

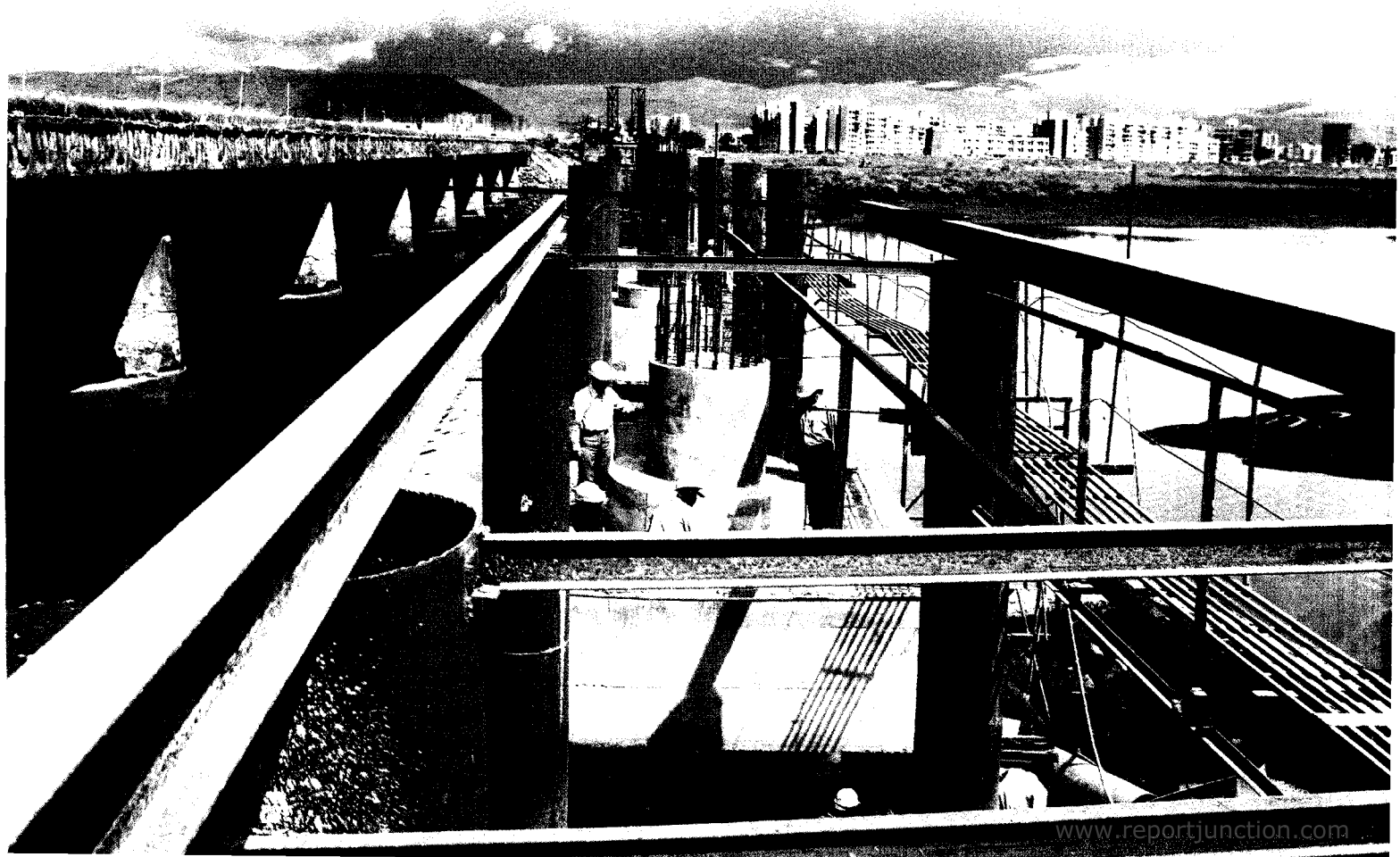
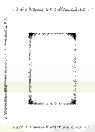
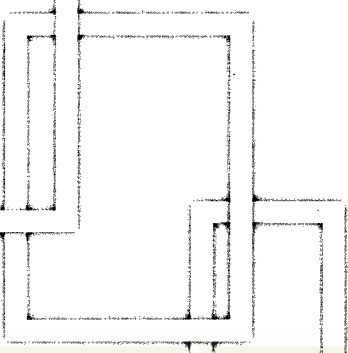
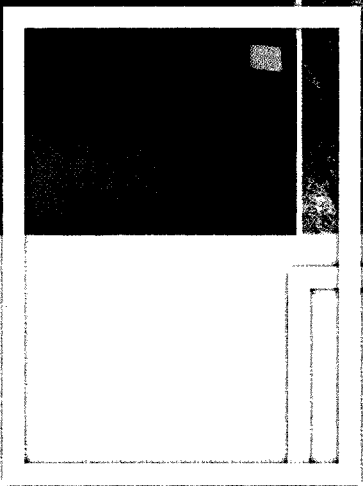
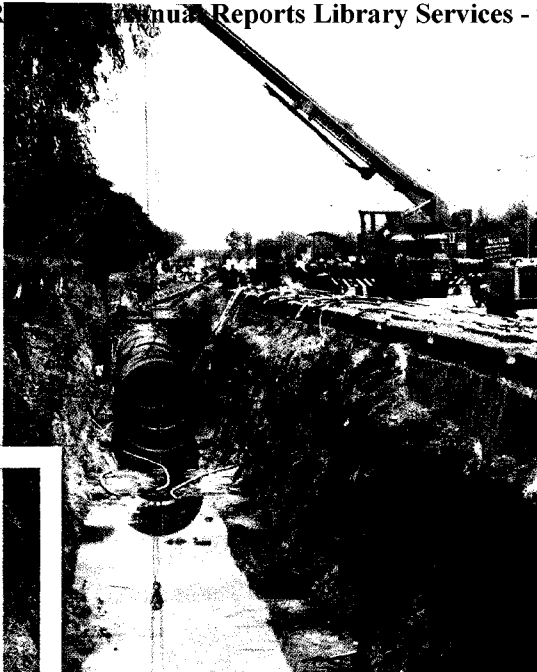
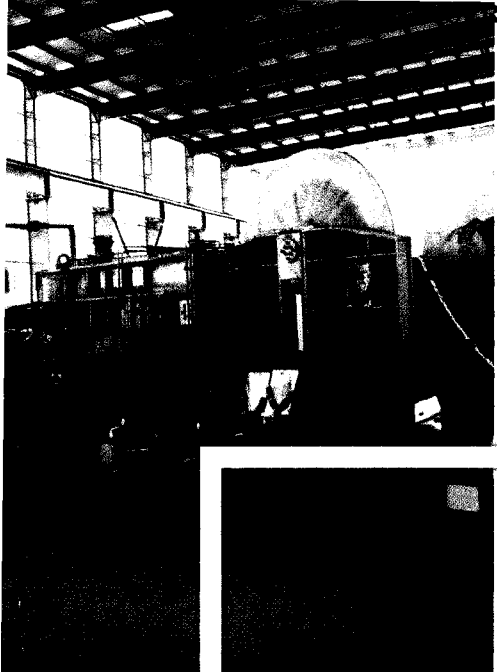


PRATIBHA
Industries Limited

Annual Report 2006-2007

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BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Pankaj S. Chourasia

BANKERS TO THE COMPANY

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

STATUTORY AUDITORS

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

INTERNAL AUDITORS

M/s. Chokshi & Chokshi *Chartered Accountants*

REGISTERED OFFICE :

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

CORPORATE OFFICE :

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

FACTORY :

Plot No. 215, Vijaypur, P.O. Kone, Bhiwandi-Wada Road,
 Tal. Wada, Dist. Thane-421303.

REGISTRARS AND TRANSFER AGENTS:

INTIME SPECTRUM REGISTRY LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
 Bhandup (W), Mumbai - 400 078
 Tel No. 022-25963838 / Fax: 022 - 25960329
 Website: www.intimespectrum.com, E- Mail:
pratibha@intimespectrum.com

FIVE YEARS AT A GLANCE (CONSOLIDATED)

(Rs. In Lakhs)

Particulars	2006-07	2005-06	2004-05	2003-04	2002-03
Total Income	30,077.67	17,463.21	12,144.37	8,181.92	4,261.40
Operating Expenses	26,374.82	15,314.53	10,573.47	7,477.15	3,915.76
Operating Profit	3,702.85	2,148.68	1,570.90	704.77	345.64
Finance Charges	1,234.01	711.23	660.16	295.43	101.47
Depreciation	112.65	66.27	46.53	36.59	26.40
Profit Before Tax	2,356.19	1,371.18	864.21	372.75	217.77
Profit After Tax	2,042.90	1,227.49	808.97	364.94	192.42
Equity	1,428.50	1,428.50	200.00	200.00	200.00
Reserves	8,057.66	6,794.90	1,653.90	844.94	480.00
Net Worth	9,486.16	8,223.40	1,853.90	1,044.94	680.00
	2007	2006	2005	2004	2003
What we owned					
Fixed Assets					
Gross Block	2,462.18	1,565.99	995.25	865.23	488.61
Less : Depreciation	326.58	217.09	153.34	117.30	83.19
Net Block	2,135.60	1,348.90	841.91	747.93	405.42
Capital Work in Progress	2,798.33	-	-	-	-
Investments	282.28	2,945.87	48.70	48.70	18.70
Working Capital	17,943.19	8,540.17	4,716.98	2,494.50	674.18
Miscellaneous Expenditure	-	430.72	-	0.23	0.46
Total	23,159.39	13,265.66	5,607.59	3,291.36	1,098.76
What we owed					
Secured Loans	10,631.31	4,157.06	3,552.75	2,242.42	410.57
Unsecured Loans	2,997.06	875.59	193.45	-	0.00
Deferred Tax Liability	44.86	9.61	7.49	4.00	8.19
Total	13,673.23	5,042.26	3,753.69	2,246.42	418.76
Net Worth	9,486.16	8,223.40	1,853.90	1,044.94	680.00
Represented by					
Share Capital	1,428.50	1,428.50	200.00	200.00	200.00
Reserves & Surplus	8,057.66	6,794.90	1,653.90	844.94	480.00

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of Pratibha Industries Ltd., will be held on Wednesday, 20th June, 2007 at 3.30 p.m., at Hotel Oasis, Opp. Tata Institute of Social Sciences, Sion Trombay Road, Deonar, Mumbai 400088, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at March 31, 2007, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider declaration of dividend on Equity Shares;
3. To appoint a Director in place of Mr. Vinayak B. Kulkarni, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anilkumar G. Karkhanis, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS :

6. In supersession of the special resolution passed at the 11th Annual General Meeting of the members of the company held on 16th June, 2006, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI"), the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with Stock Exchange, where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges, Reserve Bank of India ("RBI"), the Department of Industrial Policy and Promotion, Ministry of Commerce ("DIPP"), the Foreign Investment Promotion Board ("FIPB"), and all other authorities as may be required, whether in India or outside India, (hereinafter collectively referred to as "**Appropriate Authorities**"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "**Requisite Approvals**"), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and they are authorized at their absolute discretion to create, offer, issue and allot in one or more tranches, in the course of domestic/international offerings to Domestic/Foreign Investors/ Institutional Investors/Foreign Institutional Investors, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate whether incorporated in India or abroad, Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not, through a Public Issue, Rights Issue, Preferential Issue and/or Private Placement, with or without an over-allotment option, equity shares and/or equity shares through Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or Foreign Currency Convertible Bonds ("FCCBs") and/or any securities convertible into equity shares at the option of the Company and/or holder(s) of the securities and/or securities linked to equity shares and/or securities with warrants including any instruments or securities representing either equity shares and/or Foreign Currency Convertible Bonds or Convertible Securities or securities linked to equity shares or securities with equity shares/fully convertible debentures/partly convertible debentures or any securities other than warrants, which are convertible or exchangeable with equity shares at a later date, or a combination of the foregoing (hereinafter collectively referred to as "**Securities**"), secured or unsecured, listed on any international stock exchange outside India, through an offer document and/or prospectus and/or offer letter and/or offering circular, and/or listing particulars, as the Board in its sole discretion may at any time or times hereafter decide, for an amount not exceeding US\$ 25 million inclusive of such premium from time to time.

RESOLVED FURTHER THAT in case of any equity linked issue/offering, including without limitation, any GDR/ADR/FCCB offering, the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above or as may be in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue/offering and in the offer document and/or prospectus and/or offer letter and/or offering circular and/or listing particulars.

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals, to the Board to secure, if necessary all or any of the above securities to be issued by the creation of mortgage and/or charge on all or any of the Company's immovable and/or movable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the Company and/or any entity, agency or body authorised and/or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international market.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the Lead Managers, Underwriters, Advisors and/or other persons as appointed by the Company, be and is hereby authorised to determine the form, terms and timing of the issue(s)/offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion, listing on one or more Stock Exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters, as the Board in its absolute discretion deem fit and accept any modifications in the proposal as may be required by the authorities in such issues in India and/or abroad.

RESOLVED FURTHER THAT the relevant date for determining the pricing of the Securities is 30 days prior to the date of the 12th AGM at which the approval of the shareholders in terms of Section 81(1A) of the Companies Act, 1956 is obtained.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Securities as may be required, including issue and allotment of equity shares upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the offer, all such equity shares ranking pari passu and inter-se with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such a manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of the aforesaid Securities and listing thereof with the stock exchange(s) where the Company's shares are listed and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the aforesaid Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Managing Director or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government or any other competent authority, from time to time, and in partial modification to earlier resolution passed by the members in 11th Annual General Meeting held on 16th June, 2006, the consent of members be and is hereby accorded to the revised terms and conditions including remuneration of Mr. Ajit B. Kulkarni as Managing Director of the Company for a remaining tenure commencing from 1st April 2007, as are set out in the agreement to be entered into between the company and Mr. Ajit B. Kulkarni, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and Conditions of the said appointment and/or remuneration and/or

agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Govt. in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Ajit B. Kulkarni.

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

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government or any other competent authority, from time to time, and in partial modification to earlier resolution passed by the members in 11th Annual General Meeting held on 16th June, 2006, the consent of members be and is hereby accorded to the revised terms and conditions including remuneration of Mrs. Usha B. Kulkarni as executive Chairperson of the Company for a remaining tenure commencing from 1st April 2007, as are set out in the agreement to be entered into between the company and Mrs. Usha B. Kulkarni, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and Conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Govt. in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mrs. Usha B. Kulkarni.

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

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government or any other competent authority, from time to time, and in partial modification to earlier resolution passed by the members in 11th Annual General Meeting held on 16th June, 2006, the consent of members be and is hereby accorded to the revised terms and conditions including remuneration of Mr. Vinayak B. Kulkarni as Whole Time Director of the Company for a remaining tenure commencing from 1st April 2007, as are set out in the agreement to be entered into between the company and Mr. Vinayak B. Kulkarni, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and Conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Govt. in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Vinayak B. Kulkarni.

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

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

"RESOLVED THAT pursuant to the provisions of section 309 (4) read with section 198 and other applicable provisions, if any, of the Companies Act 1956, and subject to the approval of the Central Govt., if necessary under section 310 of the Act, consent of the Company be and is hereby accorded for the payment of commission at a rate not exceeding 0.25 per cent of the net profits, as computed in the manner prescribed under section 349 and other applicable provisions of the said act, for a period of five years commencing from 01st April, 2007 to the non executive directors.

RESOLVED FURTHER THAT the aggregate amount of the monies payable by way of commission, in any year, shall be decided by the Board of Directors within the overall limit of 0.25% of the net profits.

RESOLVED FURTHER THAT the aggregate amount of the monies payable by way of the commission in any year shall be distributed amongst the non executive Directors in such manner and in such proportion as the Board of Directors may, from time to time, determine, provided, however, that in the absence of the such determination, the amount of commission as decided by the board shall be divided in equal shares."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :
"RESOLVED THAT pursuant to the provisions of Sections 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mr. Rahul Katyal, a relative of director, to hold an office or place of profit as Chief Marketing Officer with effect from 01st April, 2007, on the following terms and conditions

- 1) Salary: Not exceeding Rs. 45,000 per month,
- 2) Other Perquisites and Allowances as may be admissible to employees in his grade as per the policy of the Company;

FURTHER RESOLVED THAT pursuant to the provisions of Sections 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Mr. Rahul Katyal, a relative of director, to hold an office or place of profit as Chief Marketing Officer of the Company for a period of five years from such date as may be decided by the Board of Directors or from such date as the Central Government may approve, on the following terms and conditions:

- 1) Salary: Not exceeding Rs. 1,50,000 per month, as may be decided by the Board of Directors from time to time;
- 2) Other Perquisites and Allowances as may be admissible to employees in his grade as per the policy of the Company;

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

"RESOLVED THAT pursuant to the provisions of Sections 314 (1) (b) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mr. Shyam Kulkarni, a relative of director, to hold an office or place of profit as Senior Officer - Coordination with effect from 01st April, 2007, at a salary of Rs. 20,000 per month (Rupees Twenty Thousand per month only) together with the usual allowances and benefit, amenities including retirement benefits applicable to other employees occupying similar post or posts with in the same salary scale or grade as per the HR policies of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sanction at their discretion and with the approval of the Central Government, where necessary, increments as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as may deem fit and proper."

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

"RESOLVED THAT pursuant to the provisions of Sections 314 (1) (b) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mr. Manohar Kulkarni, a relative of director, to hold an office or place of profit as Asst Officer - Commercial with effect from 01st April, 2007, at a salary of Rs. 15000 per month (Rupees Fifteen Thousand per month) together with the usual allowances and benefit, amenities including retirement benefits applicable to other employees occupying similar post or posts with in the same salary scale or grade as per the HR policies of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sanction at their discretion and with the approval of the Central Government, where necessary, increments as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as may deem fit and proper."

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

"RESOLVED THAT pursuant to the provisions of Sections 314 (1) (b) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mr. Ravi Kulkarni, a relative of directors, to hold an office or place of profit as Management Trainee with effect from 11th May, 2007, at a salary of Rs. 15000 per month (Rupees Fifteen Thousand per month) together with the usual allowances and benefit, amenities including retirement benefits applicable to other employees occupying similar post or posts with in the same salary scale or grade as per the HR policies of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sanction at their discretion and with the approval of the Central Government, where necessary, increments as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as may deem fit and proper."

Registered Office:

101, Usha Kamal,
574, Chembur Naka, Chembur,
Mumbai - 400071.

Place : Mumbai
Date : 11th May, 2007

By Order of the Board of Directors

Pankaj S. Chourasia
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except 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 Wednesday, 13th June, 2007 to Wednesday, 20th June, 2007 (both days inclusive).
9. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Intime Spectrum Registry Limited, immediately of:
 - (a) The change in the residential status on return to India for permanent settlement.
 - (b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s. Intime Spectrum Registry Ltd.
11. Re-appointment of Directors:
 At the ensuing Annual General Meeting, Mr. Vinayak B. Kulkarni and Mr. Anilkumar G. Karkhanis, retire by rotation and being eligible offer themselves for re-appointment. As per the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the information or details pertaining to these Directors are furnished in the statement on Corporate Governance published in this Annual Report.

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

ITEM NOS. 6

The resolution, contained in the item no. 6 of the Notice, relates to a proposal by the Company to create, offer, issue and allot GDRs / ADRs / FCCBs / equity shares or such other securities as stated in the resolution (the "**Securities**"). The Company intends to issue Securities for a value of up to US\$ 25 million.

The Company proposes to raise the funds to meet its capital expenditure, investment in various infrastructure projects and for such other purposes as may be permitted under applicable laws and regulations from time to time.

It is proposed to offer/issue/allot, GDRs / ADRs / FCCBs/ equity shares/fully convertible debentures/partly convertible debentures or any securities other than warrants, which are convertible or exchangeable with equity shares of Rs. 10 each at a later date of an aggregate amount not exceeding US \$ 25 million by way of issue of Securities from time to time in one or more tranches, to Domestic/Foreign Investors/ Institutional Investors/Foreign Institutional Investors, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate whether incorporated in India or abroad, Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not in consultation with the Lead Manager(s) etc.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities and agencies as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors. The pricing of the international offering(s) will be free market pricing and may be at a premium or discount to market price in accordance with international practice, subject to applicable rules, regulations etc. As the pricing of the offering will be decided at a later stage, the exact number of securities or shares to be issued will depend upon the price so decided. For the aforesaid reasons, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

The special resolution seeks to empower the Board to issue Securities in one or more tranches at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit.

The pricing of the issue will be subject to applicable Indian law. As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Securities to be issued. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The Securities issued pursuant to the offering(s) would be listed on the stock exchanges in India or outside India and on conversion into shares, on the stock exchanges on which the Company's equity shares are listed.

The consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the equity shares of the Company are listed.

Section 81(1A) of the Companies Act, 1956 and the relevant clause(s) of the Listing Agreement with the Stock Exchanges where the equity shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise.

The special resolution, if passed, will have the effect of allowing the Board to issue and allot Securities otherwise than on pro rata basis to the existing shareholders.

The members, in the 11th Annual General Meeting held on 16th June, 2006, had approved the resolution to issue securities. However, the company has deferred its fund raising plan and sourced its requirements through Debt and Internal Accruals. The company has also changed its plans for the quantum and mix of fund raising. The Board has, therefore, decided to supersede the resolution approved at Annual General Meeting on June 16, 2006 and proposed a fresh resolution in the ensuing Annual General Meeting to re-consider the proposal to issue Securities for its capital expenditure investment in various infrastructure projects and for such other purposes as may be permitted under applicable laws and regulations from time to time.

The Board of Directors believes that such an issue of Securities of the Company is in the interest of the Company and therefore recommends the resolution for your approval.

None of the Directors of the Company is any way concerned or interested in the said resolution.

ITEM NOS. 7

In 9th annual general meeting, Mr. Ajit B. Kulkarni has been appointed as Managing Director for five years from 01st April, 2004 to 31st March, 2009. As per the recommendation of the Remuneration Committee, the Board of Directors at their meeting held