

Annual Report 2008-2009



**PRASHANT
INDIA LTD.**

PRASHANT INDIA LTD.

BOARD OF DIRECTORS

Shri P. M. GONDALIA
(Chairman & Managing Director)
Shri H. M. GONDALIA
(Whole Time Director)
Shri H. B. MALAVIA
(Professional Director)

BANKERS

STATE BANK OF INDIA
INDIAN OVERSEAS BANK
BANK OF BARODA
STATE BANK OF HYDERABAD

AUDITORS

DEVENDRA GHEEWALA & CO.
CHARTERED ACCOUNTANTS
SURAT

REGISTERED OFFICE

456, PALASANA CHAR RASTA,
N.H. NO. 8, PALASANA, 394 315
DIST. SURAT. GUJARAT

WIND POWER DIVISION

VILLAGE DHANK
DIST RAJKOT
GUJARAT

AGRO DIVISION

RUYPARI ROAD,
BHAVNAGAR - 346 001
GUJARAT

NOTICE OF ANNUAL GENERAL MEETING

TWENTY SIXTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF PRASHANT INDIA LIMITED WILL BE HELD ON WEDNESDAY, 30TH SEPTEMBER 2009 AT 11.00 a.m. AT THE REGISTERED OFFICE OF THE COMPANY AT BLOCK NO.456, NATIONAL HIGHWAY NO. PALSANA CHAR RASTA, TALUKA PALSANA, DISTRICT SURAT 394315 TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:-

1. To consider and adopt the Balance Sheet as at 31.03.2009 and the Profit and Loss Account for the year ended as on date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. H.M Gondalia who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :-

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- (2) The Register of members and Share Transfer books will remain closed from 26.09.2008 TO 30.09.2008 (both days inclusive)
- (3) Members desiring any information as regards accounts, are requested to write to the Company at least 10 days before the meeting to enable the management to keep the information ready.
- (4) Members/Proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting place.

Place : Palsana

By Order of the Board of Directors

Sd/-

Date :- 20TH July. 2009,

Prabhudas M. Gondalia
Managing Director

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 of the Listing Agreement)

1) Name of Directors	H.M. Gondalia
2) Age	47 years
3) Qualification	Sy. B.Com.
4) Date of Appointment	01-10-1988
5) Experience	22 years
6) Other Directorship as on 31.3.2009	Nil
7) Chairman/member of the Committee as on 31.03.2009	Nil

DIRECTORS' REPORT

To,
The Members.

Your directors have pleasure in presenting their Twenty Sixth Annual report and the audited statement of accounts for the year ended on 31st March, 2009 together with the auditors report thereon.

FINANCIAL RESULTS

The summarized financial results for year end 31st March 2009 are as under

Rupees in lacs

Particulars	2008-09	2007-08
Sales and other income	97.89	84.75
Total expenditure	100.21	97.81
Profit (+)/loss (-) after interest but before depreciation & taxation	(2.32)	(13.06)
Depreciation	104.03	104.09
Taxation	0.08	0.06
Net profit (+)/loss (-)	(106.43)	(117.21)

DIVIDEND

In view of losses the directors do not recommend any dividend for the year ended 31st March 2009.

COMPANY PERFORMANCE

The company continues to operate in Textiles and Wind farm business. The turn over in textile business was Rs.59.70 lacs since in on account of lack of working capital the company was forced to resort to Job Work. The income from power generation from wind farm was Rs.38.19 lacs.

The company has been declared sick company by Board of Industrial and Financial Reconstruction (BIFR) and management is making efforts to stay winding up proceedings and to revive the company.

MANAGEMENT DISCUSSION AND ANALYSIS

- Industry Structure and Developments :-** Company is a Textile Company
- Opportunities and Threats :-** The Textile industry provides ample opportunities in domestic and as well as export market. However the uncertainty of market and recessionary global trend are detrimental to growth and profitability.
- Segmentwise or productwise Proformance :-** Company operates in two segments (1) Textile and (Wind Farm) This is mentioned as an annexure to the Balance Sheet.
- Outlook :-** The directors plans o restructure the company to through the revival scheme to ne submitted to BIFR.
- Risks & Concerns :-** Company do not foresee any such risk in near future, which will hamper the activities.
- Internal control systems and their adequacy :-** Company is in the process of implementing various softwares for better control.
- Discussion on financial performance with respect to operational performance :-** Company is a sick company and all efforts are being made to make settlements with secured creditors.
- Human Resources Management Initiatives:-** The management is keenly interested this field. All the efforts are made to rationalize its manpower and make effective use of the same.

BOARD OF DIRECTORS:

There was no change in constitution of Board of Directors. Shri H.M.Gondalia retire by rotation at ensuing Annual General Meeting and they are eligible for reappointment.

AUDITORS :

M/s. Devendra Gheewala & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible offer themselves for reappointment. Your Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Board of directors recommend their reappointment.

FIXED DEPOSITS :

Your Company has not accepted any deposits from public.

STATUTORY INFORMATION :

(i) Information under section 217 (1) (c) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:-

A. CONSERVATION OF ENERGY

- Energy conservation measures taken: None at present
- Additional investment and proposals, if any, being implemented for reduction of consumption of energy: There are no proposals.
- Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Does not arise.
- Total energy consumption and energy consumption per unit of production as per Form "A" to annexure, in respect of industries specified in the schedule thereto: Not Applicable.

B. TECHNOLOGY ABSORPTION**Form B****Research & Development (R & D)**

- Specific area in which R & D carried by the company: None at Present
- Benefits derived as a result of the above R & D: Does not arise.
- Future plan of action: At present it is not under consideration
- Expenditure on R & D: Nil

Technology absorption, adaptation and innovation:

- Efforts being made towards technology absorption, adaptation and innovation: None
- Benefits derived as a result of the above efforts e.g. Product improvement cost, reduction, product development, import substitution etc. : None
- Imported technology : Not applicable as technology has not been imported.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Earning: Rs. Nil Outgo : Rs. NIL

INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AS AMENDED UP TO DATE :

The company do not have any employee drawing salary in excess of limits prescribed under section 217 (2a) of the companies act, 1956 read with the companies (particulars of employees) rules 1975 the particulars should be treated as nil

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the loss of the company for the year.
- (iii) the Directors has 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 had prepared the accounts on going concern basis.

INDUSTRIAL RELATIONS:

The industrial relations continued to be cordial during the year under review.

ACKNOWLEDGMENT:

The Directors express their sincere thanks to the employees, customers, suppliers, company's bankers and members of the company for their continued support.

For & On Behalf of the Board of Directors

Place : Palsana
Date : 20-07-2009

Sd/-
Chairman

FORM A (See rule 2)

Form for disclosure of particulars with respect to conservation of energy -

A.	Power and fuel consumption			
			Current year	Previous year
1	Electricity			
	(a) Purchased			
	Unit		879380	607090
	Total amount		4341464	3132781
	Rate / unit		4.94	5.16
	(b) Own generation			
	(i) Through diesel generator			
	Units		Nil	2500
	Units per lt. of diesel oil		Nil	NA
	Cost/unit		Nil	20
	(ii) Through steam turbine/generator			
	Units		Nil	Nil
	Units per lt. of fuel oil/gas		Nil	Nil
	Cost/unit		Nil	Nil
2	Coal (specify quality and where used)			
	Quantity (Tonnes)		Nil	10
	Total cost		Nil	12658
	Average rate		Nil	1266
3	Furnace oil			
	Quantity (K.ltrs.)		Nil	Nil
	Total cost		Nil	Nil
	Average rate		Nil	Nil
4	Others/Internal generation (please give details)			
	Quantity		904185	804374
	Total cost		3819278	2982304
	Rate / unit		4.22	3.71
B	Consumption per unit of production			
	Products (with details) unit		527367	236393
	Electricity		0.60	0.39
	Furnace oil		Nil	Nil
	Coal (specify quality)		Nil	Nil
	Others (specify)		Nil	Nil

REPORT ON CORPORATE GOVERNANCE

The Company's policies and practices continued to aim at efficient conduct of business and in effective meeting its obligations to the shareholders as the company believe in good corporate governance.

BOARD OF DIRECTORS:

The present strength of Board of Directors of your Company is Three. Two directors are executive directors and one is independent director. None of the directors are members in more than ten committees and they do not act as chairman of more than five committees.

Independent Director who apart from receiving director's remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, which in judgment of the Board may affect independence of judgment of director.

Brief resume of the directors who retire by rotation and seek reappointment is given in the notes to the notice, the members are requested to refer the same.

Attendance of Directors at the meeting of Board of Directors held during the financial year 2008-2009 and the last Annual General Meeting held on 30.09.2008 are as follows:

Details of Meetings of Board of Directors held during the year 2008-2009:

Sr.No.	Date	No. of Directors present
1	30.04.2008	3
2	31.07.2008	3
3	20.08.2008	3
4	31.10.2008	3
5	31.01.2009	3

Name of Director	No. of Board Meeting Attended	Attendance in A.G.M.
Mr.P.M.Gondalia	5	Present
Mr.H.M.Gondalia	5	Present
Mr.H.B.Malavia	5	Present

AUDIT COMMITTEE:

Terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges that inter alia, include overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal audit function, discussions with auditor about the scope of audit including the observation of the auditors and discussion with internal auditors on any significant findings.

Mr.Malavia Independent Director is the chairman of Audit Committee and Mr. H.M.Gondalia is the member. Four meetings of audit committee were held on 30.04.2008, 31.07.2008, 31.10.2008 and 31.01.2009.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholder / investors grievance committee has been constituted under chairmanship Mr.P.M.Gondalia. Shri H.B. Malavia is the member of the committee. The committee oversees the redressed of complaints of the shareholders and investors in relation to transfer of shares, non-receipt of annual reported.

REMUNERATION COMMITTEE:

During the year there was no necessarily of reviewing remuneration payable to directors. Company do not paid any commission or sitting fees to directors. The Remuneration paid to directors during the year is as under.

Details of Remuneration paid to the Executive Directors for the F.Y. 2008-09

Name of Director	Designation	Salary (Rs.)	Perks (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Prabhudas M. Gondalia	Chairman & M.D.	181500/-		--	181500/-
Mr. Harshkbbhai M. Gondalia	Whole Time Director	110100/-		--	110100/-
Mr. Haribhai B. Malavia	Director	Nil		--	Nil

No. sitting fee was paid to any Director. No commission was paid to any Director.

ANNUAL GENERAL MEETING :**Details of last three Annual General Meetings held:**

Particulars	2005-2006	2006-2007	2007-2008
Day	Saturday	Tuesday	Tuesday
Date	30.09.2006	29.09.2007	30.09.2007
Time	11.00A.M.	11.00A.M.	11.00A.M.
Venue	456, N.H.8, Palsana Char Rasta, Palsana, Dist. Surat-394315	456, N.H.8, Palsana Char Rasta, Palsana, Dist. Surat-394315	456, N.H.8, Palsana Char Rasta, Palsana, Dist. Surat-394315

DISCLOSURES:

There were no instances of non-compliance on any other matter related to the capital market, during the last three years.

MEANS OF COMMUNICATION:

Quarterly results are submitted to stock exchanges. The annual report along with account is sent to stock exchanges and shareholder. Company has not given any press-release during the year.

GENERAL SHAREHOLDER INFORMATION:

- 1) Annual General Meeting : 26th Annual General Meeting
Day, Date, Time & Venue : Wednesday, 30thth September, 2009 at 11 a.m.
456, N.H.8, Palsana Char Rasta, Palsana Dist.-Surat-394315.

2) Financial Year/Calender :

- Results for first Quarter ending 30.06.2009 : On or before 31.07.2009
- Results for second Quarter ending 30.09.2009 : On or before 31.10.2009
- Results for third Quarter ending 31.12.2009 : On or before 31.01.2010
- Results for third Quarter ending 30.03.2010 : On or before 30.04.2010
- Results for year ending 31.03.2010 : On or before 30.09.2010

- 3) Date of Book Closures : 26.09.2009 to 30.09.2009 (both days inclusive)

- 4) Dividend Payment Date : No dividend declared
- 5) Regd. Office : Block No.456, N.H.8, Palsana Char Rasta, Palsana Dist.-Surat-394315.
- 6) Address of Investors Correspondence : Block No. 456, N.H.8, Palsana Char Rasta, Palsana Dist-Surat-394315
- 7) Regd. Office Ph. Nos. : (02622) 325227
- 8) Plant Location : Block No. 456, N.H.8, Palsana Char Rasta, Palsana Dist.-Surat-394315
- 9) Listing on Stock Ex. : Listing Fee for Mumbai Stock Exchanges for F.Y.2008-09 paid

10) Distribution of Shareholding as on 31.03.2009

8610 shareholders hold 4235443 equity shares of nominal value of Rs.10/- each.

Distribution of Shares (Slab wise)	No. of Share Holders	% to total no. of Shareholders	No. of Share Held	Percentage total Share Capital
1 to 100	3197	37.15	289382	6.83
101 to 200	2235	25.97	412085	9.73
201 to 500	2333	27.11	782662	18.48
501 to 1000	544	6.32	401181	9.47
1001 to 5000	235	2.73	475674	11.23
5001 and above	62	0.72	1874459	44.26
Total	8606	100.00	4235443	100.00

Category	No. of Shares Held	% of Shareholding
Promoters	0	0%
Persons acting in concert	1396268	32.97%
Mutual Funds & UTI	8800	0.21%
Banks, Financial Institutions	0	0.00%
Private Corporate Bodies	472799	11.16%
Indian Public	2357576	55.66%
Grand Total	4235443	100%

Management Responsibility Statement

The Management confirms that the financial statements are in full conformity with requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the period end. The Management believes that the financial statements of operation reflect fairly the form and substance of transactions and reasonably present the Company's financial condition and the results of operations. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. In view of huge losses and recessionary trend, appointment of internal auditor has not been made.

By Order of the Board of Directors
For Prashant India Limited

Place : Palsana,

Date :-20th July,2009

Sd/-
Prabhudas M.Gondalia
Managing Director



DEVENDRA GHEEWALA & CO.
CHARTERED ACCOUNTANTS

Devendra M. Gheewala,

F.C.A., DISA (ICA)

M-9, Shiv Smriti Complex, Near Turning Point, Ghod Dod Road, Surat - 395001

To the Members of
PRASHANT INDIA LTD.

We have audited the attached Balance Sheet of PRASHANT INDIA LTD. as at 31st March, 2009 and also the Profit & Loss Account and 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 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.

As required by the Companies (Auditor's Report) Order, 2003, ('CARO') as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of provisions of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to 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 *except cost records*, as required by law, have been kept by the company, so far as appears from our examination of those books.
- c. The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in section 211(3c) of the Companies Act, 1956 *except AS15 as referred to in Audit Note no. 1(a)*

- e. On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors of the company and also the information and explanations given to us, we report that none of the directors is, as at 31st March, 2009 prima facie disqualified from being appointed as a director 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, subject to the

Note no. 1(a): Regarding non accounting for gratuity, leave encashment & bonus liability contrary to sec.209 of the Companies Act, 1956, and AS15 issued by the ICAI.

Note no.1(b): Regarding accounts of the company, despite

- *operations of Agro division of the company having stand suspended,*
- *cash losses incurred by the company year over year,*
- *net worth of the company having been totally eroded and substantial losses having been carried forward as at 31st March, 2009,*
- *BIFR having held the company as sick under the provisions of sec.3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and ordered for winding up of the company having been prepared on 'Going Concern Basis' in the absence of adequate data and information for its compilation on an alternative basis and consequently no adjustments having been made in the accounts relating to the recoverability of recorded asset amounts and in respect of recorded liabilities and contingent liabilities that might devolve on the company.*

Note no. 10 : Regarding certain balances being subject to confirmation,

the effect of which could not be quantified, the said accounts read together with other audit notes thereon, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (I) in so far as it relates to the Balance Sheet, of the state of affairs of the Company at the 31st March, 2009;
- (II) in so far as it relates to the Profit and Loss Account, of the loss of the Company for the year ended on that date and
- (III) in so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

For **DEVENDRA GHEEWALA & CO.**
CHARTERED ACCOUNTANTS

Sd/-

D.M.GHEEWALA

Place : Surat.

Date : 20-07-2009

PROPRIETOR

M.No: 049857

ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH '2' OF OUR AUDIT REPORT OF EVEN DATE ON ACCOUNTS OF PRASHANT INDIA LTD. FOR THE YEAR ENDED ON 31ST MARCH, 2009.

In terms of the information and explanations given to us and the books and records examined by us in the normal course of our audit and to the best of our knowledge and belief, we state that in our opinion:

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) Fixed assets have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed by the management on such verification.
 - (c) No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern assumption (Also refer Note 1(b) of our Audit Report).
2.
 - (a) The stock of finished goods, stores, spare-parts and raw materials have been physically verified by the management at reasonable intervals during the year.
 - (b) The procedures of physical verification of stocks 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 is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of accounts.
3.
 - (a) The Company has neither granted nor taken unsecured loans, to/ from Companies, Firms or others parties listed in the register maintained u/s. 301 of the Companies Act, 1956 (1 of 1956).
 - (b) Since there are no transactions of loans as per clause (a) above, clauses (b) to (g) of paragraph 3 of the order are not applicable.
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 continuing failure to correct major weaknesses in internal control.
5. Based on Audit procedures applied by us and according to the information and explanations given to us, we report that
 - (a) the transactions of purchase of goods and materials and sale of goods, materials and services with parties referred to u/s 301 of the Companies Act, 1956 (1 of 1956) have been recorded in the register maintained for the purpose.
 - (b) these transactions prima facie appear to have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. During the year, the company has not accepted deposits from the public.
7. *Due to recessionary trend and huge losses, the company does not afford to have an internal audit system.*

8. Due to recessionary trend and huge losses, the Company has not made & maintained cost records u/s. 209(1)(d) of the Companies Act, 1956.

9.

- (a) The provisions of the Provident Fund Act & Investor Education & Protection Fund & Employees' State Insurance Act as applicable are duly complied with. There were no undisputed amount payable in respect of Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise duty, Cess or any other statutory due which were outstanding as at 31-03-2009 for a period of more than six months from the date they became payable except as mentioned below:

Nature of statute-Authority	Nature of dues	Amount Rs. lacs	Remarks
Customs Act, 1962 & Central Excise Act, 1944	Custom duty	77.03	Nil
B.M.C. Act	Civil Supply	3.68	Nil
Land Revenue Act	Land rev.	15.37	Nil

- (b) The disputed dues of Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise duty or Cess as on 31/03/2009 are as follows :

Nature of statute-Authority	Nature of dues	Amount Rs. lacs	Forum where dispute is pending
G.S.T. Act, 1969	Sales tax	557.64	GST Tribunal, A'bad
The Bombay Stamp Duty Act	Stamp duty	28.11	Sub Registrar, Rajkot & Bhavnagar

10. The Company has accumulated losses of Rs.3854.75 lacs as at the end of the financial year, which is in excess of 50% of its net worth and has incurred cash losses in the current financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us and based on our audit checks, we report that the company in the current financial year has not made repayment to any banks or financial institutions. The company has defaulted in repayment of dues to various banks and financial institutions. The company had been declared sick u/s 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985 by the BIFR vide order dt.20-09-2005 and has been held to be wound up u/s 20(1) of the said Act by the BIFR vide order dt.14-09-2006. The entire outstanding of all financial institutions/banks is overdue since long. Please refer to Audit note no.2 & 3 also.
12. Since the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.

13. Since the company is not a chit fund or a nidhi/mutual benefit fund/society, paragraph 4(xiii) of the Order is not applicable.
14. Since the company is not dealing in or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
16. On the overall examination of the Balance Sheet of the Company, we report that fresh term loan have been applied for the purpose for which they were obtained.
17. On an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. Since the company has not made any preferential allotments of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956, paragraph 4(xviii) of the Order is not applicable.
19. Since the company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.
20. Since the company has not raised money by way of public issue during the year, paragraph 4(xx) of the Order is not applicable.
21. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For DEVENDRA GHEEWALA & CO.
CHARTERED ACCOUNTANTS

Sd/-

Place : Surat.
Date : 20-07-2009

D.M.GHEEWALA
PROPRIETOR
M.No. 049857

BALANCE SHEET AS AT 31ST MARCH, 2009.

Sr. No.	Particulars	Sch. No.	Rs.	31-03-2009 Rs.	31-03-2008 Rs.
I. SOURCES OF FUNDS -					
1.	Shareholders' Funds :				
a.	Share capital	'1'	42,354,430	42,354,430	
b.	Reserves & surplus	'2'	56,786,912	99,141,342	56,786,912
					99,141,342
2.	Loan Funds :				
a.	Secured loans	'3'	349,308,845	349,308,845	
b.	UnSecured loans	'4'	32,944,183	382,253,028	32,944,183
					382,253,028
T O T A L....(I)				481,394,370	481,394,370
II. APPLICATION OF FUNDS -					
1.	Fixed assests :	'5'			
a.	Gross block		209,112,614	209,172,914	
b.	Less : Depreciation		143,246,713	132,869,851	
c.	Net block			65,865,901	76,303,063
2.	Current assets,				
	Loans & advances :				
a.	Inventories	'6'	547,112	619,811	
b.	Sundry debtors	'7'	8,209,546	8,262,294	
c.	Cash & bank balance	'8'	485,968	442,096	
d.	Loans & advances	'9'	37,980,444	37,948,546	
	Sub total (a to d)		47,223,071	47,272,748	
	Less : Current liabilities & provisions	'10'	17,170,143	17,014,008	
	Net Current Assets			30,052,928	30,258,740
3.	Miscellaneous expenses to the extent not written off or adjusted -				
	Profit & Loss A/c Balance			385,475,541	374,832,567
T O T A L....(II)				481,394,370	481,394,370

NOTES ON ACCOUNTS

'19'

For PRASHANT INDIA LTD.

As per our audit report of even date
For DEVENDRA GHEEWALA & CO.
CHARTERED ACCOUNTANTS

sd/-

sd/-

sd/-

(P.M.GONDALIA)
CHAIRMAN & M.D.

(H.M.GONDALIA)
WHOLE TIME DIRECTOR

(D. M. GHEEWALA)
PROPRIETOR

Place : Surat.
Date : 20-07-2009

**MANUFACTURING, TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON
31ST MARCH, 2009**

Sr. No.	Particulars	Sch. No.	31-03-2009		31-03-2008	
			Rs.	Rs.	Rs.	Rs.
I. INCOME :						
1.	Sales & other revenues	'11'		9,685,434		8,199,898
2.	Other income	'12'		104,273		275,751
3.	Increase/ (Decrease) in stock of finished goods	'13'				(2,210,098)
				<u>9,789,707</u>		<u>6,265,551</u>
II. EXPENDITURE :						
1.	Consumption of raw materials	'14'		0		322,998
2.	Mfg. expenses	'15'		7,785,714		5,219,191
3.	Administrative expenses	'16'		2,175,778		1,985,480
4.	Selling & distribution exps.	'17'		31,021		37,972
5.	Financial charges	'18'		28,666		5,014
6.	Depreciation	'5'		10,403,155		10,408,884
				<u>20,424,334</u>		<u>17,979,539</u>
III.	Net profit before taxation			(10,634,627)		(11,713,988)
IV.	Provision for taxation			8,347		6,311
V.	Net profit for the year			(10,642,974)		(11,720,299)
VI.	Prior period adjustments					
VII.	Balance brought forward from earlier year			(374,832,567)		(363,112,267)
VIII.	Balance carried forward to balance sheet			(385,475,541)		(374,832,567)

NOTES ON ACCOUNTS

'19'

For PRASHANT INDIA LTD.

As per our audit report of even date
For DEVENDRA GHEEWALA & CO.
CHARTERED ACCOUNTANTS

sd/-

sd/-

sd/-

(P.M.GONDALIA)
CHAIRMAN & M.D.

(H.M.GONDALIA)
WHOLE TIME DIRECTOR

(D. M. GHEEWALA)
PROPRIETOR

Place : Surat.
Date : 20-07-2009

	31-03-2009	31-03-2008
SHARE CAPITAL :		SCHEDULE '1'
<u>Authorised capital -</u>		
1,00,000 Redeemable Cumulative		
Pref. shares of Rs.100 each	10,000,000	10,000,000
90,00,000 Equity shares of Rs.10 each	90,000,000	90,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<u>Issued capital -</u>		
50,14,887 Equity shares of Rs.10 each		
<u>Subscribed and paid up capital -</u>		
50,14,887 Equity shares of Rs.10 each		
(7,79,444 Equity shares of Rs10 each		
forfeited for non payment of calls)		
42,35,443 Equity shares of Rs10 each fully paid up	42,354,430	42,354,430
	<u>42,354,430</u>	<u>42,354,430</u>
RESERVES & SURPLUS :		SCHEDULE '2'
a. Share premium	54,698,368	54,698,368
b. Capital Reserve	2,088,544	2,088,544
	<u>56,786,912</u>	<u>56,786,912</u>
SECURED LOANS :		SCHEDULE '3'
a SBI-WCDL	102,899,939	102,899,939
(Secured by hypothecation of entire current assets		
including stocks & book debts and further secured by		
second charge on all the immovable properties of		
Textile division at Palsana)		
b BOB, IOB, SBH - PC A/c, C.A/c	144,106,000	144,106,000
Interest unpaid	5,443,806	5,443,806
(Consortium advances are secured by hypothecation		
of all movable current assets and further secured by		
first charge on land-building, plant-machinery, etc. of		
Agro division at Bhavnagar)		
c IFCI - Term loan	83,610,881	83,610,881
Interest unpaid	39,314,661	39,314,661
(Secured by first charge on all the immovable		
properties and also by whole of movable plant-		
machineries, spares, tools, accessories, both present		
and future, of Textile division at Palsana)		
d Shantilon Pvt. LTd.	16,055,905	16,055,905
(Secured by first charge on all the immovable		
properties and also by whole of movable plant-		
machineries, spares, tools and accessories, both		
present and future, of wind farm unit)		
	<u>391,431,193</u>	<u>391,431,193</u>
Less : Recoveries - Deposit in No Lien A/c with SBI	42,122,348	42,122,348
	<u>349,308,845</u>	<u>349,308,845</u>

	31-03-2009	31-03-2008
UNSECURED LOANS :		SCHEDULE '4'
IDBI	17,930,088	17,930,088
Interest unpaid	15,014,095	15,014,095
(Secured by personal guarantee & security provided by promoters, directors, and others by way of pledge of shares of the company)		
	<u>32,944,183</u>	<u>32,944,183</u>

INVENTORIES :		SCHEDULE '6'
(As taken, valued and certified by the management)		
Raw materials	16,797	16,797
Consumable stores, spares, packing materials, oil, chemical, diesel, etc.	247,350	320,049
Finished Goods	282,965	282,965
	<u>547,112</u>	<u>619,811</u>

SUNDRY DEBTORS :		SCHEDULE '7'
(Unsecured)		
Outstanding for more than 6 months considered good	1,676,127	2,708,471
others considered good	2,567,905	1,588,309
Considered doubtful and provided for	3,965,514	3,965,514
	<u>8,209,546</u>	<u>8,262,294</u>

CASH & BANK BALANCE :		SCHEDULE '8'
Cash on hand (As certified by the Directors)	64,518	30,123
Bank balances with scheduled bank-		
In current accounts -old balances	212,183	212,183
-running a/c balances.	196,344	186,866
In fixed deposit account	2,000	2,000
Bank balance with other bank -		
In current accounts - old balances	10,924	10,924
	<u>485,968</u>	<u>442,096</u>

LOANS & ADVANCES :		SCHEDULE '9'
Sundry deposits-	1,048,020	1,048,020
Tax refundable	652,732	543,851
Advance for goods - expenses	470,673	470,673
Advances recoverable in cash or in kind or for value to be received	1,630,681	1,709,465
Other advances -(Doubtful of recovery, provided for)	34,178,338	34,176,538
	<u>37,980,444</u>	<u>37,948,546</u>

	31-03-2009	31-03-2008
CURRENT LIABILITIES & PROVISIONS :		SCHEDULE '10'
Sundry creditors	1,170,449	856,301
F.B.T. payable	8,347	6,311
T.D.S. payable	8,524	1,641
G.S.T. & C.S.T. deferment	1,780,172	1,780,172
PROVISIONS -		
Brokerage payable	127,711	127,711
Other expenses payable	7,541	99,233
VAT/ Sales tax payable	0	3,196
Professional fees - Net	93,789	187,010
EPCG penalty case	7,702,696	7,702,696
GETC	9,211	24,921
GEB	116,398	79,511
Bad debts	3,965,514	3,965,514
Income tax-A.Y.1995-96	342,778	342,778
Civil supply case-Bhavnagar	300,000	300,000
Local authorities dues	1,537,013	1,537,013
	<u>17,170,143</u>	<u>17,014,008</u>

SALES & OTHER REVENUE		SCHEDULE '11'
Turnover	5,866,156	5,217,594
Power generation	3,819,278	2,982,304
	<u>9,685,434</u>	<u>8,199,898</u>

OTHER INCOME :		SCHEDULE '12'
Interest received	0	120,058
Rebate, Discounts, Claims, Incidental charges	4,273	18,292
Utilities usage charges	100,000	0
Excise duty refund	0	137,401
	<u>104,273</u>	<u>275,751</u>

INCREASE/(DECREASE) IN FINISHED GOODS STOCK :		SCHEDULE '13'
Closing stock	282,965	282,965
Less : Opening stock	<u>282,965</u>	<u>2,493,063</u>
	<u>0</u>	<u>(2,210,098)</u>

31-03-2009

31-03-2008

CONSUMPTION OF RAW MATERIALS :**SCHEDULE '14'**

Opening stock	16,797		319,692	
Add : Purchases	<u>0</u>		<u>20,103</u>	
	16,797		339,795	
Less : Closing stock	<u>16,797</u>	0	<u>16,797</u>	322,998
		<u>0</u>		<u>322,998</u>

MANUFACTURING EXPENSES :**SCHEDULE '15'**

Consumption of stores, spares & oil				
Opening stock	320,049		630,511	
Add : Purchases	<u>1,135,388</u>		<u>272,762</u>	
	1,455,437		903,273	
Less : Closing stock	<u>247,350</u>	1,208,087	<u>320,049</u>	583,224
Factory expenses		32,661		8,613
Power & fuel expenses		4,341,464		3,195,439
Repairs & maintenance -		957,415		617,049
Salaries, wages and labour exps.		<u>1,246,087</u>		<u>814,866</u>
		<u>7,785,714</u>		<u>5,219,191</u>

ADMINISTRATIVE EXPENSES :**SCHEDULE '16'**

Auditor's remuneration	16,545		16,854	
Computer exps.	5,155		625	
Directors Remuneration	291,600		291,600	
Employee emoluments	995,823		741,092	
Insurance exps.	140,672		157,607	
Legal & professional fees	346,765		234,560	
Listing fees	10,300		10,000	
Office expenses	19,703		3,347	
Postage expenses	37,769		36,400	
Rent, rates & taxes	0		188,439	
Security exps.	91,500		119,004	
Stationery and printing	45,216		56,060	
Telephone & telex exps.	26,342		31,133	
Travelling, conveyance & vehicle exps.	148,388		98,759	
	<u>2,175,778</u>		<u>1,985,480</u>	

31-03-2009

31-03-2008

SELLING & DISTRIBUTION EXPENSES :**SCHEDULE '17'**

Brokerage expenses	0	5,587
Octroi exps.	0	11,746
Quality claim	0	0
Sales tax expenses	17,011	104
Transport expenses	14,010	10,981
Vatav kasar & rate difference	0	9,414
Yarn testing charges	0	140
	<u>31,021</u>	<u>37,972</u>

FINANCIAL CHARGES :**SCHEDULE '18'**

Bank commission & charges	4,843	4,256
Interest expenses	0	558
Interest on TDS/ Sales tax/ I.T., etc.	816	200
Loss on sale of vehicles	23,007	0
	<u>28,666</u>	<u>5,014</u>

SCHEDULE '5'

FIXED ASSETS AND DEPRECIATION :

Sr.	Description of assets	Rate of Depre. %	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As on 01-04-08	Addition	Deduction	As on 31-03-2009	As on 01-04-08	Addition	Deduction	As on 31-03-2009	As on 31-03-2009	As on 31-03-08
1	Land - Freehold		4838520	0	0	4838520	0	0	0	0	4838520	4838520
2	Factory Building	3.34	25161735	0	0	25161735	11274005	840402	0	12114407	13047328	13887730
3	Plant & machineries	10.34	168792884	0	0	168792884	118071491	8912265	0	126983756	41809128	50721393
4	Electrifications	4.75	7254062	0	0	7254062	1378272	344568	0	1722840	5531222	5875790
5	Computer system	16.21	847895	0	0	847895	523562	137444	0	661006	186889	324333
6	Printer	16.21	60000	0	0	60000	34041	9726	0	43767	16233	25959
7	Furniture & fixtures	6.33	986990	0	0	986990	794342	62476	0	856818	130172	192648
8	Office equip	6.33	394931	0	0	394931	175772	24999	0	200771	194160	219159
9	Epabx system	6.33	24800	0	0	24800	4579	1570	0	6149	18651	20221
9	Vehicles-Scooters etc.	9.50	811097	0	60300	750797	613787	69705	26293	657199	93598	197310
	TOTAL		209172914	0	60300	209112614	132869851	10403155	26293	143246713	65865901	76303063
	Previous year ->		209157414	15500	0	209172914	122460967	10408884	0	132869851	76303063	86696447

SCHEDULE '19'**SCHEDULE OF AUDIT NOTES AND OBSERVATIONS ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009.****1. Accounting Policies :****a. Method of accounting -**

The financial statements are prepared under the historical cost convention and in accordance with the Generally Accepted Accounting Principles. The Company has been following accrual system of accounting both as to income and expenditure except for gratuity, leave encashment and bonus, which are charged to profit & loss account on cash basis and that is contrary to the specific provisions of the Companies Act, 1956 and also contrary to the Accounting Standard 15 issued by the Institute of Chartered Accountants of India.

b. Going concern -

Despite the facts as mentioned below, accounts are continued to be prepared on 'Going Concern Basis', in the absence of adequate necessary data and information for compilation on an alternative basis.

- The operations of Agro division of the company have been suspended since 1998.
- The company has been continuously incurring cash losses year over year
- The Net Worth of the Company has been eroded completely based on the Audited Annual Financial Statements of the company since the year ended on 31st March, 1998.
- The Accumulated Losses as at the end of the financial year are far exceeding the entire Net Worth of the company
- The BIFR has held that the company should be wound up u/s 20(1) of SICA, 1985 vide order dt.14-09-2006. (Also refer note no.17)

Consequently, no adjustments are made in the accounts relating to the recoverability of recorded asset amounts and in respect of recorded liabilities and contingent liabilities that might devolve on the company, for compilation of Accounts on an alternative basis.

c. Fixed Assets -

All fixed assets are stated at cost of acquisition or construction. They are stated on historical cost basis less accumulated depreciation.

d. Depreciation -

Depreciation on fixed assets is provided on straight line method on pro rata basis as per the rates prescribed under the Companies Act, 1956. (Please also refer note no. 8)

e. Investments -

Investments are stated at cost of acquisition.

f. Inventories -

Inventories are valued at cost or market value, whichever is less.

g. Revenue Recognition -

The purchases and sales are shown after making adjustments for claims, rebates, rate difference, discounts, etc. received/paid as per the practice prevailing in the trade. Necessary adjustments for the same is done either by passing journal entry or rectifying the original invoice of purchase/sales and accounting the same in subsidiary books etc. with amount NET RECEIVED or NET PAID for the particular invoice.

h. Contingent liabilities -

These are disclosed in the notes on accounts. Provision is made in the accounts in respect of contingencies which are likely to materialise into liabilities, after the year till the approval of accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

2.a. Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. Nil (Previous year Rs. Nil)

b. Contingent liabilities -

Name of statute / Authority	Nature of dues	Amount Rs. lacs	Forum where dispute is pending	Management's perception, if any
Gujarat Sales Tax Act, 1969	Demand on regular assessment A.Y.1986-87 to 89-90 A.Y.1993-94 to 98-99 & A.Y.2002-03	557.64	Gujarat Sales Tax Tribunal, Ahmedabad	The demand raised is based on false presumptions only and hence, no liability is envisaged.
The Bombay Stamp Duty Act	Demand for stamp duty	28.11	Sub Registrar, Rajkot & Bhavnagar	The demand raised is unjustified and hence, the management does not foresee any liability on this account
Local body, Bhavnagar	Land revenue- Civil Supply case 1998	0.68 (3.68-3.00)	City Mamlatdar, Bhavnagar	Nil
N.A.	Guarantee commission payable to directors & others 1999-00 to 2008-09	78.29	N.A.	Commission payable to directors and others for providing guarantee and security to the banks and financial institutions against their lending to the company.
Civil Suit	Non payment of materials supplied and other charges up to dt.30-11-01 as per contract by BHEL - 1995	116.47	City Civil Court, Ranipat	Supply of machines by BHEL has not been in accordance with the terms of contract. The company has lodged counter claim against BHEL before the MRTD commission for supply of inferior quality machines and for consequent loss of revenue along with interest thereon.
Civil Suit	Claims against the company not acknowledged as debt.	7.16		No liability is envisaged by the management on this account

3. The company has not made provisions for following items :

Nature of liability	Amount Rs.lacs	Management's perception, if any
DRT, Mumbai & BIFR (IOB, BOB, SBH) Financial debt of Agro division - Decree issued against company for Rs.2037.35 lacs + interest. Execution pending for BIFR's approval (2037.35+ 2302.26 -1441.06)	2898.55	The company is entitled to get set off for claim amount received/ receivable by lending banks from the EPCG, as W.C. finance for export was insured by banks under the EPCG Scheme and premium was recovered from the company.
Interest on secured, & unsecured loans – SBI, IFCL, IDBI	2300.00	Nil
Interest on secured loan to M/s. Shantilon Pvt. Ltd. 12% p.a.	48.86	Nil
Bank old balances	2.25	The bank balances are receivable from respective banks
Other advances being		
Export incentives	143.29	Export incentives are receivable from the Govt. of India
Excise duty	1.01	Nil
Sales & purchase tax	4.12	The amount is refundable to the company.
Insurance claims	55.65	Company has filed a case against the Oriental Insurance Co. for claim amount of Rs.19.50 lacs before the H'nable Consumer Disputes Redressal Commission, A'bad, which is pending.
Adv. For Cap. Goods	2.77	Nil
Claims against the co.	7.53	Nil
BHEL	7.32	Amount not payable due to non performance of contract terms.
I.O.B. various claims	55.07	Amount required to be adjusted against outstanding dues.
Bank interest claims	30.93	Amount required to be adjusted against outstanding dues
Misc. liabilities	34.08	Nil
GRAND TOTAL	5591.43	

The company has not made provisions for the above items, which in the opinion of the Auditors needs provision. Had the provision been made in the books of accounts, the accumulated losses of the company would have increased by Rs.5591.43 lacs.

4. Value of imports on C.I.F. basis Rs. Nil (Previous year Rs.Nil)
5. Earnings or Expenditure in foreign exchange Rs. Nil (Previous year Rs.Nil)
- 6.a. Remuneration paid to directors Rs. 2,91,600/- (Previous year Rs.2,91,600/-)
- b. Travelling & conveyance expenses incurred by Directors Rs.76,641/-
(Previous year Rs. 64,594).

7. Auditors Remuneration :

	Current year	Previous year
a. As Auditors.	12,000	12,000
b. As Advisors in following matters	-	-
1. Taxation matters	-	-
2. Company Law matters	-	-
3. Any other matters	1,545	1,854
c. As Tax Auditors	3,000	3,000
Total	16,545	16,854

8. The company has provided depreciation of Rs.16.25 lacs on-assets of agro division as the depletion of assets has continued even though the division was closed during the whole year. Plant & machineries have been considered to be continuous process plant and depreciation has been charged accordingly.
9. The balances of sundry debtors, sundry creditors, secured and unsecured loans, loans and advances and old bank balances are subject to confirmation and have been taken on the basis of the accounts in the books of the assessee.
10. The closing stock of raw materials, finished goods, consumable stores, oil, diesel and packing materials are as taken, valued and certified by the directors of the company.
11. In the opinion of Board of Directors, all the current assets, loans and advances have net realisable value as stated in the balance sheet except for loans and advances and old bank balances in respect of which provision is required to be made as mentioned in note no.3.
12. Loans & advances include Rs.0.75 lacs due from directors of the company.
13. Sundry debtors (unsecured, considered good) include a sum of Rs.Nil (Previous year Rs.Nil) due by companies/firms in which director(s) is/are interested as director/member.
Loans & advances (unsecured, considered good) include a sum of Rs.Nil (Previous year Rs.Nil) due by companies/firms in which director(s) is/are interested as director/member.

- 14.a. The company has no information regarding which of its suppliers is a small scale industrial undertaking. Hence, the particulars of amounts payable to such undertakings, if any, have not been given as required under Schedule VI to the Companies Act, 1956.
- b. The company is not in a position to identify the amounts payable to small scale and ancillary undertakings under the provision of the "Interest on the delayed payment to small scale and ancillary undertaking Act, 1993" and accordingly it is not possible to quantify the extent of overdue interest payable under the said Act.
15. During the year under review, there was no employee drawing remuneration of Rs.2,00,000/- per month or RS.24,00,000/- per annum. Moreover, there was no employee drawing if employed for the part of the year in receipt remuneration of Rs.2,00,000/ per month or Rs.24,00,000/- for the part of the year.
16. The company had been held sick industrial company within the meaning of the provisions of sec.3(10) of the Sick Industrial Companies (Special Provisions) Act, 1985 by the BIFR on dt.20-09-2005 and has been held to be wound up u/s 20(1) of the said Act by the BIFR on dt.14-09-2006 on the ground that it is just, equitable and in public interest the company should be wound up. The company has challenged the order before the AAIFR, which is pending and following the said appeal of the company, the Hon'ble Gujarat High Court has stayed further procedure for the appointment of Official Liquidator.
17. The company successfully settled the dues of IREDA during the financial year 2006-2007 in accordance with the terms of QTS scheme letter dt.30-01-2006 by augmenting resources from M/s. Shantilon Pvt. Ltd, in consideration whereof the company assigned the equivalent rights as given to the IREDA including creation of first exclusive charge over the assets of wind power division in favour of M/s. Shantilon, Pvt. Ltd.. Negotiations for the assignment of debt of IFCI Ltd. by M/s. Shantilon Pvt. Ltd. are also at the final stage and are expected to be settled in financial year 2009-2010. The company has been making efforts for the settlement of dues of all other secured creditors.
18. Figures of previous year are regrouped or rearranged to make them comparable with the current year figures.
19. Licensed, installed capacities and production; quantitative & other details – Annexure A

20. Segment information – Annexure 'B'

(Rs. In lacs)

Particulars	Textile unit	Agro unit	Windmill unit	Total
Revenue -				
External	59.70	0.00	0.00	59.70
Inter-segment	0.00	0.00	0.00	0.00
Intra segment	0.00	0.00	38.19	38.19
Total	59.70	0.00	38.19	97.90
Profit before tax	(86.82)	(19.19)	(0.33)	(106.35)
Current tax	0.08	0.00	0.00	0.08
Deferred tax	0.00	0.00	0.00	0.00
Profit after tax	(86.91)	(19.19)	(0.33)	(106.43)
Segment assets	2,308.36	2,345.02	160.56	4,813.94
Segment liabilities	2,308.36	2,345.02	160.56	4,813.94
Capital expenditure	0.00	0.00	0.00	0.00
Depreciation	59.73	16.25	28.04	104.03
Other non cash exps.	0.00	0.00	0.00	0.00

21. Related party disclosure –

Particulars	Associates	Key management persons	Enterprise over which management has substantial interest	Total Rs. lacs
Purchase	N.A.	N.A.	Nil	Nil
Sales	N.A.	N.A.	Nil	Nil
Utility charges	N.A.	N.A.	1.00	1.00
Inter corp. deposit	Nil	Nil	Nil	Nil
Managerial remun.	N.A.	2.91	N.A.	2.91

22. Earning per share (Basic / Diluted)

	31-03-2009	31-03-2008
Profit after tax	(106.43)	(117.20)
Less : Pref. Share dividend	Nil	Nil
Balance	(106.43)	(117.20)
No. of equity shares	4235443	4235443
Nominal value of shares	10	10
EPS	(2.51)	(2.78)

Signatories to schedules '1' to '19'
For PRASHANT INDIA LTD.

For DEVENDRA GHEEWALA & CO.
CHARTERED ACCOUNTANTS

Sd/-

Sd/-

(P.M.GONDALIA)
(D.M.GHEEWALA)
CHAIRMAN & M.D.

(H.M.GONDALIA)
WHOLE TIME DIRECTOR

Sd/-

PROPRIETOR

Place : Surat.
Date : 20-07-2009.

QUANTITATIVE INFORMATION FORMING PART OF THE ACCOUNTS AS AT
31ST MARCH, 2009

A CAPACITY

	LICENSED		INSTALLED		UTILISED	
	31-03-09	31-03-08	31-03-09	31-03-08	31-03-09	31-03-08
a Agro division -						
Extraction plant (MT)	75000	75000	75000	75000	0	0
Refinery (MT)	6000	6000	6000	6000	0	0
Oil mill	NA	NA	24000	24000	0	0
b Textile division -						
Sizing (MT)	NA	NA	1650	1650	0.000	0.000
Texturising (MT)	NA	NA	2010	2010	0.000	0.000
Twisting (MT)	NA	NA	350	350	0.000	4.168
c Wind farm division -						
Power generation	NA	NA	1 MW	1 MW	904185	804374

Note : Licensed & installed capacity are as certified by the management.

B OPENING & CLOSING STOCK -

(Rs. lacs)

	OPENING STOCK				CLOSING STOCK			
	2008-09		2007-08		2008-09		2007-08	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
a Agro division -								
Raw materials		0		0	0	0	0	0
Finished goods								
b Textile division								
R.M.- yarn (MT)	0.221	0.17	5.318	3.20	0.221	0.17	0.221	0.17
F.G.- yarn (MT)	4.283	2.82	31.597	24.93	4.283	2.82	4.283	2.82
- Fabrics('000 Mtr)	0.000	0	0.000	0	0.000	0.00	0.000	0

C PURCHASE & SALES -

(Rs. lacs)

	PURCHASE				SALES			
	2008-09		2007-08		2008-09		2007-08	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
a Agro division								
Raw materials	0	0	0	0	0	0	0	0
Finished goods	0	0	0	0	0	0	0	0
b Textile division								
R.M.- yarn (MT)	0.000	0	0.232	0.20	0.000	0	1.240	0.56
F.G.- yarn (MT)	0.000	0	0	0	0.000	0	31.466	28.64
- Fabrics('000 Mtr)	0.000	0	0	0	0.000	0	0.000	0
Job charges					527.370	53.51	252.810	22.98
c Wind farm					904185	38.19	804374	29.823

D RAW MATERIAL & STORES CONSUMED -

(Rs. lacs)

	RAW MATERIAL				STORES			
	2008-09		2007-08		2008-09		2007-08	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
a Agro division								
b Textile division								
R.M.- yarn (MT)	0.000	0	4.090	3.23		10.66		5.83
c Windfarm division						1.42		

CASH FLOW STATEMENT

Rs. In '000

Rs. In '000

31-03-2009**31-03-2008****A CASH FLOW FROM OPERATING ACTIVITIES -**

Net profit before tax and extraordinary items	(10,635)	(11,714)
Adjustment for-		
Taxation	(8)	(6)
Depreciation	10,403	10,409
Provision for doubtful debts	-	-
Profit / loss on sale of fixed assets & investments	-	-
Prior period items	-	-
Interest shown separately	29	5

Operating profit before working capital change	(211)	(1,306)
--	-------	---------

Adjustment for -

Trade & other receivable	53	(833)
Inventories	73	2,886
Trade payable	156	(857)
Other current assets, loans & advance	(32)	(453)
	250	742

CASH GENERATED FROM OPERATIONS

	39	(564)
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Interest paid	(29)	(5)
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Tax refunds	(29)	(5)
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CASH FLOW BEFORE EXTRA ORDINARY ITEMS	10	(569)
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Less : Extraordinary items	-	-
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Net cash flow from operating activities	10	(569)
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B CASH FLOW FROM INVESTING ACTIVITIES -

Purchase of fixed assets	-	16
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Adjustment / Sale of fixed assets / investments	34	-
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Net cash used in investment activities	(34)	16
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C CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issue of share capital	-	-
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Proceeds from long term borrowing	-	-
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Repayment of Finance / Lease liabilities	-	-
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Net cash outflow from financing activities	-	-
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Net change in cash & cash equivalents	44	(584)
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CASH AND CASH EQUIVALENTS - Op. Bal.	442	1,027
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CASH AND CASH EQUIVALENTS - Cl. Bal.	486	442
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We have verified the above Cash Flow Statement of Prashant India Ltd. derived from the Audited Annual Financial Statement for the year ended on 31st March, 2009 and 31st March, 2008 and have found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreement.

For **PRASHANT INDIA LTD.****CHARTERED ACCOUNTANTS**

sd/-

sd/-

sd/-

(D. M. GHEEWALA)**DIRECTOR****DIRECTOR**

Place : Surat.
Date : 20-07-2009

Statement pursuant to Part IV of Schedule VI of the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile.

1. Company's Registration details :

Registration no.	6574	State Code	4
Date of incorporation	23-11-1983		

2. Capital raised during the year : (Amount in Rs. Thousands)

Public issue	0	Right issue	0
Bonus issue	0	Private placement	0

3. Details of mobilisation and deployment of funds : (Amount in Rs. Thousands)

Total liabilities	481,394	Total assets	481,394
<u>Sources of funds :</u>		<u>Application of funds :</u>	
Paid up capital	42,354	Net fixed assets	65,866
Secured loans	349,309	Net current assets	30,053
Reserves and surplus	56,787	Investments	0
Unsecured loans	32,944	Misc. expenditure	385,476

4. Performance of company : (Amount in Rs. Thousands)

Turnover	9,790	Total expenditure	20,424
Profit before tax	(10,635)	Profit after tax	(10,643)
Earning per share	(2.51)	Dividend rate %	

5. Numeric names of three principal products/services rendered :

Product description -	Item code no. -
Polyster filament yarn	54024300
Texturised yarn	54024300
Rapeseed meal	230640-02
Soyabean meal	230400-03
Wind power energy	

For **PRASHANT INDIA LTD.**

For **DEVENDRA GHEEWALA & CO.**
CHARTERED ACCOUNTANTS

sd/-

sd/-

sd/-

DIRECTOR

DIRECTOR

(D. M. GHEEWALA)
PROPRIETOR

Place : Surat.

Date : 20-07-2009

PRASHANT INDIA LTD.

Registered Office : 456, Palsana Char Rasta, N.H. 8, Palsana - 394 315 (SURAT)

ENTRANCE PASS

To be Presented at entrance, Annual General Meeting to be held on 30th September 2009 at 11.00 a.m.

I Certify that I am a Registered Shareholder of the Company and hold _____ Shares, vide

Folio No. _____ (Please indicate whether Member / Proxy.)

Member's / Proxy Signature

- Note:
1. Share holder / Proxy holder wishing to attend the meeting must bring the admission slip to the meeting and hand over at the entrance duly signed.
 2. A Share holder / Proxy holder desiring to attend the meeting should bring this copy of Annual Report for reference at the meeting.

Note: The form duly completed should be deposited at the Registered Office of the Company at PALSANA not later than 48 hours before the time of the meeting.

Registered Office : 456, Palsana Char Rasta, N.H. 8, Palsana - 394 315 (SURAT)

PROXY FORM :

Ledger Folio No. _____ No. of Shares Held _____

I / We _____ of _____ being a member(s)
of the above named Company, hereby appoint

Proxy to vote for me / us on my / our behalf at the Twenty Sixth Annual General Meeting of the Company
to be held on Wednesday, the 30th Sept., 2009 and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Signature of Witness _____

Name _____

Address _____

Note: The form duly completed should be deposited at the Registered Office of the Company at PALSANA not later then 48 hours before the time of the meeting.

BOOK-POST

To,

If undelivered Please return to :

PRASHANT INDIA LTD.

**Registered Office : 456, Palsana Char Rasta, N. H. 8,
Palsana - 394 315. Dist. Surat (Gujarat)**