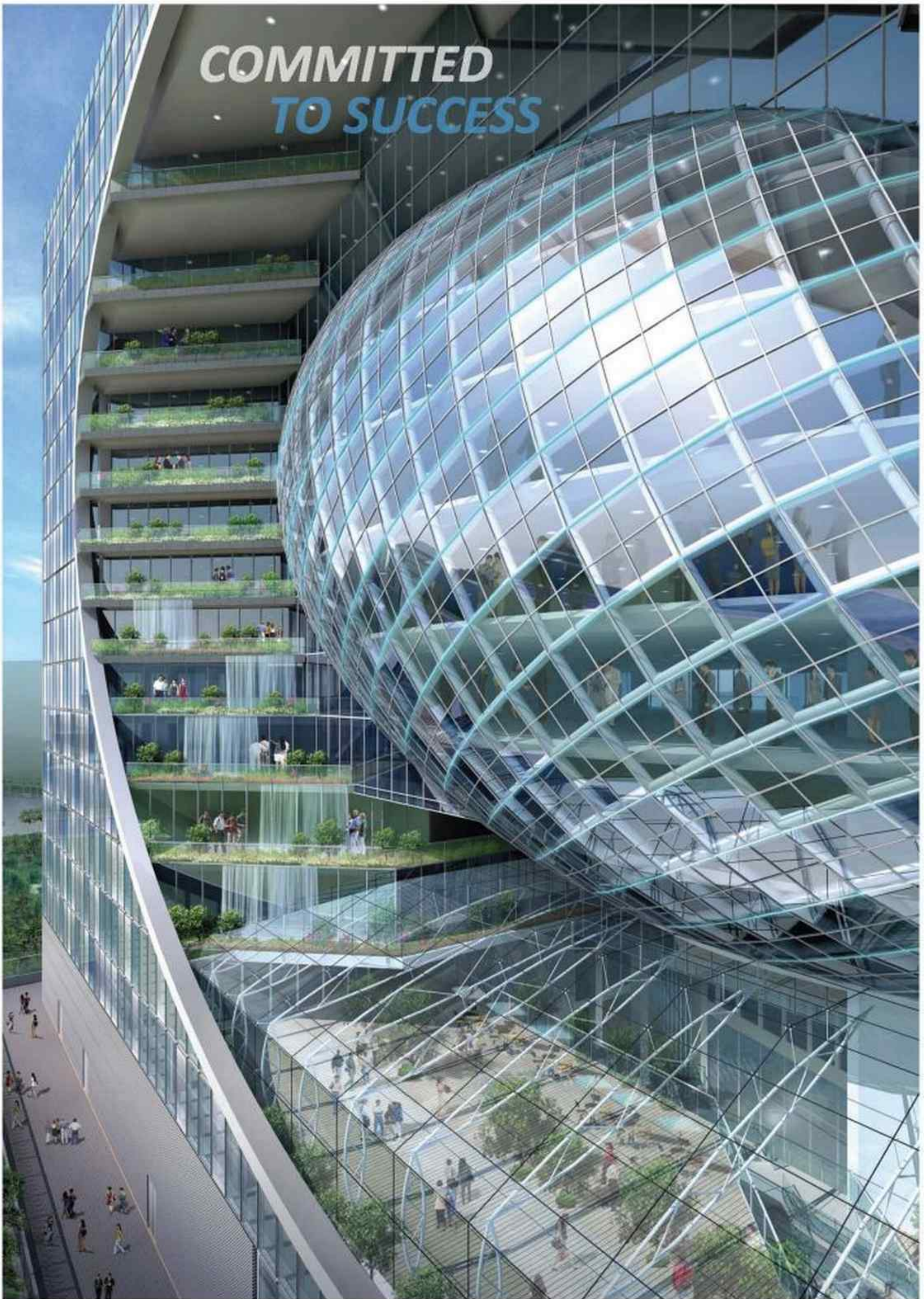
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A YEAR IN RETROSPECT



COMMITTED
TO SUCCESS



Success - The never ending quest

Our company's exponential growth is a testament to our commitment to succeed. In the last five years we have made the journey from being a ₹175 crores organisation to a ₹1300 crore Company. Our philosophy has been to grow profitably while creating value for our shareholders and a nurturing working environment for our employees. Success is often defined by the wealth gathered by a company in the course of its operation, but we define our success through what we can give back to the people who help support us.

In this quest, we have expanded customer base across India and set up establishments in Delhi, Hyderabad and Bangalore. In order to diversify, we have entered into new business areas such as oil and gas. We have also setup new companies with special focus on custom built infrastructure projects and property development. To maximise our potential globally, we have set up operations in Dubai and due to the diligence of our overseas team, we have in a short span of time secured an approx. ₹355 crore order from Dubai Electricity and Water Authority (DEWA). Our efforts in the overseas markets continue and we are confident in making more inroads in the global market.



Mrs. Usha B. Kulkarni, Chairperson signing and exchanging the Contract with H.E. Mr. Saeed M. Al Tayer for DEWA project at Dubai.



Mr. Ajit Kulkarni, Managing Director of Pratibha Industries Ltd. with H.E. Mr. Saeed M. Al Tayer Managing Director - DEWA



COMMITTED
TO INNOVATION

Innovation - The urge to progress

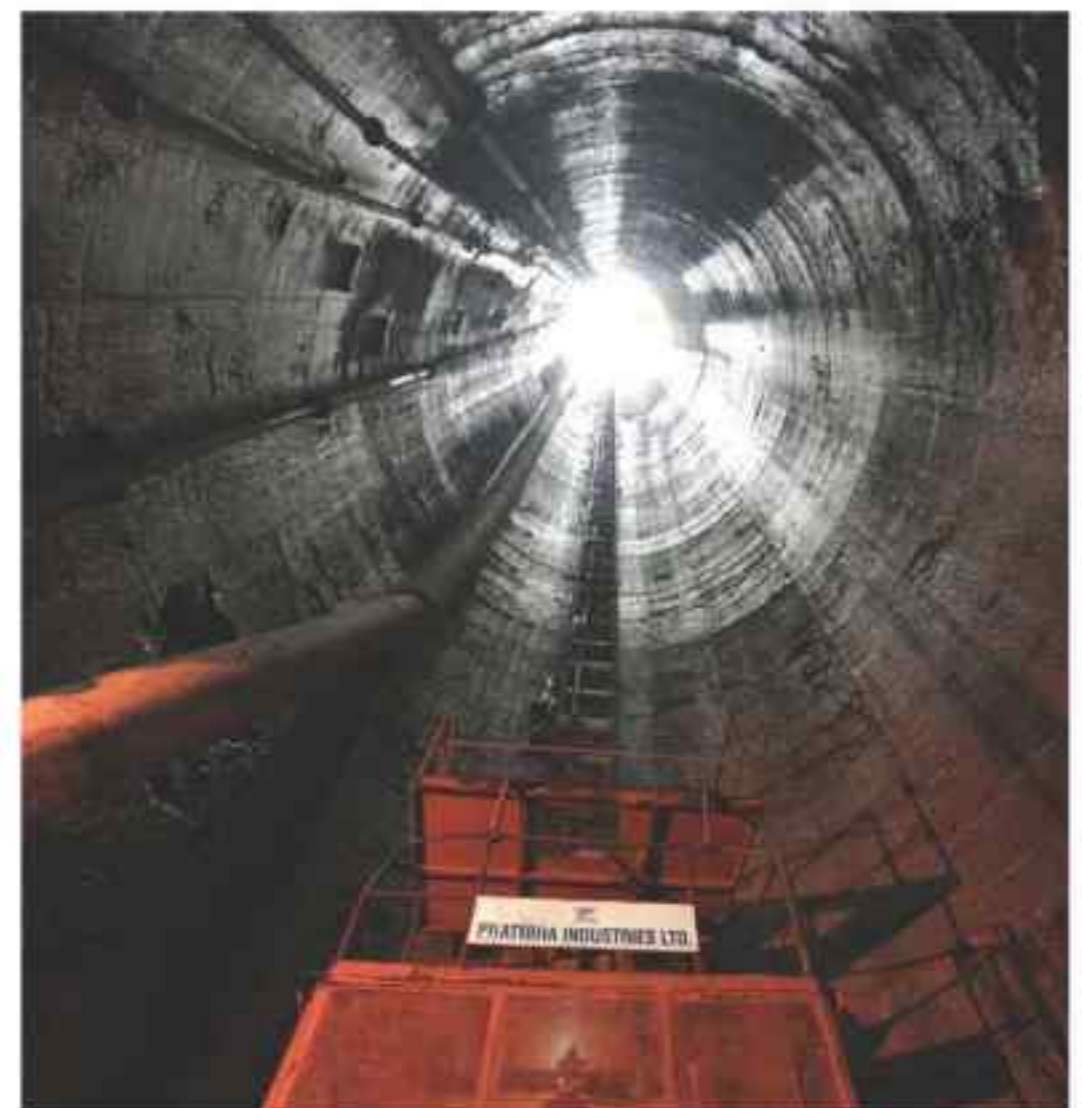
Innovation isn't simply a word that we use to describe our daily operations; we believe that innovating is the only way to progress. In our continual quest for excellence we invest in bringing in new technologies and applications to our processes.

This is the reason we are continually building some of the most unique and iconic structures in India. From the tallest steel structure in India to the deepest car park, we brought in technology never seen before on this subcontinent to bore water pipelines deep below the Mumbai coastal seabed. It's this thirst for progress which lets us create an office complex in BKC which has automated car park and never before seen Cybertecture, a new and unique way to design and manage buildings.

Our pumps ensure that the excess water in low-lying areas can be reasonably pumped out during the monsoons. From manufacturing the truss that actually picked and placed building blocks of the Worli Bandra Sea Link to fabricating the longest girder in India, Pratibha Industries has the people and the will to make it happen.



A worker at our plant at Wada



A view of the shaft of the tunnel which is 90 meters below the ground level at Churchgate

***COMMITTED
TO SOCIETY***



Responsibility - The need of the hour

Pratibha Group is dedicated to social welfare and community growth. To that end, it has established the Pratibha Foundation, the brainchild of our chairperson and the public welfare wing of the organization is committed to uplift the weaker sections of the society by eradicating poverty and promoting literacy among them.

The foundation had also coordinated a painting competition to encourage the young talents.

The foundation has thus far carried out numerous initiatives such as clothes donation drives, furniture donations to orphanages and sponsorship of Sai Pad Yatras, to name a few, and is on the verge of establishing a community welfare centre to promote holistic development among the micro levels of society. Through this initiative, we shall constantly endeavor to create a positive influence on those around us and develop an environment conducive to sustainable development with a simultaneous positive impact on society. Corporate Social Responsibility is part of our mission and we will increase our CSR activities in the future.

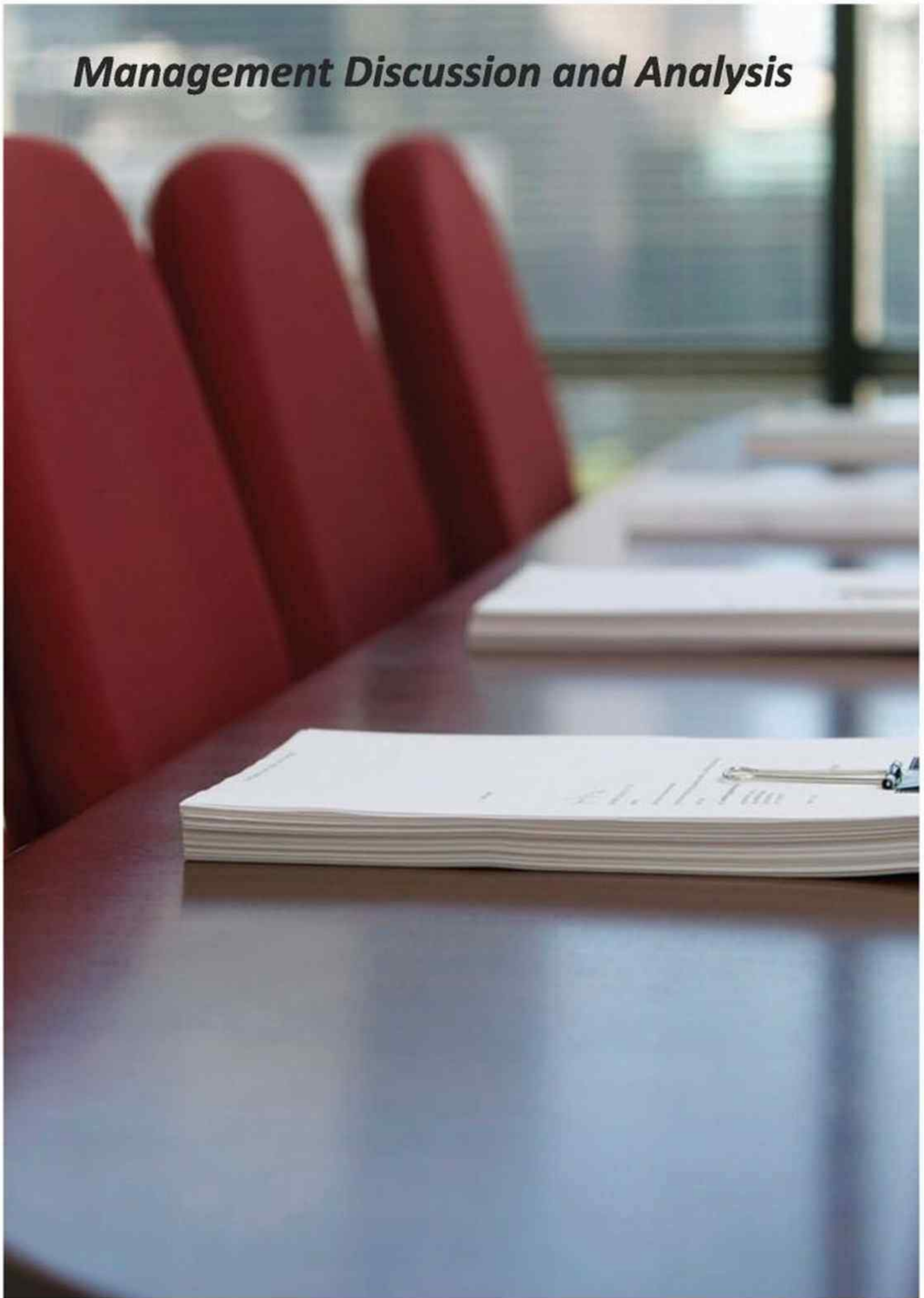


Mrs. Usha Kulkarni, Chairperson at Chembur Children's Home



Donation of lockers to the Chembur children's home being handed over by Chairperson Mrs. Usha Kulkarni and Whole time Director Mr. Vinayak Kulkarni

Management Discussion and Analysis



Industry Structure – General

Infrastructure will always remain a vital sector for India's growth story and a key sector in the budget. Finance Minister, Pranab Mukherjee has planned an allocation of Rs 214,000 crore towards developing the country's infrastructure in the next fiscal.

The Planning Commission has projected that investment in infrastructure would almost double at US\$ 1,025 billion in the 12th Plan, compared to US\$ 514 billion in the 11th Plan. Of the US\$ 1,025 billion, 50 per cent is expected to come from private sector, whose investment has been 36 per cent in the 11th Plan.

A total of 261 projects had been approved by the public private partnership (PPP) approval committee and empowered committees and institutions with a capital investment of US\$ 44.59 billion till June 2011 end, according to Mr. V Narayanaswamy, Minister of State for Planning.

Meanwhile, a committee on infrastructure under Prime Minister Dr. Manmohan Singh will conduct quarterly review of development of power, road, ports, civil aviation and railways sectors as announced by the Planning Commission of India recently. Further, the cabinet committee on infrastructure (CCI) will handle specific infrastructure cases that may require necessary policy correction or solving issues affecting projects.

Water Supply & Sewerage

The urban population of India comprises about 30% of the total population. This percentage is expected to grow to 40% by 2021. However, water transmission and distribution systems have failed to keep up with this growth, leading to significant problems in availability and quality.

Your Company is currently evaluating opportunities to supply water to both commercial enterprises and residences, through world-class facilities in partnership with international players having requisite experience in water PPP.

Water is the lifeblood of any home and industry, be it rural or urban, and your company is focused on partnerships and PPP solutions that will help solve the nation's resource and supply challenges, using cleaner and better water technologies.

In order to boost the development of Water Supply & Sewerage project Government of India has announced various incentive and has also made many plans & programs which it is executing. One of such program is Total Sanitation Campaign. Total Sanitation Campaign is a comprehensive programme to ensure sanitation facilities in rural areas with broader goal to eradicate the practice of defecation in the open.



A water treatment plant at 10 MGD Bhagirathi constructed for Delhi Jal Board

Airports

The Role of Aviation Industry in India's GDP in the past few years has been phenomenal in all respects. The Aviation Industry in India is the most rapidly growing aviation sector of the world. With the rise in the economy of the country and followed by the liberalization in the aviation sector, the Aviation Industry in India went through a complete transformation in the recent period. Five international airport projects have been undertaken through the public-private partnership (PPP) mode —the development of Cochin, Hyderabad and Bengaluru international airports and the modernization of Delhi and Mumbai international airports. The Airports Authority of India (AAI) is upgrading and modernizing 35 non-metro airports in the country at an estimated cost of around US\$ 1 billion, as well as modernizing the airports of Chennai and Kolkata. Domestic passenger traffic is estimated to reach 150–180 million by 2020, while international passenger traffic is expected to grow to around 50 million by 2015.

Roads and highways

India has the world's second largest road network, aggregating over 3.34 million kilometers (km), as per the National Highway Authority of India (NHAI). About 65 per cent of freight and 80 per cent passenger traffic is carried by the roads.

India's construction sector is expected to grow at about 35 per cent between 2008–09 and 2012–13. The private sector is expected to contribute 44 per cent of the total projected spend of US\$ 100 billion on roads and highways over the Twelfth Five Year Plan period.

The government will undertake the up gradation of around 3,700 km of national highways (NHs) under the National Highways Interconnectivity Improvement Project (NHIP) at a cost of about US\$ 4.26 billion. This project, to be executed by the Ministry of Road Transport and Highways, would involve double laning of single-lane highways in eight states in the next three years. Currently, about 30 per cent of the total NH network is still single-laned, 53 per cent double-laned and 17 per cent four/six/eight-laned. In what could come as a boost for construction companies, the road transport ministry plans to award projects covering 10,000 km of highways during the current financial year. About 80 per cent of these would be awarded on the build-operate-transfer (BOT) mode.

The Indian government has launched the ambitious National Highway Development Programme (NHDP) involving a total investment of US\$ 50 billion on concessions/contracts to be awarded by 2012.

Urban infrastructure

Urban infrastructure consists of drinking water, sanitation, sewage systems, electricity and gas distribution, urban transport, primary health services and environmental regulation. Rapid economic growth will inevitably lead to an increase in urbanization as cities provide large economies of agglomeration for individual activity. Urbanization is an integral part of the process of economic growth. As in most countries, India's towns and cities make a major contribution to the country's economy. With less than 1/3 of India's people, its urban areas generate over 2/3 of the country's GDP and account for 90% of government revenues.

The investment estimates for the eight sectors of urban infrastructure for the 20-year period from 2012 to 2031 amount to Rs 31 lakh crore at 2009-10 prices. Sectors delivering urban services such as water supply, sewerage, solid waste management, and storm water drains account for 26 per cent (Rs 8 lakh crore) of the total investment requirement.

Urban roads constitute the highest share of urban infrastructure investment, i.e. 56 per cent of the total. Investment in urban transport and traffic support infrastructure accounts for 17.7 per cent of the total infrastructure investment of Rs 31 lakh crore.

Tunneling

There's a lot happening beneath the surface, thanks to burgeoning construction opportunities and superior equipment and expertise on offer.

The action has shifted underground. A plethora of opportunities for underground construction, in the shape of hydropower and irrigation projects, metro rail tubes, and micro tunneling for urban sewerage and storm water drainage projects, is driving the market for tunneling to unprecedented heights.

With the increase in development work of hydropower and irrigation projects, metro rail tubes, and micro tunneling for urban sewerage and storm water drainage projects in India, the amount of tunneling work has increased manifold.



IRLA water pumping station



Municipal Solid Waste Management

Municipal solid waste management (MSWM) encompasses planning, engineering, organization, administration, financial and legal aspects of activities associated with generation, storage, collection, transfer and transport, processing and disposal of municipal solid wastes (household garbage and rubbish, street sweepings, construction debris, sanitation residues etc.) in an environmentally compatible manner adopting principles of economy, aesthetics, energy and conservation. The explosion in urban population is changing the nature of solid waste management in developing countries from mainly a low priority, localized issue to an internationally pervasive social problem.

Management of Municipal Solid Wastes (MSW) continues to remain one of the most neglected areas of urban development in India. The 23 metro cities in India generates about 30,000 tonnes of such wastes per day while about 50,000 tonnes are generated daily from the Class I cities. The Civic bodies are facing considerable difficulties in providing adequate services such as supply of water, electricity, roads, education and public sanitation, including MSWM. India currently is facing a municipal solid waste dilemma, for which all elements of the society are responsible. The community sensitization and public awareness is low. There is no system of segregation of organic, inorganic and recyclable wastes at household level. There is an adequate legal framework existing in the country to address MSWM. What is lacking is its implementation. In spite of a stringent legislation in place, open dumping is the most wide spread form of waste disposal.

Carbon Credits

Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and other gases—as a group called “greenhouse” gases (GHG)—are environment pollutants, and have the potential to bring severe ramification to the entire globe. Barring a few pollutants they act globally, thus their impact on the environment is generally similar wherever in the globe they are released.

There are many ways and efforts underway to reduce carbon emissions and promote activities which help to store and remove carbon. This has made carbon a valuable economic commodity.

Oil & Gas

Oil accounts for 31 per cent of India’s total energy consumption and there is not likely to be any significant scaling down of dependence on these fuels in the next five to ten years. To keep up to the rising demand the Government of India has initiated policies that have helped investors in the sector and also facilitated exploration and production of oil and gas in the country. India will account for 12.59 per cent of Asia Pacific’s regional oil demand by 2014, according to the latest ‘India Oil & Gas Report’. India’s current petroleum products consumption rate from April 2010 to February 2011 was 128.827 million tonnes (MT), as per the estimates of the Planning and Analysis Cell (PPAC). Gas consumption is set to rise from an estimated 63 BCM in 2010 to 110 BCM, with domestic supply up from around 45 BCM in 2010 to at least 70 BCM by 2014.

Opportunities – Specific to Pratibha Industries Limited

Infrastructure & Construction

India's economy is big and getting bigger. Your Company estimates that India will become the world's third largest economy by 2050. Liberalization of government regulations and a deliberate strategy on the part of the Government to promote infrastructure spells ample opportunity for the growth of your company.

Your company's infrastructure division see excellent opportunities, with roads and highways, ports and airports, railways and power standing out as particular bright spots, with staggering sums of investment planned. Public private partnerships (PPPs) are gaining importance, and are benefiting from government support. Targeted PPP participation is US\$150 billion. Companies experienced in structuring these types of deals should be able to use their expertise to good effect in the Indian marketplace

Major infrastructure development requires a substantial influx of investment capital. The policies of the Indian Government seek to encourage investments in domestic infrastructure from both local and foreign private capital. The country is already a hot destination for foreign investors. As per the World Investment Report of the UNCTAD, India was rated the second most attractive location (after China) for global FDI. Your Company is committed to serving society's need for sustainable and quality infrastructure development. In doing so, the Company will maximize shareholder value by generating stable and growing cash flow streams over concession periods ranging from 15 to 30 years. We are also actively pursuing new business opportunities in power, water and airports.

We are aware that mere creation of a sizeable portfolio does not imply greater shareholder wealth and that the projects must earn high returns on equity while effectively managing risk and maximizing free cash flow. To achieve these goals, your company adopts a disciplined and patient investment strategy complemented by top class construction execution and operations and maintenance (O&M). Each of Pratibha's projects meets a high hurdle rate of return, with significant upside characteristics.

The Company has also partnered with leading global developers and O&M providers to bring world-class systems and best practices to India. The development of a larger and diversified infrastructure portfolio will require significant capital investment in the years to come. The Company has made the requisite strategic and financial tie-ups to achieve its growth objectives.

Your Company has presence in various segments like Water treatment, Road construction, Mass Housing (construction & real estate development), Water supply & distribution system; pre cast design & environmental engineering. We have emerged as one of the leading players in the water segment space with over 30 years experience in manufacturing of pipes, construction of complex water supply treatment, surface transport, urban infrastructure as well as BOT Projects.

We have started our operations from Maharashtra as a focused player and gradually expanded our activities across India through entry into new verticals & aggressively bidding for new projects. Out of the total order book, 58% of the orders accrue from Bihar, Karnataka, MP, UP, New Delhi & Rajasthan while rest 42% is from Maharashtra. Going forward, company plans to expand its presence across geographies & maintain its order book inflow.

India requires investments to the tune of US \$500 bn in Infrastructure by FY 2012, of which around US \$125 bn is expected to come from the private sector. Given this, most Infrastructure companies stand to benefit from this with a decent share of the Infrastructure spend expected to fall in their kitty. This should ensure good earnings possibilities for PIL going ahead. Over the next few years, Pratibha is poised to benefit from large Projects planned by the Central and State governments in the Infrastructure and Construction segment in India. Moreover, the issuance of preference shares to Van Dyck a subsidiary of ChryCapital which now holds nearly 12% in Pratibha, instills further confidence regarding the overall business of the company.

PIL has identified new growth areas such as hydro carbon and power projects which would continue to help the Company maintain robust order book growth going forward. PIL also plans to continue to expand its presence across geographies as well as different business segments which should help in mitigating business specific and geographic risk.



14 A top view of the new Ahmedabad Airport, awarded as the second best airport in India

SAW pipe being manufactured at our Plant in Wada



Saw Pipes division

The SAW pipes manufacturing unit and the state-of-the-art coating plant of the company obtained various certifications including prestigious American Petroleum Institute (API) certifications for its manufacturing facilities. Currently your company utilizes most of its production capacity for captive purposes and the rest is sold in the market. Your company does not have to depend on other contractors to bid for pipeline related projects which enables the company to bid for such projects at very competitive rates.

The unit has a manufacturing capacity of HSAW pipes of 92,000 TPA (tonnes per annum). However, in the last year, the factory was under pressure as the anticipated orders slowed down in this segment due to a general recession in the global and local demand. This resulted in underutilization of the existing capacities. The Management is reviewing the performance of this unit and has put in place measures for restructuring the operations to make it more viable in the future.

Adequacy of Internal Control

Your Company has an adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal, and transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management, documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. Clearly defined roles and responsibilities down the line for all managerial positions have been institutionalized. All operating parameters are monitored and controlled.

Regular internal audits and checks ensure that responsibilities are executed effectively. The audit committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time. As per the clause 49 of the listing agreement with the stock exchanges, the management has established adequate internal control procedures over financial reporting

Highlights of Financial Performance

The financial highlights of the Company in 2010-11 on a consolidated basis are as under:

- Balance Order Book at ₹3,622 crore at the close of 2010-11.
- Revenue from operations increased by 25.71% from ₹1013.43 crore in 2009-10 to ₹1273.99 crore in 2010-11.
- EBIDTA grew by 24.52% from ₹142.91 crore in 2009-10 to ₹177.95 crore in 2010-11.
- PAT increased by 26.40% from ₹56.51 crore in 2009-10 to ₹71.43 crore in 2010-11.
- Net Profit Margin for the year 2010-11 is 5.61% as against 5.58% last year.
- EPS grew by 16.70% from ₹6.77 per share in 2009-10 to ₹7.90 per share in 2010-11.

Your company's order book stands currently at ₹3622 crores diversified across segments like water treatment (60%) & urban infrastructure (40%) with an average execution period of 2-3 years. We expect to close the financial year with an order book of ₹5000 crores. Our current order book to sales is 3.10 times of FY11 revenue.

Risk & Uncertainties

Economic slowdown

Slowdown in the Indian economy due to the persistent inflationary fears can have an adverse effect on the fiscal situation of the country. Due to this, budgetary allocations for ongoing infrastructure projects may be reduced which in turn would affect the growth prospects of the Company.

Delay in execution

The construction business is facing risks of delay in execution of the projects undertaken due to cost overruns, issues related to land acquisition, environmental clearance and adverse weather conditions. Consequently, this may adversely impact the operating performance of PIL business going forward.

Change in Government Policy & Political Uncertainty

Consistency in Government policies, thrust towards infrastructure development and timely execution of various projects remains a key for the infrastructure players. Any political instability could result in delay in reforms and could have a material adverse impact on the sector.

Financial risk

The fortunes of PIL greatly depend on government of India & its expenditure plans. Any slowdown in government spending could hamper PIL's growth prospects. Further the rising interest rates could also hit its bottom line.

Entering different business verticals

PIL is trying to venture into new verticals to create its presence across the industry. This move could impact the company's top line & bottom line performance if the premises undergo a change.

Risk Management

The Company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks. The first looks at all risks associated with the longer term interests of the Company. The other two looks at risks associated with the regular functioning of each of the processes and the risks associated with incorrect or delayed financial and non-financial reporting. To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, Your Company has set in place various procedures for Risk Management. During the year, the Board has reviewed the risk assessment and a risk minimization procedure has been adopted by the Company.



16 Employees in discussion at Head quarters

Human Resources and Industrial Relations

To meet the ambitious growth plans of the company, a structured organization with succession planning and strategies for development of the required technical and managerial skills within the organization are being developed. The Company is deputing its personnel for various training programs in established institutions besides in house training so as to improve the managerial and technical skill sets. Your company is following the most favorable human resource policy as prevailing in the industry. We believe in peaceful and harmonious relationship with the personnel of all the levels to achieve our goals. Your Company firmly believes the involvement of personnel into decision making process of the Company. The Company continues to provide growth opportunities to its employees by way of training workshop and by that way to retain efficient and talented employees in the Company.

Occupational Health, Safety and Environment Management are given the utmost importance in your Company. There is in place a well defined in-house training program for its employees to upgrade their operating skills. The relations between the Company and the employees were cordial and the Company experienced peace and harmony throughout the year. The Company has well defined policy to recruit qualified with proven track record professionals in operations and business development, which would provide able support to management in its endeavor to scale greater heights. Your company is following the highest level of safety measures for the its most precious assets i.e. human beings. The company is also having a well defined policy for environmental safety.

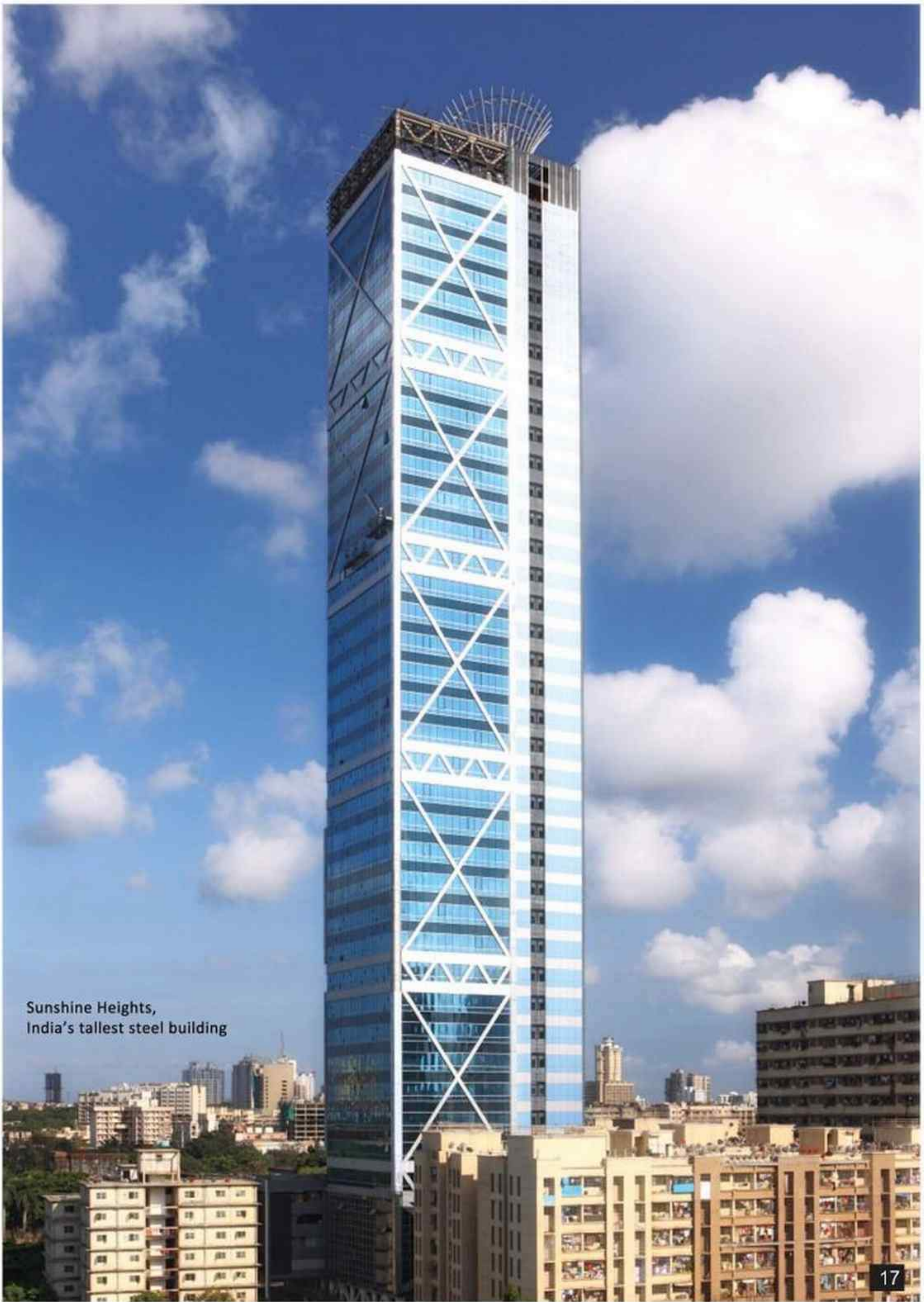
The Company places a high emphasis on the empowerment and well-being of its employee. Training and developmental activities are identified and organized with the progress continually monitored to enrich the people capital. Your Company has been aggressively focusing on attracting and retaining the best available talent. Adequate welfare measures are in place and the Company will continue to improve the same on an ongoing basis.

Conclusion

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

Cautionary Statement

Statement in this Management Discussion and Analysis report regarding the Company's objective, projections about the future, estimates, expectations or predictions including, but not limited to, statements about the Company's strategy for growth, products development, market position and expenditures may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual performance could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates or changes in the Government regulations, tax laws and other statutes or other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.



Sunshine Heights,
India's tallest steel building

Five Years at a Glance (Consolidated)

Particulars	(₹ in Millions)				
	2010-11	2009-10	2008-09	2007-08	2006-07
Total Income	12,739.97	10,134.33	8,107.63	5,651.07	3007.77
Operating Expenses	10,960.71	8,705.24	7,141.48	4,990.66	2637.48
Operating Profit	1,779.26	1,429.09	966.15	660.41	370.28
Finance Charges	641.20	522.35	340.51	222.74	123.40
Depreciation	170.17	140.43	71.26	35.99	11.27
Profit before Tax	967.89	766.31	554.38	401.68	235.62
Provision for Tax	253.59	201.21	107.11	59.10	31.33
Profit after Tax	714.30	565.10	447.28	342.58	204.29
<u>What we owned</u>	-	-	-	-	-
<u>Fixed Assets</u>	-	-	-	-	-
Gross Block	3,585.58	3,169.00	1683.21	989.83	246.22
Less : Depreciation	427.17	278.43	139.41	68.56	32.66
Net Block	3,158.41	2,890.57	1543.80	921.28	213.56
Capital Work in Progress	544.85	113.66	607.46	315.24	279.83
Investments	1.43	51.43	0.93	852.97	28.23
Working Capital	5,701.72	4,176.18	2640.88	1095.14	1794.32
Miscellaneous Expenditure	0.67	0.87	0.30	0.15	0.15
Total	9,407.08	7232.71	4,793.37	3184.78	2,315.99
<u>What we owed</u>	-	-	-	-	-
Secured Loans	3,270.38	3047.78	2179.33	1284.34	1063.13
Unsecured Loans	1,118.03	1300.09	305.13	43.73	299.79
Deferred Tax Liability	183.96	131.10	61.70	17.81	4.49
Total	4,572.37	4478.97	2,546.16	1,345.88	1,367.41
<u>Networth</u>	-	-	-	-	-
Share Capital	348.85	166.85	166.85	166.85	142.85
Reserves & Surplus	4,485.86	2586.89	2080.35	1672.05	805.73
Total	4,834.71	2753.74	2,247.20	1,838.90	948.58
EPS (₹)	7.90	33.87	26.81	22.88	14.30
Dividend per Share	30%	30%	20%	20%	20%
Book Value per Share (₹)	48.62	165.04	134.68	110.21	66.40
Debt Equity Ratio	0.77	1.58	1.11	0.72	1.44

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Pratibha Industries Limited will be held on Thursday, 21st July, 2011 at 3.30 p.m., at Natraj Avenue, Next to R.K. Studio, Sion Trombay Road, Chembur, Mumbai – 400 071, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended March 31, 2011 and Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon;
2. To consider declaration of final dividend, if any;
3. To appoint a Director in place of Mr. Shrikant T. Gadre, who retires by rotation and, being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. Rohit R. Katyal, who retires by rotation and, being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Dr. S. L. Dhingra, who retires by rotation and, being eligible, offers himself for re-appointment;
6. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Jayesh Sanghrajka & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Schedule XIII read with Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the board of directors (hereinafter referred to as the "Board" and which the term shall include any committee thereof), to revise the terms and conditions of the appointment of Mr. Ajit B. Kulkarni, Managing Director of the company, by making the provisions for the payment of remuneration w.e.f. April 1, 2011, for the remaining period of his tenure i.e. upto 31st March, 2014, as mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT wherein any financial year, the company has no profits or its profits are inadequate, Mr. Ajit B. Kulkarni, subject to the approval of Remuneration Committee of the Directors of the company, shall be paid such remuneration not exceeding the ceiling limits specified under Schedule XIII of the Companies Act, 1956, and subject to approval of the Central Government, wherever required.

RESOLVED FURTHER THAT the Board be and is also hereby authorized to alter the remuneration from time to time as may be required to the extent the Board may consider appropriate in accordance with the applicable provisions of the Companies Act, 1956, and any rules, regulations and schedules made there under for the time being in force."

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

"RESOLVED THAT in accordance with the provisions of Schedule XIII read with Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the board of directors (hereinafter referred to as the "Board" and which the term shall include any committee thereof), to revise the terms and conditions of the appointment of Mrs. Usha B. Kulkarni, Chairperson of the company, by making the provisions for the payment of remuneration w.e.f. April 1, 2011, for the remaining period of her tenure i.e. upto 31st March, 2014, as mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT wherein any financial year, the company has no profits or its profits are inadequate, Mrs. Usha B. Kulkarni, subject to the approval of Remuneration Committee of the Directors of the company, shall be paid such remuneration not exceeding the ceiling limits specified under Schedule XIII of the Companies Act, 1956, and subject to approval of the Central Government, wherever required.

RESOLVED FURTHER THAT the Board be and is also hereby authorized to alter the remuneration from time to time as may be required to the extent the Board may consider appropriate in accordance with the applicable provisions of the Companies Act, 1956, and any rules, regulations and schedules made there under for the time being in force."

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

"RESOLVED THAT in accordance with the provisions of Schedule XIII read with Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the board of directors (hereinafter referred to as the "Board" and which the term shall include any committee thereof), to revise the terms and conditions of the appointment of Mr. Vinayak B. Kulkarni, Whole Time Director of the company, by making the provisions for the payment of remuneration w.e.f. April 1, 2011, for the remaining period of his tenure i.e. upto 31st March, 2014, as mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT wherein any financial year, the company has no profits or its profits are inadequate, Mr. Vinayak B. Kulkarni, subject to the approval of Remuneration Committee of the Directors of the company, shall be paid such remuneration not exceeding the ceiling limits specified under Schedule XIII of the Companies Act, 1956, and subject to approval of the Central Government, wherever required.

RESOLVED FURTHER THAT the Board be and is also hereby authorized to alter the remuneration from time to time as may be required to the extent the Board may consider appropriate in accordance with the applicable provisions of the Companies Act, 1956, and any rules, regulations and schedules made there under for the time being in force."

10. 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 Schedule XIII read with Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the board of directors (hereinafter referred to as the "Board" and which the term shall include any committee thereof), to revise the terms and conditions of the appointment of Mr. Rohit R. Katyal, Whole Time Director of the company, by making the provisions for the payment of remuneration w.e.f. April 1, 2011, for the remaining period of his tenure i.e. upto 30th September, 2014, as mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT wherein any financial year, the company has no profits or its profits are inadequate, Mr. Rohit R. Katyal, subject to the approval of Remuneration Committee of the Directors of the company, shall be paid such remuneration not exceeding the ceiling limits specified under Schedule XIII of the Companies Act, 1956, and subject to approval of the Central Government, wherever required.

RESOLVED FURTHER THAT the Board be and is also hereby authorized to alter the remuneration from time to time as may be required to the extent the Board may consider appropriate in accordance with the applicable provisions of the Companies Act, 1956, and any rules, regulations and schedules made there under for the time being in force."

Registered Office:

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

**By the Order of the Board of Directors
For Pratibha Industries Limited**

**Pankaj S. Chourasia
Company Secretary**

Date : 24th June, 2011

Place: Mumbai

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution in original authorising their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
5. Members who hold shares in dematerialized form are requested to write their **Client ID and DP ID Numbers** and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11 a.m. and 1 p.m. up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from Tuesday, 12th July, 2011 to Friday, 15th July, 2011 (both days inclusive).
9. Non-Resident Indian members are requested to inform the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited, immediately of:
 - (a) The change in the residential status on return to India for permanent settlement;
 - (b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
11. Re-appointment of Directors:

At the ensuing Annual General Meeting Mr. Shrikant T. Gadre, Mr. Rohit R. Katyal and Dr. S. L. Dhingra, are retiring by rotation and being eligible offer themselves for re-appointment. As per the provisions of Clause 49 (IV) (G) of the Listing Agreement with the Stock Exchanges, the details pertaining to these Directors are furnished in the statement on Corporate Governance published in this Annual Report.
12. After declaration of dividend, if any, at the Annual General Meeting, the Dividend Warrants/ Pay Orders/ Drafts for the dividend amount are scheduled to be posted to the members, whose names appear on the Register of Members on close of business hours on 15th July, 2011. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership, as per details to be furnished for this purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
13. The dividend will be paid through NECS in respect of shareholders having demat accounts, to the credit of related bank accounts as furnished by the depositories. Members who desire the warrants and would like to have their bank accounts details incorporated in their dividend warrants may please furnish the following details;
 - i. Folio No./DP ID/ Client ID
 - ii. Name and Address of sole/ first shareholder.
 - iii. Bank Account No. (With prefix SB/ CA etc.).
 - iv. Name of the bank and branch.
 - v. Full address of the bank with Pin Code.

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

Henceforth, the email addresses indicated in your respective Depository Participants (DP) accounts which will be periodically downloaded from Depositories will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website of the company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the company.

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

ITEM NO. 7

In 14th annual general meeting Mr. Ajit B. Kulkarni has been re appointed as Managing Director for five years from 01st April, 2009 to 31st March, 2014. As per the recommendations of the Remuneration Committee, the Board of Directors in their meeting held on 19th May, 2011, have approved revision in remuneration of Mr. Ajit B. Kulkarni, Managing Director of the Company w.e.f. 1st April, 2011, for remaining period of his tenure i.e. upto 31st March, 2014, subject to approval of the members in their general meeting.

The broad particulars of revised remuneration payable to Mr. Ajit B. Kulkarni during his remaining tenure as Managing Director are as under:

Basic Salary : ₹ 15,00,000 per month

In addition to the basic salary, the Managing Director shall also be entitled to such facilities, Perquisites, Allowances, bonus and incentives, which may include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; two club fees, provision of two cars with chauffers, medical insurance, performance bonus/ incentive, commission on sales and such other perquisites, allowances, as may be decided by the Board of Directors, payable monthly, quarterly and / or annually.

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

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

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

Mr. Ajit B. Kulkarni, shall not be subject to retirement by rotation.

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

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

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

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

ITEM NO. 8 & 9

Considering the Background, competence and experience of Mrs. Usha B. Kulkarni and Mr. Vinayak B. Kulkarni (hereinafter referred as Executive Directors) and compared to the remuneration packages of similarly placed personnel of corporate bodies in the country, the Board of Directors at its meeting held on May 19, 2011, revised the remuneration of the above mentioned personnel as approved by the Remuneration Committee, for remaining period of their respective tenures as Whole Time Director with effect from April 1, 2011.

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

	Mrs. Usha B. Kulkarni	Mr. Vinayak B. Kulkarni
Basic Salary	₹ 2,00,000 per month	₹ 1,75,000 per month

In addition to the basic salaries, the Executive Directors shall also be entitled to such facilities, Perquisites and Allowances, which may include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; club fees, provision of car with chauffeur, medical insurance and such other perquisites, allowances, as may be decided by the Board of Directors.

The revised remuneration payable to Mrs. Usha B. Kulkarni and Mr. Vinayak B. Kulkarni, including salary, is subject to overall ceiling of 1% of the net profits for each, as stipulated under the Companies Act, 1956. Further, where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the aforesaid salaries shall be paid to the Executive Directors in accordance with the applicable provisions of Schedule XIII of the said Act and subject to the approval of the Central Government, if any required.

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

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

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

Mrs. Usha B. Kulkarni and Mr. Vinayak B. Kulkarni are interested in the above resolutions to the extent of the remuneration payable to each of them. In addition to Mrs. Usha B. Kulkarni and Mr. Vinayak B. Kulkarni, Mr. Ajit B. Kulkarni, is also interested. Therefore, Mrs. Usha B. Kulkarni, Mr. Ajit B. Kulkarni and Mr. Vinayak B. Kulkarni are interested in the above resolutions. None of the other Directors are interested in the above resolutions.

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

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

ITEM NO. 10

By way of passing of Postal Ballot Resolution dated 2nd March, 2010, by the Shareholders of the company, Mr. Rohit R. Katyal has been appointed as Whole Time Director of the Company for a period of five years from 01st October, 2009 to 30th September, 2014. As per the recommendations of the Remuneration Committee, the Board of Directors in their meeting held on 19th May, 2011, have approved the revision in remuneration of Mr. Rohit R. Katyal, Whole Time Director of the Company w.e.f. 1st April, 2011, for a remaining period of his tenure as Whole Time Director, subject to approval of the members in general meeting.

The broad particulars of revised remuneration payable to Mr. Rohit R. Kaytal during his remaining tenure as Whole Time Director are as under:

Basic Salary : ₹ 6,00,000 per month

In addition to the basic salary, the Whole Time Director shall also be entitled to such facilities, Perquisites and Allowances, which may include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; club fees, provision of car with chauffer, medical insurance and such other perquisites, allowances, as may be decided by the Board of Directors.

The remuneration payable to Whole Time Director, including salary, is subject to an overall ceiling of 2% of the net profits of the company as stipulated under the Companies Act, 1956. Where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the aforesaid salary shall be paid to the Whole Time Director in accordance with the applicable provisions of Schedule XIII of the said Act and subject to the approval of the Central Government, if any required.

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

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

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

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

Mr. Rohit R. Katyal is interested in the resolutions that pertain to change in terms of his appointments and remuneration payable to him. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

Your Directors commend the resolutions set out at Item Nos. 10 of the Notice for your approval.

Registered Office:

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

**By the Order of the Board of Directors
For Pratibha Industries Limited**

**Pankaj S. Chourasia
Company Secretary**

Date : 24th June, 2011

Place: Mumbai

DIRECTORS' REPORT

To,
The Members

Your Directors have great pleasure in presenting the 16th Annual Report together with the Statement of Accounts for the financial year ended 31st March, 2011.

The performance of the Company for the financial year ended 31st March, 2011, is summarised below:

FINANCIAL RESULTS:

(₹ in Crores)

Particulars	Consolidated	
	31.03.2011	31.03.2010
Income	1274.00	1013.43
EBIDTA	177.95	142.90
Less : Interest & Finance Charges	64.12	452.23
Less : Depreciation & Amortisation	17.04	14.06
Profit Before Tax	96.79	76.63
Provision for Tax	25.36	20.12
Profit After Tax (PAT)	71.43	56.51
APPROPRIATIONS		
Interim Dividend	2.02	-
Proposed Dividend on Equity Shares	4.04	5.01
Tax on Dividend	1.01	0.85
Transfer to General Reserve	7.20	5.70
Balance Carried to the Balance Sheet	57.16	44.95
Earning Per Share- Basic & Diluted (in ₹)	7.90	6.77

PERFORMANCE REVIEW:

Yet another year of splendid performance exhibited by your company and cloaked a record turnover and stormed into elite league of companies having turnover more than one thousand crores on standalone basis. Your company again displayed its flawless skills of execution of complex, prestigious and extreme engineering projects. The company has achieved a record turnover of ₹ 1274 crores, which has increased by over 26% compared to ₹ 1013 Crores in the last financial year. The execution team had undertaken an implausible job and achieved many milestones during the financial year and instrumental in achieving record performance. One of the highlight of the execution team is breakthrough of tunnelling work at Modak Sagar tunnel project initiated by Municipal Corporation of Greater Mumbai.

The order book position of the company has also improved and the balance order position stood at more than ₹ 3600 crores. The marketing division of the company has been reorganised and expected to deliver a robust performance in the current financial year. Your management is bullish on getting few more big sized orders, which will have substantial positive impact on the working, profitability and standing of the company in the industry. Company's strategy to diversify has started yielding encouraging results and the company is getting awarded regularly speciality projects in the building construction segment. The continued growth and swelling order book crystallise company's strength and understanding of the market and its core area of operations.

The water segment continued to play an important and crucial role in the performance of the company and contributes substantially towards the turnover and profitability of the company. It constitutes approximately 60% of total turnover of the Company and the order book is also consists major projects from the water segment. Though the company is venturing into new and different segments, water segment is expected to continue as lead contributor in the performance of the company. The company is also exploring and venturing into the BOT/BOOT/Annuity and such other projects.

Apart from emphasising on execution and getting new orders, your management has emphasised on improved financial management during the period under review and accordingly, taken some defining steps keeping in mind the long term objectives of the company. These include substantial improvement in crucial financial ratios such as debt equity ratio, debtor turnover ratio etc.

The company has increased its capital base by issuing shares by way of QIP and preferential allotment routes and raised ₹ 150 Crores. The enhanced capital base and improved net worth will enable company to leverage its resources more judiciously and ensure improved ratings for availing credit facilities at better rates for future

projects and expansion. The recent fund raising activity has also improved Debt Equity Ratio to a great extent now your company is having the one of the best Debt Equity ratio compared to its peers and other players in the industry.

DIVIDEND

To reward the shareholders for their continued support, confidence and faith in the Company, the Board is pleased to maintain increased dividend of thirty percent for the period under review and recommended final dividend of ₹ 0.40 per equity share i.e. 20%. The total outgo on this account shall be ₹ 7.07 Crores including interim dividend and dividend distribution tax. During the financial year under review, the Board has declared interim dividend of ₹ 0.20 (i.e. 10%) per shares for the year 2010-11 in their meeting held on 7th February, 2011 and accordingly the same has been paid to the eligible shareholders.

TRANSFER TO RESERVE

Your directors propose to transfer a sum of ₹ 720 lacs to the General Reserve account.

SUB DIVISION OF EQUITY SHARES

During the year under review, the Company has subdivided its equity share of ₹ 10/- each into five equity shares of ₹ 2/- each. The Company had fixed 2nd August, 2010, as record date to ascertain the name of the shareholders who are entitled for sub divided equity shares. Accordingly, the Company has credited the new sub divided equity shares on 3rd August, 2010, into the demat account of the shareholders whose name appeared in the register of members as on 02nd August, 2010.

FURTHER ISSUE OF SHARES**a) QIP Issue**

During the year under review, the Company has issued and allotted 1,21,95,609 equity shares of ₹ 2/- (Rupees Two only) each at a price of ₹ 82/- (Rupees Eighty Two only) per shares aggregating to ₹ 1,000,039,938/- through QIP issue to various FIIs and Mutual Funds.

b) Preferential Issue

During the year under review, the Company has issued and allotted 38,04,348 equity shares of ₹ 2/- (Rupees Two only) each at price of ₹ 92/- (Rupees Ninety Two only) per share and 16,30,435 Compulsorily Convertible Participatory Preference Shares of ₹ 92/- (Rupees Nine Two only) each aggregating to ₹ 50,00,00,036/- on Preferential basis to PE Investor i.e. Van Dyck, Mauritius.

SAP IMPLEMENTATION

During the year under review, The Company has successfully implemented SAP system to include business transactions for Head Office, Delhi Zonal Office and six Projects. By now the system has been configured to carry out the business transactions for all ongoing project sites.

FIXED DEPOSITS

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

DIRECTORS

At the ensuing AGM three directors are liable to retire by rotation, these include Mr. Shrikant T. Gadre, Mr. Rohit R. Katyal and Dr. S. L. Dhingra. These directors are eligible for reappointment.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011, and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

SUBSIDIARIES

The Company is having three subsidiaries: Pratibha Infrastructure Private Limited, Prime Infrapark Private Limited and Bhopal Sanchi Highways Private Limited and one stepdown subsidiary : Pratibha Developers Pvt. Ltd. Recently, the Company has incorporated one overseas subsidiary company viz. Pratibha Holding (Singapore) Pte Limited and one step down overseas subsidiary Viz. Pratibha Infra Lanka (Private) Limited.

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet, Profit and Loss Account of subsidiaries. In accordance with the general circular No. 2/2011 dated 8th February, 2011, has provided an exemption to companies from submitting such details of subsidiaries alongwith Annual Report of Holding Company, complying with Section 212, provided such companies publish the audited consolidated financial statement in the Annual Report. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. These documents will also be kept open for inspection during the business hours at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-27 on reporting of interest in Joint Ventures and AS-23 on accounting for Investments in Joint Ventures, your Directors provide the audited Consolidated Financial Statements in the Annual Report.

PERSONNEL

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

AUDITORS AND AUDITORS' REPORT

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

The Company has received confirmation from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and also that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. The Auditors has also submitted peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, New Delhi, as required under the listing agreement.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

CORPORATE GOVERNANCE

Being observant and responsible, the company is committed to high standards of the corporate ethics, professionalism and transparency. As per Clause 49 of the Listing Agreement with the stock exchanges, a separate section on Corporate Governance forms part of the Annual Report

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

PLEDGE OF SHARES

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

EMPLOYEE RELATIONSHIP

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

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

ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

Date : 19th May, 2011
Place : Mumbai

Usha B. Kulkarni
Chairperson

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of Directors Report for the period ended 31st March, 2011.

(A) Conservation of Energy

(a) Energy Conservation and efficiency measures undertaken

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

- Reduction in the specific consumption of electricity by optimizing its usage
- Provision of CFL in various parts of the factory building
- Maintaining power factor from 0.99 to 1 for MSEDCL power

(b) Additional Proposals being implemented for further conservation of energy

- Appointment of certified energy manager by BEE, Ministry of Power as consultant.
- Solar Energy or any other renewable energy

(c) Impact of the above measures for reduction of energy consumption and consequent impact on cost of production of goods:

- The measures stated in (a) and (b) above have led/would lead to reduction in fuel and electricity consumption as well as improvement in the productivity.
- PIL maintaining Power Factor 0.99—to 1.0 and PIL got Incentive of ₹ 12,00,682.00 from MSEDCL in 2010-2011.

(d) Total energy consumption and energy consumption per unit of production as per Form A

FORM A**Power and Fuel Consumption****From 1 April 2010 to 31 March 2011**

	Unit	Total cost In ₹	₹ Per unit
Electricity	32,46,790	2,14,07,853	6.60/Unit
Own generation (Through Diesel Generator)	1,77,180	23,83,180	13.45/unit
Coal	N. A.	N. A.	N. A.
Furnace Oil	N. A.	N. A.	N. A.

Consumption per unit of production from 1 April 2010 to 31 March 2011

Spiral :- 0.0122 Ton/Unit Coating:- 0.134 Sq. mtrs. /Unit

(B) Technology Absorption

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

(C) Research & Development

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

(D) Foreign Exchange Earnings and Outgo**1. Activities relating to Exports**

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

2. Total Foreign exchange used and earned:

	Year ended 31.03.2011	(₹ in lacs) Year ended 31.03.2010
(i) Foreign Exchange earned	2144.92	110.15
(ii) Foreign Exchange used	2289.21	1694.97

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes in the rich legacy of ethical governance practices most of which were in place even before they were mandated. The Company has always believed in such a sound code of Corporate Governance, as a tool for highest standards of management and business integrity. Your Company follows the principles of fair representation and other forms of corporate and financial communications which provide extensive requirements of corporate governance in all material aspects.

Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchanges.

2. BOARD OF DIRECTORS

(a) Composition of the Board

The Composition of Board of Directors presently consists of nine directors as detailed hereunder indicating their status as Independent or otherwise against their respective names. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

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

Name of the Directors	Designation	Category
Mrs. Usha B. Kulkarni	Chairperson	Promoter & Executive
Mr. Ajit B. Kulkarni	Managing Director	Promoter & Executive
Mr. Vinayak B. Kulkarni	Whole Time Director	Promoter & Executive
Mr. Rohit R. Katyal	Whole Time Director	Executive
Mr. Awinash M. Arondekar	Director	Independent Non-Executive
Mr. Shrikant T. Gadre	Director	Independent Non-Executive
Dr. S. L. Dhingra	Director	Independent Non-Executive
Mr. V. Sivakumaran	Director	Independent Non-Executive
Mr. Vilas B. Parulekar	Director	Independent Non-Executive

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

Name of the Director	Attendance Particulars		No. of other Directorships and Committee Memberships / Chairmanships		
	Board Meeting	Attendance At AGM	Director Ships*	Committee Member Ships**	Chairman Ships**
Mrs. Usha B. Kulkarni	6	Yes	5	Nil	Nil
Mr. Ajit B. Kulkarni	6	Yes	9	2	Nil
Mr. Vinayak B. Kulkarni	6	Yes	6	Nil	Nil
Mr. Rohit Katyal	6	Yes	7	Nil	Nil
Mr. Awinash M. Arondekar	6	Yes	3	3	2
Mr. Shrikant T. Gadre	6	Yes	3	2	1
Dr. S. L. Dhingra	6	No	1	Nil	Nil
Mr. V. Sivakumaran	6	No	1	Nil	Nil
Mr. V. B. Parulekar	5	Yes	2	Nil	Nil

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

(c) Details of Board Meeting

Six Board meetings were held during the year, as against the minimum requirement of four meetings. The dates on which the meetings were held are: 07.05.2010, 30.07.2010, 11.10.2010, 29.10.2010, 25.11.2010 and 07.02.2011.

(d) Board Committees

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

Constitution

Name of Director	Name of the Committee			
	Audit	Remuneration/ Compensation	Shareholder Grievance	Finance
Mrs. Usha B. Kulkarni	No	No	No	Yes*
Mr. Ajit B. Kulkarni	Yes	Yes	Yes	Yes
Mr. Vinayak B. Kulkarni	No	No	No	Yes
Mr. Rohit Katyal	No	No	No	No
Mr. Awinash M. Arondekar	Yes	Yes	Yes*	No
Mr. Shrikant T. Gadre	Yes*	Yes*	Yes	No
Mr. V. B. Parulekar	No	Yes	No	No
Dr. S. L. Dhingra	No	No	No	No
Mr. V. Sivakumaran	No	No	No	No

* Chairperson/Chairman

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

3. BOARD/COMMITTEE MEETINGS AND PROCEDURE:**a) Institutionalized decision-making process:**

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

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

- i) The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings is been convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve permitted urgent matters by passing resolutions by circulation.
- ii) all divisions/ departments in the Company are encouraged to plan their functions well in advance particularly with regard to matters requiring discussion/ approval/ decision in the board/ Committee meetings. After that, the Chairperson of the Board and the Company Secretary in consultation with other concerned persons in the senior management, finalize the agenda papers for the Board Meetings and circulated amongst the Board Members and other invitees to the Meeting.
- iii) Where it is not practicable to attach any document or the agenda is of sensitive nature, the same is circulated at the meeting with the approval of the Chair. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are taken up for discussion with the permission of the Chair and after a consensus is formed. Sensitive/confidential subject matters are discussed at the meeting even without written material being circulated.

c) Briefing by the Managing Director & Whole Time Director:

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

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

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

e) Post meeting follow up mechanism

There is an effective post meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committee.

f) Compliance:

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

4. AUDIT COMMITTEE

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

(a) Terms of Reference

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

(b) Composition

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

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

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

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

(c) Meetings and Attendance during the year

During the year under review, the Audit Committee met four times. The dates on which Audit Committee meetings were held are: 7th May, 2010, 30th July, 2010, 29th October, 2010, and 07th February, 2011. In addition to the members and Company Secretary, Chief Operating Officer, Chief Financial Officer, and representatives of the Statutory Auditors & Internal Auditors were also invited to attend the Audit Committee meeting to reply to the queries, if any, by the Committee members.

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

5. REMUNERATION COMMITTEE**(a) Composition**

The Committee comprises of the following members :-

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

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

(b) Terms of Reference

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

(c) Remuneration Policy

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

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

(d) Meeting and Attendance during the financial year

During the financial year three meetings of the Remuneration Committee were held on 7th May, 2010, 11th October, 2010 and 7th February, 2011, attended by the all the members. The Committee has recommended the revision of salaries of the executive directors & appointment of certain persons at office or place of profit.

(e) Details of Remuneration**Executive Directors**

The aggregate value of salary and perquisites including performance bonus, if any, paid for the year ended March 31, 2011, to the Managing Director and Whole Time Directors are as follows:

Name of the Director	Designation	Salary (₹)	Perquisites (₹)	Performance Bonus/ Commission (₹)
Mr. Ajit B. Kulkarni	Managing Director	90,00,000	39,600	2,00,00,000
Mrs. Usha B. Kulkarni	Chairperson	19,62,060	39,600	-
Mr. Vinayak B. Kulkarni	Whole Time Director	17,37,024	39,600	-
Mr. Rohit R. Katyal	Whole Time Director	59,79,792	39,600	-

NON EXECUTIVE DIRECTORS

The non-executive director are paid by way of sitting fees and they are also eligible for a payment of ₹ 2.00 lacs as commission on profit as approved by the members in their 12th Annual General Meeting & subsequently by remuneration committee and board meeting. The sitting fee and commission paid to the non- executive directors during the financial year 2010-11 are as under:

Name of the Director	Sitting fees (₹)	Commission*(₹)	Total (₹)
Mr. Shrikant T. Gadre	1,40,000	2,00,000	3,40,000
Mr. Awinash M. Arondekar	1,40,000	2,00,000	3,40,000
Mr. Vilas B. Parulekar	90,000	2,00,000	2,90,000
Dr. S. L. Dhingra	60,000	2,00,000	2,60,000
Mr. V. Sivakumaran	60,000	2,00,000	2,60,000

* Recommended for financial year 2010-2011

6. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

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

The Committee comprises of the following persons:

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

The Company has duly appointed share transfer agent M/s. Link Intime India Private Limited, (R&T agent) for servicing the shareholders holding shares in physical or dematerialized form. All requests for dematerialization of shares are like wise processed and confirmations thereof are communicated to investors within the prescribed time.

7. COMPLIANCE OFFICER

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

During the year the Company has received only 3 complaints, against the 17 Complaints received last year and the same have been resolved within the stipulated time period and no complaint is pending at the end of the year. Company's continued efforts to streamline system has yielded positive results and investors complaint have reduced substantially.

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

8. FINANCE COMMITTEE

The Board of Directors of the Company has constituted a Finance Committee of Directors. The Committee has been formed to avail finance for the purchase of construction equipments and vehicles for the Company.

The Committee currently comprises of Mrs. Usha B. Kulkarni as the Chairperson and Mr. Ajit B. Kulkarni and Mr. Vinayak B. Kulkarni as the other members.

9. GENERAL BODY MEETINGS

(a) Annual General Meeting

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

Year	Location	Date	Time	Special Resolution(s)
2009-10	Hotel Oasis, Nr. Deonar Bus Depot, Sion Trombay Road, Deonar, Mumbai - 400 088	30 th June 2010	3.30 P. M.	3
2008-09	Hotel Oasis, Nr. Deonar Bus Depot, Sion Trombay Road, Deonar, Mumbai - 400 088	30 th June 2009	12.30 P.M.	5
2007-08	Hotel Oasis, Nr. Deonar Bus Depot, Sion Trombay Road, Deonar, Mumbai - 400 088	20 th June, 2008	12.30 P.M.	4

(b) Extra Ordinary General Meeting

An Extraordinary general Meeting of the Company was held on 10th November, 2011, and the following special resolutions were passed:

1. Amendment of Articles of Association,
2. Increase in Authorized Share Capital,
3. Issue of securities on preferential basis,
4. Appointment of Mr. Ravi Ajit Kulkarni on office or place of profit.

(c) Postal Ballot

During the year, the company has conducted Postal Ballot process twice in accordance with the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. Mr. Dinesh Kumar Deora, A.C.A. and A.C.S., a Practicing Company Secretary had been appointed as Scrutinizer for the same. He has submitted his reports dated 31.01.2011 and 28.03.2011 respectively, to Chairperson and accordingly, the result of postal ballot process had been announced by the Chairperson.

Postal Ballot Process - I

Date of Completion of Postal Ballot	Brief of Resolution(s)	Percentage of votes cast in favour of resolution
31 st January, 2011	To adopt restated Articles of Association	99.86

Postal Ballot Process - II

Date of Completion of Postal Ballot	Brief of Resolution(s)	Percentage of votes cast in favour of resolution
28 th March, 2011	To appoint Mr. Rahul R. Katyal on office or place of profit	99.65
	To appoint Mr. Shyam R. Kulkarni on office or place of profit	99.64

10 DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**(i) Disclosure on Materially significant related party transactions that may have potential conflict with the interests of Company at Large**

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

(ii) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

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

(iii) Whistle Blower Policy

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

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

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

11. MEANS OF COMMUNICATION

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

12. GENERAL SHAREHOLDER INFORMATION**(a) Company Registration details**

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

(b) 16th Annual General Meeting:

Date : Thursday, 21st July, 2011
Time : 3.30 P.M.
Venue : Natraj Avenue,
Next to R.K. Studio,
Sion Trombay Road, Chembur,
Mumbai – 400 071.

(c) Financial Calendar (tentative)

First Quarter Results - 3rd/4th week of July, 2011
Second Quarter Results - 3rd/ 4th week of October, 2011
Third Quarter Results - 3rd/ 4th week of January, 2012
Last Quarter and Annual Audited Results - 2nd/ 3rd week of May, 2012
Seventeenth Annual General Meeting - June/July, 2012

(d) Book Closure Period

Tuesday, 12/07/2011 to Friday, 15/07/2011 (both days inclusive).

(e) Dividend Payment Date

On or after 21st July, 2011

(f) Listing of Equity Shares on Stock Exchanges and Payment of Listing Fee**The Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001

National Stock Exchange of India Limited (NSE),

"Exchange Plaza"

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

Annual listing fee for the year 2011-12, as applicable, has been paid by the Company to BSE and NSE.

(g) Security Code

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

(h) Unclaimed Shares lying in the Escrow Account

The Company entered the Capital Market in 2006 with Initial Public Offer through 100% Book Building process for 42,50,000 equity shares of ₹ 10/- each at a premium of ₹ 110/- per share. In light of SEBI's notification No. SEBI/CFD/DIL/LA/2009/24/04 on April 24, 2009, the Company has opened a separate demat accounts to credit the unclaimed shares which could not be allotted to the rightful shareholder due to insufficient/ incorrect information or any other reason. The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

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

Particulars	No. of Shareholders	No. of Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2010	12	3000
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	2	500
Number of shareholders to whom shares were transferred from the suspense account during the year	2	500
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2011	10	2500

As part of good corporate governance practice, the Company has also initiated to send reminder to the IPO applicants who have not claimed their refund amount and accordingly 3 IPO applicants have claimed their IPO refund amount. The Company has paid unclaimed refund amount to the respective applicants.

Market Price Data

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The details of high and low of the Market Price Data of the equity shares of the Company for the financial year ending on 31st March, 2011 are as under.

Month	Bombay Stock Exchange Share Price		National Stock Exchange Share Price	
	High(₹)	Low(₹)	High(₹)	Low(₹)
April 2010	433.00	365.00	433.60	371.50
May 2010	418.70	352.00	418.95	352.00
June 2010	419.90	378.00	420.00	362.30
July 2010	430.80	81.30	86.20	81.50
August 2010*	89.75	73.50	90.00	73.70
September 2010	85.00	76.10	84.90	76.20
October 2010	85.90	76.95	86.00	77.10
November 2010	81.00	60.70	81.90	60.15
December 2010	73.20	59.00	73.20	59.00
January 2011	72.75	53.00	72.65	53.20
February 2011	61.30	50.05	61.40	50.15
March 2011	69.60	52.40	72.00	50.35

Source : BSE - NSE website

(*) Subdivision of equity shares from ₹ 10 to ₹ 2 per share

(i) Registrars and Transfer Agents

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

(j) Share Transfer System

The shareholding of the Promoters and Promoters group amounting to 52.26% of the total paid up share capital.

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

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

(k) Shareholding Pattern as on March 31, 2011;

Category code	Category of shareholder	Number of share holders	Total number of shares	Number of shares held in demat form	Total shareholding as a % of total number of shares	
					As a % of (A+B)	As a % of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	16	51,959,250	51,959,250	52.26	52.26
(b)	Central / State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-
(e)	Any Other	-	-	-	-	-
	Sub-Total (A)(1)	16	51,959,250	51,959,250	52.26	52.26
(a)	Individuals (NRI/ Foreign Individuals)	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-
(c)	Institutions	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	16	51,959,250	51,959,250	52.26	52.26
(a)	Mutual Funds/ UTI Bank Limited	5	5,340,362	5,340,362	5.37	5.37
(b)	Financial Institutions/ Banks	1	6,680	6,680	0.01	0.01
(c)	Central /State Government(s)	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-
(f)	FII's	14	18,018,380	18,018,380	18.12	18.12
(g)	Foreign Venture Capital	-	-	-	-	-
(h)	Any Other	-	-	-	-	-
	Sub-Total (B)(1)	20	23,365,422	23,365,422	23.50	23.50

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in demat form	Total shareholding as a % of total number of shares	
					As a % of (A+B)	As a % of (A+B+C)
(a)	Bodies Corporate	444	6,541,167	6,541,167	6.58	6.58
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	21207	9,295,787	9,295,507	9.35	9.35
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	21	3,395,695	3,395,695	3.42	3.42
(c)	Any Other (specify)					
	i. Clearing Member	212	299,435	299,435	0.30	0.30
	ii. Trust	1	17,510	17,510	0.02	0.02
	iii. NRIs (Repatriation)	409	654,797	654,797	0.66	0.66
	iv. NRN	82	91,546	91,546	0.09	0.09
	v. Foreign Company	1	3,804,348	3,804,348	3.83	3.83
	Sub-Total (B)(2)	22,377	24,100,285	24,100,005	24.24	24.24
	Total Public Shareholding (B) = (B)(1)+(B)(2)	22,397	47,465,707	47,465,427	47.74	47.74
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	22413	99,424,957	99,424,677	100.00	100.00

During the financial year 2010-11, the Company has issued and allotted 1,21,95,609 equity shares of ₹ 2/- each at a premium of ₹ 80/- per shares by way of QIP issue and 38,04,348 equity shares of ₹ 2/- each @ premium of ₹ 90 per shares and 16,30,435 Compulsorily Convertible Participatory Preference Shares of ₹ 92/- each to Van Dyck by way of Preferential allotment of shares.

(I) Distribution of Shareholding on March 31, 2011

Distribution of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	19,070	85.08	3,271,740	3.29
501 1000	1,657	7.39	1,366,429	1.37
1001 2000	782	3.49	1,188,457	1.20
2001 3000	312	1.39	797,726	0.80
3001 4000	116	0.52	421,170	0.42
4001 5000	118	0.53	565,424	0.57
5001 10000	158	0.71	1,200,448	1.21
10001 above	200	0.89	90,613,563	91.14
Grand Total	22,413	100.00	99,424,957	100.00

(m) Dematerialization of shares and liquidity:

More than 99.99% shares of the Company are in dematerialized form. The Equity Shares of the Company are compulsorily to be traded in Electronic form through Stock Exchanges. The Equity Shares of the Company are actively traded both on BSE and NSE thus ensure good liquidity for the investors.

The Company has issued and allotted 16,30,435 Compulsorily Convertible Participatory Preference Shares (CCPPS) of ₹ 92/- each to Van Dyck on Preferential Basis. One CCPPS of ₹ 92/- each shall be converted into One Equity shares of ₹ 2/- each within 18 months from the date of issue of the same i.e. 25th November, 2010.

(n) Work Sites for contracts:

The Company has various work sites across the country and the operations are controlled by respective zonal office and head office.

(o) Address for Correspondence:

For all matters relating to Shares, Annual Reports

Mr. Pankaj S. Chourasia

Company Secretary & Compliance Officer

14th Floor, Universal Majestic,

P. L. Lokhande Marg,

Off Ghatkopar Mankhurd Link Road,

Govandi (W), Mumbai – 400 043.

Tel: 91- 22- 3955 9999

Fax 91- 22- 3955 9900

E-mail: investor.relations@pratibhagroup.com

(p) Risk Management Framework

The company has in place mechanisms to inform board members about the risk assessment and minimization procedures and periodical reviews to ensure that risk is controlled by the executive management through the means of the properly defined framework.

12. Code of Business conduct and Ethics for Directors and Key Management personnel

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

The Company has posted the code of conduct on its website www.pratibhagroup.com.

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

13. Compliance certificate of the Auditors

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

NON- MANDATORY REQUIREMENTS**1. Maintaining of Chairman's/ Chairperson office by Non-Executive Director:**

No, as the Company has appointed Executive Director as Chairman/Chairperson

2. Term of Office of Non-Executive Directors

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

3. Remuneration Committee

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

4. Shareholders' Rights

The quarterly results of the company are published in one English and one Hindi newspaper, having wide circulation in Maharashtra. Further, the quarterly results are also posted on the website of the company www.pratibhagroup.com. In view of the foregoing, the half yearly results of the company are not sent to the shareholders individually.

5. Audit qualifications

During the period under review, there was no audit qualification in the company's financial statements. The Company continues to adopt the best accounting practices and meticulously follow accounting standards issued by ICAI

6. Training of Board Members about business model and risk profile of the Company and their responsibilities as directors and the best ways to discharge them.

The Company does not have such type of training programme.

7. Mechanism for evaluating non-executive directors

The Company does not have a mechanism for evaluating the performance of Non-Executive Directors.

8. Whistle Blower Policy

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

The employees of the company are accessible to the senior management for any counseling or consultation.

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

ANNEXURE- A

Name of Director	Mr. Rohit R. Katyal	Mr. Shrikant T. Gadre
Date of Birth	9 th January 1971	24 th July, 1943
Date of appointment	24 th September 2009	12 th September 2005
Areas of Experience	He has established Mechanical Division for one of the Promoter group companies in 1996 and has gained vast experience of about 18 years in various capacities in the promoter group companies. He is responsible for planning & execution, finance & accounts, corporate affairs, Human resource and administration, team building, interaction with clients etc.	Mr. S. T. Gadre has 32 years of banking experience as a techno and development banker. He was a General Manager in Bank of India. He had joined the United Western Bank Limited as Executive Director and then became the Managing Director of the Bank. He was also a member of various committees related to banking and has written several articles on banking in various dailies and journals. He was also visiting faculty members in Bankers Training College of Reserve Bank of India and other management institutes. He has traveled abroad to attend various courses and participate in conferences. Presently, he is a Chairman of Finance and Insurance, Sub Committee of Mahratta Chambers of Commerce, Industry and Agriculture (MCCIA) Pune and visiting faculty of Sinhgad institute of Management, Pune.
Educational Qualifications	B. Com.	Bachelors Degree in Mechanical Engineering from University of Pune. He is also a graduate in Economics, Politics, Commerce and Marathi Literature. He also has to his credit a Post Graduate Diploma in Industrial Engineering. He is a M.E. from Institute of Production Engineering, London and a Chartered Engineer with Fellowship of Institute of Engineers (India)
Companies in which he holds directorship	<ol style="list-style-type: none"> 1. Pratibha Pipes & Structural Limited 2. Pratibha Shareholding Private Limited 3. Mukhtangan Developers Private Limited 4. Pratibha Struct Build Private Limited 5. Prime Infrapark Private Limited 6. Bhopal Sanchi Highways Private Limited 	<ol style="list-style-type: none"> 1. Pune Stock Exchange Limited 2. Paranjape Schemes (Constructions) Ltd
Membership Chairmanship of Board Committees	None	Chairman of Audit Committee and Remuneration Committee and member of Shareholders Grievance Committee of Pratibha Industries Limited.
Shareholding	1,22,250 Equity Shares	NIL

Name of Director	Dr. S. L. Dhingra
Date of Birth	11 th October 1942
Date of appointment	24 th September 2009
Areas of Experience	Dr. S. L. Dhingra is a Professor (Retd.) & Emeritus Fellow, Transportation Systems Engineering, Civil Engineering Department, Indian Institute of Technology Bombay. He has provided his services as faculty for various institutes such as Punjab Engg. College, Chandigarh, Malviya NIT Jaipur, IIT Delhi, HOD Civil Engg 1996-2000, Convener of Traffic & Transportation Planning & Monitoring Committee, Member of Master Plan committee, Member of Institute Maintenance Committee etc.
Educational Qualifications	B.Sc. Engg (Civil) & M. Sc Engg (Highways & Traffic) from Punjab Engineering College, Chandigarh, and Ph.D. from IIT Kanpur in Transportation Systems Engineering
Companies in which he holds directorship	None
Membership Chairmanship of Board Committees	None
Shareholding	NIL

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

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

I confirm that the Company has in respect of the financial year ended 31st March, 2011, received from the senior management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

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

Ajit B Kulkarni
Managing Director

Place : Mumbai
Date : 19th May, 2011

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Pratibha Industries Limited

We have examined the compliance of conditions of corporate governance by Pratibha Industries Limited, for the year ended on 31st March 2011, as stipulated in Cause 49 of the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Hemant Agrawal
Partner
Membership No. 403143
Firm Regn. No. 104184W
Mumbai, 19th May, 2011

AUDITORS' REPORT

To the members of
Pratibha Industries Limited

1. We have audited the attached Balance Sheet of **Pratibha Industries Limited** as at 31st March 2011, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
 - e) 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 directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) In the case of the Cash Flows Statement, of the cash flows for the year ended on that date.

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

Hemant Agrawal
Partner
Membership No. 403143
Firm Regn. No. 104184W
Mumbai, 19th May, 2011

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of our report of even date

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. According to the information and explanation given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, Transactions aggregating during the year to ₹ 5,00,000/- or more in respect of each party, have been made at prices which appear reasonable as per information available with the company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed, without carrying out a detailed examination, the books of accounts maintained by the company pursuant to the Order made by the Central Government for the maintenance of the cost records under section 209(1)(d) of the Companies Act 1956, in respect of Steel Pipes and are of the opinion that prima facie the prescribed accounts and prescribed records have been maintained.
9. In respect of statutory dues:
 - a. As per the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2011 for a period of more than six months from the date of becoming payable.

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

Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax	42,622,153	From 2001-02 to 2005-06	ITAT, Mumbai
Income Tax	155,648,020	From 2006-07 to 2008-09	CIT (Appeal), Mumbai
Service Tax	5,118,565	From 2005-06 to 2006-07	CESTAT, Mumbai
Excise Duty	2,426,682	2005-06	CESTAT, Kolkata
Excise Duty	3,687,253	From 2004-05 to 2006-07	CESTAT, Kolkata

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued Debentures.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All these investments have been held by the company in the name of the company.
15. The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interests of the Company.
16. The Company has used term loans for the purposes for which they were raised.
17. According to the information and explanation given to us and on the basis of an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on a short-term basis, which have been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Therefore, the provisions of Clause (xix) of paragraph 4 of the Order are not applicable to the Company.
20. During the year, the company has not raised money by public issue. Therefore, the provisions of Clause (xx) of paragraph 4 of the Order are not applicable to the Company.
21. In our opinion and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Jayesh Sanghrajka & Co.**

Chartered Accountants

Hemant Agrawal

Partner

Membership No. 403143

Firm Regn. No. 104184W

Mumbai, 19th May 2011

PRATIBHA INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

(Amount in ₹)

Particulars	Schedule	31.03.2011	31.03.2010
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	A	348,849,934	166,850,000
Reserves & Surplus	B	4,485,864,581	2,586,918,535
		4,834,714,515	2,753,768,535
Deferred Tax Liability		183,959,247	131,104,529
Loan Funds			
Secured Loans	C	2,731,465,184	2,930,037,302
Unsecured Loans	D	1,100,000,000	1,300,000,000
		3,831,465,184	4,230,037,302
TOTAL		8,850,138,946	7,114,910,366
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block	E	3,339,483,812	2,922,213,590
Less: Depreciation		355,607,724	233,642,887
Net Block		2,983,876,088	2,688,570,703
Capital Work In Progress		147,980,170	113,657,066
Investments	F	104,137,141	136,223,400
Current Assets, Loans & Advances			
Inventories	G	3,438,949,340	2,938,638,101
Sundry Debtors	H	1,792,851,438	1,858,703,580
Cash & Bank Balance	I	1,024,917,076	617,044,018
Loans, Advances & Deposits	J	4,203,463,355	2,546,122,101
		10,460,181,208	7,960,507,800
Less: Current Liabilities & Provisions			
Sundry Creditors	K	2,123,821,160	1,917,577,061
Other Liabilities & Provisions	L	621,110,359	434,188,503
Advances & Deposits	M	2,101,104,140	1,432,283,037
		4,846,035,659	3,784,048,602
Working Capital		5,614,145,548	4,176,459,198
Miscellaneous Expenditures (to the extent not w/off)		-	-
TOTAL		8,850,138,946	7,114,910,366

Significant Accounting Policies & Notes on Accounts

S

Schedules referred above forms an integral part of Balance Sheet & Profit & Loss A/c.

As per our report of even date

For & on Behalf of Board

For **Jayesh Sanghrajka & Co.**

Chartered Accountants

Hemant Agrawal

Partner

M.No. 403143

Firm Regn. No. 104184W

Place : Mumbai

Date : 19th May 2011

Usha B. Kulkarni

Chairperson

Vinayak B. Kulkarni

Whole Time Director

Ajit B. Kulkarni

Managing Director

Pankaj S. Chourasia

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011**(Amount in ₹)**

Particulars	Schedule	31.03.2011	31.03.2010
Income			
Gross Sales & Other incomes from Operations		11,780,499,993	9,342,649,917
Less:Excise Duty		93,253,709	44,345,213
Net Sales & Other incomes from Operations		11,687,246,284	9,298,304,704
Other Income	N	76,541,979	50,753,799
		11,763,788,263	9,349,058,504
Expenses			
Cost of Work Done	O	8,411,980,207	6,554,237,379
Personnel Expenses	P	616,793,135	459,319,407
Administrative, Selling & Other Expenses	Q	1,015,753,801	969,338,153
Finance Expenses	R	617,722,541	493,101,632
Depreciation	E	143,388,198	108,591,915
		10,805,637,882	8,584,588,485
Profit Before Tax		958,150,381	764,470,019
<u>Provision For Taxation</u>			
Current Tax		190,964,155	129,921,680
Deferred Tax		52,854,718	69,403,227
Short/Excess Tax Provision of Earlier Years		-	18,539
Profit After Tax and Available for Appropriation		714,331,508	565,126,573
Interim Dividend		20,214,829	-
Proposed Dividend		40,425,907	50,055,000
Corporate Dividend Tax		10,071,721	8,506,847
General Reserve		72,000,000	57,000,000
Balance Carried forward to Balance Sheet		571,619,051	449,564,726
Earning per share			
Closing Number of equity shares		99,424,957	83,425,000
Weighted Average Number of equity shares		90,362,026	83,425,000
Basic Earning Per Share		7.91	6.77
Diluted Earning Per Share		7.91	6.77

Significant Accounting Policies & Notes on Accounts

S

Schedules referred above forms an integral part of Balance Sheet & Profit & Loss A/c.

As per our report of even date

For & on Behalf of BoardFor **Jayesh Sanghrajka & Co.**

Chartered Accountants

Hemant Agrawal

Partner

M.No. 403143

Firm Regn. No. 104184W

Place : Mumbai

Date : 19th May 2011**Usha B. Kulkarni**

Chairperson

Vinayak B. Kulkarni

Whole Time Director

Ajit B. Kulkarni

Managing Director

Pankaj S. Chourasia

Company Secretary

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**(Amount in ₹)**

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE: A : SHARE CAPITAL		
Authorised Capital		
125,000,000 (P.Y. 125,000,000) Equity Shares of Rs 2/- Each	250,000,000	250,000,000
1,631,000 (P.Y. NIL) Compulsorily Convertible Participatory Preference Shares of ₹ 92/- Each	150,052,000	-
Issued,Subscribed & Fully Paid Up		
99,424,957 (P.Y. 83,425,000) Equity shares of ₹ 2/- Each fully paid up (Of the above 4000000 shares have been issued as bonus shares as on 21.06.2005 being issued for consideration other than cash) (of the above 12000000 shares have been issued to two SEBI registered Qualified Institutional Buyers on 19.12.2007) (Shares of the company has split from ₹ 10/- to ₹ 2/- w.e.f. 02/08/2010) (of the above 12,195,609 shares have been issued to ten SEBI registered Qualified Institutional Buyers on 15.10.2010) (of the above, 3804348 shares have been issued on preferential basis on 25.11.2010)	198,849,914	166,850,000
1,630,435 (P.Y. NIL) Compulsorily Convertible Participatory Preference Shares of ₹ 92/- Each fully paid up (of the above, 1,630,435 shares have been issued on preferential basis on 25.11.2010) (These shares are convertible into equity shares after 18 months of their allotment)	150,000,020	-
TOTAL	348,849,934	166,850,000
SCHEDULE: B : RESERVES & SURPLUS		
Profit & Loss Account		
Opening Balance	1,443,946,799	994,382,074
Addition during the Year	571,619,051	449,564,726
(A)	2,015,565,851	1,443,946,799
Security Premium Account		
Opening Balance	990,971,736	990,971,736
Addition during the Year	1,318,040,040	-
Less:Deduction during the Year	62,713,046	-
(B)	2,246,298,730	990,971,736
General Reserve		
Opening Balance	152,000,000	95,000,000
Addition during the Year	72,000,000	57,000,000
Less:Deduction during the Year	-	-
(C)	224,000,000	152,000,000
TOTAL (A) + (B) + (C)	4,485,864,581	2,586,918,535

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**(Amount in ₹)**

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE: C : SECURED LOANS		
Loans for Property, Vehicles & Construction Equipments (For Security See Note (a) below)	833,795,402	736,625,916
Working Capital Finance from consortium of banks		
Infrastructure Division	995,741,406	734,535,175
Saw Pipe Manufacturing Division (For Security See Note (b) below)	85,899,706	92,498,133
Project - Specific Finance (For Security See Note (c) below)	535,610,683	1,015,984,835
Buyer's Credit Facility	39,135,373	-
Term Loan (For Security See Note (d) below)	241,282,615	350,393,243
TOTAL	2,731,465,184	2,930,037,302

- a. Secured by mortgage / hypothecation of specific assets / vehicle purchased.
- b. Secured against (a) Infrastructure Division – (i) first charge by hypothecation of current assets (other than those specifically charged to other banks), namely stock of raw materials, work-in-progress and receivables, (ii) first charge on the gross block (other than those specifically charged to other banks) and (iii) personal guarantees of Promoter-Directors of the Company; (b) SAW Pipe Division – (i) first charge by hypothecation of current assets of SAW Pipe Division, namely stock of raw materials, work-in-progress and receivables, (ii) second charge on the gross block of SAW Pipe Division (other than those specifically charged to other banks) and (iii) personal guarantees of Promoter-Directors of the Company.
- c. Project – Specific Finance represent (i) Cash credit facility availed against project - specific current assets for executing "Lakshmi Nagar and Dwarka" Water Pipeline Project of DJB, New Delhi (ii) cash credit facility availed against project - specific current assets for executing "Mauda Supar Thermal Power Project" of NTPC (iii) cash credit facility availed against project-specific current assets for executing "Multi level car parking at New Friends Colony, Kalkaji and Jangpura," of Municipal Corporation of Delhi (iv) cash credit facility availed against project-specific current assets for executing Water Supply Network in NMMC area under JNNRUM of NMMC. (v) Project Specific finance availed project-specific current assets for executing Bangalore Water Supply & Sewerage Board project (vi) Project Specific finance availed project-specific current assets for executing Water Meter project. Above facilities are further secured by personal guarantee of Promoters-Directors.
- d. Term Loan represents credit availed for purchase of capital equipments for SAW Pipe Division secured by (i) hypothecation of movable assets (excluding current assets) and mortgage of immovable assets of SAW Pipe Division and (ii) personal guarantee of Promoters - Directors of the Company.

SCHEDULE : D : UNSECURED LOANS

From Banks & Financial Institutions	1,100,000,000	1,300,000,000
TOTAL	1,100,000,000	1,300,000,000

(Amount in ₹)

SCHEDULE : E : FIXED ASSETS AS AT 31.03.2011

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Cost as on 01.04.2010	Addition	Sale/Transfers/Impairment	Ason 31.03.2011	Ason 01.04.2010	Addition for the year	On Sale/Transfers	Ason 31.03.2011	Ason 31.03.2010
1	Office Premises	420,350,015	49,383,200	-	469,733,215	4,583,504	7,322,388	-	457,827,323	415,766,511
2	Plant & Machinery	1,689,791,515	328,029,253	82,837,473	1,934,983,295	142,888,716	84,996,870	9,433,824	1,716,531,533	1,546,902,799
3	Furniture & Fixture	50,506,490	78,191,450	21,383,123	107,314,817	8,090,825	6,245,384	3,665,469	96,644,077	42,415,665
4	Electrical Installation	72,151,120	1,040,767	-	73,191,887	7,870,166	3,443,711	-	61,878,010	64,280,954
5	Office Equipment	51,373,243	22,279,763	16,428,870	57,224,136	9,942,691	6,918,927	4,772,389	45,134,907	41,430,552
6	Vehicles	145,266,642	35,697,599	13,009,085	167,955,156	35,180,996	15,200,985	3,551,678	121,124,854	110,085,646
7	Computer Software	19,788,389	3,513,484	-	23,301,873	4,640,040	4,490,067	-	14,171,766	15,148,349
8	Factory Building	439,606,537	4,684,528	-	444,291,065	20,445,949	14,769,866	-	409,075,250	419,160,588
9	Land	33,379,638	28,108,730	-	61,488,368	-	-	-	61,488,368	33,379,638
	Total	2,922,213,590	550,928,774	133,658,551	3,339,483,812	233,642,887	143,388,198	21,423,361	2,983,876,088	2,688,570,703
	Previous Year	1,580,826,669	1,342,216,738	829,818	2,922,213,590	125,772,333	108,591,915	721,361	2,688,570,703	1,455,054,336

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**(Amount in ₹)**

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE: F : INVESTMENTS		
Trade Unquoted		
2,660 Equity Shares of Abhyudaya Co Op. Bank Ltd	26,600	26,600
100,100 Equity Shares of Janakalyan Sahakari Bank Ltd	1,001,000	1,001,000
2,00,000 Equity Shares of Muktangan Developers Pvt. Ltd.	2,000,000	2,000,000
1,000 Equity shares of Pratibha Infrastructure P. Ltd.	18,866	18,866
5 Equity shares of the Greater Bombay Co-op. Bank Ltd.	25	25
5,000 Equity shares of Pratibha Ostu Stetting Infra. P. Ltd.	-	50,000
10,00,000 Equity shares of Prime Infrapark Pvt. Ltd.	10,000,000	10,000,000
Pratibha Industries General Contracting LLC	931,980	931,980
100 Equity Shares of Baramati Tollways Pvt. Ltd.	1,000	-
5,100 Equity Shares Bhopal Sanchi Highways Pvt. Ltd.	51,000	-
Non-Trade Quoted		
Investment in Gold Coins (Market Value ₹ 166200/- P.Y. ₹ 130560/-)	43,911	43,911
Investment in Mutual Fund (Market Value ₹ NIL P.Y. ₹ 50370575/-)	-	50,001,929
Investment in Joint Ventures	90,062,759	72,149,089
TOTAL	104,137,141	136,223,400
Aggregate Value of		
Quoted Investments	43,911	50,045,840
Market Value - Quoted Investments	166,200	50,501,135
Unquoted Investments	104,093,230	86,177,560
SCHEDULE : G : INVENTORIES		
Raw Material	612,759,158	799,884,572
Consumable Stores	68,575,460	69,618,147
Work In Progress	2,672,617,228	2,026,252,242
Finished Stock	84,997,494	42,883,140
(As per Inventories certified and valued by the Management)		
TOTAL	3,438,949,340	2,938,638,101
SCHEDULE : H : SUNDRY DEBTORS		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	370,366,549	332,163,626
Other Debtors	1,422,484,889	1,266,742,658
Project Specific Debts	-	259,797,296
TOTAL	1,792,851,438	1,858,703,580
SCHEDULE : I : CASH & BANK BALANCE		
Cash in hand	10,250,528	4,945,920
Balance with Banks		
In Current Account of Scheduled Banks	433,712,749	70,999,044
In Term Deposit of Scheduled Banks	580,953,799	541,099,054
TOTAL	1,024,917,076	617,044,018

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**(Amount in ₹)**

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE : J : LOANS, ADVANCES & DEPOSITS		
Advance to Pratibha Infrastructure Pvt. Ltd.	18,242,502	116,552
Advance to Prime Infrapark Pvt. Ltd.	106,400,000	90,773,374
Advance to Bhopal Sanchi Highways Pvt Ltd	13,121,039	-
Advance to Pratibha Developers Pvt Ltd	91,262	-
Advances to Suppliers	312,263,808	141,374,768
Excise Balance	100,125,361	92,533,783
Interest accrued but not due	41,460,136	25,963,553
Loans and Advances to staff	4,478,207	2,203,123
Mobilisation Advances	29,661,624	41,905,046
Other Current Assets & Advances	1,123,067,560	820,753,751
Deposits	1,530,433,084	782,925,884
Prepaid Expenses	105,573,480	74,993,372
Service Tax Credit	17,956,670	17,938,597
Tax Deducted at Source and Advance Tax	742,323,480	419,678,918
VAT Credit	58,265,142	34,961,380
TOTAL	4,203,463,355	2,546,122,101
SCHEDULE : K : CREDITORS		
Creditors under Letter of credit (Security as mentioned in the Schedule C, point b)	598,530,990	520,915,236
Creditors under Purchase Bill Discounting	504,532,696	537,555,391
Other Sundry Creditors	1,020,757,475	859,106,435
TOTAL	2,123,821,160	1,917,577,061
SCHEDULE : L : OTHER LIABILITIES & PROVISIONS		
Proposed Dividend	40,425,907	50,055,000
Dividend Distribution Tax Payable	6,714,861	8,506,847
Director's Remuneration Payable	13,131,000	8,666,067
ESIC & Provident Fund Payable	1,144,128	1,269,126
Other Current Liabilities	23,431,346	14,138,033
Gratuity & Other Employee Benefit Payable	8,790,138	4,014,130
Provision for Income Tax	437,350,887	246,386,732
Provision for Interest on loan accrued but not due	1,079,566	982,981
Professional Tax Payable	252,746	339,094
Salary & Wages Payable	15,477,607	34,252,301
Service Tax Payable	37,948,152	30,387,530
Works Contract Tax Payable	13,561,512	20,115,560
TDS Payable	21,217,062	14,629,711
Unpaid Dividend	585,447	445,392
TOTAL	621,110,359	434,188,503
SCHEDULE : M : ADVANCES & DEPOSITS		
Mobilisation Advance	1,677,809,592	1,253,827,294
Secured Advance	191,395,979	31,775,476
Security Deposit	231,898,569	146,680,267
TOTAL	2,101,104,140	1,432,283,037

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT**(Amount in ₹)**

PARTICULARS	AS ON 31.03.2011	AS ON 31.03.2010
SCHEDULE: N : OTHER INCOME		
Export Incentive	3,080,816	415,600
Foreign Exchange Fluctuation Gain	5,758,139	30,337,129
Profit on Sale of Investment	6,312,841	1,929
Sale of Scrap	36,305,468	19,999,142
Profit on Sale of Fixed Assets	6,129,317	-
Share of Profit from Partnership and JV	18,955,364	-
Dividend	34	-
	-----	-----
TOTAL	76,541,979	50,753,799
	-----	-----
SCHEDULE: O : COST OF WORK DONE		
Opening Stock	2,938,638,101	1,761,900,229
Add : Purchases	5,114,013,930	4,872,132,595
Add : Direct Expenses	3,798,277,516	2,858,842,655
	-----	-----
	11,850,929,547	9,492,875,480
Less : Closing Stock	3,438,949,340	2,938,638,101
	-----	-----
TOTAL	8,411,980,207	6,554,237,379
	-----	-----
SCHEDULE: P : PERSONNEL EXPENSES		
Contribution to PF, ESIC & Gratuity	17,970,402	9,524,617
Director's Medical expenses	782,625	857,793
Director's Remuneration	38,439,224	24,000,800
Director's Sitting Fees	490,000	632,875
Key man Insurance Charges	1,308,304	573,859
Salaries and Wages	531,876,564	395,203,576
Staff welfare expenses	25,926,016	28,525,887
	-----	-----
TOTAL	616,793,135	459,319,407
	-----	-----

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT**(Amount in ₹)**

PARTICULARS	AS ON 31.03.2011	AS ON 31.03.2010
SCHEDULE: Q : ADMINISTRATIVE, SELLING & OTHER EXPS.		
Advertisement Expenses	3,570,055	2,585,527
Auditors Remuneration	1,500,000	1,175,000
Carriage Outward	71,500,774	79,543,325
Commission & Brokerage	1,321,490	2,268,822
Computer Expenses	6,223,821	3,896,611
Donation	4,442,714	11,305,411
Electricity Charges	26,828,027	37,776,674
Fees & Subscription	6,657,613	1,643,321
Insurance	34,440,708	32,207,480
Legal Fees & Professional Charges	118,574,590	95,432,025
Loss on Securitisation of Debtors	-	65,600,458
Pooja & Festival Expenses	2,215,192	2,684,796
Postage & Telegram and Telephone Charges	14,257,344	13,642,832
Printing & Stationery	13,110,442	11,215,791
Rates & Taxes	511,568,558	347,347,684
Registration Fees	2,370,520	1,900,377
Rent	50,727,269	43,763,778
Repair & Maintenance - Office	9,349,408	6,553,107
Sales Promotion	18,596,466	37,985,444
Security Service Charges	18,100,426	12,202,290
Service Charges	2,661,137	498,054
Sundry Expenses	674,730	3,684,772
Tender Expenses	5,992,270	7,704,301
Travelling Expenses	38,808,285	27,534,289
Vehicle Expenses	52,261,963	46,183,639
Share of Loss from JV	-	73,002,347
TOTAL	1,015,753,801	969,338,153
SCHEDULE: R : FINANCE EXPENSES		
Bank Charges & Commission	101,462,216	135,440,906
Interest on Finance for Vehicles & Construction Equipments	107,179,685	84,899,216
Interest on Mobilisation Advance	108,526,816	39,269,490
Interest Paid (Bank)	412,935,506	283,867,846
Less: Interest Received	(112,381,682)	(50,375,827)
TOTAL	617,722,541	493,101,632

SCHEDULE "S" - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Preparation of Financial Statements:**

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

B. Use of Estimates:

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

C. Fixed Assets and depreciation

Fixed Assets are stated at cost net of recoverable taxes less accumulated depreciation. All costs including finance costs, exchange differences arising in respect of foreign currency loans or other liabilities incurred and expenses incidental to acquisition and installation attributable to fixed assets till the date of readiness of their use are capitalized. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred. There has been no revaluation of fixed assets during the year.

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

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

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

Computer software is amortized over a period of five years.

D. Foreign Currency Transactions:**Indian Operation:**

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

Foreign Branch Office Operation

- f) Income and expenses other than depreciation costs are translated at the rate prevailing on the date of transaction.
- g) Branch monetary assets and liabilities are restated at the rate prevailing on the date of balance sheet.
- h) Fixed Assets are translated at exchange rates on the date of transaction and depreciation on fixed asset is translated at the exchange rate used for translating underlying fixed asset.

As on 31st March 2011, there is no Mark-to-Market loss on account of derivative forward exchange contract.

E. Investments:

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

F. Inventories:

Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The FIFO method is being followed for arriving at cost.

- a) Raw materials are valued at lower of cost or net realizable value.
- b) The value of contracts, irrespective of whether the progress of work is below or at the reasonable extent is valued at estimated cost consisting of the costs that relate directly and that which can be allocated to the specific contract
- c) Work-in-progress (other than project and construction-related) at lower of cost including related overheads or net realizable value. Project and construction-related work-in-progress at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure of incomplete contracts is stated at cost.
- d) Stores, spares and Fuel are carried at cost.
- e) Purchase goods and raw materials in transit are carried at cost
- f) Finished goods are valued at cost or net realizable value whichever is lower.

G. Revenue Recognition:**a) Construction Contract Sales:**

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

b) Claim for Extra Work and Escalation:

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

c) Sales recognition:

1. Sales are accounted net of excise duty, Sales Tax, Discount, Returns and Rejections. Sales are recognized on dispatch of material from the factory of the company.
 2. Export Sales are recognized on dispatch of material from the premises of the Company irrespective of the date of shipping document.
 3. Input VAT credit not utilized against current year's Output VAT liability is available for either refund or set-off in future. Therefore, all the purchase & expense transactions involving VAT are accounted net of tax to the extent tax is recoverable and the balance in Value added tax account is included under the head recoverable from Tax department under Loans and Advances.
- d) Profit on sale of investment is recognized on transfer of title from the company and is determined as the difference between the sale price and carrying value of the Investment.
 - e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
 - f) Export Benefits / incentives, interest and other incomes are accounted on accrual basis except Dividend, which is accounted in the year of receipt.
 - g) Dividend income is recognized when right to receive is established.

H. Recognition of Expenditure:**a) Employee Retirement Benefit and other benefits:**

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

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

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

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

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

b) Taxes on Income:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

c) Sales Tax on Works Contracts:

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

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

I. Borrowing Costs:

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

J. Provisions, Contingent Liabilities & Contingent Assets:

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

K. Leases:

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

L. Segment Accounting

a) Segment accounting policies

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

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

(b) Inter-segment transfer pricing

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

NOTES ON ACCOUNTS

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
2. In the opinion of the Directors, the Current Assets, Loan and Advances have a value on realization in the ordinary course of the business, which is at least equal to the amount at which they are stated in the balance sheet.

3. **Contingent Liabilities:**

(₹ in Lakhs)

Particulars	As at 31.03.2011	As at 31.03.2010
a) Unutilized Letters of Credit with Bankers		
- Domestic	7,256.21	5099.03
- Foreign	1,019.91	1211.89
b) Bank Guarantee	88,255.24	69565.20
c) Corporate Guarantee	32,309.00	6721.00
d) Estimated amounts of contract remaining to be executed on Capital Account and not provided for	655.11	2458.27
e) Cases in the court, which in the opinion of the management, require no provision of liability than what is recorded in accounts.	522.29	439.89
f) Income Tax liability (excluding Penalties) that may arise. The Commissioner of Income Tax (Appeal) has allowed the claim of Section 80IA and has passed all the appeal orders in favour of the Company. The Department has filled appeal with ITAT against the orders.	3,575.83	2742.25
g) Central Excise Liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	135.25	-
h) Service Tax liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	99.66	-

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

4. The following table set out the status of the Gratuity Plan as required under AS-15.

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Reconciliation of opening and closing balance of present value of the defined benefit obligation and plan assets:		
Obligation at the beginning	121.30	67.50
Interest Cost	9.70	5.40
Service Cost	78.10	36.04
Actuarial (Gain)/Loss	0.80	12.69
Benefit Paid	-	(0.34)
	<u>209.90</u>	<u>121.30</u>
Obligation at the period end		
Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company :		
Change in plan assets:		
Fair Value of plan asset at the beginning	81.15	30.15
Expected return on plan assets	6.49	2.41
Actuarial Gain	(7.64)	0.34
Contribution	42.00	48.59
Benefit paid	-	(0.34)
	<u>122.00</u>	<u>81.15</u>
Fair Value of plan asset at the end of the year		
Reconciliation of present value of obligation and fair value of plan asset:		
Fair Value of plan asset at the end of the year	122.00	81.15
Present Value of defined obligation at the end of the period.	209.90	121.30
	<u>87.90</u>	<u>40.14</u>
Liability recognized in the balance sheet		
Assumptions:		
Interest Rate	8.25%	8.00%
Estimated rate of return on plan assets	8.00%	8.00%
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Rate of escalation in salary (p.a.)	6.00%	6.00%
Gratuity Cost for the period		
Service cost	78.10	36.04
Interest cost	9.70	5.40
Expected return on plan assets	(6.49)	(2.41)
Actuarial (gain)/loss	8.45	12.35
	<u>89.76</u>	<u>51.38</u>
Expense recognized in Profit and Loss Account		

5. Payment to Auditors:

(₹ in Lakhs)

Particulars	As at 31.03.2011	As at 31.03.2010
a. Audit Fees	13.24	10.75
b. Tax Audit Fees	3.31	2.21
c. In other Capacity	10.18	6.89
	26.73	19.85

(The above figures are inclusive of Service Tax)

6. Managerial Remuneration

(₹ in Lakhs)

Particulars	2010-11	2009-10
Salary	176.89	125.08
Commission	207.50	117.63
Perquisite and allowances	9.41	10.16
Total	393.80	252.80

The figure above does not include contribution to gratuity fund since the same is provided on actuarial basis for the company as a whole.

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

(₹ in Lakhs)

	31.03.2011	31.03.2010
Profit before tax	9,581.50	7,644.70
Add: Managerial Remuneration	392.22	252.80
Add: Loss / (Profit) on Sale of Fixed Assets	-	0.62
Less: Profit on Sale of Fixed Assets	61.29	-
Less: Profit on redemption of Investment	63.13	0.02
Net Profit for the year	9849.30	7,898.14
Managerial Remuneration ceiling @ 11%	1083.42	868.80
Managerial Remuneration paid	393.80	252.80

- Investments are carried in the books at cost. The Directors are of the opinion that the investment would realize the invested amount on sale and accordingly no provision for diminution in value is required.
- During the year, income tax authorities conducted search & seizure u/s. 132 of the Income Tax Act. The matter is under investigation.
- Donation made by the Company is within the limits prescribed u/s. 293(1)(e) of the Companies Act, 1956. Donation given to political parties ₹ NIL (Previous Year ₹ 85 Lakhs).
- Balance under the head 'Sundry Debtors', 'Sundry Creditors', 'Loan and Advances Receivable and Payable are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof.

11. During the year the company has received overseas project in Dubai. The company has treated pre-operational expenses for foreign operations amounting to ₹ 831.31 Lakhs as Deferred revenue expenses. The same will be written off in 5 years.
12. The details of amount outstanding to supplier under the Micro, Small and Medium Enterprises Development Act, 2006, based on available information with the company, are as under:

(₹ in Lakhs)

Particulars	2010-11	2009-10
Principal Amount due	6.02	22.92
Interest due	Nil	Nil
Payment made to the supplier beyond the appointed date	Nil	Nil
Interest paid to the supplier under Section 16 of MSMED Act.	Nil	Nil
Interest paid to the supplier other than under Section 16 of MSMED Act.	Nil	Nil
Interest due and payable towards supplier under MSMED Act for payments already made.	Nil	Nil
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	Nil	Nil

13. The management is of the opinion that some of its projects are eligible for tax benefits u/s 80IA of the Income Tax Act 1961.

14. Unclaimed Dividend

The amount of unclaimed dividend lying in Unclaimed Dividend Account as on 31/03/2011 is ₹ 585,447/- (Previous Year ₹ 445,392).

15. Leases:

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

16. Deferred Tax Liability

Deferred Tax Liability comprise of the following:

(₹ in Lakhs)

Particulars	2010-11	2009-10
Deferred Tax Liability		
Related to Fixed Assets	1,839.59	1,311.05
Deferred Tax Assets	-	-
Total	1,839.59	1,311.05

17. Related Party Disclosure:

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

Sr. No.	Name of Related Party	Relationship
1.	Pratibha Infrastructure Pvt. Ltd.	Subsidiary Companies
2.	Prime Infrapark Private Limited	
3.	Pratibha Developers Pvt. Ltd. (wholly owned subsidiary of Pratibha Infrastructure P. Ltd.)	
4.	Bhopal Sanchi Highways P. Ltd.	
5.	Pratibha Pipes & Structural Ltd.	Associates
6.	Elegant Infrastructure & Real Estate Pvt. Ltd.	
7.	Pratibha Industries General Contracting LLC (UAE)	
8.	Pratibha Shareholding Pvt. Ltd.	
9.	Pratibha Struct Build Pvt. Ltd.	
10.	Muktangan Developers Pvt. Ltd.	Joint Ventures
11.	Petron Pratibha JV	
12.	Pratibha Unity JV	
13.	Pratibha Ostu Stettin JV	
14.	Pratibha Rohit JV	
15.	Patel Pratibha JV	
16.	Pratibha JV	
17.	KBL PIL Consortium	
18.	Pratibha China State JV	
19.	Unity Pratibha Multimedia JV	
20.	Niraj Pratibha JV	
21.	Unity Pratibha Consortium	
22.	ITD Pratibha Consortium	
23.	Pratibha GIN KJI Consortium	
24.	Pratibha SMS JV	
25.	Pratibha AI Ambia JV	
26.	Pratibha Aparna JV	
27.	Pratibha Membrane Filters JV	
28.	Gammon Pratibha JV	
29.	Mrs. Usha B. Kulkarni	Key Managerial Personnel
30.	Mr. Ajit B. Kulkarni	
31.	Mr. Vinayak B. Kulkarni	
32.	Mr. Rohit R. Katyal	
33.	Mr. Rahul Katyal	
34.	Mrs. Samidha Kulkarni	Relatives of Key Managerial Personnel
35.	Mrs. Sunanda Kulkarni	
36.	Mr. Sanjay Kulkarni	
37.	Mr. Shyam Kulkarni	
38.	Mr. Ravi Kulkarni	

Disclosure of related party transactions:

(₹ in Lakhs)

	Subsidiaries	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Associate / Affiliates
Sales & Services	4306.81 (141.22)	17920.84 (18202.10)	NIL (NIL)	NIL (NIL)	NIL (1307.95)
Interest & Other Incomes received / receivable	41.77 (NIL)	390.01 (0.59)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Purchase of Goods / Payment for other services	NIL (NIL)	NIL (NIL)	1.74 (1.14)	13.67 (3.00)	6322.29 (9982.35)
Remuneration	NIL (NIL)	NIL (NIL)	402.78 (273.28)	31.11 (18.00)	NIL (NIL)
Sale of Fixed Assets	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Purchase of Fixed Assets	0.51 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Loan/Advance given/ (received)	287.48 (907.73)	4577.41 (NIL)	NIL (NIL)	NIL (NIL)	NIL (140.66)
Guarantee given/(received)	27302.00 (NIL)	3968.00 (5682.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Investment made/(received)	0.51 (100.00)	50.00 (NIL)	NIL (NIL)	NIL (NIL)	NIL (9.32)

Note: Previous year's figures are given in bracket

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

(₹ In Lakhs)

Particulars	2010-11	2009-10
Subsidiaries		
i) Advance given		
Prime Infrapark Pvt. Ltd.	156.26	907.73
Bhopal Sanchi Highways P Ltd	131.21	-
ii) Investment		
Prime Infrapark Pvt. Ltd.	-	100.00
Bhopal Sanchi Highways P Ltd	0.51	-
iii) Sales & Service		
Prime Infrapark Pvt. Ltd.	4306.81	-
iv) Interest & Other Income Received		
Bhopal Sanchi Highways P Ltd	41.77	-
v) Purchase of Fixed Assets		
Pratibha Infrastructure P Ltd	0.51	-
vi) Guarantees Given		
Bhopal Sanchi Highways P Ltd	13772.00	-
Prime Infrapark P Ltd	13530.00	-

Particulars	2010-11	2009-10
Joint Ventures		
i) Sales & Service		
ITD Pratibha Consortium	1827.54	5413.49
Pratibha China State JV	10810.50	4386.47
Patel Pratibha JV	2807.94	4669.40
Pratibha GIN KJI Consortium	-	2712.20
ii) Guarantees Given		
Niraj Pratibha JV	1945.00	3462.00
Pratibha Ostu Stettin JV	2023.00	2220.00
iii) Interest & Other Income Received		
Niraj Pratibha JV	248.52	-
Pratibha Ostu JV	56.68	-
Pratibha SMS JV	55.37	-
iv) Advance given		
Niraj Pratibha JV	3561.44	2931.67
Pratibha SMS JV	506.68	-
v) Investment		
Pratibha Membrane Filter JV	50.00	-
Associate /Affiliates		
i) Purchases of Goods /Payment for other services		
Pratibha Pipes & Structural Limited	6322.29	9982.35
ii) Advance given/(taken)		
Pratibha Industries General Contracting LLC	-	140.47
KMP		
i) Remuneration		
Mr. Ajit B. Kulkarni	290.00	197.47
Mr. Rohit Katyal	59.80	36.45
Relatives of KMP		
i) Remuneration		
Mr. Sanjay Kulkarni	29.76	18.00
ii) Purchase of Goods / Payment for other services		
Mrs. Samidha Kulkarni	11.94	-
Mrs. Sunanda Kulkarni	1.64	-

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

(₹ in Lakhs)

Sr. No.	Name of the Parties	Transaction During the Year ended		Outstanding Balance as on	
		31st March 2011	31st March 2010	31st March 2011	31st March 2010
1	Loans / Advance to Subsidiary Co.:				
	Prime Infrapark Pvt. Ltd.	156.27	907.73	1064.00	907.73
	Pratibha infrastructure Pvt Ltd.	181.26	0.08	182.43	1.17
	Bhopal Sanchi Highways P. Ltd.	131.21	NIL	131.21	NIL
	Pratibha Developers P. Ltd.	0.91	NIL	0.91	NIL
2	Unsecured Loans where there are no repayment Schedule	NIL	NIL	NIL	NIL

19. Earnings per share:

Sr. Particulars No.	As on 31.03.2011	As on 31.03.2010
1 Net Profit after tax attributable to Equity Shareholders (₹ in Lakhs)	7143.32	5651.27
2 Weighted average number of equity shares (Nos. in Lakhs)	903.62	834.25
3 Basic / Diluted Earnings per share (₹)	7.91	6.77
4 Face value per equity share (₹)	2.00	2.00

*Last year's number of shares have been restated to make them comparable with current year.

20. Financial Reporting of Interest in Joint Ventures:

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

(₹ in Lakhs)

NAME	%	ASSETS	LIABILITIES	INCOME	EXPENSES
ITD Pratibha Consortium	100%	466.48	421.98	1,906.31	1,903.34
Niraj Pratibha JV	50%	3,915.13	4,844.99	2,862.26	2,946.97
Patel-Pratibha JV	100%	1,388.05	1,292.18	2,890.93	2,893.64
Petron Pratibha JV	100%	0.10	-	-	-
Pratibha Al Ambia JV	100%	1,477.02	1,455.98	891.99	870.95
Pratibha Aparna JV	51%	372.53	372.53	16.13	16.13
Pratibha China State JV	100%	7,337.40	7,287.80	10,872.06	10,838.78
Pratibha JV	95%	120.74	58.28	-	0.93
Pratibha Membrane Filters JV	51%	1,130.72	965.84	1,160.56	1,045.68
Pratibha Ostu Stettin JV	50%	2,944.78	2,622.57	3,528.03	3,422.59
Pratibha Rohit JV	80%	613.07	564.64	240.40	223.56
Pratibha SMS JV	70%	1,235.83	1,208.84	1,948.12	1,921.12
Pratibha Unity JV	50%	147.10	14.25	-	-
Unity Pratibha Consortium	100%	1,366.06	652.14	317.90	361.43
Unity Pratibha Multimedia JV	100%	168.26	20.63	-	-

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

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

21. Impairment of Assets:

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

22. Earning in Foreign Exchange :

(₹ in lakhs)

Particulars	2010-11	2009-10
Export sale	2144.92	110.15

23. Expenditure in Foreign Currency :

(₹ in lakhs)

Particulars	2010-11	2009-10
On Foreign Travel	87.13	3.26
On Professional Fees	340.60	153.81
On Business Development and marketing	79.56	284.83
On Interest	67.66	39.06
On Fees & Subscription	32.15	2.78
On Import of Capital Goods (CIF Value)	185.86	29.38
On Import of Material & Stores (CIF Value)	845.13	1179.48
On Freight	-	1.47
On Equipment, spares and maintenance	13.83	0.90
On Rent	78.62	-
On Salary	264.21	-
On Labour Charges	159.99	-
On Administration expenses of overseas operations	134.46	-
Total	2289.21	1694.97

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

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

A. Capacities & Production

Product	Unit	Installed Capacity (Qty in '000)		Actual Production (Qty in '000)	
		2010-11	2009-10	2010-11	2009-10
M S Pipe	MT	90.00	90.00	17.055	42.47
Coating	M ²	1800.00	-	262.587	-

(Actual production quantity includes free issue material processed)

B. Turnover

Product	Unit	2010-11		2009-10	
		Qty. ('000)	Value (₹ in Lakh)	Qty. ('000)	Value (₹ in Lakh)
M S Pipe	M.T.	15.658	6726.94	42.32	17516.56
M S Cut End	M.T.	0.970	142.23	0.92	123.30
HR Coil/Plate	M.T.	1.993	765.91	-	-
Coating of Pipe	M ²	262.587	5652.66	-	-

* Quantitative figures are inclusive of quantity received and sent after conversion

C. Inventory

Product	Unit	As at 31.03.2011		As at 31.03.2010	
		Qty. ('000)	Value (₹ in Lakh)	Qty. ('000)	Value (₹ in Lakh)
M S Pipe	MT	1.487	849.97	1.060	428.83

D. Consumption

a. Raw Material, Stores & Spares consumed:

Product	Unit	2010-11		2009-10	
		Qty. ('000)	Value (₹ in Lakh)	Qty. ('000)	Value (₹ in Lakh)
H R Coil	M.T.	17.49	5755.08	43.91	12431.27
Others	-	972.42	-	1188.75	

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

Product	2010-11		2009-10	
	Value (₹ in Lakh)	%	Value (₹ in Lakh)	%
Raw Materials				
Imported	0.00	0.00	55.30	0.70
Indigenous	5186.10	100.00	7,879.58	99.30
Total	5186.10	100.00	7,934.88	100.00
Spares Parts & Consumables				
Imported	375.01	17.90	853.24	13.39
Indigenous	1719.74	82.10	5,517.26	86.61
Total	2094.75	100.00	6,370.50	100.00

E. Purchase of Finished Goods:

NIL (P.Y. NIL)

F. Value of Imports (CIF Value)

(₹ in Lakh)

Particulars	2010-11	2009-10
Raw Material	-	55.53
Consumables Stores	375.01	853.24
Capital Goods	17.92	29.38

25. Segment Information:

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

- Primary Segment Information:

(₹ in Lakhs)

Particulars	2010-11	2009-10
1. Segment Revenue		
a. Infrastructure & Construction	105,999.41	82,401.88
b. Manufacturing & Coating	13,393.41	18,274.19
c. Unallocated	124.42	0.02
Total	119,517.25	100,676.09
Less : Inter Segment Revenue	1,879.37	7,185.50
Net Sales/ Income from Operations	117,637.88	93,490.59
2. Segment Results		
a. Infrastructure & Construction	15,096.11	10,742.88
b. Manufacturing & Coating	958.08	2,011.47
c. Unallocated	(295.47)	(178.63)
Total	15,758.73	12,575.72
Interest	6,177.23	4,931.02
Income Tax	2,438.19	1,993.43
Net Profit	7143.31	5651.27
Segment Assets		
a. Infrastructure & Construction	103,130.87	78806.76
b. Manufacturing & Coating	19,424.26	18912.63
c. Unallocated	14,406.62	13196.89
Total Assets	136,961.75	110916.27
Segment Liabilities		
a. Infrastructure & Construction	71,932.84	66160.19
b. Manufacturing & Coating	6,044.96	7452.75
c. Unallocated	10,636.81	9765.64
Total Liabilities	88,614.60	83378.58
Capital Employed		
a. Infrastructure & Construction	31,198.03	12,646.56
b. Manufacturing & Coating	13,379.30	11,459.88
c. Unallocated	3,769.81	3,431.25

Particulars	2010-11	2009-10
Capital Expenditure		
a. Infrastructure & Construction	3,525.66	3,119.25
b. Manufacturing & Coating	439.13	2,122.21
c. Unallocated	1,887.72	4,406.15
Depreciation		
a. Infrastructure & Construction	475.77	416.22
b. Manufacturing & Coating	538.22	491.05
c. Unallocated	419.89	178.65
Non Cash Expenses other than Depreciation		
a. Infrastructure & Construction	-	-
b. Manufacturing & Coating	0.95	-
c. Unallocated	18.67	0.62

• Secondary Segment Information:

(₹ In Lakhs)

Particulars	2010-11	2009-10
Segment Revenue - External Turnover		
Within India	116,586.82	93,490.59
Outside India	1,051.06	-
Total Revenue	117,637.88	93,490.59
Segment Assets		
Within India	132,411.88	110,824.05
Outside India	4,549.86	92.23
Total Assets	136,961.75	110,916.28
Segment Liabilities		
Within India	85,152.44	83,348.57
Outside India	3,462.16	30.01
Total Liabilities	88,614.60	83,378.58
Capital Expenditures		
Within India	5,789.74	9,584.83
Outside India	62.78	62.78
Total Expenditures	5,852.52	9,647.61

26. During year, the company has raised ₹ 150 Crores by issue of additional equity and preference share under the prevalent and applicable SEBI Guidelines. The funds have been raised as (i) ₹ 100 Crores by way of Qualified Institutional Placement (QIP Route) by allotment of 12,195,609 equity shares at premium of ₹ 80/- & (ii) ₹ 50 Crores by way of Preferential Allotment of 3,804,348 equity shares & 1,630,435 Compulsorily Convertible Participatory Preference Shares at (face value and premium thereof). Following is the end use of the money so raised:

Particulars	Amount
Repayment of short term Loan	12500.00
Long Term working capital Margin	873.27
Investment in Inter corporate Deposits	1000.00
Issue Expenses	627.13
Total	15000.40

27. Investments purchased & sold during the year:

Mutual Funds	Face Value (₹)	Nos.	Cost (₹ in Lakhs)
Axis Liquid Fund Collection Account	1000.05	49997.45513	500.00
Axis Liquid Fund Collection Account	1000.07	29997.94814	300.00
Baroda Pioneer Liquid Fund Inv. Plan – Growth	15.67	4465738.218	700.00
Birla Sunlife Cash Plus Collection Account	10.02	4990268.975	500.00
ICICI Prudential Mutual Fund (Liquid)	100.02	499887.0255	500.00
Reliance Liquid Fund Cash Plan	11.14	5385271.283	600.00
SBI Magnum Instacash Fund	10.01	6995802.518	700.00

28. Other Investments sold during the year:

Mutual Funds	Face Value (₹)	Nos.	Cost (₹ in Lakhs)
Baroda Pioneer Liquid Fund Inv. Plan – Growth	15.67	318981.3013	50.00
Canara Robeco Income Growth	19.03	262736.1341	50.00
L & T Freedom Income STP Inst DDR Plan	10.12	988602.5523	100.01
Principal Floating Rate Fund Flexible Maturity Plan IP DDR	10.00	999780.0484	100.00
SBI Magnum Instacash Fund (Short Term)	16.75	298502.1164	50.00
SBI Magnum Instacash Fund (Ultra Short Term)	16.75	298561.8168	50.01
Taurus Liquid Fund	10.00	1000000.0000	100.00

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

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

For and on behalf of the Board of Directors

Hemant Agrawal
Partner
M.No.403143
Firm Reg No. 104184W

Usha B. Kulkarni
Chairperson

Vinayak B. Kulkarni
Whole Time Director

Ajit B. Kulkarni
Managing Director

Pankaj S. Chourasia
Company Secretary

Place: Mumbai
Date: 19th May 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Particulars	31.03.2011 Amount ₹	31.03.2010 Amount ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	958,150,381	764,470,019
Adjustment for :		
Depreciation	143,388,198	108,591,915
Loss / (Profit) on Sale of Assets & Investment	(12,442,158)	60,528
Finance Charges	617,722,541	493,101,632
Unrealised Foreign Exchange Gain	(8,383,738)	(24,695,763)
Dividend Received	(34)	-
Operating Profit before working Capital Changes	1,698,435,191	1,341,528,331
Adjustment for:		
Inventories	(500,311,239)	(1,176,737,872)
Sundry Debtors	66,205,314	(584,278,197)
Loans & Advances	(1,557,409,052)	(1,234,319,357)
Sundry Creditors	206,461,465	460,784,000
Other Liabilities	7,079,814	42,658,387
Advances & Deposits	672,966,869	661,200,520
	593,428,362	(489,164,188)
Direct Taxes Paid	(100,000,000)	(2,749,646)
Net cash used in Operating Activities	493,428,362	(491,913,834)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(585,251,878)	(964,760,547)
Sale of Fixed Assets	118,364,507	46,000
Deduction / (Addition) of investments	38,399,100	12,210,506
Dividend Received	34	-
Net cash used in investing activities	(428,488,236)	(952,504,042)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Particulars	31.03.2011 Amount ₹	31.03.2010 Amount ₹
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(70,129,774)	(33,145,070)
Corporate Dividend Tax paid	(11,863,707)	(5,671,232)
Proceeds from issue of Share Capital	1,437,326,928	-
Proceeds from Long Term Borrowings (Net)	(280,914,455)	557,427,947
Proceeds from Short Term Borrowings (Net)	(113,903,574)	1,343,501,402
Finance Charges paid (Net)	(617,722,541)	(493,101,632)
Net cash from Financing Activities	342,792,877	1,369,011,416
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	407,733,002	(75,406,460)
Opening Cash and Cash Equivalents	616,598,626	692,005,086
Closing Cash and Cash Equivalents	1,024,331,628	616,598,626

Notes :

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

Cash and Cash Equivalent	31.03.2011	31.03.2010
Cash in hand	10,250,528	4,945,920
Balance with Banks	1,014,666,548	612,098,098
Less: Unpaid Dividend Balance	585,447	445,392
Total	1,024,331,628	616,598,626

For Jayesh Sanghrajka & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Hemant Agrawal
Partner
M.No. 403143
Firm Regn. No. 104184W

Usha B. Kulkarni
Chairperson

Vinayak B. Kulkarni
Whole Time Director

Ajit B. Kulkarni
Managing Director

Pankaj S Chourasia
Company Secretary

Place : Mumbai
Date : 19th May 2011

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code (Refer Code List 1)Balance Sheet
Date Month Year

II Capital Raised during the year (Amount in ₹ Thousand)

Public Issue	Right Issue
<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/>

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

Total Liabilities	Total Assets
<input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="9"/>	<input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="9"/>

Sources of Funds

Paid-up Capital	Reserves & Surplus
<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="0"/>	<input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="5"/>
Secured/Unsecured Loans	Deferred Liabilities
<input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="9"/>

Application of Funds

Net Fixed Assets	Investments
<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="7"/>
Net Current Assets	Misc. Expenditure
<input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

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

Turnover/Income	Total Expenditure
<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="8"/>	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="8"/>
+ - Profit / Loss Before Tax	+ - Profit / Loss After Tax
<input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="2"/>

(Please tick Appropriate box + for Profit - for Loss)

Earning Per Share in ₹	Dividend @ %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> . <input type="text" value="9"/> <input type="text" value="1"/>	<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/>

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

Item Code No. (ITC Code)	Product Description
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="A"/> <input type="text" value=""/>	<input type="text" value="Building & Construction"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="A"/> <input type="text" value=""/>	<input type="text" value="Manufacturing of SAW Pipes"/>

For Jayesh Sanghrajka & Co.
Chartered AccountantsHemant Agrawal
Partner
M.No. 403143
Firm Regn. No. 104184WPlace : Mumbai, Date : 19th May 2011

For and on behalf of the Board of Directors

Usha B. Kulkarni
ChairpersonVinayak B. Kulkarni
Whole Time DirectorAjit B. Kulkarni
Managing DirectorPankaj S Chourasia
Company Secretary

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

Name of Subsidiary Company	Pratibha Infrastructure Private Limited	Prime Infrapark Private Limited	Pratibha Developers Private Limited	Bhopal Sanchi Highways Private Limited
(A) The Financial year of the Subsidiary Company	31 st March, 2011	31 st March, 2011	31 st March, 2011	31 st March, 2011
(B) Shares of the subsidiary held by the Company on the above date:				
(a) Number of Shares	1000 Equity shares of ₹ 100 each	10,00,000 Equity shares of ₹ 10 each	10000 Equity shares of ₹ 10 each held by Pratibha Infrastructure Private Ltd.	5100 Equity shares of ₹ 10 each
(b) Extent of Holding	100%	100%	100%	51%
(C) The net aggregate of profit/loss of the subsidiary company so far as its concerns the members of the Company				
(a) Not dealt within the account of the Company for the year ended 31 st March, 2011 amounted to:-				
(I) for the financial years ended as in (A) above;	(8,535)	NIL	NIL	NIL
(II) for the previous financial year of subsidiary since they became the subsidiary of the Company	(81,134)	NIL	NIL	NIL
(b) Dealt within the account of the Company for the year ended 31 st March, 2011 amounted to:-				
(I) for the financial years ended as in (A) above;	NIL	NIL	NIL	NIL
(II) for the previous financial year of subsidiary since they became the subsidiary of the Company	NIL	NIL	NIL	NIL
(D) As the financial year of the Company coincide with the financial year of the holding company, section 212 (5) of the Companies Act, 1956	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board**Usha B. Kulkarni**
Chairperson**Ajit B. Kulkarni**
Managing DirectorPlace : Mumbai
Date : 19th May 2011**Vinayak B. Kulkarni**
Whole Time Director**Pankaj S. Chourasia**
Company Secretary

AUDITORS' REPORT

To the members of
Pratibha Industries Limited

We have audited the attached Consolidated Balance sheet of **PRATIBHA INDUSTRIES LIMITED** and its Subsidiaries and Joint Ventures, as at 31st March, 2011, the consolidated Profit and Loss account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirement of the Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standard 23, Accounting of Investment in Associates in Consolidated Financial Statement and Accounting Standard (AS) 27, Reporting Of Interest In Joint Ventures, notified by Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited / certified financial statements, we are of the opinion that:

- In the case of the Consolidated Balance Sheet gives true and fair view of the Consolidated State of Affairs of the Company and its Subsidiaries and Joint Ventures as at 31st March 2011;
- In the case of the Consolidated Profit and Loss account gives a true and fair view of the Consolidated Profit / Loss for the year ended on that date; and
- In the case of the Consolidated Cash Flows Statement, of the Consolidated Cash Flows for the year ended on that date.

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

Hemant Agrawal
Partner
Membership No. 403143
Firm Regn. No. 104184W
Mumbai, 19th May 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

(Amount in ₹)

Particulars	Schedule	31.03.2011	31.03.2010
Sources of Funds			
Shareholders Funds			
Share Capital	A	348,849,934	166,850,000
Reserves & Surplus	B	4,485,856,046	2,586,892,252
		4,834,705,980	2,753,742,252
Deferred Tax Liability		183,959,247	131,104,529
Loan Funds			
Secured Loans	C	3,270,378,665	3,047,775,829
Unsecured Loans	D	1,118,033,065	1,300,085,855
		4,388,411,730	4,347,861,684
TOTAL		9,407,076,957	7,232,708,466
Applications of Funds			
Fixed Assets			
Gross Block	E	3,585,583,428	3,169,003,768
Less: Depreciation		427,169,593	278,429,714
Net Block		3,158,413,835	2,890,574,054
Capital Work In Progress		544,849,730	113,657,066
Investments	F	1,428,786	51,429,715
Current Assets Loans & Advances			
Inventories	G	3,792,003,994	3,236,654,383
Sundry Debtors	H	1,895,292,435	1,943,853,253
Cash & Bank Balance	I	1,281,464,598	658,087,281
Loans, Advances & Deposits	J	4,200,646,022	2,440,652,244
		11,169,407,049	8,279,247,161
Less: Current Liabilities & Provisions			
Sundry Creditors	K	2,183,342,117	1,958,132,789
Other Liabilities & Provisions	L	687,940,655	471,633,499
Advances & Deposits	M	2,596,357,800	1,673,301,520
Minority Interest		49,000	-
TOTAL		5,467,689,572	4,103,067,808
Working Capital		5,701,717,477	4,176,179,353
Miscellaneous Expenditures (to the extent not w/off)	N	667,130	868,279
TOTAL		9,407,076,957	7,232,708,466

Significant Accounting Policies & Notes on Accounts **T**

Schedules referred above forms an integral part of Balance Sheet & Profit & Loss A/c.

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

For and on behalf of the Board

Hemant Agrawal
Partner
M.No. 403143
Firm Regn. No. 104184W

Usha B. Kulkarni
Chairperson

Vinayak B. Kulkarni
Whole Time Director

Ajit B. Kulkarni
Managing Director

Pankaj S. Chourasia
Company Secretary

Place : Mumbai
Date : 19th May, 2011

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011
(Amount in ₹)

Particulars	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
Income			
Gross Sales & Other incomes from Operations		12,774,335,569	10,115,938,778
Less:Excise Duty		93,253,709	44,345,213
Net Sales & Other incomes from Operations		12,681,081,860	10,071,593,565
Other Income	O	58,889,445	62,736,091
		12,739,971,305	10,134,329,656
Expenses			
Cost of Works Done	P	9,099,392,985	7,196,862,986
Personnel Expenses	Q	684,662,210	538,509,174
Administrative, Selling & Other Expenses	R	1,176,391,352	969,665,162
Finance Expenses	S	641,199,174	522,348,475
Depreciation	E	170,171,679	140,433,006
Preliminary Expenses Written Off	N	264,459	204,649
		11,772,081,860	9,368,023,452
		967,889,445	766,306,204
Profit Before Tax			
<u>Provision For Taxation</u>			
Current Tax		200,735,469	131,676,084
Deferred Tax		52,854,718	69,403,227
Short/Excess Tax Provision of Earlier Years		-	126,604
		714,299,258	565,100,289
Profit After Tax and Available for Appropriation			
Interim Dividend		20,214,829	-
Proposed Dividend		40,425,907	50,055,000
Corporate Dividend Tax		10,071,721	8,506,847
General Reserve		72,000,000	57,000,000
		571,586,801	449,538,442
Balance Carried forward to Balance Sheet			
Earning per share			
Closing Number of shares		99,424,957	83,425,000
Weighted Average Number of shares		90,362,026	83,425,000
Basic Earning Per Share		7.90	6.77
Diluted Earning Per Share		7.90	6.77

Significant Accounting Policies & Notes on Accounts **T**

Schedules referred above forms an integral part of Balance Sheet & Profit & Loss A/c.

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

For and on behalf of the Board

Hemant Agrawal
Partner
M.No. 403143
Firm Regn. No. 104184W

Usha B. Kulkarni
Chairperson

Vinayak B. Kulkarni
Whole Time Director

Ajit B. Kulkarni
Managing Director

Pankaj S. Chourasia
Company Secretary

Place : Mumbai
Date : 19th May, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET
(Amount in ₹)

PARTICULARS	31.03.2011	31.03.2010
SCHEDULE: A : SHARE CAPITAL		
Authorised Capital		
125,000,000 (P.Y. 125,000,000) Equity Shares of ₹ 2/- Each	250,000,000	250,000,000
1,631,000 (P.Y. NIL) Compulsorily Convertible Participatory Preference Shares of ₹ 92/- Each	150,052,000	-
Issued, Subscribed & Fully Paid Up		
99,424,957 (P.Y. 83,425,000) Equity Shares of ₹ 2/- Each fully paid up	198,849,914	166,850,000
1,630,435 (P.Y. NIL) Compulsorily Convertible Participatory Preference Shares of ₹ 92/- Each fully paid up	150,000,020	-
Total	348,849,934	166,850,000
SCHEDULE: B : RESERVES & SURPLUS		
Opening Balance	1,443,970,516	994,382,074
Addition During the year	571,586,800	449,538,442
(A)	2,015,557,316	1,443,920,516
Security Premium Account		
Opening Balance	990,971,736	990,971,736
Addition During the year	1,318,040,040	-
Less: Deduction during the Year	62,713,046	-
(B)	2,246,298,730	990,971,736
General Reserve		
Opening Balance	152,000,000	95,000,000
Addition During the year	72,000,000	57,000,000
Less: Deduction during the Year	-	-
(C)	224,000,000	152,000,000
Total (A) + (B) + (C)	4,485,856,046	2,586,892,252
SCHEDULE: C : SECURED LOANS		
Loans for Property, Vehicles & Construction Equipments	834,983,566	742,690,709
Working Capital Finance	1,590,757,228	933,783,231
Project - Specific Finance	535,610,683	1,015,984,835
Buyer's Credit Facility	39,135,373	-
Term Loan	269,891,815	355,317,054
Total	3,270,378,665	3,047,775,829
SCHEDULE: D : UNSECURED LOANS		
From Banks & Financial Institutions	1,100,000,000	1,300,000,000
From Others	17,947,210	-
From Shareholders and Directors	85,855	85,855
Total	1,118,033,065	1,300,085,855

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET
SCHEDULE : E : FIXED ASSETS AS AT 31.03.2011 (Amount in ₹)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2010	Addition	Sale/Transfers/ Impairment	Ason 31.03.2011	Ason 01.04.2010	Addition for the year	On Sale/ Transfers	Ason 31.03.2011	Ason 31.03.2011	Ason 31.03.2010
1	Office Premises	420,350,015	49,383,200	-	469,733,215	4,583,504	7,322,388	-	11,905,892	457,827,323	415,766,511
2	Plant & Machinery	1,908,500,433	333,453,646	89,634,223	2,152,319,856	184,917,900	111,022,653	9,439,737	286,500,816	1,865,819,041	1,723,582,534
3	Furniture & Fixture	53,016,430	78,400,433	21,395,578	110,021,285	8,614,554	6,456,612	3,667,996	11,403,169	98,618,116	44,401,877
4	Electrical Installation	72,151,120	1,040,767	-	73,191,887	7,870,166	3,443,711	-	11,313,877	61,878,010	64,280,954
5	Office Equipment	53,123,896	22,451,436	16,433,165	59,142,166	10,321,546	7,069,996	4,772,389	12,619,152	46,523,014	42,802,350
6	Vehicles	147,435,291	35,980,204	13,009,085	170,406,410	35,827,300	15,450,532	3,551,678	47,726,154	122,680,256	111,607,990
7	Computer Software	21,192,488	3,561,267	12,500	24,741,255	5,848,796	4,635,922	-	10,484,718	14,256,538	15,343,692
8	Factory Building	439,606,537	4,684,528	-	444,291,065	20,445,949	14,769,866	-	35,215,815	409,075,250	419,160,588
9	Land	53,627,557	28,108,730	-	81,736,287	-	-	-	-	81,736,287	53,627,557
	Total	3,169,003,768	557,064,211	140,484,551	3,585,583,428	278,429,714	170,171,679	21,431,801	427,169,593	3,158,413,835	2,890,574,053
	Previous Year	1,683,207,673	1,490,327,324	4,531,229	3,169,003,768	139,408,828	140,433,006	1,412,120	278,429,714	2,890,574,054	1,543,798,847

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in ₹)

PARTICULARS	31.03.2011	31.03.2010
SCHEDULE: F : INVESTMENTS		
Trade Unquoted		
2,660 Equity Shares of Abhyudaya Co Op. Bank Ltd.	26,600	26,600
135,725 Equity Shares of Janakalyan Sahakari Bank Ltd	1,357,250	1,357,250
5 Equity Shares of The Greater Bombay Co. Op. Bank Ltd.	25	25
100 Equity Shares of Baramati Tollways Pvt. Ltd.	1,000	-
Non-Trade Quoted		
Investment in Gold Coins (Market Value ₹ 166200/- P.Y. ₹ 130560/-)	43,911	43,911
Investment in Mutual Fund (Market Value ₹ NIL P.Y. ₹ 50370575/-)	-	50,001,929
Total	1,428,786	51,429,715
SCHEDULE : G : INVENTORIES		
Raw Material	598,759,158	799,884,572
Consumable Stores	89,708,901	69,618,147
Work In Progress	3,018,538,441	2,324,268,524
Finished Stock	84,997,494	42,883,140
(As per Inventories certified and valued by the Management)		
Total	3,792,003,994	3,236,654,383
SCHEDULE : H : SUNDRY DEBTORS		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	370,366,549	417,509,179
Other Debtors	1,524,925,886	1,266,546,778
Project Specific Debts	-	259,797,296
Total	1,895,292,435	1,943,853,253
SCHEDULE : I : CASH & BANK BALANCES		
Cash in hand	11,185,605	5,481,216
<u>Balance with Banks</u>		
In Current Account with Scheduled Banks	656,124,613	101,601,187
In Term Deposit of Scheduled Banks	614,154,380	551,004,877
Total	1,281,464,598	658,087,281

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in ₹)

PARTICULARS	31.03.2011	31.03.2010
SCHEDULE : J : LOANS, ADVANCES & DEPOSITS		
Advances to Suppliers	395,280,288	197,462,697
Excise Balance	100,125,361	92,533,783
Interest accrued but not due	42,520,889	26,080,754
Loans and Advances to staff	4,756,181	2,402,384
Mobilisation Advances	312,537,896	131,441,815
Other Current Assets & Advances	469,949,939	286,437,575
Deposits	1,620,883,068	986,241,744
Prepaid Expenses	213,454,466	75,782,519
Service Tax Credit	21,628,776	17,956,992
Tax Deducted At Source and Advance Tax	842,553,510	518,737,416
VAT Credit	176,955,649	105,574,567
Total	4,200,646,022	2,440,652,244
SCHEDULE : K : SUNDRY CREDITORS		
Creditors under Letter of credit	629,458,144	523,411,741
Creditors under Purchase Bill Discounting	512,118,616	537,555,391
Other Sundry Creditors	1,041,765,358	897,165,657
Total	2,183,342,117	1,958,132,789
SCHEDULE : L : OTHER LIABILITIES & PROVISIONS		
Proposed Dividend	40,425,907	50,055,000
Corporate Dividend Tax Payable	6,714,861	8,506,847
Director's Remuneration Payable	13,131,000	8,666,067
ESIC & Provident Fund Payable	1,422,534	1,598,074
Other Current Liabilities	39,387,925	16,939,535
Gratuity & Other Employee Benefit Payable	8,790,138	4,019,646
Provision for Income Tax	448,526,679	248,240,424
Provision for Interest on loan accrued but not due	1,079,566	982,981
Professional Tax Payable	285,163	409,280
Salary & Wages Payable	18,126,315	36,329,005
Service Tax Payable	40,026,740	30,419,653
Works Contract Tax Payable	26,520,271	27,582,661
TDS Payable	42,918,109	37,438,934
Unpaid Dividend	585,447	445,392
Total	687,940,655	471,633,499

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in ₹)

PARTICULARS	31.03.2011	31.03.2010
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SCHEDULE : M : ADVANCE & DEPOSITS

Mobilisation Advance	2,048,587,198	1,394,675,722
Secured Advance	199,735,940	30,080,955
Security Deposits	284,688,615	204,063,773
Other Advances	63,346,047	44,481,071
Total	2,596,357,800	1,673,301,520

SCHEDULE : N : MISCELLANEOUS EXPENSES

Preliminary Expenses	931,589	1,072,928
Less : written off/squared off	264,459	204,649
Total	667,130	868,279

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT

(Amount in ₹)

PARTICULARS	31.03.2011	31.03.2010
SCHEDULE: O : OTHER INCOME		
Export Incentive	3,080,816	415,600
Foreign Exchange Fluctuation Gain	5,749,061	36,729,547
Profit on Sale of Investments	6,312,841	1,928
Sale of Scrap	36,602,663	25,587,731
Profit on Sale of Fixed Assets	6,129,317	-
Dividend	34	-
Interest on Income Tax Refund	1,014,714	1,285
TOTAL	58,889,445	62,736,091
SCHEDULE: P : COST OF WORK DONE		
Opening Stock	3,236,654,383	2,099,976,650
Purchases	6,561,321,677	5,441,478,013
Add : Direct Expenses	3,093,420,792	2,892,062,706
	12,891,396,853	10,433,517,370
Less : Closing Stock	3,792,003,868	3,236,654,383
TOTAL	9,099,392,985	7,196,862,986
SCHEDULE: Q : PERSONNEL EXPENSES		
Contribution to PF, ESIC & Gratuity	18,227,043	10,396,452
Director's Medical Expenses	782,625	857,793
Director's Remuneration	38,439,224	24,000,800
Director's Sitting Fees	490,000	632,875
Key man Insurance Charges	1,308,304	573,859
Salaries and Wages	596,743,213	470,494,812
Staff welfare expenses	28,671,802	31,552,583
TOTAL	684,662,210	538,509,174

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT

(Amount in ₹)

PARTICULARS	31.03.2011	31.03.2010
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SCHEDULE: R : ADMINISTRATIVE, SELLING AND OTHER EXPENSES

Advertisement Expenses	3,802,354	2,697,777
Auditors Remuneration	1,534,560	1,333,420
Carriage Outward	71,500,774	79,543,325
Commission & Brokerage	1,393,943	2,293,397
Computer Expenses	6,395,722	4,166,914
Donation	4,490,877	11,454,690
Electricity Charges	42,810,864	45,306,844
Fees & Subscription	8,297,070	1,651,845
Insurance	36,854,542	34,667,038
Legal Fees & Professional Charges	190,397,823	118,498,025
Loss on Securitisation of Debtors	-	65,600,458
Pooja & Festival Expenses	2,242,879	2,758,333
Postage & Telegram and Telephone Charges	16,059,019	14,723,558
Printing & Stationery	13,604,529	11,485,333
Rates & Taxes	553,116,018	370,554,132
Registration Fees	2,398,270	1,901,177
Rent	55,802,272	46,823,715
Repair & Maintenance-Office	9,591,262	6,700,188
Sales Promotion	19,211,548	38,596,770
Security Service Charges	20,551,432	15,362,523
Service Charges	2,726,239	503,265
Sundry Expenses	3,882,009	3,994,997
Tender Expenses	5,992,270	7,761,401
Travelling Expenses	44,109,444	31,408,005
Vehicle Expenses	59,625,633	49,878,035
TOTAL	1,176,391,352	969,665,162

SCHEDULE: S : FINANCE EXPENSES

Bank Charges & Commission	111,634,997	144,437,302
Interest on Finance for Vehicles & Equipments	107,525,740	85,997,299
Interest on Mobilisation Advance	109,213,993	39,269,490
Interest Paid (Bank)	425,736,746	303,613,548
Interest Paid (Others)	1,063,036	410,255
Less: Interest Received	(113,975,338)	(51,379,419)
TOTAL	641,199,174	522,348,475

SCHEDULE - "T" - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**Significant Accounting Policies****A. Basis of preparation of Consolidated Financial Statements:**

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

The preparation of financial statements in accordance with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

B. Basis of Consolidation:

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

The subsidiaries considered in the consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	% of Shareholding
Pratibha Infrastructure Pvt. Ltd.	India	100%
Prime Infrapark Pvt Ltd	India	100%
Bhopal Sanchi Highways P. Ltd.	India	51%
Pratibha Developers Pvt. Ltd.(wholly owned subsidiary of Pratibha Infrastructure P. Ltd.)	India	100%

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

Name of the Joint Venture	Country of Operation	Share of Interest
ITD Pratibha Consortium	India	100%
Niraj Pratibha JV	India	50%
Patel-Pratibha JV	India	100%
Petron Pratibha JV	India	100%
Pratibha AI Ambia JV	India	100%
Pratibha Aparna JV	India	51%
Pratibha China State JV	India	100%
Pratibha JV	India	95%
Pratibha Membrane Filters JV	India	51%
Pratibha Ostu Stettin JV	India	50%
Pratibha Rohit JV	India	80%
Pratibha SMS JV	India	70%
Pratibha Unity JV	India	50%
Unity Pratibha Consortium	India	100%
Unity Pratibha Multimedia JV	India	100%

The Financial Statements of the subsidiary companies and the joint venture companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of the Company i.e. 31st March, 2011.

The Financial Statements of the Company and its subsidiary companies (which are not in the nature of joint ventures) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses in accordance with Accounting Standard 21-“Consolidated Financial Statement”. The intra group balances and intra group transactions and un-realized profits or losses resulting from intra group transactions are fully eliminated.

The Consolidated Financial Statements include the interest of the Company in JVCs, which has been accounted for using the proportionate method prescribed by Accounting Standard 27-“Financial Reporting of Interest in Joint Ventures”.

C. Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes inward freights, duties and taxes to the extent credit is not available and incidental expenses incidental to acquisition and installation. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred. Cost of fixed assets also includes exchange differences arising, for period upto the date of readiness of its use, in respect of foreign currency loans or other liabilities incurred for the purpose of its acquisition. There has been no revaluation of fixed assets and no assets have been acquired on hire purchase basis during the period.

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

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

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

Computer software is amortized over a period of five years.

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

D. Provision and Contingent Liabilities:

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

NOTES ON ACCOUNTS

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
2. In the opinion of the Directors, the Current Assets, Loan and Advances have a value on realization in the ordinary course of the business, which is at least equal to the amount at which they are stated in the balance sheet.
3. **Contingent Liability:**

(₹ in Lakhs)

Particulars	As at 31.03.2011	As at 31.03.2010
a) Unutilized Letters of Credit with Bankers		
- Domestic	7,268.19	5099.03
- Foreign	1,019.91	1211.89
b) Bank Guarantee	891,68.75	61492.22
c) Corporate Guarantee	32,309.00	6721.00
d) Estimated amounts of contract remaining to be executed on Capital Account and not provided for	655.11	2458.27
e) Cases in the court, which in the opinion of the management, require no provision of liability than what is recorded in accounts.	522.29	439.89
f) Income Tax liability (excluding Penalties) that may arise. The Commissioner of Income Tax (Appeal) has allowed the claim of Section 80IA and has passed all the appeal orders in favour of the Company. The Department has filled appeal with ITAT against the orders.	3,606.88	2742.25
g) Central Excise Liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	135.25	-
h) Service Tax liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	99.66	-
i) Sales Tax Liability that may arise. The matter is with Appellate Authority. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	186.80	-

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

4. Segment Information:

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

- Primary Segment Information:

(₹ in Lakhs)

Particulars	2010-11	2009-10
1. Segment Revenue		
a. Infrastructure & Construction	138,821.96	108,436.17
b. Manufacturing	13,393.41	18,274.19
c. Unallocated	134.57	0.03
Total	152,349.95	126,710.38
Less : Inter Segment Revenue	24,950.23	25,367.09
Net Sales/ Income from Operations	127,399.71	101,343.30
2. Segment Results		
a. Infrastructure & Construction	15,418.60	11,055.74
b. Manufacturing	958.08	2,011.47
c. Unallocated	(285.80)	(180.67)
Total	16,090.89	12,886.55
Interest	6,411.99	5,223.48
Income Tax	2,535.90	2,012.06
Net Profit	7,142.99	5651.00
Segment Assets		
a. Infrastructure & Construction	113,907.81	80,248.98
b. Manufacturing	19,424.26	18,912.63
c. Unallocated	15,408.92	14,187.47
Total Assets	148,740.99	113,349.08
Segment Liabilities		
a. Infrastructure & Construction	83,607.08	68,668.48
b. Manufacturing	6,044.96	7,452.75
c. Unallocated	10,748.57	9,699.11
Total Liabilities	100,400.61	85820.34
Capital Employed		
a. Infrastructure & Construction	30,300.73	11,580.50
b. Manufacturing	13,379.30	11,459.88
c. Unallocated	4,660.36	4,488.36

Particulars	2010-11	2009-10
Capital Expenditure		
a. Infrastructure & Construction	7,555.71	3436.86
b. Manufacturing	439.13	2122.21
c. Unallocated	1,887.72	4,406.15
Depreciation		
a. Infrastructure & Construction	743.61	734.63
b. Manufacturing	538.22	491.05
c. Unallocated	419.89	178.65
Non Cash Expenses other than Depreciation		
a. Infrastructure & Construction	-	-
b. Manufacturing	0.95	-
c. Unallocated	19.77	3.08

• Secondary Segment Information:

Particulars	2010-11	2009-10
Segment Revenue - External Turnover		
Within India	126,348.65	101,343.30
Outside India	1,051.06	-
Total Revenue	127,399.71	101,343.30
Segment Assets		
Within India	144,191.13	113,256.85
Outside India	4,549.86	92.23
Total Assets	148,740.99	113,349.08
Segment Liabilities		
Within India	96,938.44	85,790.33
Outside India	3,462.16	30.01
Total Liabilities	100,400.61	85,820.34
Capital Expenditures		
Within India	9,749.99	9902.44
Outside India	132.58	62.78
Total Expenditures	9,882.57	9965.22

For Jayesh Sanghrajka & Co.
Chartered Accountants

Hemant Agrawal
Partner
M.No.403143
Firm Reg. No. 104184W

Place : Mumbai
Date : 19th May 2011

For and on behalf of the Board of Directors

Usha B. Kulkarni
Chairperson

Vinayak B. Kulkarni
Whole Time Director

Ajit B. Kulkarni
Managing Director

Pankaj S. Chourasia
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Particulars	31.03.2011 Amount ₹	31.03.2010 Amount ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	967,889,445	766,306,204
Adjustment for :		
Depreciation	170,171,679	140,433,006
Loss / (Profit) on Sale of Assets & Investments	(12,442,158)	100,824
Finance Charges	641,199,174	522,348,475
Unrealised Foreign Exchange	(8,383,738)	(31,089,648)
Dividend Received	(34)	-
Preliminary Expenses W/off.	264,459	204,649
	<hr/>	<hr/>
Operating Profit before working Capital Changes	1,758,698,828	1,398,303,511
Adjustment for:		
Inventories	(555,349,610)	(1,136,677,733)
Sundry Debtors	48,913,990	(533,123,767)
Loans & Advances	(1,659,932,176)	(1,055,804,435)
Preliminary Expenses	(63,310)	(773,374)
Sundry Creditors	225,426,694	297,148,648
Other Liabilities	26,742,801	54,448,846
Advances & Deposits	927,202,046	633,086,333
	<hr/>	<hr/>
	771,639,262	(343,391,971)
Direct Taxes Paid	(100,129,400)	(3,132,572)
	<hr/>	<hr/>
Net cash used in operating activities	671,509,862	(346,524,543)
	<hr/>	<hr/>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(988,256,875)	(996,522,391)
Sale of Fixed Assets	125,182,067	3,016,356
Deduction / (Addition) of investments	56,363,767	(50,500,000)
Dividend Received	34	-
	<hr/>	<hr/>
Net cash used in investing activities	(806,711,007)	(1,044,006,035)
	<hr/>	<hr/>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Particulars	31.03.2011 Amount ₹	31.03.2010 Amount ₹
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(70,129,774)	(33,145,070)
Corporate Dividend Tax paid	(11,863,707)	(5,671,232)
Proceeds from issue of Share Capital	1,437,326,928	-
Proceeds from Long Term Borrowings (Net)	137,244,846	893,145,665
Proceeds from Short Term Borrowings (Net)	(92,940,713)	994,957,364
Finance Charges paid (Net)	(641,199,174)	(522,348,475)
Net cash from Financing Activities	758,438,406	1,326,938,252
NET INCREASE IN CASH AND CASH EQUIVALENTS	623,237,262	(63,592,327)
Opening Cash and Cash Equivalents	657,641,889	721,234,216
Closing Cash and Cash Equivalents	1,280,879,151	657,641,889

Notes

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

Cash and Cash Equivalent	31.03.2011	31.03.2010
Cash in hand	11,185,605	5,481,216
Balance with Banks	1,270,278,993	652,606,064
Less: Unpaid Dividend Balance	585,447	445,392
Total	1,280,879,151	657,641,889

For Jayesh Sanghrajka & Co.
Chartered Accountants

Hemant Agrawal
Partner
M.No. 403143
Firm Reg. No. 104184W

Place : Mumbai
Date : 19th May, 2011

For and on behalf of the Board

Usha B. Kulkarni
Chairperson

Vinayak B. Kulkarni
Whole Time Director

Ajit B. Kulkarni
Managing Director

Pankaj S. Chourasia
Company Secretary

Particulars	Pratibha Infrastructure Private Limited	Prime Infrapark Private Limited	Pratibha Developers Private Limited	Bhopal Sanchi Highways Private Limited
Country	India	India	India	India
Reporting Currency	INR	INR	INR	INR
Capital	100,000	10,000,000	100,000	100,000
Reserves	(89,669)	-	-	-
Total Assets	18,479,062	607,172,122	5,825,262	20,302,644
Total Liabilities	18,479,062	607,172,122	5,825,262	20,302,644
Investment	100,000	-	-	-
Total Turnover/Income	-	-	-	-
Profit Before taxation	(8,535)	-	-	-
Provisions for Taxation	-	-	-	-
Profit After Tax	-	-	-	-
Proposed Dividend	-	-	-	-

For and on behalf of the Board**Usha B. Kulkarni**
Chairperson**Ajit B. Kulkarni**
Managing DirectorPlace : Mumbai
Date : 19th May, 2011**Vinayak B. Kulkarni**
Whole Time Director**Pankaj S. Chourasia**
Company Secretary

PRATIBHA INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

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

DP ID. _____ Client ID* _____

Folio No. _____

Name and Address of the Shareholder :

No. of Shares (s) held _____ :

I/We hereby record my/our presence at the **16th ANNUAL GENERAL MEETING** of the Company to be held on Thursday, the 21st day of July, 2011 at 3.30 P.M. at Natraj Avenue, Next to R.K. Studio, Sion Trombay Road, Chembur, Mumbai – 400 071.

Signature of the shareholder or proxy

PRATIBHA INDUSTRIES LIMITED

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

PROXY FORM

DP ID. _____ Client ID* _____

Folio No. _____

No. of Shares _____

I/We, _____ of _____
being a member/members of Pratibha Industries Limited hereby appoint _____ of _____
or falling him/her _____ of _____
as my/our proxy to vote for me/us and on my/our
behalf at the **16th ANNUAL GENERAL MEETING** of the Company to be held on Thursday, the 21st day of July, 2011
at 3.30 P.M. or at any adjournment thereof.

Affix Re.1 Revenue Stamp

Signed this _____ day of _____ 2011.

NOTE:

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

**It's not how many goals you reach,
but how many lives you touch,
that makes a difference.**

Pratibha Industries Limited

**14th Floor, Universal Majestic, P. L. Lokhande Marg,
Ghatkopar Mankhurd Link Road, Govandi, Mumbai - 400 043.**

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