

# Pretto Leather Industries Limited

**Regd. Office:** 149 Civil lines Opp. ADM Compound,  
Bareilly (U.P.) - 243001

19<sup>th</sup> Annual General Meeting

For **PRETTO LEATHER INDUSTRIES LIMITED**

*DIRECTOR*

**Pretto Leather Industries Limited**

**Regd. Office:** 149 Civil lines Opp. ADM Compound,  
Bareilly (U.P.) - 243001

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## **PRETTO LEATHER INDUSTRIES LIMITED**

**Regd. Office:** 149 Civil lines Opp. ADM Compound Bareilly (U.P.)-243001

**Registered office of the Company** : 149, Civil Line, ADM Compound, Bareilly (UP)-243001  
Ph : 09810252631 Email: rksaxena69@yahoo.co.in

**Corporate office of the Company** : C-78, Sector- 63, Noida, Uttar Pradesh-201301

**Banker of the Company** : **State Bank Of India**  
Sec-63 , Noida , Uttar pardesh – 201301

**ICICI Bank Limited**  
Sec – 63 , Noida , Uttar Pardesh - 201301

**Directors of the Company** :

- (i) PRAMOD KUMAR SAXENA  
(Director)
- (ii) OMINDER KUMAR  
(Whole Time Director)
- (iii) RAJEEV KUMAR SINGH  
(Whole Time Director)
- (iv) NAMITA SAXENA  
(Whole Time Director)
- (v) VINOD KUMAR DHAMA  
(Director)

**Auditros of the Company** : P.R. Saxena & Associates  
(Chartered Accountant)

200, Bhanu Complex, New Mahaveer Nagar,  
New Delhi-110018

## PRETTO LEATHER INDUSTRIES LIMITED

Regd. Office: 149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

### NOTICE

Notice is here by given that the 19th Annual General Meeting of the members of the company will be held on Friday, the 30th September, 2011 at 11:00a.m at Shankar Place, Near Inter College , Loni , Ghaziabad (U.P.)- 201301 to transact the following business:-

### ORDINARY BUSINESS

1. To receive consider and adopt the Audited Balance Sheet as at 31th March 2011 and the Profit and Loss Account for the period on that date and the Report of the Directors and Audits there on.
2. To Appoint a Director in place of Shri Vinod Kumar Dhama who retires by rotation and is eligible for re-appointment.
3. To re-appoint M/S P R Saxena & Associates, Chartered Accountants as Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and, if thought it, to pass with or without modification (s) the following resolution as an ordinary Resolution:

Resolved that in accordance with the provision of the Section 198, 269, 309, and Schedule xiii and other applicable provisions, if any, of the companies Act, 1956, the companies Act, 1956, the company here by approves the appointment of Mr. Rajeev Kumar Singh as Managing Director of the company for a period of one year with effect from 09/07/2011, and the payment of remuneration as follows.

Basic Salary	Rs. 100000/- P.M.
HRA	Rs. 15,000/- p.m.
Car Facility	Rs. 15,000/- p.m. or actual (whichever is higher)
Medical Reimbursement	15000 /- p.m. or actual (whichever is higher)

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to increase, vary or amend the terms and conditions of the and/or remuneration from time of time as deemed expedient and necessary and within the prescribed limit or sailing as provided in schedule XIII of the companies Act, 1956 as existing or as amended thereof as the Board may deem fit.

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

Resolved that in accordance with the provision of the Section 198, 269, 309, and Schedule xiii and other applicable provisions, if any, of the companies Act, 1956, the companies Act, 1956, the company here by approves the appointment of Mr. Namita Saxena as Whole Time Director of the Company for a Period of one year with effect from 09/07/2011, and the payment of remuneration as follows.

Basic Salary	Rs. 100000/- P.M.
HRA	Rs. 15,000/- p.m.
Car Facility	Rs. 15,000/- p.m. or actual (whichever is higher)
Medical Reimbursement is	15000 /- p.m. or actual (whichever is higher)

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to increase, vary or amend the terms and conditions of the and/or remuneration from time of time as deemed expedient and necessary and within the prescribed limit or sailing as provided in schedule XIII of the companies Act, 1956 as existing or as amended thereof as the Board may deem fit

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

Resolved that in accordance with the provision of the Section 198, 269, 309, and Schedule xiii and other applicable provisions, if any, of the companies Act, 1956, the Companies Act, 1956, the Company here by approves the appointment of Mr. Ominder Kumar as Whole Time Director of the Company for a period of one year with effect from 09/07/2011, and the payment of remuneration as follows.

Basic Salary	Rs. 100000/- P.M.
HRA	Rs. 15,000/- p.m.
Car Facility	Rs. 15,000/- p.m. or actual (whichever is higher)
Medical Reimbursement	Rs. 15000 /- p.m. or actual (whichever is higher)

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to increase, vary or amend the terms and conditions of the and/or remuneration from time of time as deemed expedient and necessary and within the prescribed limit or sailing as provided in schedule XIII of the companies Act, 1956 as existing or as amended thereof as the Board may deem fit

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

"RESOLVED THAT pursuant to Section 370 and other applicable provisions, if any, of the companies, Act, 1956 (including any statutory modification or amendment to or re-enactment thereof) and subject to the approval of the Central Government, and any other authorities, wherever necessary, and Board of Director of the Company be and is hereby authorized:

(a) To take Unsecured loan(s) Rs. 50000000.00 from body(ies) or other bodies and person other than existing shareholders from time to time, whether or not under the same management as the Company, within or in excess of any or all the percentage prescribe by the Central Government under Section 370 o the Companies Act, 1956, subject to the condition that at any time the aggregate amount of such loans, deposits made and/or to made to all bodies corporate at any times shall not exceed Rs. 8 Crores (Rupees Eight Crores only).

- (i) To take Unsecured Loan UPTO 50000000 @ 2% Extra Bank Rate.  
(ii) To take Approval for NCD for Rs. 200000000.  
(iii) To take Approval for Private Placement for Rs. 72000000.  
(iv) To Take Approval or making 100% Subsidiary NBFC co. in name & Style Pretto Finance Limited.

**BY ORDER OF THE BOARD OF DIRECTORS**

**FOR PRETTO LEATHER INDUSTRIES LIMITED**

**CHAIRMAN**

Place: BAREILLY (U.P.)  
Date: 02/09/2011

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote instead of him selves/ her selves and that the proxies need not member of the company. The proxies to be effective, should be received by the company not less than 48 hours before the commencement of the meeting.
2. Members are requested to notify any change in their addresses, if any, immediately to the company.
3. The Book closure of the Company will be closed from 22nd September, 2011 to 30th day of September 2011 (both days inclusive).

**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

**Item No.4**

Mr. Rajeev Kumar Singh was appointed as Managing Director of the Company for a period of one year w.e.f. 09/07/2011 on payment of remuneration as given in the resolution.

Mr. Rajeev Kumar Singh has vast experience in different areas of management or about 12 years. The Board considers that the Company would be greatly benefit from his experience.

The Directors recommended the passing this resolution. Mr. Rajeev Kumar Singh is interested or concerned in the resolution as its relates to its appointment and remuneration to him.

Except Mr. Rajeev Kumar Singh, no other Director is interested or concerned in the said resolution.

**Item No.5**

Mrs. Namita Saxena was appointed as Whole Time Director of the Company w.e.f. 09/07/2011 on payment of remuneration as given in the resolution.

Mrs. Namita Saxena has vast experience in different areas of management or about 10 years. The Board considers that the Company would be greatly benefit from his experience.

The Directors recommended the passing this resolution. Mrs. Namita Saxena is interested or concerned in the resolution as its relates to its appointment and remuneration to him.

Except Mrs. Namita Saxena, no other Director is interested or concerned in the said resolution.

**Item No.6**

Mr. Ominder Kumar was appointed as Whole Time Director of the Company for a period of one year w.e.f. 09/07/2011 on payment of remuneration as given in the resolution.

Mr. Ominder Kumar has vast experience in different areas of management or about 12 years. The Board considers that the Company would be greatly benefit from his experience.

The Directors recommended the passing this resolution. Mr. Rajeev Kumar Singh is interested or concerned in the resolution as its relates to its appointment and remuneration to him.

Except Mr. Ominder Kumar, no other Director is interested or concerned in the said resolution.

**Item No.7**

The Company is going to raise fund by way of unsecured Loan from the public for smooth of company working Section 370 and other applicable provisions, if any, of the companies, Act, 1956 (including any statutory modification or amendment to or re-enactment thereof) and subject to the approval of the Central Government, and any other authorities, wherever necessary, and Board of Director of the Company be and is hereby authorized:

(a) To take Unsecured loan(s) Rs. 50000000.00 from body(ies) or other bodies and person other than existing shareholders from time to time, whether or not under the same management as the Company, within or in excess of any or all the percentage prescribe by the Central Government under Section 370 o the Companies Act, 1956, subject to the condition that at any time the aggregate amount of such loans, deposits made and/or to made to all bodies corporate at any times shall not exceed Rs. 8 Crores (Rupees Eight Crores only).

- (i) To take Unsecured Loan UPTO 50000000 @ 2% Extra Bank Rate.
  - (ii) To take Approval for NCD for Rs. 200000000.
  - (iii) To take Approval for Private Placement for Rs. 72000000.
  - (iv) To Take Approval or making 100% Subsidiary NBFC co. in name & Style Pretto Finance Limited.
- No other Director is interested or concerned in the said resolution.

**BY ORDER OF THE BOARD OF DIRECTORS**  
**FOR PRETTO LEATHER INDUSTRIES LIMITED**  
**CHAIRMAN**

Place: BAREILLY (U.P.)

Date: 02/09/2011

**PRETTO LEATHER INDUSTRIES LIMITED.****DIRECTOR'S REPORT**

Your Directors have closure in Presenting the Annual Report together with audited statement o account for the year ended 31th March 2011.

**WORKING RESULTS** (Amount in Rs) (Amount in Rs)

Particulars	31-03-2011	31-03-2010
Total Income	15081413	NIL
Depreciation	21431	NIL
Profit(Loss) before Tax	374306	(41,729.00)
Provision for Tax-FBT	66722	NIL
Profit(Loss) after Tax	307584	(41,729.00)
Prior Period Adjustment	NIL	(41,25,048.00)
Balance brought forward	(3859193)	(41,66,777.00)
Balance carried to Balance Sheet	(3859193)	(41,66,777.00)

**OPERATIONS AND FUTURE PLANES**

The operation for the year under review show a Profit (Before Tax) of Rs. 307584/-

The company has not been active for the past eleven years due to a severel financial crisis, for the past three years the Company was in the process o gradually liquidating all debts with various Bank and Financial institutions. Your Directors are glade to report that during the year under review the Company has closed all loans and is a debt free company from this year. The entire amount required for closing the debt was brought in by the directors and is reflected as unsecured loan in the Balance Sheet. The Directors feel that having addressed the issue of clearing the debts, it is appropriate time to start planning for the future. It is sincere intention of the Shareholders. But the current economic environment being what it is we will have to choose our path with care and caution.

Your Directors are pleased to report that a study for the revival of the business is already commission and is underway. The assignment has been entrusted to a reputed consultancy organization who will examine the feasibility including the strategy.

Your Directors are also looking and looking and examining other business option including acquisition o business as well as other good viable opportunities where some value and synergies can be perceived. It is our Objective that we commence activities in manufacturing of shoes and consolidate the client again. We would like to see that Company is en route to generating a healthy top line and bottom line

## **DIVIDEND:**

Since the Company could not generate any profits, management does not propose any dividend for the year 2011.

## **DIRECTORS**

Shri Vinod Kumar Dhama retire at the ensuing Annual General Meeting, and being eligible offers themselves for reappointment.

During the Under review Mr. Devender Kumar has given the resign from the directorship of the Company due to some personel reason.

Mr. Pramod Kumar Saxena has given the resign from the post of Managing Director and now Appointed as Director.

Mr. Rajeev Kumar Singh Appointed as Managing Director of the Company for a period of one year.

Mr. Ominder Kumar Appointed as Whole Time Director of the Company for a period of one year.

Mrs. Namita Saxena Appointed as Whole Time Director of the Company for a period of one year.

## **DIRECTOR'S RSRONSIBILITY STATEMENT**

Your Directors State:

- (i) That is the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departure;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that ate reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the loss of the Company for the period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate of adequate accounting records with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors had prepared the annual accounts to a going concern basis.

## **FIXED DEPOSITS**

Your company has neither invited nor accepted any Fixed Deposits from the public during the financial year under review.

## **CORPORATE GOVERNANCE ABD COMPLIANCE CERTIFICATE:**

Separate notes on Corporate Governance and Management Discussion and Analysis Report are set out as Annexure "A" and "B" respectively. A Certificate from the Auditor of the Company certifying compliance condition of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

## **LISTING AGREEMENTS REQUIREMENTS:**

The securities of your company are listed at Bombay Stock Exchange. Trading in company's securities remain suspended at Stock Exchange for Various reasons including non-submission of documents and all possible steps are being taken by the management to get shares traded at the floor o the Exchange.

## **BUY-BACK OF SHARES**

There was no buy-back of shares during the year under review.

## **PARTICULARS OF THE EMPLOYEES:**

None of the employees employed during the year was in receipt of remuneration in excess of the Prescribed limit specified in section 217 (2A) of the Companies Act, 1956 Hence, Furnishing of particular under the Companies ( Particulars of Employees ) 1975 does not arise.

## **AUDITORS**

M/s P. R. Saxena & Associates, Auditors of the Company retire at the ensuing Annual General Meeting. They have expressed their willingness for reappointment.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

During the year under review, there were no activities, which required heavy consumption of energy. However adequate measures have been taken to make sure that there is no wastage of energy. Since the requisite information with regard to the conservation of energy, technology absorption (Disclosures of Particulars in the report of Board of Directors) Rules is irrelevant/not application to the company during the year under review, the same are not reported.

**FOREIGN EXCHANGE EARNING AND OUTGO:**

The Company has no foreign exchange earnings and outgo during the financial Year ended on 31st of March 2011.

**ACKNOWLEDGEMENTS**

The Board of Directors wish to place on record their appreciation for the co-operation and support of the company's Bankers, its valued customers, employees and all other intermediaries concerned with the company's business.

Your directors sincerely thank all members for supporting us during the difficult days. We look forward to your continued support and reiterate that we are determined to ensure that the plans are successfully implemented.

**BY ORDER OF THE BOARD OF DIRECTORS**

**FOR PRETTO LEATHER INDUSTRIES LIMITED**

**CHAIRMAN.**

**Place: Bareilly**

**Date: 02.09.2011**

**PRETTO LEATHER INDUSTRIES LIMITED**

**CORPORATE GOVERNANCE:**

**Annexure – A**

**COMPANY'S PHILSOPHY ON CODE GOVERNANCE:**

Pretto leather Industries Limited aims at ensuring high ethical standard in all areas of its business operation to enhance its stake holder's value In accordance with Clause 49 of the Listing agreement with the stock Exchanges, the details of governance including compliances by the Pretto Leather Industries Limited with the provisions of Clouse 49 are as under:

**BOARD OF DIRECTORS:**

As on 31<sup>st</sup> March 2011, the Company's Board consisted of one Promoter Director and three non-executive/independent directors, who have rich experience in their fields.

- A. The board of directors of the company shall have an optimum combination of executive and non-executive directors with not less than fifty per cent of the board of Directors comprising of non executive directors. In case the company has an executive chairman, at least half of the Board should comprise of independent directors.

The detail of the directors on the board of your company are given below:

**a. PROMOTER DIRECTOR**

Name	Date of Appointment	Designation
Pramod Kumar Saxena	30.12.1996	Managing Director

**b. NON-EXECUTIVE DIRECTORS**

Name	Date of Appointment	Designation
Ominder Kumar	16.05.2003	Director
Vinod Kumar Dhama	16.05.2003	Director
Devender Kumar	16.05.2003	Director

**c. INDEPENDENT NON EXECUTIVE DIRECTORS**

Name	Date of Appointment	Designation
Ominder Kumar	16.05.2003	Director
Vinod Kumar Dhama	16.05.2003	Director
Devender Kumar	16.05.2003	Director

**B** All pecuniary relationship or transactions of the non executive directors vis a vis, the company should be disclosed in the Annual Report. None of the non-executive director of the Company have any pecuniary relationship or transactions with the Company other than fees paid for professional services rendered by them.

The board of the company met 5 times during the last financial year on the following dates:- April 2, 2010, July 29, 2010, September 1, 2011, October 29 2010 and January 28, 2011.

**Code of conduct:**

The Company has already implemented a code of Conduct for all Board Members and Senior Management of the company in compliance with Clouse 49(1) of the Listing Agreement. But, since the operations of the company were not much. The application of the code of conduct was limited to that extent.

The constitution of the board (as on 31.03.2011) and the attendance of the Directors are given below:

Name of Directors	Category of Directors	No. of other Directorship	No. of Board Meeting Attended	Attendance at last AGM
Pramod Kumar Saxena	Managing Director	NIL	NIL	No
Omindar Kumar	Director	NIL	5	Yes
Vinod Kumar Dhama	Director	NIL	5	Yes
Devender Kumar	Director	NIL	5	Yes

- Excludes Directorship in Indian Private Limited Companies, Foreign Companies, Companies u/s of the Companies act, 1956.
- The Director(s) are neither Chairman member of any other committee(s) other than Audit committee, grievance committee, remuneration committee of pretto Leather Industries Limited as mentioned in this report.
- No leave absence was given to any Directors for those meeting which he could not attend.

Detail Agenda is circulated/ sent to the Board in advance The Board discuss/deliberate and decides on all the topics matters including those suggested in the listing Agreement, as and when the requirement arises. Risk Mitigation Plan: The Company has already adopted a risk mitigation plan, suitable to the Company. During the year there were no activities that required the assessment of risk.

**2. AUDIT COMMITTEE:**

The total strength of the Audit Committee is three. The said committee was constituted to exercise power and discharge function as stipulated in Clouse 49 of the Listing Agreement, and other relevant statutory and regulatory provisions. The chairman of the audit committee is an independent/non executive director, and of the other two members one is executive director and the other is non-executive/ independent director.

During the relevant financial year, three Audit Committee Meeting were held on April 5 2010, July 25 2010 and March 28, 2011.

The constitution of the committee (as on 31.03.2011) and the attendance of each member of the Committee is given below

Name of the Member	Category	No. of Meeting	Attendance (No)
Omindar Kumar	Director	3	3
Vinod Kumar Dhama	Director	3	3
Devender Kumar	Director	3	3

**3. SHARE HOLDERS GRIEVANCE/SHARE TRANSFER COMMITTEE:**

**Share Holder's Grievance Committee**

Share holder Grievance Committee consists of two independent Directors, and one compliance officer who have met on 31st may 2010, 28th September 2010, 25th December 2010 and 25th March 2011. As on 31st march 2011, Company was unable to redress all the complaints/ grievances within one month of the receipt of such grievances. But action is taken to make sure all the grievances are redressed.

The data for the year is as follow

During the year company had affected transfers involving NIL equity shares.

The constitution of the Committee as on today is as under:

Name of the Member	Category	No. of Meeting	Attendance (No)
Vinod Kumar Dhama	Whole time Director	4	4
Devender Kumar	Director	4	4



At present Mr. Samanjay Kumar, Legal Officer is the Compliance officer of the Company. He was appointed in 25th June 2005. Mr. Samanjay Kumar, who is Compliance officer, had attended all the meeting held during the year.

#### Share Transfer Committee

The same member of share Holder Grievance Committee are the members of this committee also. The Committee has met four times on 31st may 2010. 28th September 2010, 25th December 2010 and 25th march 2011.

#### 4. REMUNERATION COMMITTEE

The directors have decided that till the financial crisis is sorted/ solved, they will not draw any remuneration from the company. So remuneration committee was not set up during the year under review.

#### 5. OTHER DETAILS/INFORMATIONS

The details of Annual General meeting held in last 3 years are as under:]

Year Ended	VENUE	Date	Time
31st March 2008	K-1, Persa, Khera, Industrial Estate, Bareilly( U.P.)	30th Sept 2008	10.30 AM
31st March 2009	K-1, Persa, Khera, Industrial Estate, Bareilly( U.P.)	30th Sept 2009	11.00 AM
31st March 2010	K-1, Persa, Khera, Industrial Estate, Bareilly( U.P.)	30th Sept 2010	11.00 AM
31st March 2011	Shankar Place, Near Loni Inter collage Loni Ghaziabad (U.P.)		

The company has neither used Postal Ballot nor passed any special resolutions during these years, and there was no extra Ordinary General Meetings of the members of the company during the relevant period.

#### Means of Communication:

The company has started filing since 2004 (date) the entire quarterly/ half yearly/ annual result of the company with the stock Exchanges and in English News Paper as stipulated in the Listing Agreement. The company does not have a website.

It also has not displayed in official news release and no presentations were made to the institutional investors or to the analysts. We do not send half yearly financial reports to the share holder. The management Discussion and Analysis is a part of the Annual Report.

#### Compliance of Insider Trading Norms:

Company has adopted the code of internal procedure and thus complies with the insider trading norms.

#### General Shareholder's information

##### a) AGM, date, time, and venue

Venue	Date	Time
Shanker Place, Near Loni Inter College, Loni, Ghaziabad (U.P)	30 sept 2011	11.00 AM

##### b) Book closure date 23rd September 2011 to 30th September 2011, (both the days inclusive)

##### c) Listing on stock exchanges.

The shares are listed in **Bombay Stock Exchange, Mumbai.**

All the dues regarding the Listing Fee have been paid

##### d) Distribution schedule as on 31.03.2011

Category	Number of Shareholders	% (Percentage)	Number of Share Held	% (Percentage)
Upto - 1000	11985	99.89%	1872000	24%
1001 - 2000	NIL	NIL	NIL	NIL
2001 - 3000	NIL	NIL	NIL	NIL
3001 - 4000	NIL	NIL	NIL	NIL
4001 - 5000	NIL	NIL	NIL	NIL
5001 - 10000	NIL	NIL	NIL	NIL
10001 and above	13	0.11%	5928000	76%
Total	11998	100%	7800000	100%

##### e) Share price movements:

There was no trading of the scripts at the Stock Exchange(s) during the year. The data regarding the price movements are not available, and the management is unable to provide the statement showing the monthly high and low price of the script of the company as required in the Listing Agreement.

##### f) SHARE HOLDING PATTERN AS ON 31.03.2010

Category	Number of Shares	% of equity
Promoter Group	57,72,000	74%
Resident Body group	1,56,000	2%
Bank/FI/FII/MF/Trust	NIL	NIL
NRI/OCB	NIL	NIL

Share holding of independent Directors (name)	No. of Shares
Namita Saxena	390000

**g) Additional information:**

- a) Directors retiring by rotation / reappointment: Shri Ominder Kumar
- b) The ISIN No. of the company is: **INE384M01015**.
- c) Share transfer system: Internal Share Transfer system has been adopted.
- d) The company has not proposed / declared any dividend during the year.
- e) Financial year: 1st April 2010 to 31st March 2011.

For the current financial year, following is the calendar (tentative and subject to change)

**Financial reporting for 31st March 2011:**

- 1st Quarter 30th June 2010.
- 2nd Quarter - 30th September 2010.
- 3rd Quarter – 31st December 2010.
- Financial year closing : 31st March 2011
- f) Plant Location: Yet to be finalization.
- g) **Address for correspondence**
  - Regd office: 149, Civil Lines, Opp. ADM Compound, Bareilly, U.P.- 243001
  - E –mail id of the company: rksaxena69@yahoo.co.in
  - E-mail id of the Compliance officer: rksaxena69@yahoo.co.in
  - Telephone No: 0120-4245610-14, 09810252631
  - Fax: 0120-4245615

**Share Transfer Agents: Abhipra Capital Limited**

- h) Stock Code – 526691 (Bombay Stock Exchange)
- i) Dematerialization of shares & liquidity: Bulk of the shares are in physical mode, as given below:

Sr. No.	Particulars	Number of Share Holders	Number of Share	% (Percentage)
1	Physical Share	11998	7800000	100%
2	Electronic Shares	NIL	NIL	NIL
	Total	11998	7800000	100%

- j) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity is not applicable.
- k) Conversion date and likely impact on Equity Shares: Nil
- l) The detail of related parties' viz; Promoters, Directors or the management, their Subsidiaries relatives conflicting with Company's interest: NIL
- m) Penalties or structures have been imposed on the Company by Stock Exchange or SEBI or a statutory authority on any matter related to capital markets during the period under review:
- n) Performance in comparison to broad-based Indies such as BSE Sensex, CRISIL index etc NIL
- o) Whistle Blower Policy: None
- p) Training of Board Members: None
- q) Mechanism for evaluating non-executive Board Members: None

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
**Pretto Leather Industries Limited**  
149, Civil Lines, Opp. ADM Compound,  
Bareilly, (U.P.) - 243001

We have examined the compliance of the conditions of Corporate Governance by Pretto Leather Industries Limited for the year ended on 31st march 2011 as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is responsibility of the company's management. Our examination was limited to procedures and implementation there of, adopted by the Company for ensuring the Compliance of the condition of Corporate Governance. It is neither an audit nor an expression on the financial statements of the Company.

In our opinion and to the best of our information, and according to the explanations given to us, we certify, that the Company has partly has complied with the conditions of the Corporate Governance as stipulated in the above mentioned listing agreement.

We state the majority of the investor grievances were attended within one month as per maintained by the Company.

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

Place: Bareilly  
Date: 2nd September 2011

For P.R. Saxena & Associates  
(Chartered Accountants)

(R.K. Saxena)  
Partner

Membership No. 096441

## Management Discussion and Analysis

### Overall review, industry Structure and Developments:

The Company has not been active for the past eleven due to a severe financial crisis, for the past three year the Company was in the process of gradually liquidating all depts. With various Banks and Financial institutions. Your Directors are glad to report that during the year under review the Company has closed all loans and is a debt free company from this year. The entire amounts required for closing the debts was brought in by the directors and is reflected as unsecured loan in the Balance Sheet. The Directors feel that having addressed the issue of clearing the debts, it is appropriate time to start planning for the future. It is sincere intention of the Directors to bring value to the Shareholders. But the current economic environment being what it is we will have to choose our path with care and caution.

### Opportunities and Threat

The company has various opportunities in the present market, but due to threat of Government policies and market threats, the company has not achieved its goal.

### Segment wise Performance

The Company has not done any business, due to scarcity of funds and personnel.

### Out Look

The Company has lot of contact in the domestic and international market, which would be beneficial for the company.

### Internal control System

The company is looking quality of personal and employees to manage the affairs of the Company well.

### Human relations

All the directors have very good human relation in the industries.

### Financial performance with respect to operational performance

Particulars	31-3-2011	31-3-2010
Total Income	15081413	NIL
Depreciation	21431	NIL
Profit (loss) before Tax	374306	(41729)
Provision for TAX-FBT	66722	NIL
Profit(Loss) after TAX	307584	(41729)
Prior Period Adjustment	NIL	(4125048)
Balance brought forward	(3859193)	(4166777)
Balance carried to balance sheet	(3859193)	(4166777)

**Caution:** It is necessary to take all effective steps for development of business activities of the Company

## CEO & CFO CERTIFICATION

The Board of Directors  
Pretto Leather Industries Limited  
149, Civil Lines, Opp. ADM Compound,  
Bareilly, U.P.-243001

### Re-Financial Statements for the year ended on 31st March 2011-Certification

We, Pramod Kumar Saxena, Managing Director & Chairman and Ominder Kumar, Director, on of the basis of the review of the financial statements and the cash flow statements for the Financial year ending 31st March 2011 and to the best of our knowledge and belief, thereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31st March 2011 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal control for financial reporting, we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system and that we have taken we have taken the required steps to rectify these deficiencies.
5. We further certify that:
  - (a) There have been no significant in the internal control over financial reporting during this year.
  - (b) There have been no significant change in accounting policies during this year and that the same have been disclosed in the noted to the financial statements.
  - (c) There have been no instances of significance fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.

(Pramod Kumar Saxena)  
Managing Director & Chairman

Place: Bareilly  
Date: 2nd September 2011

## DECLARATION – COMPLIANCE WITH CODE OF CUNDUCT

In accordance with clause 49 of the Listing Agreement with the stock Exchanges, Vinod Kumar Dhama, Chairman & director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 31st March 2011.

Place: Bareilly  
Date: 2nd September 2011

For Pretto Leather Industries Limited  
Chairman & Director

**AUDITOR'S REPORT**

To  
The Members of  
**PRETTO LEATHER INDUSTRIES LIMITED**

1. We have audited the attached balance sheet of PRETTOLEATHER INDUSTRIES LIMITED as at 31.03.2011 and also the profit and loss account for the year ended on that date annexed thereof. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on the test basis, evidence supporting the amount and disclosures in the in the financial statements. An audit also includes assessing the accounting principles and significance 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.

3. As required by the companies (Auditor's report) order, 2003 issued by the central government of India in the term of sub-section (4A) of the section 227 of companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to above, we report that:
- (i) we have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - (iii) The balance sheet, profit and loss account dealt with by this report is in agreement with the books of account.
  - (iv) In our opinion , the balance sheet , profit and loss account dealt with by this report comply with accounting standards reffered to sub-section (3c) of the section 211 of the companies act. 1956 :
  - (v) On the basis of written representations received from the directors, as on 31st march 2011 and taken on record by the Board of Directors, we report that none of director is disqualified as on 31st march 2011 from being appointed as a directors in the terms of clause (g) of sub-section (1) of the section 274 of the Companies Act, 1956

**AUDITOR'S REPORT**

5. In our opinion and to best of our information and according to explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and given a true and fair view in conformity with the accounting principles generally accepted in India :
- (i) in the case of the balance sheet, of the state of affairs, of the company as at 31st march 2011
  - (ii) In the case of profit and loss account, of the profit, for the year ended on that date.

For P.R. Saxena & Associates  
Chartered Accountants

DATE: 02/09/2011  
PLACE: Bareilly (U.P.)

R.K. Saxena  
(Prop.)

**ANNEXURE**

**PRETTO LEATHER INDUSTRIES LIMITED**

Referred to in paragraph 3 our report of even date.

1(a) The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have been physically verified by the management during the year but here is a regular programmer of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

2(a) the inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification.

(b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to size of the company and the nature of its business.

© On basis of our examination of the record of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3(a) the company had not taken loan from companies Act, 1956. Or covered by the definition of companies under the same management under sec. 370 (IB) of the Companies Act, 1956.

(b) There is no overdue amount of loan taken from or granted to companies, firms and other parties listed in the registers maintained under section 301 of companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of the business with regard to purchases of inventory, fix assets and with regard to sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

5. Based on the audit procedures applied by us and and according to the information and explanations provided by the management, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 have been so entered.

**ANNEXURE**

**PRETTO LEATHER INDUSTRIES LIMITED**

Referred to in paragraph 3 our report of even date.

6. in our opinion and according to the information and explanations given to us. The transaction made in pursuance of contracts or arrangements entered in the registers maintained under section 301 exceeding the value of five lakh rupees in the respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

7. According to information and explanation given to us the company has not taken or accepted any deposits from the public as per the provisions of the section 58A and 58AA of the companies Act, 1956 and the companies (Acceptance of the deposits) Rules, 1975 with the regard to the deposits accepted from the public.

8. In our opinion the company has internal audit system commensurate with the size and nature of its business.

9. The Central Govt. has not prescribe maintenance of cost record under sec.209 (I)(d) of the companies Act, 1956.

10(a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including fund, investor education protection fund, employees' state insurance, income tax, sale tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it except the amount of TDS. The company has not deducted TDS on payments made during the year.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding, as at 31.03.2011 for a period of more than six months from the date become payable.

(c) According to the records of the company, there are no dues of sales tax, income tax. Custom tax/wealth tax, excise duty/cess which have not been deposited on account of any dispute.

11. The accumulated losses of the company are not more than 50% of its net worth. The company has not incurred any cash losses during the financial years covered by our audit and the immediately preceding financial year.

12. Based on or audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

**ANNEXURE**

**PRETTO LEATHER INDUSTRIES LIMITED**

Referred to in paragraph 3 our report of even date.

1(a) The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have been physically verified by the management during the year but here is a regular programmer of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

2(a) the inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification.

(b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to size of the company and the nature of its business.

© On basis of our examination of the record of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3(a) the company had not taken loan from companies Act, 1956. Or covered by the definition of companies under the same management under sec. 370 (IB) of the Companies Act, 1956.

(b) There is no overdue amount of loan taken from or granted to companies, firms and other parties listed in the registers maintained under section 301 of companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of the business with regard to purchases of inventory, fix assets and with regard to sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 have been so entered.

**ANNEXURE**

**PRETTO LEATHER INDUSTRIES LIMITED**

Referred to in paragraph 3 our report of even date.

6. in our opinion and according to the information and explanations given to us. The transaction made in pursuance of contracts or arrangements entered in the registers maintained under section 301 exceeding the value of five lakh rupees in the respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

7. According to information and explanation given to us the company has not taken or accepted any deposits from the public as per the provisions of the section 58A and 58AA of the companies Act, 1956 and the companies (Acceptance of the deposits) Rules, 1975 with the regard to the deposits accepted from the public.

8. In our opinion the company has internal audit system commensurate with the size and nature of its business.

9. The Central Govt. has not prescribe maintenance of cost record under sec.209 (1)(d) of the companies Act, 1956.

10(a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including fund, investor education protection fund, employees' state insurance, income tax, sale tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it accept the amount of TDS. The company has not deducted TDS on payments made during the year.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding, as at 31.03.2011 for a period of more than six months from the date become payable.

(c) According to the records of the company, there are no dues of sales tax, income tax. Custom tax/wealth tax, excise duty/cess which have not been deposited on account of any dispute.

11. The accumulated losses of the company are not more than 50% of its net worth. The company has not incurred any cash losses during the financial years covered by our audit and the immediately preceding financial year.

12. Based on or audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

**ANNEXURE**

**PRETTO LEATHER INDUSTRIES LIMITED**

Referred to in paragraph 3 our report of even date.

13. Based our examination of documents and records, we are of the opinion that the company has maintained adequate records where the company has granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.

14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the company has held the share, securities, debentures and other securities in its own name.

15. The company has not given any guarantee for loans taken by others bank or financial institutions.

16. No term loans have been applied during the year.

17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except core (permanent) working capital.

18. Based on our examination of records and the information provided to us by the management we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

19. During the period covered by our audit report, the company has not issued debentures. The question of any security in respect of debentures does not arise.

20. There was no money raised by public issues as disclosed in the financial statements.

21. Bases upon the audit procedures performed and information and explanation 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 P.R. Saxena & Associates  
Chartered Accountants

R.K. Saxena

(Prop.)

PLACE: Bareilly (U.P.)  
Date: 02/09/2011

**SCHEDULE - 9**

Notes forming part of the Accounts as on 31.03.2011.

**1. Significant Accounting Policies**

**A. Basis of preparation of Financial Statement**

- The company followed accrual system of accounting. The financial statements have been prepared under the historical cost convention in accordance with the normally accepted accounting principles and the provisions of the companies Act. 1956.
- Accounting policies not specifically referred to otherwise be consistent and in consonance with generally accepted accounting policies.
- The preliminary expenses (Old) are not being amortized, over a period of five years, in equal amount due to first year of working.
- As Per Accounting Standard (AS-22) Accounting for taxes on Income deferred tax Assets and deferred tax liabilities is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet dates deferred Tax Assets arises mainly on Account of Balance Sheet Losses & unabsorbed Depreciation under tax laws and are recognized only to the extents that there is a reasonable certainty of realization in future deferred tax assets/liabilities are reversed at each Balance Sheet dates bases on the developments during the year, further future expectation and available cases laws to reassess realization /liabilities.

**B. Fixed Assets & Depreciation:**

- Cost of Fixed Assets, comprises of purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition for the intended use
- Fixed assets are stated at cost price. Depreciation on fixed asset has been provided on written down value method as prescribed in schedule XIV of the companies Act 1956.

**C. Inventory in valued at cost or market price which ever is lower basis.**

- 2. Gross Sales are not inclusive of DVA Tax etc. DVA Tax accounted separately. Sales returns / rejections are accounted for in the year of return / rejection.
- 3. No provision is made towards Gratuity and Bonus. As per in formations given to us these are not applicable to the company under the present law.
- 4. Auditors Remuneration  
Audit Fees Rs. 25000.00
- 5. Payments made to Director's  
Remunerations Rs. 0.00



**PRETTO LEATHER INDUSTRIES LIMITED**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

**SCHEDULE - 9**

Notes forming part of the Accounts as on 31.03.2011.

6. Additional information by Para 3 & 4 of part II of schedule VI of the companies Act 1956 is as follows.

**Quantitative Details:**

Op. Stock	Purchase	Sale	Closing Stock	Quantity	Amount (Rs)
Shoes	0.00	71328	70176	1152	241056.00

7. The previous year's figures have been regrouped and / or rearranged, whenever necessary to make them comparable.

8. Deferred Tax Assets As on 31ST March 2011: -

Timing Difference (Due to difference in rate & method of Depreciation)  
Rs 21431.00 – Rs. 112358 = 90927.00. Provision duly has been made

9. The company has send circular to most of the supplier and customers but the confirmation from them were not received, except in few cases.

10. The unsecured and secured loans taken by the company are secured by the hypothecation of stock, mortgage of immovable property in the name of directors and on the personnel guarantee of the Directors.

Dated: 02.09.2011.

Place: New Delhi.

.....  
DIRECTOR

.....  
DIRECTOR

**PRETTO LEATHER INDUSTRIES LIMITED**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

DESCRIPTION	Annex. No.	For the Current Year	For the Previous Year
<b>A. INCOME :</b>			
Sales	1	15,081,413.00	-
Misc. Income / Receipt ( Stock Sold)		-	-
Interest ( Gross)		-	-
		<b>Total (A)</b>	<b>15,081,413.00</b>
<b>B. EXPENDITURES</b>			
Purchases	2	12,588,819.00	-
Direct Expenses	3	1,185,321.00	-
Administrative Exp.	4	708,893.00	35,000.00
Personnel Exp.	5	199,338.00	6,729.00
Finance Expenses	6	3,305.00	-
Depreciation	Sch-4	21,431.00	-
Notes to the Accounts	Sch-9		
		<b>Total (B)</b>	<b>14,707,107.00</b>
NET PROFIT / LOSS BEFORE INCOME TAX	(A - B)	374,306.00	(41,729.00)
LESS : PROVISION FOR INCOME TAX		94,000.00	-
Add:- Provision for Deffered Tax Asset		27,278.00	-
NET PROFIT / LOSS AFTER TAX		307,584.00	(41,729.00)

Date : 02.09.2011

Place : New Delhi

As per our audit report of even date annexed  
For P.R.Saxena & Associates  
Chartered Accountants

Director

Director

P.R.Saxena  
Prop.

**PRETTO LEATHER INDUSTRIES LIMITED**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

BALANCE SHEET AS ON 31.03.2011

DESCRIPTION	SCH. No.	AS ON 31.03.2011	AS ON 31.03.2010
<b>A. SOURCE OF FUNDS</b>			
Shareholder's Fund :			
Share Capital	1	79,130,000.00	77,906,000.00
Reserve & Surplus	2	(3,859,193.00)	(4,166,777.00)
Loans :	3		
Secured Loans		11,000.00	-
Unsecured Loans			
Total (A)		<u>75,281,807.00</u>	<u>73,739,223.00</u>
<b>B. APPLICATION OF FUNDS</b>			
Fixed Assets :	4		
Gross Block		45,943,673.00	45,527,480.00
Less : Dep.		21,431.00	-
Net Block		<u>45,922,242.00</u>	<u>45,527,480.00</u>
Capital Work in Progress			
Project & Pre - Operative Exp.		45,922,242.00	45,527,480.00
Investments		100,000.00	
Current Assets, Loans & Advances :	5	23,454,293.00	21,530,774.00
Less : Current Liabilities & Provisions :	6	986,475.00	83,500.00
Net Current Assets		<u>22,467,818.00</u>	<u>21,447,274.00</u>
Provision for Deferred Tax Assets		27,278.00	
Miscellaneous Expenditures	7		
Preliminary Exp. ( Not written off )		6,764,469.00	6,764,469.00
Pre - Op. Exp. ( Not written off )			
Notes to the Accounts	8		
Total (B)		<u>75,281,807.00</u>	<u>73,739,223.00</u>

Date : 02.09.2011  
Place : New Delhi

As per our audit report of even date annexed  
For P.R.Saxena & Associates  
Chartered Accountants

Director

Director

P.R.Saxena  
Prop.

**PRETTO LEATHER INDUSTRIES LIMITED**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2011

DESCRIPTION	AS ON 31.03.2011	AS ON 31.03.2010
<b>SCHEDULE - 1, SHARE CAPITAL</b>		
Authorised Share Capital ( 8000000 Eq. Shares of Rs. 10/- each )	80,000,000.00	80,000,000.00
Issued Subscribed & Paid up ( 7800000 Eq. Shares of Rs. 10/- each )	78,000,000.00	78,000,000.00
Less : Unpaid amount of stock - Invest ( Under Reconciliation)	-	94,000.00
Share Application money pending allotment	1,130,000.00	
Total	<u>79,130,000.00</u>	<u>77,906,000.00</u>
<b>SCHEDULE - 2, RESERVE &amp; SURPLUS</b>		
Op. Balance	(4,166,777.00)	(4,125,048.00)
Add. Net Profit Transferred	307,584.00	(41,729.00)
Total	<u>(3,859,193.00)</u>	<u>(4,166,777.00)</u>
<b>SCHEDULE - 3, LOANS</b>		
a.) Secured Loans : Term Loan in Foreign currency from IDBI Bank ( Repaid - Nil)	-	-
b.) Unsecured Loans - From a company	11,000.00	-
Total	<u>11,000.00</u>	
<b>SCHEDULE - 5, CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
a.) Closing Stock : ( As taken, valued and certified by the management )	241,056.00	-
b.) Sundry Debtors ( Unsecured considered good, unless otherwise stated )		
Debts outstanding for period exceeding six months	-	4,798,808.00
Other Debts	5,189,197.00	-
c.) Loans & Advances ( Unsecured considered good, unless otherwise stated )	15,726,485.00	-
Loans & Advances to Employees		
Advances ( receivable in cash or in kind for value to be received )	-	15,592,060.00
Balance with Excise Dept.	-	284,086.00
Security Deposits with Govt. Dept. & Others	251,780.00	503,560.00
TDS / Advance Tax	238,592.00	238,592.00

**PRETTO LEATHER INDUSTRIES LIMITED**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2011

DESCRIPTION	AS ON 31.03.2011	AS ON 31.03.2010
d.) Cash & Bank Balance		
Cash in Hand	21,920.00	113,668.00
Cash at Bank:	1,785,263.00	
Total	23,454,293.00	21,530,774.00

SCHEDULE - 6, CURRENT LIABILITIES & PROVISIONS

a.) Current Liabilities :

Sundry Creditors	639,975.00	80,000.00
Sundry Creditors for Expenses	52,500.00	3,500.00
Trade / Security Deposits Received	200,000.00	-
Total a.	892,475.00	83,500.00

b.) Provisions

Total a,b	94,000.00	-
	986,475.00	83,500.00

NET CURRENT ASSETS

	22,467,818.00	21,447,274.00
--	---------------	---------------

SCHEDULE - 7, MISCELLANEOUS EXPENDITURES

Formation ( Company) Exp.	6,764,469.00	6,764,469.00
Less : Written Off		
Total	6,764,469.00	6,764,469.00

SCHEDULE - 8, Deferred Tax Asset

Deferred Tax Asset (Timing Difference)

Dep. As per Companies Act	21,431.00	
Dep. As per income Act	112,358.00	
	(90,927.00)	
	27,278.00	
	27,278.00	

**PRETTO LEATHER INDUSTRIES LIMITED**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

ANNEXURE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

DESCRIPTION	Current Year (Rs.)	Previous Year (Rs.)
<b>Annex. 1 Sales</b>		
Gross Sales	15081413.00	0.00
Less : Goods Return	0	0.00
Total	15081413.00	0.00
<b>Annex. 2 Purchases</b>		
Purchases ( Gross )	12829875.00	0.00
Less : Goods Return	0.00	0.00
	12829875.00	0.00
Add / Less : increase / Decrease in Stock		
Closing Stock : Shoes	241056.00	
Op. Stock	0.00	
	241056.00	0.00
	12588819.00	0.00
<b>Annex. 3 Direct Expenses</b>		
Carriage in Ward	295745.00	0.00
Finishing Expenses	523850.00	0.00
Packing Exp.	158590.00	0.00
Polishing Exp.	57625.00	0.00
Sampling Expenses	95726.00	0.00
Shoes Boxes	53785.00	0.00
	1185321.00	0.00
<b>Annex. 4, ADMINISTRATIVE EXPENSES :</b>		
Accounting Exp.	13500.00	0.00
Business Promotion	32412.00	0.00
Rent	11400.00	0.00
Bad Debts	535866.00	0.00
Conveyance Exp.	13519.00	0.00
Postage, Telephone & Fax	3519.00	0.00
Travelling Exp.	21821.00	0.00
Printing & Stationery	7798.00	0.00
Advertisement Exp.	36500.00	0.00
Legal & Professional Charges	3500.00	0.00
Misc. Office Expenses	0.00	1729.00
Repair & Maint. ( P / M)	4058.00	0.00
Auditor's Remuneration	25000.00	5000.00
P.O.P. & Capital Issue Exp. ( W / O)	0.00	0.00
Total	708893.00	6729.00
<b>Annex. 5, PERSONNEL EXPENSES :</b>		
Salaries & Wages	188500.00	35000.00
Employer's Contribution for ESI	0.00	0.00
Director's Remuneration	0.00	0.00
Staff Welfare Expenses	10838.00	0.00
Total	199338.00	35000.00
<b>Annex. 6, FINANCIAL EXPENSES :</b>		
Bank Charges & Commission	3305.00	0.00
Total	3305.00	0.00

Date : 02.09.2011

Place : New Delhi

Director

Director

**PRETTO LEATHER INDUSTRIES LIMITED**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

Details of Balance Sheet as at 31st March 2011

Particulars	As on 31.03.2011	As on 31.03.2010	
	(Rs.)	(Rs.)	
1 Sundry Creditors for Goods :-			
Laxmi Traders	429,875.00	-	
Vidit Technologies	210,100.00	-	
Total	639,975.00	-	
2 Sundry Creditors for Expenses:-			
Audit Fees Payable	25,000.00	-	
Salary Payable	27,500.00	-	
	52,500.00	-	
3 Security Deposit:-			
Security Deposit	200,000.00	-	
	200,000.00	-	
4 Investments:-			
Share (Pretto Sales)	100,000.00	-	
	100,000.00	-	
5 Sundry Debtors as on 31.03.2011			
	Exceeding	Others	Total
	6 months		
B.K Traders	-	3,589,197.00	3,589,197.00
R.K Traders	-	1,600,000.00	1,600,000.00
	-	5,189,197.00	5,189,197.00
	As on 31.03.2011	As on 31.03.2010	
6 Cash in Hand:-			
Cash in Hand	21,920.00	-	
	21,920.00	-	
7 Cash at Bank :-			
ICICI Bank A/C	1,512,163.00	-	
Oriental Bank of Commerce A/C	15,497.00	-	
Standard Chartered Bank A/C	7,088.00	-	
State Bank of India A/C	250,515.00	-	
	1,785,263.00	-	
8 Unsecured Loans :-			
Kamlesh Kumar Jha	11,000.00	-	
	11,000.00	-	
9 Loans & Advances :-			
ABC Enterprises	15,592,060.00	-	
Park Land Developers	134,425.00	-	
	15,726,485.00	-	

Date : 02.09.2011  
Place : New Delhi

Director

Director

**PRETTO LEATHER INDUSTRIES LTD.**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

Schedule - 4 Details of Fixed Assets & Depreciation as on 31-03-2011

Description of Fixed Assets	Rate of Dep	As on 01.04.2010		Cost		Depreciation		WDV	
		As on 01.04.2010	As on 31.03.2010	Addition during the Year	Sale during the Year	Upto 31.03.2010	For the Year	Upto 31.03.2011	As at 31.03.2011
Land & Building	0%	45527480.00	45527480.00	0.00	0.00	0.00	0.00	0.00	45527480.00
Printer Scanner	40%	0.00	19793.00	19793.00	0.00	151.84	151.84	19641.16	0.00
Computers	40%	0.00	346400.00	346400.00	0.00	19016.66	19016.66	327383.34	0.00
Furniture & Fixture	18.10%	0.00	50000.00	50000.00	0.00	2262.50	2262.50	47737.50	0.00
G. Total		45527480.00	45943673.00	416193.00	0.00	21431.00	21431.00	4592242.00	45527480.00
Previous Year		45527480.00	45527480.00	0.00	0.00	0.00	0.00	0.00	45527480.00

Date :-02.09.2011  
Place :-New Delhi

Director

Director

**PRETTO LEATHER INDUSTRIES LIMITED**

**Cash Flow Statement**

Particular	Amount (Rs.)	Amount (Rs.)
<b>Cash at Beginning of year</b>		
Operation		113638
Net profile Before Taxation		374306
Adjustment of Non-cash and Non-operating income/expenses		21431
Operation Profit Before Working Capital Change		509415
Add:		
Decrease in Debtors/Bills Receivable	559475	
Increase in Creditors/Bills Payables	49000	
Increase in Other Liabilities	200000	808975
<b>Cash Generated From Operation</b>		<b>13183.90</b>
Less: Income Tax Paid		
<b>Net Cash flow from Operation</b>		<b>1318390</b>
<b>Investing Activities</b>		
<b>Cash Receipt from</b>		
Sale of Property and equipment	-	
Collection of principal on loans	-	
Sale of Investment securities	-	
<b>Cash Paid for</b>		
Purchase of property and equipment	-	
Making loans to other entitles	-	
Purchase of investment securities	-	100000
<b>Net Cash flow from investing Activities</b>		<b>1218390</b>
<b>Financing Activities</b>		
<b>Cash receipt from</b>		
Issue of Stock	-	130000
Borrowing	-	11000
Cash paid for	-	
Repurchase of stock	-	
Repayments of loans	-	
Dividends	-	
<b>Net Cash flow from Financing Activities</b>		<b>1141000</b>
<b>Net Increase in cash</b>		<b>1693515</b>
<b>Cash at End of year</b>		<b>1807183</b>

**PRETTO LEATHER INDUSTRIES LIMITED**  
149, Civil Lines, Opp. ADM Compound, Bareilly (U.P.)-243001

**BALANCE SHEET ABSTRACT & COMPSANY'S GENERAL FROFILE**

**I. REGISTRATION DETAILS**

Registration No. : 021203 State Code  
Balance sheet Date : 31 03 2011  
Date Month Year

**II. CAPITAL RAISED DURING THE YEAR (AMT. IN THOUSAND)**

Public Issue Right Issue  
Bonus Issue Private  
placement

**III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS**

**(AMT. IN THOUSAND)**

Total Liabilities : 73,739.22 Total Assets : 73,739.22  
**Sources of Funds:-**  
Paid Up Capital : 78,000.00 Reserves & loans: 307.58  
Share Application: 1130.00  
Secured loans : NIL Unsecured Loans : 11.00  
**Application of Funds:-**  
Net Fixed Assets : 45,922.00 Investments : 100.00  
Net Current Assets: 22,467.82 Misc. Expenditure : 6764.47  
Accumulated Losses: -

**IV. PERFORMANCE OF THE COMPANY (AMT IN THOUSANDS)**

Turnover & as per Income : 15081.40 Total expenditure: 14707.11  
(+Profit/loss before Tax : 307.31 Profit/Loss after Tax : 307.59  
Earning per share in Rs. : Divident @

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

(as per monetary terms)

Item Code No. (ITC Codes) :  
Product Description :  
Item Code No. (ITC Codes) :  
Product Description :  
Item code no. (ITC Codes) :  
Product Description :

For Pretto Leather Industries Limited

Director

Place:

Date: 1st September, 2011

**ATTENDANCE SLIP**

Folio No.

I hereby record my presence at the Annual General Meeting of the company held on Friday, the 30th day of September, 2011 at 11.00 A.M. at office of the company at Sankar Place, Near Inter College, Loni, and Ghaziabad (U.P.)-201301.

\_\_\_\_\_ Member's/Proxy's name in block letters

\_\_\_\_\_ Member's/Proxy's signature

**NOTICE:** Please fill in this attendance slip and hand it over at the entrance OF MEETING PLACE.

**PROXY FORM**

Folio No.

I/We.....resident  
of.....Being  
a member/members of the above named Company hereby  
appoint.....resident  
of.....as my/our  
proxy to vote for me/us on my/our behalf at the Annual General Meeting  
of the Company to be held  
At Sankar Place, Near Inter College, Loni, Ghaziabad (U.P.)-201301. At  
11.00 A.M. on Friday the 30th day of September 2011 and at any  
adjournment thereof.

**Affix**

**Rs. 2/-**

**Revenue**

**Stamp**

Signed this ..... Day of ....., 2011

Signature:

For PRETTO LEATHER INDUSTRIES LIMITED  
*DIRECTOR*

**Note:**

1. A proxy need not be a Member of the Company.
2. This form in order to be effective should be duly stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.