PRATIBHA

PRATIBHA INDUSTRIES LIMITED

24th Annual Report

2018-19

CORPORATE INFORMATION

Board of Directors

Mr. Ajit B. Kulkarni	Chairman & Director
Mr. Sharad Deshpande	Director (resigned w.e.f 25th December 2018)
Mr. Vilas B. Parulekar	Independent Director (term of appointment expired on 30th September 2019)
Smt. Sunanda Kullarni	Non-Executive Woman Director

Resolution Professional

Shri Anil Mehta (IP registration no.: IBBI/IPA-001/IP- P00749/2017-2018/11282)

Key Managerial personnel

Mr. K. H. Sethuraman	Chief Financial Officer
Ms. Bhavana Shah	Company Secretary & Compliance Officer (resigned w.e.f 29th December 2018)

Bankers to the Company

Allahabad Bank	Axis Bank Limited
Bank of Baroda	Bank of India
Bank of Maharashtra	Bharatiya Mahila Bank
Canara Bank	Central Bank of India
Export Import Bank of India	ICICI Bank Limited
Oriental Bank of Commerce	Indian Overseas Bank
State Bank of India	Lakshmi Vilas Bank
Syndicate Bank	Punjab National Bank
Yes Bank Limited	Union Bank of India

Statutory Auditors

M/s. Ramanand & Associates
Chartered Accountants

Internal Auditors

M/s. Chokshi & Chokshi LLP
Chartered Accountants

Registered Office

Shrikant Chambers, Phase - II, Next to R. K. Studio,
Sion Trombay Road, Chembur, Mumbai 400071.
E-mail: investor.relations@pratibhagroup.com
Website: www.pratibhagroup.com

Corporate Office

Unit No. 1/B-56 & 1/B-57 Phoenix Paragon Plaza,
Phoenix Market City, LBS Marg, Kurla (W) Mumbai – 400 070.
Tel: 91- 22- 3955 9999 Fax 91- 22- 3955 9900

Registrars and Share Transfer Agents

LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai - 400083
Tel No. 022-49186000/ Fax: 022 - 49186060
Website: www.linkintime.co.in
E- Mail: rnt.helpdesk@linkintime.co.in

24th Annual General Meeting

On 11th February 2020 at 11:00 a.m.
IMC Bldg, IMC Marg, Churchgate,
Mumbai, Maharashtra 400020

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2018, India ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018.

Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to March 2019 stood at US$ 25.05 billion, according to the Department of Industrial Policy and Promotion (DIPP). The logistics sector in India is growing at a CAGR of 10.5 per cent annually and is expected to reach US$ 215 billion in 2020.

Opportunities and Threats.

The global economy and growth is gathering pace, and the momentum in global trade is expected to continue in 2018-19 as well. This should buoy Indian exports, and other manufacturing and infra activities.

The financial sector is going through a phase of stress, which needs appropriate measures to ensure that the sector continues to play the financial role that it had been for the India growth story to remain uninhibited.

From a global perspective, however, there are certain concerns. First, under stress from worsening domestic economic conditions, there are growing protectionist tendencies in some countries especially the USA, and it remains to be seen as to how the situation unfolds.

India is also going through a difficult phase related to its banks and non-performing assets (NPA).

INFRASTRUCTURE AND CONSTRUCTION IN INDIA

Over much of the last decade, infrastructure in the country has been characterized by massive under-investment. There are several reasons for this. Primarily, this includes the collapse of Public Private Partnership (PPP), especially in power and telecom projects; stressed balance sheet of private companies; and issues related to land and forest clearances. The need is to fill the infrastructure investment gap by bringing back investor confidence in the sector and promoting financing from private investment, institutions dedicated for infrastructure financing like National Infrastructure Investment Bank (NIIB) and also global institutions like Asian Infrastructure Investment Bank (AIIB), New Development Bank (erstwhile BRICS Bank), which focus more on sustainable development and infrastructure projects. With the entire infrastructure development ecosystem under stress in India since 2012, there has been a considerable slowdown in construction activities. The growth momentum achieved between 2007-08 and 2011-12 has completely subsided.

PRATIBHA INDUSTRIES LTD: STRATEGIC DEVELOPMENTS

As one of the leading players in the Indian construction industry, the company has been exposed to the vagaries of the external business environment faced by the industry in India. The Company has continuously recrafted its strategic positioning and calibrated its business objectives in line with the evolving business environment.

Since many years, the company was under acute financial distress. Due to which the Company was unable to repay the bank loans and was not able to grab new projects and all that has resulted into initiation of the Insolvency Resolution Process of the Company w.e.f. 01.02.2019.

RISKS AND CONCERNS continue as an HINDRANCE stopping the GROWTH

Following are the major risks and concerns associated with infrastructure sector:

- High debt and high cost of finance
- High Capex with no sustained business cycle
- Delay in realization of receivables
- Equal Level Playing Field
- Increasing cost of raw materials
- Delay and Cost Overruns
- Complexities of structures
- Regulatory compliance
- Delay in hand over possession of the site
- Shortage of skilled labor

PERFORMANCE REVIEW

The Financial Year 2018-19 ('FY2019' or 'year under review') was a challenging year for the Company. There was a sharp decline in the turnover and net profit of the Company. Further due to fund crises, the Company was not able bid for the new projects and resultantly there was no new revenue generation during the year under review.

All the above factors have resulted in Corporate Insolvency Resolution Process of the Company.

The business developments in the subsidiaries are as below:

Prime Infrapark Pvt. Ltd

Prime Infrapark, a wholly owned subsidiary has entered into a concession Agreement with DMRC for construction of a Multilevel Car Park cum Commercial Complex named Konnectus. The asset is fully developed. This property is strategically located above the first station of the Airport Express Line of DMRC and is opposite Ajmeri Gate Railway Station and in close proximity of Connaught Place. The duration of the Concession Agreement is till March 2040. Due to sluggish market and even after resorting to aggressive selling directly and via brokers, the company could lease out only around 65% of the leasable area. Due to the short fall, the company has negative cash flow leading to erosion of net worth of the company.

Due to above condition there was default in servicing the annuity fees as per concession agreement promptly, DMRC has encashed performance bank guarantees, and terminated the contract on 1/09/2017, and the matter is being followed closely with the client for amicable settlement or initiation of arbitration.

Muktangan Developers Pvt. Ltd

This is a wholly owned subsidiary of the Company which is in the process of developing a commercial property in the vicinity of Chembur Station in Mumbai. The approximate area of development will be nearly 468 sq. mtrs and is expected to be completed at the earliest.

Bhopal Sanchi Highways Pvt. Ltd

This subsidiary was set up to execute the project relating to construction, operation and maintenance of 2 lane highways with paved shoulders of Bhopal-Sanchi Section of about 54 kms on DBFOT model at an estimated cost of Rs 210.oo crores which was expected to generated total cash flow of Rs. 335. oo Crores.

However, due to non-availability of work front coupled with other procedural issues for considerable period and resultant cost overruns & disputes during the course of the execution of project, the company has opted for termination of the contract with NHAI. However, NHAI has disputed the termination and referred the matter to Arbitration. Arbitration procedure has started in January, 2017 and the arbitrator has passed an award 30th November 2018, which is being challenged by the Bhopal Sanchi Highways Pvt. Ltd.

Foreign Subsidiaries

Pratibha Holding (Singapore) Pte Ltd is set-up as a holding company for holding the stake in the overseas operating companies as per optimum corporate structure. It holds 100% stake in the Pratibha Infra Lanka (Private) Limited. Pratibha Infra Lanka (Private) Ltd is yet to commence its operation.

RISK MANAGEMENT

The company operates a fully integrated Enterprise Risk Management (ERM) framework in place for identification, assessment, treatment & reporting of risks. The Company's risk management processes ensure that the Company accepts risks as per the boundary conditions based on the risk appetite of the organization.

The Audit Committee of the Board oversees the efficacy of the risk management processes. Business level risks for each vertical are discussed in detail in the respective Top Management/ Board meetings. The Risk Management Committee is informed on the critical risks impacting the Company for their review and suggestions. Mitigation plans are drawn up and implemented as appropriate within the overall ERM framework of the Company. The Company is predominantly in project business and has developed robust project risk management processes. The key processes of risk reviews include country clearance in case of venturing into a new country, pre-bid risk reviews, execution risk reviews and project close out risk reviews. Pre-bid reviews are carried out based on a bid authorization matrix as determined by the Risk Management Committees. Execution risk reviews of the projects are held at regular intervals for tracking the project performance, movement of risks in the project and effectiveness of mitigation measures.

Close out risk reviews are held to capture key learnings from the projects and what went right/wrong analysis which helps in factoring the learnings in future bids.

HUMAN RESOURCES DEVELOPMENT

The company in present senario has substantially reduced its Human Resources and is working on bare minimum essential staff on both fronts, viz. in HO as well as at site level. The Company is also having a well-defined policy for environmental safety. Occupational Health, Safety and Environment Management are given the utmost importance in your Company. The relations between the Company and the employees were stressed due to delayed payment of salaries throughout the year.

INTERNAL CONTROL AND AUDIT

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. It has established internal control mechanisms commensurate with the size and complexity of its business. A strong Internal Control framework is established through right tone at the top for good corporate governance which serves as a foundation for excellence and same is embedded in operations through its policies and procedures. Employees of the Company are guided by the Company's 'Code of Conduct'. As a part of good governance, the Company's 'Whistle Blower' policy enables the employees to have direct access to the Chairman of the Audit Committee without interference from other levels of management. Whistle Blower policy has also been implemented for Vendors & Channel partners as well to facilitate expression of genuine concerns about unethical behaviour, improper practice, any misconduct, any violation of legal or such requirements, actual or suspected fraud by any official of the Company without fear of punishment or unfair treatment. Senior Management and the Audit Committee of the Board is periodically apprised on the internal processes of the Company with respect to Internal Controls, Statutory Compliances and Assurance.

FORWARD LOOKING STATEMENTS

Statements in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's future plans, projections, estimates and expectations may constitute "Forward Looking" statements, within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Directors' Report

To,
The Members
Pratibha Industries Limited

Your Directors/Resolution Professional have pleasure in presenting the 24th Annual Report together with the financial statements for the financial year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended 31st March, 2019, is summarized below:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	31.03.2019	**31.03.2018**	**31.03.2019**	**31.03.2018**
Total Revenue	369.66	1010.45	440.32	1,241.40
Total Expenditure	1958.53	3813.92	2010.26	4062.79
Profit/(loss) before Tax	**-1588.87**	**-2803.47**	**-1,569.94**	**-2,821.39**
Less: Provision of Taxation	–	–	–	-0.40
Profit/(loss) After Tax	**-1588.87**	**-2803.47**	**-1569.94**	**-2820.99**
Add: Share in Profit/(loss) of Joint Ventures/Associates (net) & Adjustment for Non-Controlling interest in Subsidiaries	–	–	-46.56	-1.86
Net Profit after Tax, Non-Controlling interest and share in Profit/(loss) of Joint Ventures	**-1588.87**	**-2803.47**	**-1616.50**	**-2822.85**
Other Compressive Income	–	-0.15	-0.02	-0.16
Total Comprehensive Income	**-1588.87**	**-2803.62**	**-1616.52**	**-2823.01**
Earnings Per Share (in Rs.)				
Basic	-66.59	-117.5	-67.75	-118.31
Diluted	-66.59	-117.5	-67.75	-118.31

PERFORMANCE REVIEW

During the financial year 2018-19 ('FY 2019' or 'year under review'), the turnover of the Company has been sharply declined due to non-receipt of new projects/work. The Company was facing severe financial crisis. Due to which, the Company is into Corporate Insolvency Resolution Process ("CIRP") w.e.f. 01.02.2019, details of the same is given in the notice of this AGM.

During the year under review, most of the ongoing contracts were given on back to back basis due to liquidity crunch in the Company.

DIVIDEND

In view of losses, no dividend has been recommend for the F.Y. 2018-19.

TRANSFER TO GENERAL RESERVE

The Directors do not propose to transfer any amount to the General Reserve.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed as **Annexure -A** to this Report.

SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

The names of companies which are subsidiaries, associates and joint ventures of the Company are provided under point III of MGT 9. Pursuant to the provisions of Section 129 and other applicable provisions of the Companies Act, 2013 ("the Act") read with rules framed thereunder, the Company has prepared consolidated financial statements of the Company and its subsidiaries, associate companies and joint ventures, in accordance with IND AS-27 on Consolidated Financial Statements read with IND AS-31 on interest in Joint Ventures and IND AS-28 on Investments in Joint Ventures, and a separate statement containing the salient features of financial statements of subsidiaries, joint ventures and associates in Form AOC-1 are attached to the said consolidated financial statement forming part of the Annual Report.

The business highlights of subsidiaries have been covered in Management Discussion and Analysis forming part of this Annual Report.

FIXED DEPOSITS

The Company has not invited, accepted and renewed fixed deposits from public/members during the year under review.

The Company had accepted public deposits prior to the commencement of the Act.

After the Commencement of CIRP, all the FD holders are required to submit their claim in respect of their outstanding dues before the Resolution Professional.

DIRECTORS

During the financial year under review, Mr. Sharad Deshpande-Director of the Company resigned on 25th December, 2018.

All the Directors of the Company are disqualified u/s 164 (2) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

During the year under review, Mrs. Bhavana Shah, Company Secretary resigned on 29th December 2018.

MEETINGS OF THE BOARD

The details of meetings of Board and its Committees held during FY 2018-19 and other prescribed information are provided in the Corporate Governance Report forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Act, your Directors hereby affirm that:

(a) in the preparation of the annual accounts, the applicable IND AS have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS

M/s. Ramanand & Associates, Chartered Accountants (ICAI Firm Registration Number 117776W) were appointed as the Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 22nd Annual General Meeting (AGM) held on 29th September, 2017 until the conclusion of the 27th Annual General Meeting (AGM) of the Company to be held in the year 2022.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018, amending section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence your Company has not proposed ratification of appointment of M/s. Ramanand & Associates, Chartered Accountants, at the forthcoming AGM.

AUDITORS' REPORT

The Auditors have made certain qualified observations in their Reports.

The statement on impact of audit qualifications as stipulated in Regulation 33(3)(d) of SEBI (LODR) Regulations is enclosed hereto as **Annexure B**.

COST AUDITORS

Pursuant to provisions of Section 148 of the Act, the Board of Directors on the recommendation of the Audit Committee, reappointed M/s. Ketki D. Visariya & Co., Cost Accountant, as Cost Auditor of the Company for the financial year 2018-19 at a remuneration of Rs. 200,000 /- plus applicable taxes and out of pocket expenses. However, cost audit is not conducted due to nonpayment of fees to the cost auditor since last three years.

INTERNAL FINANCIAL CONTROLS

During the year under review, proper systems for internal financial control could not be followed due to irregularities in payment of fees to Internal Auditors, M/s. Chokshi & Chokshi LLP, Chartered Accountants. The effectiveness of the internal controls is continuously reviewed by the Audit Committee. The internal control system is supplemented by an extensive programme of internal, external audits and periodic review by the management.

Main objective of Internal Audit is to provide the Audit Committee an independent, objective and reasonable assurance of the adequacy and effective operation of Company's risk management, internal control and governance processes.

On the basis of its deliberations on the internal control systems and internal audits, the Audit Committee makes recommendations to the Board.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Resolution Professional has appointed Mr. Mayank Padiya, Practicing Company Secretary to conduct Secretarial Audit of the Company for the financial year 2018-19. The report of the Secretarial Auditor is annexed to this report as **Annexure - C**.

Management's para wise reply to Secretarial Auditor's qualification/remarks/reservations:

1. After the term of Mr. Ajit Kulkarni and Mr. Sharad Deshpande as Managing Director and Whole Time

Director, respectively, expired on March 2018, position of the Managerial Personnel was vacant due to precarious financial condition of the Company. Further due to disqualification of existing directors on account of default in repayment of public deposits, the same directors could not be reappointed for managerial position. In the meantime, the Corporate Insolvency Resolution Process of the Company commenced w.e.f. 01/02/2019 and in view of the same, the Resolution Professional has taken over charge of the management/Board of Directors of the Company in terms of the provisions of the Code and the Board is suspended.

2. Due to delay in payment of salaries, no new Company Secretary was willing to join the Company. In view of the same, the position of the CS was vacant.
3. During the Financial Year 2017-18 four Independent Directors of the Company resigned from their post and only one independent director left in the Company. As stated in para one herein, powers of the Board of Directors are suspended.
4. Powers of the Board of Directors is suspended w.e.f. 01.02.2019 on account of CIRP. In view of the same, Company is managed by the Resolution Professional. Further, as per the provisions of the Code, all the claims regarding outstanding debt against the Company shall lay before the Resolution Professional during the CIRP.
5. The Cost Auditor is not paid any fees during the FY 2018-19. Further, there are procedural overlap in his appointment.
6. Statutory Registers, if any, pending to be updated, will be prepared and updated.
7. Rely of the management is same as stated in para 5 herein.
8. There are no business/activities in the foreign subsidiaries. Further, the Consultants/Auditors of these foreign subsidiaries are not paid since many years. In view of the same APR returns with RBI were not filed.
9. With regard to point 9 of the Secretarial Audit Report, it is humbly submitted that these forms are not filed due various reasons such as disqualification of directors, non-availability of data due to nonpayment to RTA or oversight etc.
10. With regard point 10, no comments are required and further, the since the Company is into CIRP, all the powers of the Board of Directors are now being exercised by the RP w.e.f. 01.02.2019.
11. With regard point 11, reply of the management is same as stated in para 9 herein.
12. Minutes, if any, pending will be updated in consultation with the suspended Board of Directors.
13. There is no official communication from the Registrar after search.
14. The Company has complied with the provisions of the Listing Regulations in best possible manner.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company does not own any manufacturing facility. The business activities of your Company are not energy intensive. However, your Company is committed to take required measures to reduce energy consumption by the purchase of energy efficient construction equipment, implementation of energy efficient lightings. The specific details as per Rule 8(3) are provided under **Annexure - D**.

PERSONNEL

Disclosure with respect to the remuneration of Directors and Employees in accordance with the provisions of Section 197 of the Act read with rule 5(1) & (2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as **Annexure - E**.

CORPORATE SOCIAL RESPONSIBILITY

The Company is a socially conscious organisation and assigns tremendous value in serving the society at large. We appreciate our position of responsibility for sharing the benefits with those less fortunate in society and their upliftment.

The Board has constituted a CSR Committee which has recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. The Corporate Social Responsibility policy has been devised in accordance with Section 135 of Act. The CSR policy of the Company is available on the website of the Company www.pratibhagroup.com. Since company has incurred losses during the year 2016-17, 2017-18 and 2018-19 and due to liquidity crunch, the Company could not spend money on CSR activities. The annual report on CSR activities is set out as **Annexure - F** to this report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, your Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with Companies (Specification of Definitions Details) Rules, 2014, in the ordinary course of business and at arm's length basis.

Since all the related party transactions are carried out at arm's length basis in the ordinary course of business, the Company do not have any particulars to report in Form AOC- 2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

However, the disclosure of transactions with related party for the year, as per Accounting Standard -18 Related Party Disclosures is given in Notes to the Balance Sheet as on 31st March, 2019.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.pratibhagroup.com/pratibha_new/pages/PDFs/PIL_RPT.pdf.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES UNDER SECTION 186

The details of investment made during the year under review (including previous years) are disclosed under Notes of the standalone financial statements of the Company.

The Company is engaged in providing infrastructural facilities and therefore is exempted under sub-section 11 of Section 186 of the Act from the application of provisions of that Section. As such, the requirement to provide the details of a loan, guarantee or security is not applicable to the Company.

ANNUAL EVALUATION OF BOARD

In terms of provisions of the Act read with Rules issued thereunder and SEBI LODR Regulations, the Nomination and Remuneration Committee formulated the criteria for evaluating the Board of Directors, its Committees and individual Directors. During the year under review, evaluation of board was not conducted.

CORPORATE GOVERNANCE

As per the provisions of SEBI LODR Regulations, a Corporate Governance Report is included in the Annual Report as **Annexure - G**.

PREVENTION OF SEXUAL HARRASSMENT AT WORK PLACE

In line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to facilitate reporting of any instances of fraud, unethical conduct and mismanagement, if any vide Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Act and SEBI LODR Regulations.

The policy also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in all cases. The Whistle Blower Policy of the Company is available on the website of the Company, http://www.pratibhagroup.com/pratibha_new/pages/PDFs/WHISTLE_BLOWER_POLICY_PIL_.pdf.

EMPLOYEE RELATIONSHIP

The Company due to financial crunch, the Company could not make payments to the employees on time. However, staff and other employees, through out the year gave valuable support to the company by giving uninterrupted service to the company. Management is thankful to them for such gesture and wishes to place on record its sincere appreciation of the efforts put in by the Company's workers, staff and executives for achieving results under demanding circumstances.

OTHER DISCLOSURES

- During the year under review, Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 pursuant to order dated February 01, 2019, of the Hon'ble National Company Law Tribunal - Mumbai Bench.
- Material changes and commitments, affecting the financial position of the Company, have occurred between the end of the financial year and the date of this Report:

  As on the date of signing of this report, CIRP Period is expired and accordingly, the RP has filed an application before the Hon'ble National Company Law Tribunal - Mumbai Bench for liquidation of the Company as going concern, which is pending to be decided by the Hon'ble Bench.
- The Company has not issued any shares or options for subscription of shares by its employees under any employee stock option scheme or any other scheme.
- None of the Directors received any remuneration or commission from any of the subsidiaries.
- The Company has not issued any equity shares with differential voting rights.
- During the year under review, no instances of fraud were reported to the Audit Committee/Board of Directors by Statutory Auditors, Secretarial Auditors, Cost Auditors or Internal Auditors.

SECRETARIAL STANDARDS

During the period under review, the Company has tried to complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thanks the Banks, Financial Institutions, Central and State Governments, Various Statutory Authorities, Customers, Suppliers, Employees and Business Associates for their continued co-operation and support to the Company. Your Directors appreciate and value the trust reposed and faith shown by every shareholders of the Company.

By the Order of Resolution Professional

Ajit Kulkarni
Chairman and Director

Date: 09th January 2019

Place: Mumbai

Annexure -A to Board's Report

Form No. MGT-9 - EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L45200MH1995PLC090760
2	Registration Date	19th July, 1995
3	Name of the Company	Pratibha Industries Limited
4	Category / Sub category of the Company	Public Limited Company / Limited by Shares
5	Address of the Registered office and contact details	Shrikant Chambers, Phase II, 5th Floor, Sion - Trombay Road, Next to R. K. Studio, chembur mumbai 400071 Contact no. 022-39559999
6	Whether listed Company. Yes/ No.	Yes
7	Name, Address and contact details of Registrar and Transfer Agent, if 0061ny,	**LINK INTIME INDIA PRIVATE LIMITED** C 101, 247 Park, LBS Marg Vikhroli (West) Mumbai-400083 Tel No. 022-25963838 / Fax: 022 - 25946969 Website: www.linkintime.co.in E- Mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Engineering Procurement and Construction activities	42101, 42204	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Prime Infrapark Private Limited, B-85, 1st Floor, Defence Colony, New Delhi – 110 024.	U45400DL2009PTC196317	Subsidiary	100	2 (87)
2	Muktangan Developers Private Limited, 574, Usha Kamal, Behind Telephone Exchange, Chembur Naka, Chembur, Mumbai – 400 071.	U45200MH2005PTC153142	Subsidiary	100	2 (87)
3	Pratibha Holding (Singapore) Pte Limited 38 Beach Road, #29-11 South Beach Tower, Singapore 189767.	Foreign Company	Subsidiary	100	2 (87)
4.	Pratibha Infra Lanka (Private) Limited 1C, 6th Lane, Kollupitiya, Colombo – 3, Sri Lanka	Foreign Company	Subsidiary	100	2 (87)
5.	Bhopal Sanchi Highways Private Limited, B-85, 1st Floor, Defence Colony, Delhi – 110 024.	U45200DL2010PTC204952	Subsidiary	51	2 (87)
6.	Saudi Pratibha Industries Limited Al Khobar, P.O. Box No. 691, Postal Code – 31952, Saudi Arabia	Foreign Company	Associate	49	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	37469448	0	37469448	15.70	37469448	0	37469448	15.70	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)								0.00	
	Sub Total (A)(1)	**37469448**	**0**	**37469448**	**15.70**	**37469448**	**0**	**37469448**	**15.70**	**0.00**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)								0.00	0.00
	Sub Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**37469448**	**0**	**37469448**	**15.70**	**37469448**	**0**	**37469448**	**15.70**	**0.00**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	700182	0	700182	0.29	610129	0	610129	0.26	–0.04
(f)	Financial Institutions / Banks	137552106	0	137552106	57.65	137547031	0	137547031	57.65	0.00
(g)	Insurance Companies	148126	0	148126	0.06	148126	0	148126	0.06	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	**138400414**	**0**	**138400414**	**58.01**	**138305286**	**0**	**138305286**	**57.97**	**–0.04**
[2]	**Central Government/ State Government(s)/ President of India**									
	Central Government / State Government(s)	3447	0	3447	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	**3447**	**0**	**3447**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	37452073	5880	37457953	15.70	38059916	5780	38065696	15.95	0.25
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	10935567	0	10935567	4.58	13189813	0	13189813	5.53	0.94

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of	Demat	Physical	Total	% of Total Shares	
(b)	NBFCs registered with RBI	0	0	0	0.00	16667	0	16667	0.01	0.01
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	IEPF	0	0	0	0.00	9861	0	9861	0.00	0.00
	Hindu Undivided Family	1972573	0	1972573	0.83	2559931	0	2559931	1.07	0.25
	Non Resident Indians (Non Repat)	587514	0	587514	0.25	623461	0	623461	0.26	0.02
	Non Resident Indians (Repat)	2210654	0	2210654	0.93	2060642	0	2060642	0.86	–0.06
	Clearing Member	1467412	0	1467412	0.62	844989	0	844989	0.35	–0.26
	Bodies Corporate	8092366	0	8092366	3.39	5451554	0	5451554	2.28	–1.11
	Sub Total (B)(3)	62718159	5880	62724039	26.29	62816834	5780	62822614	26.33	0.04
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**201122020**	**5880**	**201127900**	**84.30**	**201122120**	**5780**	**201127900**	**84.30**	**0.00**
	Total (A)+(B)	**238591468**	**5880**	**238597348**	**100.00**	**238591568**	**5780**	**238597348**	**100.00**	**0.00**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	**238591468**	**5880**	**238597348**	**100.00**	**238591568**	**5780**	**238597348**	**100**	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mr. Ajit B. Kulkarni	2,33,85,459	9.80	5.45	2,33,85,459	9.80	5.45	0.00
2.	Ajit B. Kulkarni- HUF	98,17,750	4.11	4.09	98,17,750	4.11	4.09	0.00
3.	Ramdas B. Kulkarni	17,00,000	0.71	–	17,00,000	0.71	–	0.00
4.	Radha B. Kulkarni	2,500	0.00	–	2,500	0.00	–	0.00
5.	Samidha A. Kulkarni	2,500	0.00	–	2,500	0.00	–	0.00
6.	Ravi A. Kulkarni	10,00,000	0.42	–	10,00,000	0.42	–	0.00
7.	Sunanda D. Kulkarni	15,50,281	0.65	–	15,50,281	0.65	–	0.00
8.	Anand A. Kulkarni	6,250	0.00	–	6,250	0.00	–	0.00
9.	Manohar D. Kulkarni	4,700	0.00	–	4,700	0.00	–	0.00
10.	Shyam R. Kulkarni	8	8	–	8	8	–	0.00
	Total	**3,74,69,448**	**15.70**	**9.54**	**3,74,69,448**	**15.70**	**9.54**	**0.00**

(iii) Change in Promoters' Shareholding:

Sr. No.	Particulars	No of shares	% of total shares of the Company	Cumulative share holding	
				No of shares	% of total shares of the Company
Nil					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the company		No. of shares	No of shares held	% of total shares of the company
1	Bank Of Baroda	25280715	10.60			25280715	10.60
	At the end of the year					25280715	10.60
2	Union Bank of India	16260052	6.81			16260052	6.81
	At the end of the year					16260052	6.81
3	Allahabad Bank	14765646	6.19			14765646	6.19
	At the end of the year					14765646	6.19
4	Central Bank Of India	12901758	5.41			12901758	5.41
	At the end of the year					12901758	5.41
5	Axis Bank Limited	12509645	5.24			12509645	5.24
	At the end of the year					12509645	5.24
6	Punjab National Bank	10253288	4.30			10253288	4.30
	At the end of the year					10253288	4.30
7	Bank Of India	9255849	3.88			9255849	3.88
	At the end of the year					9255849	3.88
8	ICICI Bank Ltd	7188705	3.01			7188705	3.01
	Transfer			25 May 2018	30760	7219465	3.03
	Transfer			01 Jun 2018	(30760)	7188705	3.01
	At the end of the year					7188705	3.0129
9	Indian Overseas Bank	6383596	2.68			6383596	2.68
	At the end of the year					6383596	2.68
10	Bank Of Maharashtra TIBD	5174033	2.17			5174033	2.17
	Transfer			06 Apr 2018	(5174033)	0	0.0000
	Transfer			18 May 2018	5174033	5174033	2.17
	At the end of the year					5174033	2.17

Note:

Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

Top ten shareholders as on the end of the year have been considered in the above table.

(v) Shareholding of Directors and Key Managerial Personnel *:

Sr. No.	Particulars	No of shares	% of total shares of the Company	Cumulative share holding	
				No of shares	% of total shares of the Company
1	**Mr. Ajit B Kulkarni**				
	At the beginning of the year	2,33,85,459	9.80	2,33,85,459	9.80
	No change during the year				
	At the end of the year	2,33,85,459		2,33,85,459	
2	**Mr. Vilas Bhagwant Parulekar**				
	At the beginning of the year	NIL			
	No change during the year				
	At the end of the year				
3	**Mrs. Sunanda D. Kulkarni**				
	At the beginning of the year	15,50,281	0.65	15,50,281	0.65
	No change during the year				
	At the end of the year	15,50,281	0.65	15,50,281	0.65

*None of the other Directors or KMPs are holding shares in the Company except as stated above.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in lacs)

Particulars	Secured Loans	Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,41,865.30	39,924.59	2,922.94	4,84,712.83
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**4,41,865.30**	**39,924.59**	**2,922.94**	**4,84,712.83**
Change in Indebtedness during the financial year				
• Addition	1,65,966.59	–9,806.95	134.94	1,56,294.57
• (Reduction)	–	–	–	–
Net Change	**1,65,966.59**	**–9,806.95**	**134.94**	**1,56,294.57**
Indebtedness at the end of the financial year				
i) Principal Amount	5,01,638.38	30,117.64	3,057.88	5,34,813.89
ii) Interest due but not paid	1,06,193.51	–	–	1,06,193.51
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	**6,07,831.89**	**30,117.64**	**3,057.88**	**6,41,007.40**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company has not paid any remuneration to Managing Director, Whole-time Directors and/or Manager during Financial Year 2018-19.

B. Remuneration to other directors: Company has not paid remuneration to other directors during the Financial Year 2018-19.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		K. H. Sethuraman CFO*	Company Secretary & Compliance Officer*	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	21,90,368.00	5,63,936.00	27,54,304.00
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify…			
5.	Others, please specify			
	TOTAL	**21,90,368.00**	**5,63,936.00**	**27,54,304.00**

*Salary paid to KMPs of the Company during the Financial Year 2018-19 is considered in the above table.

During the Financial Year 2018-19, Mrs. Bhavana Shah had resigned from the Company w.e.f. 29th December 2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

Annexure B - to Directors' Report

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results for 31st March, 2019

(Rs. In crores)

I.

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	369.66	369.66
2	Total Expenditure	1958.53	1958.53
3	Net Profit/(Loss)	(1588.87)	(1588.87)
4	Earnings Per Share	(66.59)	(66.59)
5	Total Assets	2710.96	2710.96
6	Total Liabilities	2710.96	2710.96
7	Net Worth	(4,193.64)	(4,193.64)
8	Any other financial item(s) (as felt appropriate by the management)		

II. **Audit Qualifications:**

Audit Qualification: 1

a. **Details of Audit Qualification:**

The company has accumulated losses of Rs. 4,908.76 Crores and its net worth is fully eroded. It has incurred net loss during the year ended March 31, 2019 amounting to Rs. 1,588.87 Crores as well as in previous years. It is unable to repay its debts, statutory obligations and pay salaries apart from other obligations/commitments. The application of Financial Creditors under section 9 of the Insolvency and Bankruptcy Code (IBC) had been admitted by Hon'ble National Company Law Tribunal, Mumbai Bench and Resolution Professional ("RP") was appointed vide order dated March 14, 2019. Till the date of signing of Statement, no resolution plan had been approved. Further, application for liquidation of the Company has been filed with the NCLT. All these indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a Going Concern. However, the standalone financial results are prepared on a going concern basis.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion **Disclaimer of Opinion**

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing Repetitive since Financial Year 2017-18

d. **For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:**

No

e. **For Audit Qualification(s) where the impact is not quantified by the Auditors:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If Management is unable to estimate the impact, reasons for the same:**

Auditor's remarks are self-explanatory. Hence, do not require any further explanation.

iii. **Auditors' Comments on (i) or (ii) above:**

Not Required

Audit Qualification: 2

a. **Details of Audit Qualification:**

Inventory of Work in Progress (WIP) includes certain contractual claim amounting to Rs.0 310.60 Crores. These amounts have been ascertained by the management based on their estimates. Out of these contractual claims, claims amounting to Rs. 259.33 Crores, are either formally submitted but not yet approved by respective clients or no formal submissions have been made to respective clients. The amounts of these claims are subject to change post approval from respective clients. To the extent of Rs. 259.33 Crores, Inventories are overstated and accumulated losses are understated in the standalone financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since Financial year 2015-16

d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:

The Company has prepared the claims based on contractual terms, which have been submitted to the clients. Further, the Company is in process of submitting pending claims with the clients. The Company is hopeful of clients approval in due course of time.

e. For Audit Qualification(s) where the impact is not quantified by the Auditors:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

Not Applicable

iii. Auditors' Comments on (i) or (ii) above:

Not Applicable

Audit Qualification: 3

a. Details of Audit Qualification:

The management has not provided us with the detailed working of Construction Work in Progress (WIP), Cost to Completion and consequent profitability and/or losses on projects which are pending execution. In absence of these details, it is not possible for us to ascertain whether the Construction WIP of Rs. 5.63 Crores has been valued and stated correctly or not. The consequential impact, if any, on the standalone financial results is therefore not ascertainable.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since Financial year 2017-18

d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the Auditors:

i. Management's estimation on the impact of audit qualification:

Since all the balance contracts are on back to back basis with 2 percent average margin, question of cost to completion and consequent profitability/ and or losses on projects does not arise. Hence, it will not have any impact.

ii. If Management is unable to estimate the impact, reasons for the same:

Not applicable

iii. Auditors' Comments on (i) or (ii) above:

In case of Back to back projects, there is no question of having any Work in Progress as expenses are recognised along with revenue. Further, even if the projects are given on back to back basis, as per the requirement of applicable Ind AS, it is mandatory to prepare Cost to complete to arrive at project profitability and in case of prossible loss, making provision for the same. Without proper estimation for cost to complete and estimated profitability, it is difficult to arrive at correct working of WIP.

Audit Qualification: 4

a. Details of Audit Qualification:

Balance confirmation of trade Receivables, Loans and Advances, deposits and trade payables are not received from third parties. These balances are subject to confirmations and consequent adjustments, if required. In absence of balance confirmations, financial impact on standalone financial results is not ascertainable.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification: whether appeared for the first time/repetitive/since how long continuing

Repetitive since Financial year 2017-18.

d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the Auditors:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

The company is mainly working for government or semi government organisation where there is no practise of giving any balance confirmation certificate. There will not be any impact on financial statement.

iii. Auditors' Comments on (i) or (ii) above:

None of the balance confirmation is available with respect to Trade Receivable, Payable, Loans & Advances given and Deposits. Without balance confirmation, it is difficult to quantify the impact on financial statements.

Audit Qualification: 5

a. Details of Audit Qualification:

As per the bank loan statements made available to us by the management, the banks have charged Rs. 25.55 Crores on account of interest and other charges for the period February 01, 2019 to March 31, 2019. However, the company has not made provision for such interest and charges, due to commencement of CIRP period under IBC. To that extent, finance expenses, loan liability, loss for the year and accumulated losses are understated.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:

The impact of audit qualification is quantified by the Auditor. The remarks of the Auditor is self explanatory and does not require further comments of the management.

e. For Audit Qualification(s) where the impact is not quantified by the Auditors:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

Not Applicable

iii. Auditors' Comments on (i) or (ii) above:

Not Applicable

Audit Qualification: 6

a. Details of Audit Qualification:

Certain loan accounts of company having aggregate balance of Rs. 186.61 Crores are not reconciled with their respective bank statements which are showing aggregate balance of Rs. 58.19 Crores, for reasons other than Interest & Other charges. Thus, loan balances of the company are overstated by Rs. 128.42 Crores. Also, the current accounts have long standing unreconciled balance aggregating to Rs. 2.68 Crores. To the extent of Rs. 2.68 Crores, bank balances are overstated. In absence of detailed reconciliation statement, we cannot ascertain the overall impact on standalone financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appeared for the first time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Adit Qualification(s) where the impact is not quantified by the auditor:

i. Mangement's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

Due to unavailability of detailed information in bank statement, the Company was not able to make necessary entries in books of accounts in respect of the Bank Loan acocunts.

iii. Auditors' Comments on (i) or (ii) above:

Without bank reconciliation statement, it is not possible to ascertain overall impact on financial statements. The management should immediately reconcile book balance with balance in bank statements which are available with them

Audit Qualification: 7

a. Details of Audit Qualification:

Many loan accounts having aggregate balance of Rs. 801.43 Crores and current accounts having aggregate balance of Rs. 0.53 Crores are not confirmed due to non-availability of statement / confirmation from respective banks. In absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on standalone financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

The Company had requested for balance confirmations from the Banks, however the same were not provided by the Banks during the audit period. Since the Books of Accounts of the Company are maintained properly, this audit qualification will not have any impact on the Financial Statement of the Company.

iii. Auditors' Comments on (i) or (ii) above:

Without bank statement and balance confirmation from respective Banks, it is not possible to ascertain overall impact on financial statements

Audit Qualification: 8

a. Details of Audit Qualification:

In the reconciliation statement of various bank accounts, there are many entries relating to Receipts and Payments, having aggregated value of Rs. 7.15 Crores and Rs. 5.72 Crores, respectively, which are pending to be cleared since long. To the extent of Rs. 1.43 Crores, the bank balance is overstated. In absence of complete details, we cannot ascertain the overall impact on standalone financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appeared for the first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

The Company will take corrective measures to reconcile the bank balances. After reconciliation, there will not be any mismatch.

iii. Auditors' Comments on (i) or (ii) above:

The management should immediately reconcile book balance with balance in bank statements which are available with them

Audit Qualification: 9

a. Details of Audit Qualification:

The company has unconfirmed balances of Fixed Deposit with Bank of Baroda, amounting to Rs. 5.17 Crores as at March 31, 2019. In absence of balance confirmation from the bank and other entities, financial impact on standalone financial results is not ascertainable.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

The Company had requested for balance confirmations from the Banks, however the same were not provided by the Banks during the audit period. Since the Books of Accounts of the Company are maintained properly, this audit qualification will not have any impact on the Financial Statement/results of the Company.

iii. Auditors' Comments on (i) or (ii) above

Without bank statement and balance confirmation from respective Banks, it is not possible to ascertain overall impact on financial statements/results.

Audit Qualification: 10

a. Details of Audit Qualification:

The company has given loans and advances to related parties amounting to Rs. 957.76 Crores and received loans and advances from related parties amounting to Rs. 301.18 Crores. As per the information given by the management, all these related parties have made substantial losses and their net worth has been fully eroded. However, the company has not made provision for possible loss on such loans and advances.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

Erstwhile management before the appointment of the RP was of the view that this loans/advance would be recovered from the Related Parties regardless of current losses. In view of the same no provisions were made.

iii. Auditors' Comments on (i) or (ii) above

Provision for expected loss should be made as the networth of all related parties has fully eroded.

Audit Qualification: 11

a. Details of Audit Qualification:

The company has not provided audited financial statements of its wholly owned subsidiary M/s. Pratibha Holdings (Singapore) Pte. Ltd. In absence of these Financial Statements, we cannot comment on any requirement for provision for diminution in value of investment.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appearing since FY 2017-18

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

No.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not applicable

ii. If management is unable to estimate the impact, reasons for the same:

There is no activities/business in the M/s. Pratibha Holdings (Singapore) Pte. Ltd. Since Pratibha Industries Limited was under financial stress from many years, payment to auditors of the said subsidiary was not made and due to non-payment the Auditor has not conducted audit. Further, the accounts are maintained by the holding company, available details are provided to the Auditor.

iii. Auditors' Comments on (i) or (ii) above

Without audited financial statements, any impact on consolidated financial statement can not be ascertained.

Audit Qualification: 12

a. **Details of Audit Qualification:**

The Company has not made provision for impairment against Investment of Rs. 0.01 Crore in its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Its Concession Agreement has been terminated by NHAI. As informed to us, the subsidiary company has lodged claim and the matter is under arbitration.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

Appearing since FY 2017-18

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If management is unable to estimate the impact, reasons for the same:**

The Arbitrator has passed an award in the arbitration matter on 30th November 2018. The said award is challenged by M/s. Bhopal Sanchi Tollways Private Limited u/s 34 of the Arbitration Act. Hence, provision for impairment of the investment is not made by the Company.

iii. **Auditors' Comments on (i) or (ii) above**

The claim amount is dependent upon the outcome of arbitration. Hence until then the amount cant be ascertained

Audit Qualification: 13

a. **Details of Audit Qualification:**

There are many statutory dues amounting to Rs. 129.77 Crores, which are pending to be deposited with appropriate government authorities. The company has not made provision for interest on these dues on account of delay in depositing them. The management is of the opinion that since the matter in under CIRP, there will not be any possibility of payment of such interest. Since the management has not estimated overall liability on account of interest, financial impact on standalone financial results is not ascertainable.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

Repetitive since FY 2015-16

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

No

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If management is unable to estimate the impact, reasons for the same:**

Since the Company is under CIRP, there will not be any possibility of payment of such interest and hence provisions were not made.

iii. **Auditors' Comments on (i) or (ii) above**

Provision for interest should be made irrespective of CIRP period. Since outcome of the CIRP is known only after its completion, it cant be assumed that there will not be any liability on account of interest on statutory dues.

Audit Qualification: 14

a. **Details of Audit Qualification:**

The company has not provided sufficient appropriate information to evaluate the accuracy of recognition, measurement and presentation of revenues and other related balances in view of the applicability of Ind AS 115 "Revenue from Contracts with Customers". The company has not evaluated impact of variable consideration on its revenue as required under IND AS 115.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

Appeared for the First time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

No

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If management is unable to estimate the impact, reasons for the same:**

The Company is having many sites spread over the different states of India, where the accounts are maintained at site level. As the Company was facing fund crisis, many employees left the Company including site in charge. In view of the high employee attrition level, no. of sites and fund crisis, there might be some procedural lapses in following IND AS. In this back drop, the possible impact of the same is not identifiable by the Company for the reporting period.

iii. **Auditors' Comments on (i) or (ii) above**

Adoption of IND AS is mandatory and hence the management should analyse impact on financial statements on its adoption.

Audit Qualification: 15

a. **Details of Audit Qualification:**

During the year, the Company has unilaterally written back certain liabilities amounting to Rs. 48.66 Crores. The management of the Company is of the opinion that based on their analysis of balances and due to various reasons, these balances were not payable and hence written back. To that extent, the liabilities, current year's loss and accumulated losses are understated.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

Appeared for the first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If management is unable to estimate the impact, reasons for the same:**

This audit qualification remark of the Auditor is self-explanatory and hence, do not require further comments.

iii. **Auditors' Comments on (i) or (ii) above**

Not required

Audit Qualification: 16

a. **Details of Audit Qualification:**

   The company has maintained Fixed asset register, however locations of assets have not been updated properly.

b. **Type of Audit Qualification :**

   Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

   Qualified Opinion

c. **Frequency of qualification:**

   whether appeared for the first time/repetitive/since how long continuing

   Repetitive since FY 2015-16

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

   Not quantified

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

   i. **Management's estimation on the impact of audit qualification:**

      Not Applicable

   ii. **If management is unable to estimate the impact, reasons for the same:**

      The company being EPC company, majority of assets are located at various work sites where these assets are updated on going concern basis.

   iii. **Auditors' Comments on (i) or (ii) above**

      Maintenance of updated Fixed Asset Register is mandatory under Companies Act 2013.

Audit Qualification: 17

a. **Details of Audit Qualification:**

   For the Property, Plant & Equipment having net written down value of Rs. 376.24 Crores, as at the balance sheet date, the management had conducted physical verification at few locations. In the physical verification, assets having written down value of Rs. 112.00 Crores have been verified. As per the explanation and information provided, no physical verification could be carried out for the balance assets having written down value of Rs. 264.24 Crores, due to such assets being either under client custody, seized by vendors / subcontractors, or such assets being available at sites with no access to the company. Based on such verification and management's own assessment for balance locations, the company has written off assets having aggregate written down value of Rs. 69.11 Crores during the year. No details have been provided for arriving at the management assessment for the location not physically verified. In absence of these details, we cannot ascertain the accuracy of the amount written off.

b. **Type of Audit Qualification :**

   Qualified Opinion / Disclaimer of Opinion / Adverse Opinion:

   Disclaimer of Opinion

c. **Frequency of qualification:**

   whether appeared for the first time/repetitive/since how long continuing

   Appeared for the first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

   Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

   i. **Management's estimation on the impact of audit qualification:**

      Not Applicable

   ii. **If management is unable to estimate the impact, reasons for the same:**

      Usually in any EPC (Engineering Procurement Construction) project, at the completion stage most of the assets were not depreciated fully or not useable. Due to this, assets were not depreciated fully and not in condition to use or transfer at any other running project. In our case all such assets are writen off .

   iii. **Auditors' Comments on (i) or (ii) above**

      There are no documented records to ascertain the condition of the asset and its usability.

Audit Qualification: 18

a. Details of Audit Qualification:

The company has not done impairment testing for the Property, Plant and Equipment, not physically verified. In view of the limited information provided to us by the management, we cannot comment on the requirement of the impairment for these assets and its consequential impact on the standalone financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

ii. If management is unable to estimate the impact, reasons for the same:

The Company being into EPC business, main assets are machineries lying and being at sites/ project places. In view of the same, it was not possible to do impairment testing or physical verification of such assets for the reporting period.

iii. Auditors' Comments on (i) or (ii) above

The company should conduct physical verification of all the assets and ascertain the requirement of impairment. Without conducting physical verification, it is not possible to know the exact condition of assets as the company now don't have manpower on each of the project sites where the assets are located.

Audit Qualification: 19

a. Details of Audit Qualification:

The company has not made Provision for Employee Benefits in accordance with Ind AS 19. The management is in opinion that since the matter is under CIRP and also majority of the employees have already left the company, there will be no additional liability on account of employee benefits. In absence of valuation report, we cannot comment on the impact on standalone financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

NA

ii. If management is unable to estimate the impact, reasons for the same:

This audit qualification is self-explanatory and hence does not require further comments.

iii. Auditors' Comments on (i) or (ii) above

NA

Audit Qualification: 20

a. Details of Audit Qualification:

The foreign currency balances, for foreign vendors having credit balance and for advances paid to foreign vendors, aggregating to Rs. 4.50 Crores and Rs. 1.20 Crores, respectively, as at March 31, 2019, could not be ascertained due to improper accounting. In the absence of complete details, their closing foreign currency balances could not be translated at the rate as on the balance sheet as required under IND AS 21 and consequential impact on standalone financial results could not be ascertained.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

There is lack of accounting staff as many have left the company, However, the company will put its efforts in next financial year to regularise the accounts by passing necessary entries required in IND AS 21.

iii. Auditors' Comments on (i) or (ii) above

NIL

Audit Qualification: 21

a. Details of Audit Qualification:

The balance with statutory authorities includes credits for Service Tax and Excise Duty amounting to Rs. 24.44 Crores. The company has not filed Service Tax and Excise Returns since 2016-17, to claim credits against Service Tax and Excise Duty liabilities. In absence of submission of returns, the credits cannot be utilized. To this extent, the current assets are overstated and accumulated losses are understated.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

The Company will try to file pending Service Tax and Excise Returns, so as to claim credits.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

Not Applicable

iii. Auditors' Comments on (i) or (ii) above

Not Applicable

Audit Qualification: 22

a. Details of Audit Qualification:

During the financial year 2017-18, four independent directors of company had resigned from its Board and no new appointments have been made during the financial year 2018-19. As a result its composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee were not in compliance with the provisions of Section 149(4), Section 177 & Section 178 respectively.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since FY 2017-18.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

The Company is into Insolvency Resolution Process w.e.f. 01.02.2019. Pursuant to which, powers of Board of Directors of the Company have been suspended and the same is vested with Mr. Anil Mehta – Resolution Professional. As such, composition of Board of Directors and other committee will not be applicable to the Company.

iii. Auditors' Comments on (i) or (ii) above:

NIL

Audit Qualification: 23

a. Details of Audit Qualification:

As per the requirement of the order, passed by Company Law Board under section 73 (3) of the Companies Act 2013, and section 74 (3) of the Act, the company has failed to repay Public Deposits amounting to Rs. 18.48 Crores and interest thereon amounting to Rs. 12.10 Crores within the stipulated time.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since FY 2015-16

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

Due to precarious financial condition of the Company, it was neither able to make payment to the Public Depositors nor any other creditors or statutory dues. Due to such financial distress, the Company is under Corporate Insolvency Resolution Process w.e.f. 01.02.2019.

iii. Auditors' Comments on (i) or (ii) above:

NIL

Audit Qualification: 24

a. Details of Audit Qualification:

The Company has not maintained detailed Party wise outstanding of Public Deposits and the provision for penal interest has been made on estimated basis. In the absence of party wise details, we cannot ascertain the possible impact on standalone financial results due to short / excess provision for Interest. Further, penal interest for the months of February & March 2019, as required under Rule 17 of Companies (Acceptance of Deposits) Rules, 2014, has not been provided, due to the commencement of CIRP period under IBC.

b. **Type of Audit Qualification :**

   Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

   Disclaimer of Opinion

c. **Frequency of qualification:**

   whether appeared for the first time/repetitive/since how long continuing

   First Time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

   Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

   i. **Management's estimation on the impact of audit qualification:**

      Not Applicable

   ii. **If management is unable to estimate the impact, reasons for the same:**

      The Company has maintained register of public deposits containing name, address, principal amount outstanding and other relevant details. Other than the register of public deposit, this audit qualification is self-explanatory and hence do not require further clarification.

   iii. **Auditors' Comments on (i) or (ii) above:**

      No such register with party wise details was produced during audit.

Audit Qualification: 25

a. **Details of Audit Qualification:**

   As required under the provisions of Section 148 of the Companies Act, 2013, read with Rule 4 of the Companies (Cost Records and Audit) Rules, 2014, the cost audit has not been conducted of company's records.

b. **Type of Audit Qualification :**

   Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

   Disclaimer of Opinion

c. **Frequency of qualification:**

   whether appeared for the first time/repetitive/since how long continuing

   Repetitive since FY 2017-18

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

   Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

   i. **Management's estimation on the impact of audit qualification:**

      Not Applicable

   ii. **If management is unable to estimate the impact, reasons for the same:**

      Due to non-payment to Cost Auditors, Cost Auditors have not conducted the Audit.

      As per the management's view, this will not have any impact on financial statement of the Company.

   iii. **Auditors' Comments on (i) or (ii) above:**

      NIL

Audit Qualification: 26

a. **Details of Audit Qualification:**

   As required under the provisions of Section 138 of the Companies Act, 2013, read with Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit of the functions and activities of the company has not been conducted for the year ended March 31, 2019.

b. **Type of Audit Qualification :**

   Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

   Disclaimer of Opinion

c. **Frequency of qualification:**
   whether appeared for the first time/repetitive/since how long continuing
   Appearing for the first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
   Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
   i. **Management's estimation on the impact of audit qualification:**
      Not Applicable
   ii. **If management is unable to estimate the impact, reasons for the same:**
      Due to non-payment to Internal Auditor, Internal Auditors have not conducted the Audit.
      As per the management's view, this will not have any impact on financial statement/results of the Company.
   iii. **Auditors' Comments on (i) or (ii) above:**
      NIL

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 06th December 2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Chairman & Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

Annexure B - to Directors' Report

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results for 31st March, 2019

(Rs. In crores)

I.

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	440.32	440.32
2	Total Expenditure	2,010.26	2,010.26
3	Net Profit/(Loss)	(1,616.52)	(1,616.52)
4	Earnings Per Share	(67.75)	(67.75)
5	Total Assets	3085.72	3085.72
6	Total Liabilities	3085.72	3085.72
7	Net Worth	(4,336.71)	(4,336.71)
8	Any other financial item(s) (as felt appropriate by the management)		

II. **Audit Qualifications:**

Audit Qualification: 1

a. **Details of Audit Qualification:**

The Group has accumulated losses of Rs. 5,051.89 Crores and its net worth is fully eroded. It has incurred net loss during the year ended March 31, 2019 amounting to Rs. 1,616.50 Crores as well as in previous years. It is unable to repay its debts, statutory obligations and pay salaries apart from other obligations/commitments. The application of Holding Company's Financial Creditors under section 9 of the Insolvency and Bankruptcy Code (IBC) had been admitted by Hon'ble National Company Law Tribunal, Mumbai Bench and Resolution Professional ("RP") was appointed vide order dated March 14, 2019. Till the date of signing of Statement, no resolution plan had been approved. Further, application for liquidation of the Holding Company has been filed with the NCLT. All these indicate a material uncertainty that may cast significant doubt upon the Groups' ability to continue as a Going Concern. However, the consolidated financial results are prepared on a going concern basis.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

Repetitive since Financial Year 2017-18

d. **For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:**

No

e. **For Audit Qualification(s) where the impact is not quantified by the Auditors:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If Management is unable to estimate the impact, reasons for the same:**

Auditor's remarks are self-explanatory. Hence, do not require any further explanation.

iii. **Auditors' Comments on (i) or (ii) above:**

NIL

Audit Qualification: 2

a. **Details of Audit Qualification:**

Inventory of Work in Progress (WIP) of the Holding Company and of the JVs' includes certain contractual claims amounting to Rs. 310.60 Crores and Rs. 1,003.36 Crores, respectively. These amounts have been ascertained by their respective managements based on their estimates. Out of these contractual claims, claims of the Holding Company and of the JVs', as reported by their auditors, amounting to Rs. 259.33 Crores and Rs. 1,003.36 Crores, respectively, are either formally submitted but not yet approved by respective clients or no formal submissions have been made to respective clients. The amounts of these claims are subject to change post approval from clients. To the extent of Rs. 1,262.70 Crores, Inventories are overstated and accumulated losses are understated in the consolidated financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since Financial year 2015-16

d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:

The Group has prepared the claims based on contractual terms, which have been submitted to the clients. Further, the Group is in process of submitting pending claims with the clients. The Group is hopeful of clients' approval in due course of time.

e. For Audit Qualification(s) where the impact is not quantified by the Auditors:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

Not Applicable

iii. Auditors' Comments on (i) or (ii) above:

NIL

Audit Qualification: 3

a. Details of Audit Qualification:

The management of the Holding Company and a JV, has not provided us and to the auditor of that JV, as reported in the JV's audit report, with the detailed working of Construction Work in Progress (WIP), Cost to Completion and consequent profitability and / or losses on projects which are pending execution. In absence of these details, it is not possible for us and for the JVs' auditor, to ascertain whether the Construction WIP of Rs. 8.71 Crores has been valued and stated correctly or not. The consequential impact, if any, on the consolidated financial results is therefore not ascertainable.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since Financial year 2017-18

d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the Auditors:

i. Management's estimation on the impact of audit qualification:

Since all the balance contracts are on back to back basis with 2 percent average margin, question of cost to completion and consequent profitability/ and or losses on projects does not arise. Hence, it will not have any impact.

ii. If Management is unable to estimate the impact, reasons for the same: Not applicable

iii. Auditors' Comments on (i) or (ii) above:

In case of back to back projects, there is no question of having any work in progress as expenses are recognised along with revenue. Further, even if the projects are given on back to back basis, as per the requirement of applicable Ind AS, it is mandatory to prepare cost to complete to arrive at project profitability and in case of possible loss, making provision for the same. Without proper estimation for cost to complete and estimated profitability, it is difficult to arrive at correct working of WIP.

Audit Qualification: 4

a. Details of Audit Qualification:

Balance confirmation of trade Receivables, Loans and Advances, deposits and trade payables are not received from third parties. These balances are subject to confirmations and consequent adjustments, if required. In absence of balance confirmations, financial impact on standalone financial results is not ascertainable.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since Financial year 2017-18.

d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the Auditors:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

The company is mainly working for government or semi government organisation where there is no practise of giving any balance confirmation certificate. There will not be any impact on financial statement/Financial Results

iii. Auditors' Comments on (i) or (ii) above:

None of the balance confirmation is available with respect to Trade Receivable, Payable, Loans & Advances given and Deposits. Without balance confirmation, it is difficult to quantify the impact on financial statements.

Audit Qualification: 5

a. Details of Audit Qualification:

As per the bank loan statements made available to us and to the auditor of JVs, by the respective management of the Holding Company and such JVs, the banks have charged Rs. 25.55 Crores and Rs. 3.40 Crores, respectively, on account of interest and other charges for the period February 01, 2019 to March 31, 2019. However, the Holding Company and such JVs, as reported in the JVs' audit reports, have not made provision for such interest and charges, due to commencement of CIRP period under IBC. To the extent of Rs.28.95 Crores, finance expenses, loan liability, loss for the year and accumulated losses of Group are understated.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:

The impact of audit qualification is quantified by the Auditor. The remarks of the Auditor are self-explanatory and do not require further comments of the management.

e. For Audit Qualification(s) where the impact is not quantified by the Auditors:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

Not Applicable

iii. Auditors' Comments on (i) or (ii) above:

NIL

Audit Qualification: 6

a. Details of Audit Qualification:

Certain loan accounts of Holding Company having aggregate balances of Rs. 186.61 Crores are not reconciled with their respective bank statements which are showing aggregate balance of Rs. 58.19 Crores, for reasons other than Interest & Other charges. Thus, loan balances of the Holding Company are overstated by Rs.128.42 Crores. Also, the current accounts of the Holding Company have long standing unreconciled balance aggregating to Rs.2.68 Crores. To the extent of Rs. 2.68 Crores, bank balances are overstated. In absence of detailed reconciliation statement, we cannot ascertain the overall impact on consolidated financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appeared for the first time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

Due to unavailability of detailed information in bank statement, the Company was not able to make necessary entries in books of accounts in respect of the Bank Loan accounts.

iii. Auditors' Comments on (i) or (ii) above:

Without bank reconciliation statement, it is not possible to ascertain overall impact on financial statements. The management should immediately reconcile book balances with balances in bank statements which are available with them.

Audit Qualification: 7

a. Details of Audit Qualification:

Many loan accounts of the Holding Company, having aggregate balance of Rs. 801.43 Crores, and current accounts of the Holding Company and of the JVs', as reported in the JVs' audit reports, having aggregate balance of Rs. 0.53 Crores and Rs. 0.33 Crores, respectively, are not confirmed due to non-availability of statement / confirmation from respective Banks. In absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on consolidated financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

The Company had requested for balance confirmations from the Banks, however the same were not provided by the Banks during the audit period. Since the Books of Accounts of the Company are maintained properly, this audit qualification will not have any impact on the Financial Statement of the Company.

iii. Auditors' Comments on (i) or (ii) above:

Without bank statement and balance confirmation from respective banks, it is not possible to ascertain overall impact on financial statements.

Audit Qualification: 8

a. Details of Audit Qualification:

In the reconciliation statement of various bank accounts of the Holding Company, there are many entries relating to Receipts and Payments, having aggregated value of Rs. 7.15 Crores and Rs. 5.72 Crores, respectively, which are pending to be cleared since long. To the extent of Rs. 1.43 Crores, the bank balance is overstated. In absence of complete details, we cannot ascertain the overall impact on consolidated financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appeared for the first time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable.

ii. If Management is unable to estimate the impact, reasons for the same:

The Company will take corrective measures to reconcile the bank balances. After reconciliation, there will not be any mismatch.

iii. Auditors' Comments on (i) or (ii) above:

The management should immediately reconcile book balance with balance in bank statements which are available with them.

Audit Qualification: 9

a. Details of Audit Qualification:

The Holding Company has an unconfirmed balance of Fixed Deposit with Bank of Baroda, amounting to Rs. 5.17 Crores as at March 31, 2019. In absence of balance confirmation from the bank, financial impact on consolidated financial results is not ascertainable.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

The Company had requested for balance confirmations from the Banks, however the same were not provided by the Banks during the audit period. Since the Books of Accounts of the Company are maintained properly, this audit qualification will not have any impact on the Financial Statement/results of the Company.

iii. Auditors' Comments on (i) or (ii) above

Without bank statement and balance confirmation from respective Banks, it is not possible to ascertain overall impact on financial statements.

Audit Qualification: 10

a. Details of Audit Qualification:

The Group has given loans and advances to related parties amounting to Rs. 120.27 Crores and received loans and advances from related parties amounting to Rs. 15.31 Crores. As per the information given by the Holding Company's management and as reported in the JVs' audit reports, all these related parties have made substantial losses and their net worth has been fully eroded. However, the Group has not made provision for possible loss on such loans and advances.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

Erstwhile management before the appointment of the RP was of the view that this loans/advance would be recovered from the Related Parties regardless of current losses. In view of the same no provisions were made.

iii. Auditors' Comments on (i) or (ii) above

Provision for expected loss should be made as the net worth of all related parties has fully eroded.

Audit Qualification: 11

a. Details of Audit Qualification:

The Holding company has not provided audited financial statements of its wholly owned subsidiary M/s. Pratibha Holdings (Singapore) Pte. Ltd. In absence of these Financial Statements, we cannot comment on any requirement for provision for diminution in value of investment.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appearing since FY 2017-18

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

No.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not applicable

ii. If Management is unable to estimate the impact, reasons for the same:

There is no activities/business in the M/s. Pratibha Holdings (Singapore) Pte. Ltd. Since Pratibha Industries Limited was under financial stress from many years, payment to auditors of the said subsidiary was not made and due to non-payment the Auditor has not conducted audit. Further, the accounts are maintained by the holding company and available details are provided to the Auditor.

iii. Auditors' Comments on (i) or (ii) above

Without audited financial statements, any impact on consolidated financial statement can not be ascertained.

Audit Qualification: 12

a. Details of Audit Qualification:

The Holding Company has not made provision for impairment against Investment of Rs. 0.01 Crore in its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Its Concession Agreement has been terminated by NHAI. As informed to us, the subsidiary company has lodged claim and the matter is under arbitration.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appearing since FY 2017-18

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

The Arbitrator has passed an award in the arbitration matter on 30th November 2018. The said award is challenged by /s. Bhopal Sanchi Tollways Private Limited u/s 34 of the Arbitration Act. Hence, provision for impairment of the investment is not made by the Company.

iii. Auditors' Comments on (i) or (ii) above

The claim amount is dependent upon the outcome of arbitration. Hence, until then the amount cannot be ascertained

Audit Qualification: 13

a. Details of Audit Qualification:

For the Holding Company and for the JVs', there are many statutory dues amounting to Rs. 129.77 Crores and Rs. 13.58 Crores, respectively, which are pending to be deposited by the respective entities with appropriate government authorities. The Holding company and the JVs', as reported by the JVs' auditors, have not made provision for interest on these dues on account of delay in depositing them. Since the management of Holding Company and of the JVs' has not estimated overall liability on account of interest, financial impact on consolidated financial results is not ascertainable.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since FY 2015-16

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

No

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

Since the Company is under CIRP, there will not be any possibility of payment of such interest and hence provisions were not made.

iii. Auditors' Comments on (i) or (ii) above

Provision for interest should be made irrespective of CIRP period. Since outcome of the CIRP is known only after its completion, it cannot be assumed that there will not be any liability on account of interest on statutory dues.

Audit Qualification: 14

a. Details of Audit Qualification:

The Holding Company and the JVs', as reported by its' auditors, have not provided sufficient appropriate information to evaluate the accuracy of recognition, measurement and presentation of revenues and other related balances in view of the applicability of Ind AS 115 "Revenue from Contracts with Customers". The Group has not evaluated impact of variable consideration on its revenue as required under IND AS 115.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appeared for the First time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

No

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

The Company is having many sites spread over the different states of India, where the accounts are maintained at site level. As the Company was facing fund crisis, many employees left the Company including site in charge. In view of the high employee attrition level, no. of sites and fund crisis, there might be some procedural lapses in following IND AS. In this back drop, the possible impact of the same is not identifiable by the Company for the reporting period.

iii. Auditors' Comments on (i) or (ii) above

Adoption of IND AS is mandatory and hence the management should analyse impact on financial statements on its adoption.

Audit Qualification: 15

a. Details of Audit Qualification:

During the year, the Group has unilaterally written back certain liabilities amounting to Rs. 48.78 Crores. The managements of the Company and of the JVs', as reported by its' auditors, are of the opinion that based on their analysis of balances and due to various reasons, these balances were not payable and hence written back. To that extent, the liabilities, current year's loss and accumulated losses are understated in the consolidated financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appeared for the first time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

ii. If Management is unable to estimate the impact, reasons for the same:

This audit qualification remark of the Auditor is self-explanatory and hence, do not require further comments.

iii. Auditors' Comments on (i) or (ii) above

NIL

Audit Qualification: 16

a. **Details of Audit Qualification:**

The contracts of the JVs have been terminated by their respective clients and the projects have been assigned to other contractors, as reported by the auditors of JVs. As per the information & explanation given by the management of such JVs, there are no liabilities in such projects. However, there are certain provision for expenses aggregating to Rs. 38.74 Crores is appearing in Other Financial Liabilities. No detail of the provision has been provided to the auditor of such JVs for verification. In absence of the details, to the extent of amount of the provision, the liabilities and accumulated losses are overstated.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

Appeared for the first time

d. **For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

The provisions for expenses were made at the time when the projects were executed by the Company/JV. It is evident from the ongoing Insolvency Process that the Company was facing server financial crisis. Many projects were terminated by the clients due to delay in project completion. As stated earlier, the site/project in charges have left the Company on account of non-payment of salary. In view of the aforesaid facts and circumstances, the provisions made for expenses were not reconciled and appropriate entries in the books were not made.

The Company will reconcile the accounts of the sites and necessary actions will be taken. For this reporting period, impact of the same cannot be estimated.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If Management is unable to estimate the impact, reasons for the same:**

Not Applicable

iii. **Auditors' Comments on (i) or (ii) above**

NIL

Audit Qualification: 17

a. **Details of Audit Qualification:**

The Holding Company has maintained Fixed Asset register. However, locations of assets have not been updated properly.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

Repetitive since FY 2015-16

d. **For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Not quantified

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If Management is unable to estimate the impact, reasons for the same:**

The company being EPC company, majority of assets are located at various work sites where these asset registers are updated on going concern basis.

iii. **Auditors' Comments on (i) or (ii) above**

Maintenance of updated Fixed Asset Register is mandatory under Companies Act 2013.

Audit Qualification: 18

a. Details of Audit Qualification:

For the Property, Plant & Equipment in the Holding Company, having net written down value of Rs. 376.24 Crores, as at the balance sheet date, the management of the Holding Company had conducted physical verification at few locations. In the physical verification, assets having written down value of Rs. 112.00 Crores have been verified. As per the explanation and information provided, no physical verification could be carried out for the balance assets having written down value of Rs. 264.24 Crores, due to such assets being either under client custody, seized by vendors / subcontractors, or such assets being available at sites with no access to the company. Based on such verification and management's own assessment for balance locations, the Holding Company has written off assets having aggregate written down value of Rs. 69.11 Crores during the year. No details have been provided for arriving at the management's assessment for the location not physically verified. In absence of these details, we cannot ascertain the accuracy of the amount written off.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion:

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appeared for the first time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If Management is unable to estimate the impact, reasons for the same:

Usually in any EPC (Engineering Procurement Construction) project, at the completion stage most of the assets were not depreciated fully or not useable. Due to this, assets were not depreciated fully and not in condition to use or transfer at any other running project. In our case all such assets are written off .

iii. Auditors' Comments on (i) or (ii) above

There are no documented records to ascertain the condition of the asset and its usability.

Audit Qualification: 19

a. Details of Audit Qualification:

The Holding Company has not done impairment testing for the Property, Plant and Equipment, not physically verified. In view of the limited information provided to us by the management of the Holding Company, we cannot comment on the requirement of the impairment for these assets and its consequential impact on the consolidated financial results.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

The Company being into EPC business, main assets are machineries lying and being at sites/ project places. In view of the same, it was not possible to do impairment testing or physical verification of such assets for the reporting period.

iii. **Auditors' Comments on (i) or (ii) above**

The Group should conduct physical verification of all the assets and ascertain the requirement of impairment. Without conducting physical verification, it is not possible to know the exact condition of assets as the Group now don't have manpower on each of the project sites where the assets are located.

Audit Qualification: 20

a. **Details of Audit Qualification:**

The Holding Company has not made Provision for Employee Benefits in accordance with Ind AS 19. The management of the Holding Company, is in opinion that since the matter is under CIRP and also majority of the employees have already left the company, there will be no additional liability on account of employee benefits. In absence of valuation report, we cannot comment on the impact on consolidated financial results.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

First time

d. **For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

NA

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

NA

ii. **If management is unable to estimate the impact, reasons for the same:**

This audit qualification is self-explanatory and hence does not require further comments.

iii. **Auditors' Comments on (i) or (ii) above**

NIL

Audit Qualification: 21

a. **Details of Audit Qualification:**

The foreign currency balances, in respect of the Holding Company and of the JVs', for foreign vendors having credit balance aggregating to Rs. 4.50 Crores and Rs. 3.14 Crores, respectively, and for advances paid to foreign vendors, aggregating to Rs. 1.20 Crores and Rs. 7.67 Crores, respectively, as at March 31, 2019, could not be ascertained due to improper accounting. In the absence of complete details, their closing foreign currency balances could not be translated at the rate as on the balance sheet as required under IND AS 21 and consequential impact on consolidated financial results could not be ascertained.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

First time

d. **For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

NA

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

ii. **If management is unable to estimate the impact, reasons for the same:**

There is lack of accounting staff as many have left the Group, However, the Group will put its efforts in next financial year to regularise the accounts by passing necessary entries required in IND AS 21.

iii. **Auditors' Comments on (i) or (ii) above**

NIL

Audit Qualification: 22

a. **Details of Audit Qualification:**

The balances with statutory authorities includes credits, in respect of the Holding Company and of the JVs', aggregating to Rs. 24.44 Crores and Rs. 7.01 Crores, respectively, which pertains to the Service Tax, and Excise Duty. The Holding Company and the JVs', as reported in the JVs' audit reports, have not filed Service Tax and Excise Returns since long, to claim credits against Service Tax and Excise Duty liabilities. In absence of submission of returns, the credits cannot be utilized. To this extent, the Group's current assets are overstated and accumulated losses are understated.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

First time

d. **For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

The Company will try to file pending Service Tax and Excise Returns, so as to claim credits.

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If management is unable to estimate the impact, reasons for the same:**

Not Applicable.

iii. **Auditors' Comments on (i) or (ii) above**

NIL

Audit Qualification: 23

a. **Details of Audit Qualification:**

During the financial year 2017-18, four independent directors of Holding Company had resigned from its Board and no new appointments have been made during the financial year 2018-19. As a result, it's composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee was not in compliance with the provisions of Section 149(4), Section 177 & Section 178 respectively.

b. **Type of Audit Qualification :**

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. **Frequency of qualification:**

whether appeared for the first time/repetitive/since how long continuing

Repetitive since FY 2017-18.

d. **For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

Not Applicable

ii. **If management is unable to estimate the impact, reasons for the same:**

The Holding Company is into Insolvency Resolution Process w.e.f. 01.02.2019. Pursuant to which, powers of Board of Directors of the Holding Company have been suspended and the same is vested with Mr. Anil Mehta – Resolution Professional. As such, composition of Board of Directors and other committee will not be applicable to the Holding Company.

iii. **Auditors' Comments on (i) or (ii) above:**

NIL

Audit Qualification: 24

a. Details of Audit Qualification:

As per the requirement of the order, passed by Company Law Board under section 73 (3) of the Companies Act 2013, and section 74 (3) of the Act, the Holding Company has failed to repay Public Deposits amounting to Rs. 18.48 Crores and interest thereon amounting to Rs. 12.10 Crores within the stipulated time.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since FY 2015-16

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

Due to precarious financial condition of the Holding Company, it was neither able to make payment to the Public Depositors nor any other creditors or statutory dues of the Holding Company. Due to such financial distress, the Holding Company is under Corporate Insolvency Resolution Process w.e.f. 01.02.2019.

iii. Auditors' Comments on (i) or (ii) above:

NIL

Audit Qualification: 25

a. Details of Audit Qualification:

The Holding Company has not maintained detailed Party wise outstanding of Public Deposits and the provision for penal interest has been made on estimated basis. In the absence of party wise details, we cannot ascertain the possible impact on consolidated financial results due to short / excess provision for Interest. Further, penal interest for the months of February & March 2019, as required under Rule 17 of Companies (Acceptance of Deposits) Rules, 2014, has not been provided by the Holding Company, due to the commencement of CIRP period under IBC.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

First Time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

The Holding Company has maintained register of public deposits containing name, address, principal amount outstanding and other relevant details. Other than the register of public deposit, this audit qualification is self-explanatory and hence do not require further clarification.

iii. Auditors' Comments on (i) or (ii) above:

No such register with party wise details was produced during audit.

Audit Qualification: 25

a. Details of Audit Qualification:

As required under the provisions of Section 148 of the Companies Act, 2013, read with Rule 4 of the Companies (Cost Record and Audit) Rules, 2014, the cost audit has not been conducted of Holding Company's records.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Repetitive since FY 2017-18

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

Due to non-payment to Cost Auditors, Cost Auditors have not conducted the Audit.

As per the management's view, this will not have any impact on financial statement of the Holding Company.

iii. Auditors' Comments on (i) or (ii) above:

NIL

Audit Qualification: 26

a. Details of Audit Qualification:

As required under the provisions of Section 138 of the Companies Act, 2013, read with Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit of the functions and activities of the Holding Company has not been conducted for the year ended March 31, 2019.

b. Type of Audit Qualification :

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Disclaimer of Opinion

c. Frequency of qualification:

whether appeared for the first time/repetitive/since how long continuing

Appearing for the first time

d. For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification:

Not Applicable

ii. If management is unable to estimate the impact, reasons for the same:

Due to non-payment to Internal Auditor, Internal Auditors have not conducted the Audit.

As per the management's view, this will not have any impact on financial statement of the Company.

iii. Auditors' Comments on (i) or (ii) above:

NIL

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 06th December 2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Chairman & Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

Annexure C to Director's Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and
rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members
M/s PRATIBHA INDUSTRIES LIMITED
Shrikant Chambers, Phase II, 5th Floor,
Sion - Trombay Road, Next To R. K. Studio,
Chembur Mumbai Mh 400071

I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **M/s Pratibha Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Pursuant to order dated February 01, 2019, of the Hon'ble National Company Law Tribunal - Mumbai Bench, ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from February 01, 2019 (Corporate Insolvency Resolution Process Commencement Date). Pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional ("RP") viz., Shri Anil Mehta. As on the date of signing of this report, CIRP Period is expired and accordingly, the RP has filed an application before the Hon'ble National Company Law Tribunal - Mumbai Bench for liquidation of the Company as going concern, which is pending to be decided by the Hon'ble Bench.

Based on my verification of the **M/s Pratibha Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Pratibha Industries Limited** for the financial year ended on March 31, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were applicable to the company under the financial year under report:

a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable to the company during the audit period)

c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the audit period)

d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the audit period)

f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the company during the audit period)

We have relied on the representations made by the Company and its officers for the systems and mechanism formed by the Company for compliances under other applicable Acts, Law and Regulations to the Company.

I have also examined compliance with the (Listing Obligations and Disclosure Requirements) Regulations(LODR), 2015 by the Company with Bombay Stock Exchange Limited and National Stock Exchange and also Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI) were applicable to the Company for the period under review.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following :

1. ***The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 ("Act") with regard to appointment of whole-time key managerial personnel viz. managing director, or Chief Executive Officer or manager and in their absence, a whole-time director during the Financial Year 2018-19;***
2. ***During the reporting period, position of whole time company secretary was vacant from 30th December 2018;***
3. ***During the year under review, Composition of Board of Directors, Audit Committee, CSR Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee were not in compliance with the Provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR");***
4. ***The Company has not invited/ accepted/ renewed fixed deposits from public or shareholders during the year under review in terms of section 73 or section 76 of the Companies Act, 2013. However, the Company has failed to repay the public deposits accepted prior to the commencement of the Companies Act, 2013 and Interest due thereon and the subsisting delay is more than one year, consequently attracting the disqualification all the Directors are disqualified in terms of Section 164(2)(b) of the Companies Act, 2013;***
5. ***The Board of Directors of the Company in its Board Meeting held on 07th June 2018 has appointed M/S. Ketki D. Visariya & Co., Cost Accountants as Cost Auditor of the Company for the Financial Year 2018-19. From the available records of the Company, it is found that the said appointment and remuneration (authority to fix remuneration of Cost Auditor is given to Mr. Ajit Kulkarni) thereof is without recommendation of Audit Committee of the Company as required under Rule 14 of the Companies (Audit and Auditors) Rules, 2014. Further, the Company has not carried out audit of cost record of the Company for the Financial Year ended 31st March 2019 as required u/s 148 (2) and (3) of the Act;***
6. ***Statutory Registers as required to be maintained under the Act are not updated;***
7. ***As required under the provisions of Section 138 of the Companies Act, 2013, read with Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit of the functions and activities of the company has not been conducted for the year ended March 31, 2019. Appointment of the Internal Auditor M/s Chokshi & Chokshi LLP by the Board of Directors is without recommendation of Audit Committee.***
8. ***The company has not filed the annual performance report with RBI under FEMA with regard to its foreign subsidiaries.***
9. ***During the year under review, the Company has not filed following forms/returns with concerned ROC/ Authority as required to be filed under the provisions of the Act:***

Sr. No.	Form	Relevant provisions of the Companies Act 2013	Remarks
1	Form IEPF 2	Pursuant to rule 5(8) and 7(2B) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	the Form is required to be filed within 60 days from the AGM of the Company held on 24/12/2018 with the ROC.
2	Form MGT-7	Pursuant to sub-Section(1) of section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Management and Administration) Rules, 2014]	the Form is required to be filed within 60 days from the AGM of the Company held on 24/12/2018 with the ROC.
3	Form DPT-3	Pursuant to rule 16 of the Companies (Acceptance of Deposits) Rules, 2014	the Form is required to be filed on or before 30th June of every year with the ROC.
4	Form MGT-15	Pursuant to section 121(1) of the Companies Act, 2013 and Rule 31(2) of Companies (Management and Administration) Rules, 2014	the Form is required to be filed within 30 days of the conclusion of the AGM held on 24/12/2018

10. ***The Company has generally not adhered with procedures laid down in Secretarial Standard - 1 issued by Institute of Company Secretaries of India.***
11. ***In some instances Company has not filed e-form MGT-14 with Registrar of Companies.***
12. ***With regard to Minutes of Board Meeting and Committee Meetings Meeting of the Company held during the period under review, my observations are follows:***
    a) ***Minutes of Board Meeting held on 24th August 2018, 11th September, 2018 and 09th November 2018 are unsigned.***
    b) ***Minutes of Audit Committee Meetings held on 07th June 2018 is unsigned and 11th September 2018 is not prepared.***
    c) ***Minutes of Meeting of the Management Committee held during the Financial Year under review is not signed. Minutes of the Management Committee held on 24th December 2018, 03rd January 2019 and 23rd January 2019 are not prepared.***
13. ***The Registrar of Companies, Mumbai has conducted inspection of the Company u/s 206 (5) r.w. Section 207 of the Act.***
14. ***The Company has complied with the provisions of the quarterly and half yearly reporting to the stock exchanges under the provisions of the LODR and SEBI (Depositories and Participants) Regulations, 1999 in following manner either with delay or non-submission:***

Sr. No.	Particulars of Compliance	Provision	Time period	Date of submission-Quarter -June 2018	Date of submission-Half year -September 2018	Date of submission-Quarter -December 2018	Date of submission-Year- March 2019
1	Submission of Corporate Governance Report	Regulation 27(2) of LODR	Within 15 days from quarter end	07-07-2018	09-10-2018	15-01-2019	18-04-2019
2	Submission of shareholding pattern for the quarter	Regulation 31(1)(b) of LODR	Within 21 days from quarter end	11-07-2018	12-10-2018	19-01-2019	Not submitted
3	Submission of Share Capital Reconciliation Audit Report	Regulation 55A of SEBI (Depositories and Participants) Regulations, 1999	Within 30 days from quarter end.	12-07-2018	15-10-2018	15-02-2019	Not submitted
4	Report on Investor Complaints during the quarter	Regulation 13(3) of the LODR	Within Twenty one days from the end of each quarter.	10-07-2018	09-10-2018	30-01-2019	Not submitted
5	Compliance Certificate certifying maintaining physical & electronic transfer facility	Regulation 07(3) of the LODR	Within one month of end of each half of the financial year.	Not applicable	10-10-2018	Not applicable	Not submitted
6	Financial Results	Regulation 33 of the LODR	Within 45 days from quarter end And in case of Annual Financial Result, within 60 days from end of Financial Year.	06-05-2019	31-07-2019	19-11-2019	Not submitted
7	Certificate from Practicing Company Secretary.	Regulation 40 (9)of the LODR	Within one month of the end of each half of the financial year.	Not applicable	12-10-2018	Not applicable	Not submitted

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days(adequately) in advance. Further, I have not found any record/information that would suggest that there is a system existing in the Company for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of decision is taken unanimously, while dissenting members' views are captured and recorded as part of the minutes,

We further report that during the period under review, based on our observation during the audit we are not in a position to report on the adequacy of system and processes to monitor and ensure the compliances with applicable laws, rules, regulations and guidelines due to non-availability of data/information since in charge of the Secretarial and Legal department of the Company have resigned from the Company.

CS Mayank Padiya
Practicing Company Secretary
M. No. 34847
C.P. No. 19604
UDIN: A034847B000027433

Place : Mumbai
Dated: 09/01/2020

Annexure to Secretarial Audit Report

To

The Members
M/s PRATIBHA INDUSTRIES LIMITED
Shrikant Chambers, Phase II, 5th Floor,
Sion - Trombay Road, Next To R. K. Studio,
Chembur Mumbai Mh 400071

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representations about the compliance of laws, rules and Regulations and happening of events etc. wherever applicable.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS Mayank Padiya
Practicing Company Secretary
M. No. 34847
C.P. No. 19604
UDIN: A034847B000027433

Place : Mumbai
Dated: 09/01/2020

Annexure D to the Director's Report

(A) Conservation of Energy:-

I. The Steps taken or impact on conservation of energy:

The Company has a policy in place to ensure optimum use of energies. Due to strict policy for use of lights and other utilities, only on need basis, the Company has saved significant amount out of these expenses.

II. The steps taken by company for utilising alternate sources of energy:

The Company has extensively used LEDs for reducing the consumption of energy on lightings.

III. The capital investment on energy conservation equipment:

The Company as a matter of practice procures equipment, instruments, machines etc. (which consumes energy) which are energy efficient. During the year under review, no significant amount has been invested on any particular equipment for conservation of energy since there was no scope for such investment.

(B) Technology absorption:

I. The efforts made towards technology absorption:

Not Applicable since the company is engaged in construction activities.

II. The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company is an Engineering, Procurement and Construction (EPC) company. Usage of better technological equipment has resulted in improved efficiency and savings of cost.

III. In case of imported technology:

Not Applicable

IV. The expenditure incurred on Research and development:

NIL

(C) Foreign exchange earnings and out go:

The particulars relating to earnings and expenditure in foreign currency are furnished in Note No. 42 and 43 to Notes to standalone financial statements.

Annexure E to the Director's Report

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014

A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2018-19 is as follows:

	Particulars	Disclosure
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Not Applicable (No remuneration/other payment is made to directors)
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	15% increment in salary of Company Secretary
(iii)	the percentage increase in the median remuneration of employees in the financial year.	25.50%
(iv)	the number of permanent employees on the rolls of company.	No. of Employee 148 as on 31.03.2019
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage increase in remuneration of employees was 20.57 % (salary of 84 employees were increased during the year), while there was increment in the salary of Company Secretary was 15%.
(vi)	affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid is as per remuneration policy of the Company.

B. Details of Top Ten Employees pursuant to Sub Rule 2 & 3 of Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is as follows:

During the year under review, there was no employee employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was one crore and two lakh rupees or more; and

During the year under review, there was no employee employed for a part of the financial year in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was eight lakh and fifty thousand rupees per month.

In view of the above, reporting under this rules is not applicable.

Annexure E to Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES

No.	Particulars	Details
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has constituted a CSR committee as per the provisions of the Companies Act, 2013 and CSR Policy as adopted by the Board has been placed on the website of the Company under web link http://www.pratibhagroup.com/pratibha_new/pages/PDFs/CSR%20Policy.pdf The Company is incurring huge losses since FY 2016-17 including during the reporting period. In view of the losses in the Company, the Company has not spent any money for CSR activities since FY 2016-17.
2.	The Composition of the CSR Committee	1. Mr. Vilas B Parulekar, Chairman(Independent Director) 2. Mr. Ajit B. Kulkarni, Member (Promoter Director) 3. Mr. Sharad P. Deshpande, Member (Director) (Resigned w.e.f. 25th December 2018)
3.	Average net profit of the company for last three financial years	(19,33,55,735.98)
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	NIL
5.	Details of CSR spent during the financial year	a. Total amount to be spent for the financial year : **NIL** b. Amount unspent : **NIL** c. Manner in which the amount spent during the year: **Not Applicable**
6	Reason for not spending CSR amount	Due to liquidity crunch and financial losses in the Company, it could not meet with even statutory payments resulting into not using any amount in CSR Activities. Unspent amount of Rs. 121.19 lacs for the FY 2015-16 remained to be spend.
7	Responsibility statement by CSR Committee	The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectivities and Policy of the Company except unspent amount towards CSR activities by the Company due to reason mentioned above.

By the Order of Resolution Professional

Sd/-

Ajit B. Kulkarni
Member
DIN : 00220578

Place: Mumbai

Date: 09/01/2020

Annexure G to Director's Report

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company aims to be a globally reputed and recognized corporation in its field of Engineering, Procurement and Construction by developing core expertise through synergetic investment, innovation and ethical practices. Our Mission Statement emphasizes our commitment to create customers founded on mutual respect, professionalism, integrity, dedication and sincerity exceeding clients' goals and expectations. The Company believes in creating internal ecosystem that promotes the value system and culture at all functional levels catering to working of the Company in the interest of all the stakeholders like employees, shareholders, government and society at large in full compliance with all applicable laws.

The Company continues to uphold its commitment to maintain high standards of Corporate Governance. The Company and its Board firmly believes that strong governance by maintaining a simple and transparent corporate structure is prerequisite for creating value on a sustainable basis.

This Report provides information on the compliances by the Company of Corporate Governance requirements stipulated under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

BOARD OF DIRECTORS

Composition of the Board

The Board consists of three Directors during the reporting period. Designation and Category of Directors is given hereunder. The Company has had no pecuniary relations or transactions with the Non-Executive Directors.

Composition of the Board and category of Directors as on 31st March, 2019 was as follows:

Sr. No.	Name of the Director	Designation	Category
1	Mr. Ajit B. Kulkarni*	Chairman & Director	Promoter & Non-Executive
2	Mrs. Sunanda D. Kulkarni*	Director	Promoter & Non Executive
3	Mr. Vilas B. Parulekar	Director	Independent & Non-Executive
4	Mr. Sharad P. Deshpande**	Director	Non Executive

Note:

* Mr. Ajit B. Kulkrani and Mrs. Sunanda D. Kulkani are inter se related to each other.

** Mr. Sharad P. Deshpande has resigned from the post of Directorship w.e.f. 25th December 2018

A Certificate of Non-Disqualification of Directors pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from practicing company secretary is annexed herewith as **Annexure I.**

The role and responsibilities of the Board of Directors after the Commencement of Corporate Insolvency Resolution Process (CIRP) and appointment of IRP/RP is being fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors stand suspended w.e.f. 01st February 2019.

Board Meetings, Directors' Attendance and Other Directorships and Committee Memberships

The Company holds minimum of four Board Meetings in each year. Apart from the four quarterly Board Meetings, additional Board Meetings, as and when required, are convened by giving appropriate notice.

All divisions/ departments in the Company are encouraged to plan their functions well in advance particularly with regard to matters requiring discussion/ approval/ decision in the Board / Committee meetings. After that, the Chairperson of the Board and the Company Secretary in consultation with other concerned persons in the senior management, finalize the agenda papers for the Board/Committee Meetings and circulate the Agenda along with the notes and supporting papers to the Board/ Committee Members and other invitees to the Meeting.

Where it is not practicable to attach any document or the agenda due to its price sensitive nature, the same is circulated at the meeting with unanimous approval of the Board/Committee. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are taken up for discussion with the unanimous approval of Directors.

Five Board meetings were held during the year under review, i.e. on 7th June, 2018, 4th August, 2018, 24th August, 2018, 11th September, 2018 and 9th November, 2018. Attendance of Directors in the aforesaid Board meetings, attendance at last Annual General Meeting (AGM) held on 24th December, 2018, other directorships in public companies and committee memberships/chairmanship are as follows:

Sr. No.	Name of the Director	Attendance Particulars		No. of Directorships and Committee Memberships/ Chairmanships (As on 31st March, 2019			List of directorships of other listed entities and the category of such directorship
		Board Meeting	Attendance At AGM	Directorships*	Committee Memberships**	Chairmanships**	
1	Mr. Ajit B. Kulkarni	4	Yes	3	2	–	–
2	Mr. V. B. Parulekar	5	Yes	1	–	–	–
3	Mrs. Sunanda D. Kulkarni	2	No	1	–	–	–
4	Mr. Sharad Deshpande***	5	Yes	–	–	–	–

* The Directorships, held by Directors as mentioned above, do not include directorship in Private limited Company and directorships in foreign companies.

** Chairmanships/Memberships of Audit Committees and Stakeholders Relationship Committees of all other public limited companies have been considered.

*** Mr. Sharad Deshpande resigned as a Director of the Company w.e.f. December 25, 2018.

None of the Directors on the Board is member of more than ten Committees or Chairman/Chairperson of more than five Committees across all companies in which they are Directors and therefore are in compliance with the limit specified under Regulation 26 (1) of the SEBI LODR Regulations.

None of the Non-Executive Directors hold any shares or convertible instruments in the Company except Mr. Ajit Kulkarni and Mrs. Sunanda D. Kulkarni.

Details of skills/expertise/competence of the Board of Directors:

Pursuant to the Schedule V point C(2)(h) of the Listing Regulations, the Board of Directors have identified the following core skills/expertise/ competencies as required in the context of the Company's business and sector for the Company to function effectively and those actually available with the Board:

- **Business:** Understanding of global business across various geographies, industries, economic trends and regulatory jurisdictions;
- **Planning:** Leading management teams to make decisions, strategic choices, understanding long-term trends, guiding in uncertain environments;
- **Good Governance:** Building long-term stakeholder engagements, sustain corporate values and ethics, driving board and management accountability, developing good governance framework.

Familiarization Programmes

The Company has also conducted familiarization programmes for Directors to give insights in the working and business operations of the Company.

Performance evaluation criteria for Independent Directors

During the financial year 2017-18, four independent directors of company had resigned from its Board and no new appointments have been made during the financial year 2018-19. Mr. Vilas B Parulekar was the only Inendependent Director in the Company during the Financial Year 2018-19. No performance review is conducted by the Company during the Financial Year 2018-19.

BOARD COMMITTEES

The Board functions either as full board or through various committees which meet at regular intervals. Strategic supervision in the form of policy formulation, evaluation of performance and control functions vest solely with the Board, while the Committees oversee operational issues.

The Board has constituted five Committees consisting members of the Board viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Management Committee. These Committees facilitate focused, timely & efficient deliberation and discussions. Details of the Committees and other related information are provided hereunder:

Audit Committee

The Audit Committee is not constituted in conformation with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013 due to resignation of Independent Directors during in the previous year. The Audit Committee consists of one Independent Director and one promoter Director. The composition of the Audit Committee is as under:

Sr. No	Name of the Member	Designation	Category
1	Mr. Vilas B. Parulekar	Member	Independent & Non Executive Director
2	Mr. Ajit B. Kulkarni	Member	Promoter & Director

All the members of the Audit Committee are financially literate and possess requisite financial / accounting expertise.

The Audit Committee invites head of the finance and account function and representatives of the Statutory Auditors, Internal Auditors to be present at its meeting. The Company Secretary acts as the Secretary to the Audit Committee. Please note that during the year under review, internal audit is not conducted.

Meetings and Attendance during the year

During the year under review, the Audit Committee met two times. The gap between two meetings did not exceed 120 days. The dates on which Audit Committee meetings were held are: 7th June, 2018 and 11th September, 2018.

Sr. No.	Name of the Member	Attendance
1	Mr. Vilas B. Parulekar	2
2	Mr. Ajit B. Kulkarni	2

During the year under review, the Board accepted all the recommendations of Audit Committee.

At present, the committee consists of only two directors.

Terms of Reference

The terms of reference cover the matters specified for Audit Committee under Regulation 18 of SEBI LODR Regulations. Brief description of terms of reference of Audit Committee is as under:

i) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

iii) review and monitor the auditor's independence and performance including Cost Auditors, and effectiveness of audit process;

iv) Reviewing the financial statements/quarterly financial results and the Statutory Auditors' report thereon and includes Cost Auditors' report;

v) Approval, or any subsequent modification, of transactions of the company with related parties;

vi) scrutiny of inter-corporate loans and investments;

vii) valuation of undertakings or assets of the company, wherever it is necessary;

viii) Evaluation of internal financial controls and risk management systems;

ix) Monitoring the end use of funds raised through public offers, if any and related matters.

Nomination & Remuneration Committee

The Committee comprises of the following members:

Sr. No	Name of the Member	Designation	Category
1	Mr. Vilas B. Parulekar	Member	Independent & Non Executive Director

During the year under review, no meeting of the Nomination & Remuneration Committee was held.

The Committee consists of only one Director.

Terms of Reference

The terms of reference of Nomination & Remuneration Committee cover the matters specified under Regulation 19 of the SEBI LODR Regulations read with Part D of Schedule II thereto. Brief description of the terms of reference of the Nomination & Remuneration Committee is as follows:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity which ensures:
  a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  c.. remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

Nomination & Remuneration Policy

Nomination & Remuneration Committee has formulated Nomination & Remuneration Policy. The policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, nurture and motivate a high performing workforce. The Company follows a compensation mix of fixed pay, benefits and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the appraisal process. The said policy is available on the website of the Company under following link: http://www.pratibhagroup.com/pratibha_new/pages/policies.asp.

REMUNERATION PAID TO DIRECTORS OF THE COMPANY:

Executive & Non-executive Directors

During the year under review, no remuneration was paid to any Director.

Stakeholders Relationship Committee

The Company has constituted the Stakeholders Relationship Committee to specifically look into the investors' grievances with regard to transfer / transmission / demat / remat of shares, non-receipt of Annual Report, and other issues concerning the shareholder/investors.

The Committee comprises of the following persons:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Vilas B. Parulekar	Member	Independent & Non Executive Director
2	Mr. Ajit B. Kulkarni	Member	Promoter & Director

As on 31st March, 2019, no request for transfer of shares and for dematerialization/ rematerialisation of shares was pending for approval. There were no major complaints from the investors.

During the Financial year ended 31st March, 2019, no meeting of the Committee was held.

The Committee consists of only two directors.

Complaints received and redressed during the financial year 2018-19:

pending at beginning of year	Received during the year	Resolved during the year	Pending at end of the year
0	0	0	0

Sr. No.	Nature of Complaint	Number of Complaints
1	Non Receipt of Dividend	0
2	Non Receipt of Annual Report	0
3	Other matters	0
	Total	**0**

The above does not include the complaints received from fixed deposit holders.

Corporate Social Responsibility (CSR) Committee

The Committee comprises of the following persons:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Ajit B. Kulkarni	Chairman	Promoter and Executive Director
2	Mr. Vilas B. Parulekar	Member	Independent & Non-Executive Director
3	Mr. Sharad P. Deshpande*	Member	Executive & Professional

* Mr. Sharad P. Deshpande ceased to be a member w.e.f. December 25, 2018.

During the financial year ended 31st March, 2019, no meeting of the CSR Committee was held.

The role of the CSR Committee is as follows:

1. Formulating and recommending to the Board the CSR policy and activities to be undertaken by the Company;
2. Recommend the amount of expenditure to be incurred on the CSR activities;
3. Reviewing the performance of the Company in area of CSR;
4. Monitor implementation and adherence to the CSR Policy of the Company from time to time.

Management Committee

The Board of Directors of the Company has constituted a Management Committee of the non-executive Directors of the Company. The Committee has been formed to avail credit facilities of lesser value for purchase of construction equipment's and vehicles, to bid various tenders and issue authority and also look after operations of Bank accounts of the Company.

As on 31st March, 2019, the Committee comprised of Mr. Ajit B. Kulkarni as Chairperson and Mrs. Sunanda D. Kulkarni as Member. Mr. Sharad P. Deshpande was member of the Committee upto his resignation from directorship on 25th December 2018, after which Mrs. Mrs. Sunanda D. Kulkarni was appointed as member of the Company.

DISCLOSURES

Related party transactions

A statement in the summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. There are no transactions with related parties, which are not in the normal course of business and not on an arm's length basis. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes pertaining to Financial Statements forming part of the Annual Report.

Compliance with Regulations

There are various instances of imposition of penalties and/ or strictures on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company tried to comply with all the requirements of the SEBI(LODR) Regulations and Guidelines prescribed by SEBI on time but due to adverse circumstances certain requirements of Regulations remained non complied.

Insider trading Code

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive Code of Conduct for its management and staff. The Code of Conduct lays down guidelines, procedures to be followed and disclosures to be made, while dealing with shares of the Company and provides consequences of non – compliances.

Whistle Blower policy

In accordance with Section 177 (9) and sub-section (10) of the Companies Act, 2013, and in terms of Regulation 22 read with Regulation 4 (2)(d)(iv) of SEBI LODR Regulations, your Company has adopted a Whistle Blower Policy with an objective to provide its employees a mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication.

No personnel was denied access to the Audit Committee of the Company. The said policy is available on the weblink for access and reference by any stakeholder, http://www.pratibhagroup.com/ pratibha_new/pages/PDFs/ WHISTLE_BLOWER_POLICY_PIL_.pdf

Accounting Treatment

The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the financial statements.

Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year: Nil.
b. Number of complaints disposed off during the year: Nil.
c. Number of complaints pending as on end of financial year: Nil.

Disclosure of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part:

Total fees paid to Statutory Auditors on a consolidated basis for FY 2018-19: Rs. 10 Lakhs.

CEO & CFO Certification

As required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) 2015, the Non Executive Director and the Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other matters related to internal controls in the prescribed format for the year ended 31st March, 2019. The said certificate is enclosed to this Report as **Annexure II**

Unclaimed Shares lying in the escrow Account

The Company entered the Capital Market with Initial Public Offer through 100% Book Building process for 42,50,000 equity shares of Rs.10/- each at a premium of Rs.110/- per share. The Company has opened a separate demat accounts to credit the unclaimed shares which could not be allotted to the rightful shareholder due to insufficient/ incorrect information or any other reason. The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

As per Regulation 34 (3) Read with Para F of Schedule V of SEBI LODR Regulation, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the public issue of the Company:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2015.	7	1750
2	Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	0	0
3	Number of shareholders to whom shares were transferred from the suspense account during the year.	0	0
4	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016.	7	1750

Transfer of unpaid / unclaimed Dividend amounts to Investor education and protection Fund (IEPF)

The Company was not required to transfer any unpaid dividend amount to IEPF during the year under review.

Following are the details of Dividends paid by the Company and their respective due dates of transfer to the IEPF if they remain unclaimed / unencashed by the members.

Sr. No	Dividend for the Year	Due date of declaration of Dividend	Dividend Declared per share	Last date upto which members are entitled to claim the Dividend
1	2011-12	12.07.2012	Rs.0.60 (i.e. 30%)**	18.08.2019
2	2012-13	30.09.2013	Rs.0.60 (i.e. 30%)**	31.10.2020
3	2013-14	30.09.2014	Rs.0.20 (i.e. 10%)**	31.10.2021
4	2014-15	30.09.2015	Rs.0.20 (i.e. 10%)**	31.10.2022

*Face value of `10/- per share. **Face value of `2/- per share

Risk Management Framework

The Company has established effective risk management policy, which is subject to periodical review by the Audit Committee and Board of Directors. The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and/or mitigation of the same are dealt with by the executive management through the means of the properly defined framework under the overall supervision of the Managing Director of the Company.

Code of Business conduct and ethics for Directors and Key Managerial personnel

The Company has laid down a Code of Conduct for all Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Key Managerial Personnel and the compliance of the same is affirmed by them annually.

A declaration signed by Non-Executive Director regarding compliance by board members and Key Managerial Personnel with Code of Conduct is attached herewith as **Annexure III**.

Compliance certificate

Certificate from the Mr. Mayank Padiya, Practicing Company Secretary, regarding the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Report as **Annexure IV**.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are as under:

Year	Location	Day and Date	Time	Number Special Resolution(s) passed
2017-18	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –400071	Monday 24th December, 2018	03:00 PM	0
2016-17	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –400071	Friday 29th September, 2017	03:00 PM	0
2015-16	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –400071	Thursday 29th September, 2016	03:00 PM	0

No Extraordinary General Meeting was held during the year under review. The Company did not pass any resolution through postal ballot during the year under review and no postal ballot process is being conducted to pass any special resolution.

MEANS OF COMMUNICATION

- Quarterly results are taken on record by the Board of Directors and submitted to the stock exchange in terms of the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Quarterly Results are usually published in Free Press Journal (English Daily) and Nav Shakti (Marathi Daily).
- Website of the Company is www.pratibhagroup.com, wherein quarterly results and news releases of the Company are displayed.
- During the year under review, no presentations were made to institutional investors or analysts.

GENERAL SHAREHOLDER INFORMATION

1. **24th Annual General Meeting:**

   Date : Tuesday, 11th day of February, 2020

   Time : 11.00 a.m.

   Venue : IMC Bldg, IMC Marg, Churchgate, Mumbai, Maharashtra 400020

2. **Financial Year :** 01st April 2018 to 31st March 2019.

3. **Dividend payment Date**

   No Dividend has been recommended by the Board for the financial year 2018-19.

4. **Names of Stock Exchanges where equity shares of the Company are listed**

   a. **National Stock exchange of India limited (NSE),**
      "Exchange Plaza"
      Bandra-Kurla Complex Bandra (E), Mumbai 400 051.
      Trading Symbol on NSE is **'PRATIBHA EQ'**

   b. **The BSE limited**
      Phiroze Jeejeebhoy Towers
      Dalal Street, Fort, Mumbai 400 001.
      Scrip Code on BSE is **'532718'**

5. Annual Listing fees for the financial year 2019-20, as applicable, have been paid by the Company to BSE and NSE.

6. **ISIN of Equity Shares – INE308H01022**

7. **Book Closure period :** Monday, 03rd February, 2020 to Monday, 10th February, 2020 (both days inclusive).

8. **Market price Data**

   The details of high and low of the Market Price Data of the equity shares of the Company for the financial year ended on 31st March, 2019 are as under:

Amount in Rs.

Month	Bombay Stock exchange		National Stock exchange	
	Share price		Share price	
	High	Low	High	Low
April-18	6.94	5.40	7.15	5.45
May-18	5.90	3.68	5.90	3.65
June-18	3.95	2.95	3.95	2.85
July-18	3.67	2.61	3.60	2.65
August-18	4.13	3.12	4.10	3.15
September-18	3.18	2.15	3.30	2.20
October-18	2.77	1.85	2.75	1.85
November-18	3.17	2.18	3.05	2.20
December-18	2.15	1.90	2.30	1.95
January-19	1.81	1.56	2.00	1.75
February-19	1.49	1.29	1.70	1.60
March-19	1.30	1.10	1.60	1.45

Source: BSE – NSE website

9. **Registrars and transfer Agents**

   For Securities:

   M/s. Link Intime India Private Limited

   C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

   Tel No. 022-2596 3838, Fax No. 022-2594 6969

   Website: www.linkintime.co.in E- Mail: rnt.helpdesk@linkintime.co.in

   For Fixed Deposit:

   M/s. Karvy Computershare Pvt. Ltd.

   Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 008

   Tel No. 040-67161589 Website: www.karvycomputershare.com E- Mail: einward.ris@karvy.com;

10. **Share transfer System**

    The physical share transfers, if any, are approved by a Committee of Directors within the period prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. **Distribution of Shareholding as on 31st March, 2019**

Distribution of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 to 500	21,554	64.7812	42,50,473	1.78
501 to 1000	4,551	13.6782	39,29,730	1.65
1001 to 2000	2,913	8.7551	46,44,031	1.95
2001 to 3000	1,228	3.6908	32,11,986	1.35
3001 to 4000	635	1.9085	23,12,260	0.97
4001 to 5000	581	1.7462	27,99,527	1.17
5001 to 10000	967	2.9063	73,16,972	3.07
10001 to ******	843	2.5337	21,01,32,369	88.07
Grand total	**33,272**	**100.00**	**23,85,97,348**	**100.00**

12. Shareholding pattern as on 31st March, 2019

Shareholders	No. of Shares held	% to total shares held
Clearing Members	8,44,989	0.3541
Other Bodies Corporate	54,51,554	2.2848
Financial Institutions	9,61,39,670	40.2937
Hindu Undivided Family	25,59,931	1.0729
Nationalised Banks	3,91,10,203	16.3917
Non Nationalised Banks	22,97,158	0.9628
Non Resident Indians	20,60,642	0.8636
Non Resident (Non Repatriable)	6,23,461	0.2613
Persons Acting In Concert	1,25,31,208	5.2520
Public	5,12,55,509	21.4820
Promoters	2,49,38,240	10.4520
G I C & Its Subsidiaries	1,48,126	0.0621
Foreign Portfolio Investors (Corporate)	6,10,129	0.2557
NBFCs registered with RBI	16,667	0.0070
Investor Education And Protection Fund	9,861	0.0621
Total	**23,85,97,348**	**100.0000**

13. Dematerialization of shares and liquidity:

More than 99.99% of total equity share capital of the Company is held in dematerialized form with NSDL and CDSL as on 31st March, 2019. Only 5,780 shares are in physical form.

14. Work Sites for contracts:

The Company has various work sites across the country and the operations are controlled by respective zonal offices in co-ordination with cluster head / coordinator at head office.

15. Outstanding GDRs/ADRs/Warrants/ Any other convertible instruments:

The Company has not issued any such instruments.

16. Commodity Price risk or foreign exchange risk and hedging activities:

The Company's operations were not exposed to any commodity or foreign exchange risk nor has it indulged in any hedging activities during the year under review.

17. Address for Correspondence:

For all matters relating to Shares, Annual Reports

Unit No. 1/B-56 & 1/B-57, Phoenix Paragon Plaza, Phoenix Market City, LBS Marg, Kurla (W), Mumbai – 400 070. Maharashtra – India; Tel: 91- 22- 3955 9999 Fax 91- 22- 3955 9900

E-mail: investor.relations@pratibhagroup.com (for securities), fd@pratibhagroup.com (for fixed deposit)

Annexure I to the Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To the Members of
Pratibha Industries Limited
Shrikant chambers, phase ii, 5th floor,
Sion - Trombay Road, Next to R. K. Studio,
Chembur Mumbai -400071

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Pratibha Industries Limited having CIN L45200MH1995PLC090760 and having registered office at Shrikant chambers, phase ii, 5th floor, Sion - Trombay Road, Next to R. K. Studio, Chembur Mumbai -400071 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that **all of the Directors on the Board of the Company** as stated below for the Financial Year ending on 31st March, 2019 **have been disqualified** from being appointed or continuing as Directors of companies by Ministry of Corporate Affairs:

DIN/PAN	Name	Begin date
0000220578	AJIT BHAGWAN KULKARNI	04/08/2005
0001259349	VILAS BHAGWANT PARULEKAR	24/09/2009
0008071382	SUNANDA DATTA KULKARNI	20/02/2018
AJMPK2965R	SETHURAMAN HARIHAR KONGAD	13/02/2015

As stated in my Secretarial Audit Report, the Company is into Corporate Insolvency Resolution Process w.e.f. 01.02.2019. In view of the same, provisions with regard to Regulation 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process period commenced w.e.f. 01.02.2019.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and may not be suitable for any other purpose.

SD/-
CS Mayank Padiya
Practicing Company Secretary
CP No. 19604
Mem. No. A34847
UDIN: A034847B000044538

Place : Mumbai
Date : 12/01/2020

Annexure II to the Corporate Governance Report

Director/ CFO CERTIFICATION

The Board of Directors
Pratibha Industries Limited
Mumbai

We have reviewed the financial statements and the cash flow statement of the Company for the year 31st March, 2019 and that to the best of our knowledge and belief, we state that:

a. i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019 are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d. We have indicate to the Auditors and the Audit Committee:

   i. significant changes, if any, in internal control over financial reporting during the year;

   ii. significant changes, if any, in accounting policies during the year have been disclosed in the notes to the financial statements; and

   iii. instance of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Pratibha Industries limited

SD/-	SD/-
Ajit B. Kulkarni	**K. H. Sethuraman**
Chairman & Director	Chief Financial Officer

Place: Mumbai

Date: 06th December 2019

Annexure III to the Corporate Governance Report

Declaration Regarding Adherence to the Code of Conduct

To,
The Shareholders of
Pratibha Industries Limited
Mumbai – 400 071.

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with Code of Conduct of the Company formulated by the Board of Directors for the financial year ended 31st March, 2019.

For **Pratibha Industries limited**

SD/-

Ajit B. Kulkarni
Chairman & Director

Place: Mumbai

Date: 06th December 2019

Annexure IV to the Corporate Governance Report

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Pratibha Industries Limited

I have examined the compliance of conditions of corporate governance by Pratibha Industries Limited ("the Company") for the year ended on 31st March 2019 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of corporate governance during the Financial Year ended 31st March, 2019 as stipulated in the above mentioned Listing Regulations except to the extent of following remarks/ observations:

1. ***Composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee was not in accordance with the Listing Regulations;***
2. ***Minutes of Meeting Board of Directors of Subsidiary Companies have not been placed in Meeting of Board of Directors of the Company;***
3. ***The Company has complied with quarterly/half yearly stock exchange reporting in the following manner:***

Sr. No.	Particulars of Compliance	Provision	Time period	Date of submission-Quarter -June 2018	Date of submission-Half year -September 2018	Date of submission-Quarter -December 2018	Date of submission-Year- March 2019
1	Submission of Corporate Governance Report	Regulation 27(2) of LODR	Within 15 days from quarter end	07-07-2018	09-10-2018	15-01-2019	18-04-2019
2	Submission of shareholding pattern for the quarter	Regulation 31(1) (b) of LODR	Within 21 days from quarter end	11-07-2018	12-10-2018	19-01-2019	Not submitted
3	Submission of Share Capital Reconciliation Audit Report	Regulation 55A of SEBI (Depositories and Participants) Regulations, 1999	Within 30 days from quarter end.	12-07-2018	15-10-2018	15-02-2019	Not submitted
4	Report on Investor Complaints during the quarter	Regulation 13(3) of the LODR	Within Twenty one days from the end of each quarter.	10-07-2018	09-10-2018	30-01-2019	Not submitted
5	Compliance Certificate certifying maintaining physical & electronic transfer facility	Regulation 07(3) of the LODR	Within one month of end of each half of the financial year.	Not applicable	10-10-2018	Not applicable	Not submitted
6	Financial Results	Regulation 33 of the LODR	Within 45 days from quarter end . And in case of Annual Financial Result, within 60 days from end of Financial Year.	06-05-2019	31-07-2019	19-11-2019	Not submitted
7	Certificate from Practicing Company Secretary.	Regulation 40 (9) of the LODR	Within one month of the end of each half of the financial year.	Not applicable	12-10-2018	Not applicable	Not submitted

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

As stated in my Secretarial Audit Report, the Company is into Corporate Insolvency Resolution Process w.e.f. 01.02.2019. In view of the same, provisions with regard to Regulation 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process period commenced w.e.f. 01.02.2019.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and may not be suitable for any other purpose.

SD/-

CS Mayank Padiya
Practicing Company Secretary
CP No. 19604
Mem. No. A34847
UDIN: A034847B000044538

Place : Mumbai

Date : 09/01/2020

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PRATIBHA INDUSTRIES LIMITED

Report on the audit of the standalone financial statements

Disclaimer of Opinion

We were engaged to audit the accompanying standalone financial statements of **PRATIBHA INDUSTRIES LIMITED**, ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

Basis for Disclaimer of Opinion

1. ***Inventory of Work in Progress (WIP) includes certain contractual claim amounting to Rs. 31,059.53 lakhs. These amounts have been ascertained by the management based on their estimates. Out of these contractual claims, claims amounting to Rs. 25,933.29 lakhs, are either formally submitted but not yet approved by respective clients or no formal submissions have been made to respective clients. The amounts of these claims are subject to change post approval from respective clients. To the extent of Rs. 25,933.29 lakhs, Inventories are overstated and accumulated losses are understated in the standalone financial statements.***
2. ***The management has not provided us with the detailed working of Construction Work in Progress (WIP), Cost to Completion and consequent profitability and/or losses on projects which are pending execution. In absence of these details, it is not possible for us to ascertain, whether the Construction WIP of Rs. 562.59 lakhs has been valued and stated correctly or not. The consequential impact, if any, on the standalone financial statements is therefore not ascertainable.***
3. ***Balance confirmation of trade Receivables, Loans and Advances, deposits and trade payables are not received from third parties. These balances are subject to confirmations and consequent adjustments, if required. In absence of balance confirmations, financial impact on standalone financial statements is not ascertainable.***
4. ***As per the bank loan statements made available to us by the management, the banks have charged Rs. 2,555.22 lakhs on account of interest and other charges for the period February 01, 2019 to March 31, 2019. However, the company has not made provision for such interest and charges, due to commencement of CIRP period under IBC. To that extent, finance expenses, loan liability, loss for the year and accumulated losses are understated.***
5. ***Certain loan accounts of company having aggregate balance of Rs. 18,661.06 lakhs are not reconciled with their respective bank statements which are showing aggregate balance of Rs. 5,819.33 lakhs, for reasons other than Interest & Other charges. Thus, loan balances of the company are overstated by Rs. 12,841.73 lakhs. Also, the current accounts have long standing unreconciled balance aggregating to Rs. 267.61 lakhs. To the extent of Rs. 267.61 lakhs, bank balances are overstated. In absence of detailed reconciliation statement, we cannot ascertain the overall impact on standalone financial statements.***
6. ***Many loan accounts having aggregate balance of Rs. 80,143.36 lakhs and current accounts having aggregate balance of Rs. 53.21 lakhs are not confirmed due to non-availability of statement / confirmation from respective banks. In absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on standalone financial statements.***
7. ***In the reconciliation statement of various bank accounts, there are many entries relating to Receipts and Payments, having aggregated value of Rs. 714.57 lakhs and Rs. 572.21 lakhs, respectively, which are pending to be cleared since long. To the extent of Rs. 142.36 lakhs, the bank balance is overstated. In absence of complete details, we cannot ascertain the overall impact on standalone financial statements.***
8. ***The company has unconfirmed balances of Fixed Deposit with Bank of Baroda, amounting to Rs. 517.38 lakhs as at March 31, 2019. In absence of balance confirmation from the bank and other entities, financial impact on standalone financial statements is not ascertainable.***

9. *The company has given loans and advances to related parties amounting to Rs. 95,775.96 lakhs and received loans and advances from related parties amounting to Rs. 30,117.64 lakhs. As per the information given by the management, all these related parties have made substantial losses and their net worth has been fully eroded. However, the company has not made provision for possible loss on such loans and advances.*

10. *The company has not provided audited financial statements of its wholly owned subsidiary M/s. Pratibha Holdings (Singapore) Pte. Ltd. In absence of these Financial Statements, we cannot comment on any requirement for provision for diminution in value of investment.*

11. *The Company has not made provision for impairment against Investment of Rs. 0.51 lakhs in its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Its Concession Agreement has been terminated by NHAI. As informed to us, the subsidiary company has lodged claim and the matter is under arbitration.*

12. *There are many statutory dues amounting to Rs. 12,977.25 lakhs, which are pending to be deposited with appropriate government authorities. The company has not made provision for interest on these dues on account of delay in depositing them. The management is of the opinion that since the matter in under CIRP, there will not be any possibility of payment of such interest. Since the management has not estimated overall liability on account of interest, financial impact on standalone financial statements is not ascertainable.*

13. *The company has not provided sufficient appropriate information to evaluate the accuracy of recognition, measurement and presentation of revenues and other related balances in view of the applicability of Ind AS 115 "Revenue from Contracts with Customers". The company has not evaluated impact of variable consideration on its revenue as required under IND AS 115.*

14. *During the year, the Company has unilaterally written back certain liabilities amounting to Rs. 4,866.31 lakhs. The management of the Company is of the opinion that based on their analysis of balances and due to various reasons, these balances were not payable and hence written back. To that extent, the liabilities, current year's loss and accumulated losses are understated.*

15. *For the Property, Plant & Equipment having net written down value of Rs. 37,624.12 lakhs, as at the balance sheet date, the management had conducted physical verification at few locations. In the physical verification, assets having written down value of Rs. 11,200.00 lakhs have been verified. As per the explanation and information provided, no physical verification could be carried out for the balance assets having written down value of Rs. 26,424.12 lakhs, due to such assets being either under client custody, seized by vendors / subcontractors, or such assets being available at sites with no access to the company. Based on such verification and management's own assessment for balance locations, the company has written off assets having aggregate written down value of Rs. 6,910.79 lakhs during the year. No details have been provided for arriving at the management assessment for the location not physically verified. In absence of these details, we cannot ascertain the accuracy of the amount written off.*

16. *The company has not done impairment testing for the Property, Plant and Equipment, not physically verified. In view of the limited information provided to us by the management, we cannot comment on the requirement of the impairment for these assets and its consequential impact on the standalone financial statements.*

17. *The company has not made Provision for Employee Benefits in accordance with Ind AS 19. The management is in opinion that since the matter is under CIRP and also majority of the employees have already left the company, there will be no additional liability on account of employee benefits. In absence of valuation report, we cannot comment on the impact on standalone financial statements.*

18. *The foreign currency balances, for foreign vendors having credit balance and for advances paid to foreign vendors, aggregating to Rs. 449.99 lakhs and Rs. 120.22 lakhs, respectively, as at March 31, 2019, could not be ascertained due to improper accounting. In the absence of complete details, their closing foreign currency balances could not be translated at the rate as on the balance sheet as required under IND AS 21 and consequential impact on standalone financial statements could not be ascertained.*

19. *The balance with statutory authorities includes credits for Service Tax and Excise Duty amounting to Rs. 2,443.77 lakhs. The company has not filed Service Tax and Excise Returns since 2016-17, to claim credits against Service Tax and Excise Duty liabilities. In absence of submission of returns, the credits cannot be utilized. To this extent, the current assets are overstated and accumulated losses are understated.*

20. *During the financial year 2017-18, four independent directors of company had resigned from its Board and no new appointments have been made during the financial year 2018-19. As a result its composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee were not in compliance with the provisions of Section 149(4), Section 177 & Section 178 respectively.*

21. ***The Company has not maintained detailed Party wise outstanding of Public Deposits and the provision for penal interest has been made on estimated basis. In the absence of party wise details, we cannot ascertain the possible impact on standalone financial statements due to short / excess provision for Interest. Further, penal interest for the months of February & March 2019, as required under Rule 17 of Companies (Acceptance of Deposits) Rules, 2014, has not been provided, due to the commencement of CIRP period under IBC.***

22. ***As required under the provisions of Section 148 of the Companies Act, 2013, read with Rule 4 of the Companies (Cost Records and Audit) Rules, 2014, the cost audit has not been conducted of company's records.***

23. ***As required under the provisions of Section 138 of the Companies Act, 2013, read with Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit of the functions and activities of the company has not been conducted for the year ended March 31, 2019.***

Material Uncertainty Related to Going Concern

The company has accumulated losses of Rs. 4,90,876.31 lakhs and its net worth is fully eroded. It has incurred net loss during the year ended March 31, 2019 amounting to Rs. 1,58,887.00 lakhs as well as in previous years. It is unable to repay its debts, statutory obligations and pay salaries apart from other obligations/commitments. The application of Financial Creditors under section 9 of the Insolvency and Bankruptcy Code (IBC) had been admitted by Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench and Resolution Professional ("RP") was appointed vide order dated March 14, 2019. Till the date of signing of standalone financial statements, no resolution plan had been approved. Further, application for liquidation of the Company has been filed by the Resolution Professional with the NCLT.

All these indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a Going Concern. However, the standalone financial statements are prepared on a going concern basis.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The company is undergoing Corporate Insolvency Resolution Process (CIR Process) under the provisions of the Insolvency and Bankruptcy Code 2016 (Insolvency Code) w.e.f. February 01, 2019 in terms of orders passed by Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench. As per Section 20 of the Insolvency Code, management & operations of the Company are being managed by Resolution Professional Mr. Anil Mehta, on a Going Concern Basis.

The Company's management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

a. except for the matters in the Basis for Disclaimer of Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity, and Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d. due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid financial statements comply with the Indian Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. the matters described under the Basis for Disclaimer of Opinion paragraph and going concern matter described in the Material Uncertainty Related to Going Concern paragraph, read further with para i a, i b, ii b, iv, v, vii a, and viii of our report in Annexure "A" and para 5 & 6 of Annexure "B" attached hereto in our opinion, may have an adverse effect on the functioning of the Company.

f. on the basis of information available on the MCA website, all the directors are disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

g. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.

h. with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B".

i. with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditor's) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :

   a. As detailed in Note No. 36 to the Standalone Financial Statements, the Company has disclosed the impact of pending litigations on its standalone financial position;

   b. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   c. The company has not transferred Rs. 0.98 lakhs to Investor Education and Protection Fund due date for which was August 19, 2018.

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Ramanand Gupta
Managing Partner
Membership No.: 103975
UDIN: 19103975AAAAKD1215

Date: December 03, 2019
Place: Mumbai

Annexure "A" to the Independent Auditor's Report

The Annexure referred to in our report to the members of **PRATIBHA INDUSTRIES LIMITED** ('The Company') on the standalone financial statements for the year ended 31st March, 2019. We report that:

i. In respect of its fixed assets:

a. The Company has maintained records showing particulars including quantitative details and situation of fixed assets. ***However, location of assets is not updated in records.***

b. ***As explained to us, the management conducted physical verification of assets at few locations. In our opinion, the same is not reasonable having regard to the size of the Company and nature of its assets. We are also informed by the management that physical verification at various locations could not be conducted on account of no access to the site due to project termination. In absence of complete physical verification of all the assets, we can't comment on material discrepancies on such physical verification.***

c. According to the information and explanations given to us, the title deeds of immovable properties recorded as fixed assets in the books of account are held in the name of the company.

ii. In respect of inventories,

a. According to the information and explanation given to us, the physical verification of inventory has been conducted at the end of the year by the management during the year. However, we could not observe inventory verification in the absence of intimation from the management in this regard.

b. ***As per the information and explanation given to us, difference of Rs. 14.30 lakhs between physical inventory and book records were noticed on physical verification.*** As per the management, the difference is on account of receipt of material after physical verification of inventory. As regards inventory in the nature of Work in Progress, reference is invited to para 1 & 2 under Basis for Disclaimer of Opinion of our report.

iii. According to information and explanations given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013. In respect of these loans;

a. In our opinion and as per information and explanation given to us, terms and conditions of grant of such loans are prejudicial to the company's interest.

b. the terms of repayment of the principal amount have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount is regular. Further, these are interest free loans, and

c. in the absence of stipulated terms and conditions, we are unable to comment as to whether there is any overdue amount for more than ninety days and whether reasonable steps have been taken by the Company for recovery of the principal amount.

iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, provisions of section 185 has been complied with. ***However, it has granted loan to its subsidiary company which is non-compliance of section 186(2) as the company's net worth is fully eroded. Also, it has given interest free unsecured loans covered under section 186 of the Companies Act, 2013 which is in non-compliance of provisions of section 186(7).***

v. The Company has accepted deposits from the public. As per our verification of records and information & explanations given to us, **except the provisions of section 73(3) and 74(3),** the company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under, where applicable. As per information & explanations given to us, ***as per the requirements of section 73(3), the company has failed to repay the amount of deposits & interest thereon on maturity.*** Further the order has been passed by Company Law Board under section 74 (2) of the Companies Act 2013. ***As per the requirement of the order and section 74 (3) of the Act, the company has failed to repay deposits amounting to Rs. 1,848.20 lakhs and interest thereon amounting to Rs. 1,209.68 lakhs.*** Further, directives issued by the Reserve Bank of India are not applicable to the company.

vi. We are informed that the books of accounts are maintained by the Company pursuant to the rules prescribed by the Central Government under Section 148(1) of the Companies Act, 2013. We have, however, not made an examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a. According to information and explanations given to us and on the basis of our examination, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Goods & Service Tax, Cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been significant delays in payment of statutory dues.

According to the information and explanations given to us, undisputed amounts payable in respect thereof, which were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable are as follows:

(Rs. in Lakhs)

Nature of Dues	Amount (Rs)	Period to which amount relates	Due Date
Property Tax	4.50	2015-16	31-12-2016
Provident Fund	214.82	2015-16	Till 15/04/2016
Provident Fund	250.14	2016-17	Till 15/04/2017
Provident Fund	137.49	2017-18	Till 15/04/2018
Provident Fund	41.02	April 18 to August 18	Till 15/09/2018
Employee State insurance corporation	2.92	2015-16	Till 21/04/2016
Employee State insurance corporation	69.20	2016-17	Till 21/04/2017
Employee State insurance corporation	44.72	2017-18	Till 21/04/2018
Employee State insurance corporation	7.20	April 18 to August 18	Till 21/09/2018
Profession Tax	30.05	2015-16	Till 30/04/2016
Profession Tax	30.08	2016-17	Till 30/04/2017
Profession Tax	7.96	2017-18	Till 30/04/2018
Profession Tax	2.65	April 18 to August 18	Till 30/09/2018
Maharashtra Welfare Labour Fund	0.92	2015-16	Till 31/01/2016
Maharashtra Welfare Labour Fund	1.15	2016-17	Till 31/01/2017
Maharashtra Welfare Labour Fund	0.08	2017-18	Till 31/01/2018
Service Tax	480.23	2014-15	Till 31/03/2015
Service Tax	1,285.96	2015-16	Till 31/03/2016
Service Tax	1,480.76	2016-17	Till 31/03/2017
Service Tax	326.78	April 17 to June 17	Till 05/07/2017
Excise Duty	12.60	Nov-16	05-12-2016
Customs Duty	572.58	16-17	31-03-2017
Tax Deducted At Source	152.17	Upto Mar-16	Till 30/04/2016
Tax Deducted At Source	965.04	2016-17	Till 30/04/2017
Tax Deducted At Source	497.65	2017-18	Till 30/04/2018
Tax Deducted At Source	364.32	April 18 to August 18	Till 07/09/2018
Tax Collected At Source	0.49	2016-17	Till 30/04/2017
Tax Collected At Source	0.16	Apr-17	07-05-2017
Value Added Tax	510.44	Upto Mar-16	Till 21/04/2016
Value Added Tax	247.42	2016-17	Till 21/04/2017
Value Added Tax	16.22	Apr17-Jun17	Till 21/07/2016
Value Added Tax	5.72	2005-06	30-08-2018
Value Added Tax	32.48	2007-08	30-08-2018
GST	277.15	2017-18	Till 20/04/2018

b. According to the information and explanations given to us, dues that have not been deposited by the Company on account of disputes are as follows:

(Rs. in Lakhs)

Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Value Added Tax	983.86	2008-09 to 2009-10	Maharashtra Sales Tax Tribunal, Mumbai
Value Added Tax	195.27	2011-12	Asst Commercial Tax Officer, Goa
Value Added Tax	691.62	April 2012-March 2015	Asst Commissioner, Deptt of Trade & Taxes Delhi
Value Added Tax	391.48	2010-11	Joint Commissioner (Appeal) I, Mumbai
Value Added Tax	612.63	2011-12	Dy Commissioner (Appeal) I Mumbai
Value Added Tax	1,112.41	2012-13	Joint Commissioner of Sales Tax (Appeals)
Value Added Tax	24.06	2011-12	Add Commissioner Grade-II Appeal -I Meerut
Value Added Tax	461.40	2013-14	Add Commissioner Grade-II Appeal -I Meerut
Value Added Tax	653.91	2014-15	Special Commissioner I - Dept of Trade and Taxes, New Delhi
Value Added Tax	2,457.83	2015-16	Special Commissioner I - Dept of Trade and Taxes, New Delhi
Central Sales Tax	214.66	2010-11	Joint Commissioner (Appeal) I, Mumbai
Central Sales Tax	359.56	2011-12	Dy Commissioner (Appeal) I Mumbai
Central Sales Tax	237.99	2012-13	Joint Commissioner of Sales Tax (Appeals)
Service Tax	36.87	2007-10	CESTAT, Kolkata
Service Tax	99.66	2009-10	CESTAT, Dadar
Service Tax	503.63	2013-14	In the process of filing appeal
Service Tax	245.42	2016-17	Commissioner (Appeals) – Mysore
Excise Duty	24.27	2005-07	CESTAT, Kolkata
Custom Duty	66.89	2014-15	CIU, Mumbai
Income Tax	1,699.46	AY 2000-01 to AY 2008-09	Mumbai High Court
Income Tax	12,438.13	AY 2006-07 to AY 2013-14	ITAT, Mumbai
Income Tax	17,600.56	AY 2011-12 to AY 2015-16	Commissioner (Appeals) – 51, Mumbai

viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of following dues to the financial institutions and banks during the year, which were paid before the Balance Sheet date.

(Rs. in Lakhs)

Name of Bank/ FI	No. of Instalments	Total Amount of Defaults	Range of Delay (in days)
Kotak Mahindra Bank	2	5.99	147-178
BMW Financial Services	7	8.16	1-31
Daimler Financial Services	5	9.03	1-110

The Company has defaulted in repayment of following dues to the financial institutions and banks during the year, which were not paid as at the Balance Sheet date: (Rs. in Lakhs)

Name of Bank/ FI	No. of Instalment	Total Amount of Defaults	Range of Delay
Allahabad Bank	12	3,976.00	90-1095
Bank of Baroda	6	3,000.00	334-788
Bank Of Maharashtra	8	10,000.00	424-1065
Central Bank Of India	8	2,542.50	30-668
Export Import Bank Of India	5	12,100.00	729-1094
BMW Financial Services	2	2.48	30-58
Daimler Financial Services	5	9.30	29-363

Further, company has not issued debentures.

ix. According to the information and explanation given to us and on the basis of our examination on test check basis, we are of the opinion that the Company has used term loans for the purposes for which they were raised. During the year, the company has not raised money by way of initial public offer or further public offer (including debt instrument).

x. According to the information and explanation given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanation given to us and on the basis of an overall examination of books of accounts of the Company, no managerial remuneration has been paid or provided during the year.

xii. According to the information and explanation given to us, the company is not a Nidhi Company. Therefore, provisions of clause 3(xii) of the order are not applicable to the company.

xiii. According to the information and explanation given to us, transactions entered into by the company with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year.

xvi. According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Ramanand Gupta
Managing Partner
Membership No.: 103975
UDIN: 19103975AAAAKD1215

Date: December 03, 2019
Place: Mumbai

Annexure "B" to the Independent Auditor's Report

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **PRATIBHA INDUSTRIES LIMITED** on the standalone financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We were engaged to audit the internal financial controls with reference to standalone financial statements of Pratibha Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. **Management's Responsibility for Internal Financial Controls**

   The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

   Because of the matter described in the Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the standalone financial statements of the Company.

4. **Meaning of Internal Financial Controls Over Financial Reporting**

   A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. **Basis for Disclaimer of Opinion**

   We are unable to obtain sufficient appropriate audit evidence on which to base our opinion on the effectiveness of Company's internal financial controls with reference to standalone financial statements, because of the significance of the following matters:

   a) ***The Company did not have an appropriate internal control system for preparing debtors ageing and making provision for doubtful debts. This could potentially result in non-booking of provision for doubtful debts.***

   b) ***The Company did not have an appropriate internal control system for obtaining external balance confirmation on periodic basis. This could potentially result in inaccurate assets & liabilities disclosed in the books of accounts.***

   c) ***The company did not have an appropriate internal control system for reviewing computation of Construction Work in Progress (WIP), Cost to Completion and estimated profitability of all projects regularly. This could potentially result in inaccurate disclosure of WIP and consequent profitability.***

- ***d) The company did not have an appropriate internal control system to collect bank statements / balance confirmations in respect of its various current and loan accounts. This could lead to long outstanding entries in the bank reconciliation statements and unreconciled balances of various bank accounts on Balance Sheet date.***
- ***e) The company did not have an appropriate internal control system of maintaining updated bank fixed deposit register, tracking maturity of FDs and accounting for interest on timely basis. This could potentially result in inaccurate reporting of the balance of fixed deposit, accrued interest and interest income.***
- ***f) The company did not have an appropriate internal control system with respect to the details of the Public Deposit holders. This could lead to inability to track the balance of amount outstanding to individual deposit holders, and inaccurate accounting of the penal interest, in absence of such individual balances.***
- ***g) The company did not have an appropriate internal control system for physical verification and safeguarding of its Property, Plant & Equipment. This could potentially result in misrepresentation of the existence and valuation of the assets.***
- ***h) The company did not have an appropriate internal control system for reconciling balances of foreign vendors in INR and applicable foreign currency. This could potentially result in inaccurate translation of foreign currency balance in INR balance on Balance sheet date.***
- ***i) The company did not have an appropriate internal control system over updation of accounts on timely basis. Booking of many entries are delayed on account of delayed receipt of records. There is lack of coordination between different divisions of the company. These all could potentially result in misstatement of financial statements.***
- ***j) The company did not have an appropriate internal control system of checking the interest levied by Lenders. This could potentially lead to overcharging by Lenders and increase in Finance Cost of the company.***
- ***k) The company did not have an appropriate internal control system of calling Quotations from more than one Vendor while placing order. This could potentially lead to inefficient procurement and increased cost.***
- ***l) The company did not have mechanism to track booking of expenses against advances paid. This could potentially lead to unauthorised payment and non-adjustment of advance against corresponding liability.***

6. **Disclaimer of Opinion**

   As described in the Basis for Disclaimer paragraph above, because of the significance of the matters, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls with reference to standalone financial statements and whether such internal financial controls were operating effectively for the year ended March 31, 2019 based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2019, and the disclaimer has affected our opinion on the financial statements of the standalone Company and we have issued a disclaimer of opinion on the financial statements for the year ended on that date.

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Ramanand Gupta
Managing Partner
Membership No.: 103975
UDIN: 19103975AAAAKD1215

Date: December 03, 2019
Place: Mumbai

Standalone Balance Sheet as at 31st March 2019

(Rs. in Lakhs)

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
ASSET			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	37,579.90	59,645.56
(b) Other Intangible assets	3	44.21	87.10
(c) Financial Assets			
(i) Investments	4	50,941.64	86,115.98
(ii) Loans	5	137.45	542.24
(iii) Others	6	277.12	19,737.65
(d) Other Non-Current Assets	7	16,392.91	7,783.83
(2) Current Assets			
(a) Inventories	8	31,689.26	34,039.79
(b) Financial Assets			
(i) Trade Receivables	9	4,300.97	21,691.44
(ii) Cash and Cash Equivalents	10	1,899.38	2,284.75
(iii) Bank Balances	11	1,104.05	4,648.31
(iv) Loans	12	22,519.53	29,744.50
(v) Others	13	97,064.60	84,963.30
(c) Current Tax Asset (Net)		727.30	1,993.53
(d) Other Current Assets	14	6,417.30	10,563.28
Total Assets		**2,71,095.61**	**3,63,841.25**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	15	4,771.95	4,771.95
(b) Other Equity	16	(4,24,136.00)	(2,65,249.00)
Liabilities			
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	135.50	130.85
(b) Provisions	18	159.01	159.01
(c) Deferred Tax Liabilities (Net)	19	–	–
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	3,74,222.40	3,24,328.70
(ii) Trade Payables (Current)		12,088.28	24,802.00
(iii) Other Financial Liabilities	21	2,88,317.88	2,54,514.56
(b) Other Current Liabilities	22	14,772.56	19,603.49
(c) Provisions	23	143.95	159.60
(d) Current Tax Liabilities (Net)		620.09	620.09
Total Equity and Liabilities		**2,71,095.61**	**3,63,841.25**
Significant Accounting Policies	1		

The accompanying notes are an integral part of Standalone Financial Statements

As per our Report of even date

For **Ramanand & Associates**
Chartered Accountants
Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 03/12/2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

PRATIBHA

Statement of Standalone Profit and Loss for the year ended 31st March 2019

(Rs. in Lakhs)

	Particulars	Note No	For the year ended 31.03.2019	For the year ended 31.03.2018
I	Revenue From Operations	24	31,604.26	88,189.07
II	Other Income	25	5,361.41	12,855.82
III	**Total Income (I+II)**		**36,965.67**	**1,01,044.89**
IV	**EXPENSES**			
	Cost of materials consumed	26	9,492.39	6,886.72
	Construction & Operating Expenses	27	31,589.95	81,490.29
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(461.75)	1,33,004.14
	Employee benefits expense	29	1,413.98	2,748.67
	Finance costs	30	71,260.27	64,250.81
	Depreciation and amortization expense	31	3,810.01	4,498.42
	Other expenses	32	78,747.82	88,513.06
	Total expenses (IV)		**1,95,852.67**	**3,81,392.12**
V	**Profit/(loss) before exceptional items and tax (III- IV)**		**(1,58,887.00)**	**(2,80,347.23)**
VI	Exceptional Items		–	–
VII	**Profit/(loss) before tax (V-VI)**		**(1,58,887.00)**	**(2,80,347.23)**
VIII	Tax expense:			
	(1) Current tax		–	–
	(2) Deferred tax		–	–
IX	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**(1,58,887.00)**	**(2,80,347.23)**
X	Profit/(loss) from discontinued operations		–	–
XI	Tax expense of discontinued operations		–	–
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		–	–
XIII	**Profit/(loss) for the period (IX+XII)**		**(1,58,887.00)**	**(2,80,347.23)**
XIV	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss	33	–	26.76
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss	34	–	(41.67)
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XV	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**(1,58,887.00)**	**(2,80,362.13)**
XVI	**Earnings per equity share (for continuing operation):**			
	(1) Basic	35	(66.59)	(117.50)
	(2) Diluted	35	(66.59)	(117.50)
XVII	**Earnings per equity share (for discontinued operation):**			
	(1) Basic		–	–
	(2) Diluted		–	–
XVIII	**Earnings per equity share (for discontinued & continuing operations)**			
	(1) Basic		(66.59)	(117.50)
	(2) Diluted		(66.59)	(117.50)

The accompanying notes are an integral part of Standalone Financial Statements

As per our Report of even date

For **Ramanand & Associates**
Chartered Accountants
Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 03/12/2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

Standalone Cash Flow Statement for the year ended 31st March, 2019

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(1,58,887.00)	(2,80,347.23)
Adjustment for :		
Depreciation & Amortization	3,810.01	4,498.42
(Profit)/Loss on Sale of Assets	9,805.28	677.41
Finance Charges	71,260.65	63,830.33
Sundry Balance write Off/(back)	(2,342.20)	18,561.43
Unrealised Foreign Exchange Gain	(0.38)	420.49
Loss / (Profit) from JV	34,815.90	55,572.99
Fair Valuation (Gain)/Loss	–	(19.90)
Assets Impairment	29.16	–
Fixed Asset Writen Off	6,910.79	–
BG Encashment Balance Written Off	9,441.31	–
Provision for Diminution in value of Investment Impairment	359.67	–
Foreign Exchange Fluctuation	572.77	–
Provision for Doubtful/Bad Debts - Expenses	13,572.41	–
Operating Profit before working Capital Changes	**(10,651.63)**	**(1,36,806.05)**
Adjustment for:		
Inventories	2,350.53	1,35,021.33
Trade Receivables	7,513.77	(7,819.44)
Other Assets	6,940.90	(17,960.44)
Trade Payables	(13,063.76)	12,868.86
Other Liabilities	(8,353.20)	19,490.76
	(15,263.39)	**4,795.02**
Less: Direct Taxes Paid	–	–
Net cash used in Operating Activities (a)	**(15,263.39)**	**4,795.02**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets (net)	1,553.30	4,631.03
Sale of/ (Additions to) Investments (net)	(7,079.26)	(16,887.40)
Net cash used in investing activities (b)	**(5,525.96)**	**(12,256.37)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	–	(1.82)
Proceeds from Long Term Borrowings (Net)	(12,441.18)	22,324.94
Proceeds from Short Term Borrowings (Net)	49,893.70	10,313.03
Finance Charges paid (Net)	(71,260.65)	(63,830.33)
Interest due	54,076.78	39,297.66
Public Deposits and interest accrued thereon	134.94	198.21
Net cash from Financing Activities (c)	**20,403.59**	**8,301.70**
NET INCREASE IN CASH AND CASH EQUIVALENTS (a+ b + c)	**(385.76)**	**840.34**
Opening Cash and Cash Equivalents	2,280.14	1,439.80
Closing Cash and Cash Equivalents	**1,894.39**	**2,280.14**

Notes :

1. The above statement has been prepared in indirect method as described in Ind AS-7 issued by ICAI.
2. Cash and Cash Equivalent

Cash and Cash Equivalent	As at 31.03.2019	As at 31.03.2018
Cash in hand	1.58	49.01
Balance with Banks	1,897.79	2,235.74
Less: Unpaid Dividend Balance	(4.99)	(4.61)
Total	**1,894.39**	**2,280.14**

As per our Report of even date

For **Ramanand & Associates**
Chartered Accountants
Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 03/12/2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

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Anil Mehta
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PRATIBHA

Statement showing changes in Equity for the year ending 31st March, 2019

(Rs. in Lakhs)

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
4,771.95	–	4,771.95

B. Other Equity*

	Reserves and Surplus			Exchange difference on translating the financial statements of foreign operations	Remeasurements of the defined benefit plans	Total
	General Reserve	Securities Premium Reserve	Retained Earnings			
Balance at the beginning of the reporting period	4,392.00	62,442.13	(2,50,060.95)	(123.10)	29.29	(1,83,320.64)
Changes in accounting policy or prior period errors	–	–	(81,928.36)	–	–	(81,928.36)
Restated balance at the beginning of the reporting period	**4,392.00**	**62,442.13**	**(3,31,989.31)**	**(123.10)**	**29.29**	**(2,65,249.00)**
Total Comprehensive Income for the year	–	–	(1,58,887.00)	–	–	(1,58,887.00)
Balance at the end of the reporting period	**4,392.00**	**62,442.13**	**(4,90,876.31)**	**(123.10)**	**29.29**	**(4,24,136.00)**

*For details on restatement of Other Equity as on March 31, 2018, Refer Note No. 48

Statement showing changes in Equity for the year ending 31st March, 2018

(Rs. in Lakhs)

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
4,771.95	–	4,771.95

B. Other Equity**

	Reserves and Surplus			Exchange difference on translating the financial statements of foreign operations	Remeasurements of the defined benefit plans	Total
	General Reserve	Securities Premium Reserve	Retained Earnings			
Balance at the beginning of the reporting period	4,392.00	62,442.13	(37,764.11)	(81.44)	2.53	28,991.11
Changes in accounting policy or prior period errors	–	–	(13,877.98)	–	–	(13,877.98)
Restated balance at the beginning of the reporting period	**4,392.00**	**62,442.13**	**(51,642.09)**	**(81.44)**	**2.53**	**15,113.13**
Total Comprehensive Income for the year**	–	–	(2,80,347.23)	(41.67)	26.76	(2,80,362.13)
Balance at the end of the reporting period	**4,392.00**	**62,442.13**	**(3,31,989.31)**	**(123.10)**	**29.29**	**(2,65,249.00)**

**For details on restatement of Total Comprehensive Income for the year ended March 31, 2018 and Other Equity as on March 31, 2017, Refer Note No. 47 and Note No. 48, respectively.

Notes forming part of Standalone Financial Statement

Note 1: Significant Accounting Policies

Company Overview

Pratibha Industries Limited (the Company) is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at Shrikant Chambers Phase – II, 5th Floor, Sion, Trombay Road, Next To R. K. Studio, Chembur, Mumbai – 400 071, India.

The Company undertakes infrastructure projects, which includes designing, engineering and execution/construction of complex & integrated water transmission & distribution projects, water treatment plants, elevated and underground reservoirs, mass housing projects, commercial complexes, pre-cast design & construction, road construction and urban infrastructure.

The 'Corporate Insolvency Resolution Process' ("CIRP") had been initiated in respect of the Company under the provisions of "The Insolvency and Bankruptcy Code, 2016" ('IBC' / 'the Code') by the National Company Law Tribunal ("NCLT"), Mumbai bench, vide its order dated February 01, 2019. Application by the Resolution Professional for extension of further 90 days beyond 180 days, for completion of 'Corporate Insolvency Resolution Process' ("CIRP") of the Company, had been accepted by National Company Law Tribunal ("NCLT"), Mumbai bench, vide its order dated July 17, 2019. Post the balance sheet date, in view of no resolution plan having been approved before the expiry of extended time limit for completion of CIRP, the Resolution Professional has filed an application with the NCLT, for the liquidation of the company, and the matter is sub-judice.

Significant Accounting Policy

I. Statement of Compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2019, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP").

II. Basis of Preparation of Financial Statements:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2016. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31 March, 2019, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakhs, except otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2: Inventories or value in use in Ind AS 36: Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

III. Use of Estimates:

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

IV. Operating cycle for current and non-current classification:

Operating cycle for the business activities of the company covers the duration of the specific project/contract/ project line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. For non-project related assets and liabilities, operating cycle is 12 months.

V. Property plant and equipment:

The Company has exercised the option as provided in Para D7AA of IND AS 101: First Time Adoption of Indian Accounting Standards and accordingly the carrying amount of all the PPE as at 31st March 2015 under the previous IGAAP have been considered as deemed cost.

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipments are recognised in the statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided based on useful life of the assets and based on method as prescribed in Schedule II to the Companies Act, 2013 except in respect of Construction Equipment category. For Construction Equipment category, estimated useful life of assets is taken different from the useful life indicated in Schedule II to the Companies Act, 2013, it is based on technical advice and after taking into account the nature of the assets, their estimated usage, their operating conditions, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support. Property, plant and equipment, which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

The range of useful lives of the property, plant and equipment are as follows:

- Plant and equipment - 1 to 20 years
- Furniture and fixtures – 1 to 10 years
- Office equipments – 1 to 5 years
- Buildings – 1 to 30 years
- Vehicles – 1 to 10 years
- Computer – 1 to 3 years
- Electrical Installation – 1 to 10 years
- Office Premises - 1 to 60 years

VI. Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

The amortisation period for an intangible asset is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period, as appropriate, and are treated as changes in accounting estimates.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Computer Software is amortised over a period of 5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

VII. Impairment of Assets

a) Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets, measured at amortised cost, is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. For all financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non – Financial Assets

Property, Plant and Equipment and Other Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Standalone Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

VIII. Financial Instruments:

(i) Financial assets:

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost. All financial assets not recorded at fair value though profit or loss are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For Purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value though other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss as doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
  - (a) The company has transferred substantially all the risks and rewards of the asset, or
  - (b) The company has either transferred substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to received cash flow from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

(ii) Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials/services. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 3 months. These arrangements for raw materials are recognized as Deferred Payment Liabilities under Borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

Original Classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised Cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

IX. Impairment of non-financial assets:

As at each balance sheet date, the company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (the 'OCI'). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

X. Fair value measurement:

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of assets and liability is measured using the measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1 - Quoted(unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

XI. Foreign Currency Transactions:

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monitory items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are reported using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non – monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences in items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

XII. Investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are shown at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

XIII. Inventories:

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet.

The weighted average method is being followed for arriving at cost.

a) Raw materials are valued at lower of cost or net realizable value.

b) Project and construction-related work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure of incomplete contracts is stated at cost.

c) Stores, spares and Fuel are carried at cost.

XIV. Revenue Recognition:

a) Construction Contract Sales:

Revenue from construction contracts is recognized by applying over a point in time method after providing for foreseeable losses, if any. Performance obligation is determined based on physical measurement of work actually completed at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of actual work done. Profit is recognized and taken as the revenue of the year only when the work on the contract has progressed to a reasonable extent. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Claims for extra work and escalation in rates relating to execution of contracts are accounted as income in the year of acceptance by customer or receipt of arbitration award or evidence of acceptance received.

b) Revenues from construction/project related activity and contracts executed in Joint ventures under work-sharing arrangement being jointly controlled operations, in terms of Indian Accounting Standard (Ind AS) 31 "Interests in Joint Ventures" is accounted as and when the same is determined by the joint ventures. Revenue from services rendered to such joint ventures is accounted on accrual basis.

c) Sales recognition:

1. Sales including contractual receipts are accounted net of recoverable taxes, Discount, Returns and Rejections. Sales of material are recognized on dispatch from the warehouse of the company.

2. Scrap Sales are accounted net of Sales Tax, Discount, Returns and Rejections. Scrap Sales are recognized on dispatch of material from the warehouse of the company.

d) Profit or loss on sale of assets is recognized on transfer of title from the company and is determined as the difference between the sale price and carrying value of the assets.

e) Other incomes are accounted on accrual basis except dividend income which is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

XV. Expense recognition:

a) Input GST Credit not utilized against current year's GST liability is available for set-off in future. Therefore, all the purchase & expense transactions involving GST are accounted net of tax to the extent tax is recoverable and the balance in GST input credit account is included under the head Balance with statutory/ Government Authorities under Other Current Assets.

XVI. Employee Benefits:

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentive, etc., and the expected cost of bonus, ex-gratia are recognised during the period In which the employee renders related service. Contribution to defined contribution scheme such as Provident Fund, Employees Pension Scheme, is charged to the Profit & Loss Account as incurred.

Defined benefit plans like gratuity are determined based on actuarial valuation carried out by an independent actuary at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit, and measures each unit separately to build up final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities at the balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefits liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit and credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment. The Company has taken comprehensive policy from the Life Insurance Corporation of India for its Gratuity liability.

Net Interest is calculated by applying the discount rate to the net benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements,
- Net interest expense or income.

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

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

Termination benefits are recognised as an expense in the period in which they are incurred.

XVII. Provision for Current & Deferred Taxes:

(i) Current Taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred Taxes

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

XVIII. Borrowing Costs:

Borrowing costs directly attributable and identifiable to the acquisition and construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. All other borrowings costs are expensed out. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

XIX. Segment accounting

The Chief Operational Decision Maker identifies and monitors the operating results of its business segments separately for purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Operating segments have been identified on the basis of the nature of products/services.

XX. Provisions, Contingent Liabilities & Contingent Assets:

The company creates a provision when there is present obligation because of a past event that will probably result in the outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate. If the effect of the time value of money is material, provision are discounted using a current-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increased in the provision due to the passage of time is recognised as finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not [possible that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets are not recognised but disclosed in the financial statements where an inflow of economic benefits is probable.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

XXI. Leases:

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

XXII. Earnings per share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit from continuing operations and total profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

XXIII. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

Notes forming part of Standalone Financial Statements

2 Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	01-04-2018	**Additions**	**Deduction**	**31/03/2019**	**01-04-2018**	**Additions**	**Deduction**	**31/03/2019**	**31/03/2019**	**31/03/2018**
Tangible										
(a) Land	297.09	–	297.09	–	–	–	–	–	–	297.09
(b) Plant and Equipment	67,675.08	–	20,566.32	47,108.77	11,513.43	3,529.26	4,286.24	10,756.45	36,352.31	56,161.65
(c) Furniture and Fixtures	564.12	–	297.10	267.01	232.24	67.79	181.14	118.89	148.12	331.87
(d) Vehicles	1,494.36	–	698.28	796.08	636.99	149.87	473.22	313.64	482.44	857.37
(e) Office equipment	140.84	–	98.11	42.73	109.46	5.28	85.03	29.71	13.02	31.38
(f) Computer	177.16	–	72.96	104.20	126.53	2.43	42.29	86.67	17.53	50.63
(g) Electrical Installation	56.30	–	6.73	49.57	26.77	6.55	6.01	27.31	22.26	29.53
(h) Office Premises	2,066.14	–	1,480.70	585.44	180.10	36.92	175.81	41.22	544.23	1,886.04
Total	**72,471.08**	**–**	**23,517.29**	**48,953.79**	**12,825.52**	**3,798.10**	**5,249.74**	**11,373.89**	**37,579.90**	**59,645.56**
Previous Year	*78,606.22*	*321.28*	*6,456.42*	*72,471.08*	*9,183.49*	*4,453.77*	*811.73*	*12,825.52*	*59,645.56*	*69,422.73*

3 Other Intangible Assets

(a) Computer software	459.06	–	179.41	279.65	371.97	11.90	148.43	235.44	44.21	87.10
Total	**459.06**	**–**	**179.41**	**279.65**	**371.97**	**11.90**	**148.43**	**235.44**	**44.21**	**87.10**
Previous Year	*444.10*	*14.97*	–	*459.06*	*327.31*	*44.66*	–	*371.97*	*87.10*	*116.78*

Notes forming part of Standalone Financial Statements

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
4	**Investments**		
	Unquoted		
	In equity shares - Fully paid up		
	2,660 (2660) Abhyudaya Co Op. Bank Ltd	0.27	0.27
	1,00,100 (1,00,100) Janakalyan Sahakari Bank Ltd	10.01	10.01
	5 (5) the Greater Bombay Co-op. Bank Ltd.	0.00	0.00
	100 (100) Baramati Tollways Pvt. Ltd.	0.01	0.01
	In equity shares of Subsidiaries - Fully paid up		
	4,00,000 (4,00,000) Muktangan Developers Pvt. Ltd.	190.00	190.00
	10,00,000 (10,00,000) Prime Infrapark Pvt. Ltd.	100.00	100.00
	5,100 (5,100) Bhopal Sanchi Highways Pvt. Ltd.	0.51	0.51
	10,000 (10,000) Pratibha Holdings (Singapore) Pte. Ltd	4.49	4.49
	Less: Provision for Impairment of investment in Muktangan Developers Pvt. Ltd and Prime Infrapark Pvt. Ltd.*	(290.00)	–
	In Preference shares of Subsidiaries - Fully paid up		
	2,45,365 (2,45,365) Pratibha Holdings (Singapore) Pte. Ltd	88.98	88.98
	Investment in Associate Companies		
	Saudi Pratibha Industries LLC	69.67	69.67
	Less: Provision for Impairment of Investment *	(69.67)	–
	Investment in Joint ventures	50,834.22	85,648.88
	Quoted		
	Investment in Gold Coins	3.15	3.15
	Total	**50,941.64**	**86,115.98**
	Aggregate value of		
	Quoted Investments	3.15	3.15
	Market Value - Quoted Investments	3.15	3.15
	Unquoted Investments	51,298.17	86,112.83
	Impairment in value of investments	359.67	–

* For details on Impairment of Investment in Subsidiary & Associate, Refer Note No. 52 & 53, respectively.

	Particulars	As at 31.03.2019	As at 31.03.2018
5	**Loans**		
	Security Deposits		
	Secured	–	–
	Unsecured	137.45	542.24
	Doubtful	1,195.62	–
	Less: Provision for Doubtful Deposit Others	(1,195.62)	–
	Total	**137.45**	**542.24**

5.1 Unsecured Security Deposits, considered good by the management.

5.2 Refer Note No. 1(VII)(a) for policy on Impairment of Financial Assets and Note No. 56 for disclosure of Expected Credit Loss on Financial Assets (Other than Trade Receivables).

Notes forming part of Standalone Financial Statements

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
6	**Others**		
	Term deposits with more than 12 months maturity	277.12	2,901.40
	Receivable against BG Encashment	–	16,836.25
	Total	**277.12**	**19,737.65**
	6.1 For details on Margin Money, Refer Note no. 11.1		
	6.2. For details on Receivable against BG Encashment, Refer Note No. 54		
7	**Other Non-Current Assets**		
	Capital Advances	125.43	125.43
	Balance with statutory/ Government Authorities	16,265.82	7,652.78
	Others	1.67	5.62
	Total	**16,392.91**	**7,783.83**
8	**Inventories**		
	Raw materials	67.14	2,879.43
	Work-in-progress	31,622.12	31,160.37
	Total	**31,689.26**	**34,039.79**
	8.1 Refer Note No. 1(XIII).		
9	**Trade Receivables**		
	Secured	–	–
	Unsecured	4,300.97	21,691.44
	Doubtful	8,520.53	–
	Less: Provision for Doubtful debts	(8,520.53)	–
	Total	**4,300.97**	**21,691.44**
	9.1 Unsecured Trade Receivables, considered good by the management.		
	9.2 Refer Note No. 1(VII)(a) for policy on Impairment of Financial Assets and Note No. 56 for disclosure of Expected Credit Loss on Trade Receivables.		
10	**Cash and Cash Equivalents**		
	Balances with Banks	1,897.79	2,235.74
	Cash on hand	1.58	49.01
	Total	**1,899.38**	**2,284.75**
	Balances with bank in unpaid dividend accounts	4.99	4.61
	10.1. Refer Note no. 1(XXIII)		
11	**Bank Balances**		
	Term Deposits for less than 12 months	1,104.05	4,648.31
	Total	**1,104.05**	**4,648.31**
	Balances with bank held as margin money deposit against guarantees / Letter of Credit	1,393.85	5,641.03
	Balances with bank held as collateral securities	–	767.00
	Balances with bank held as investment in liquid assets for Public deposits maturity.	–	–

11.1 Term Deposit (Note 6 & Note 11) as on March 31, 2019 and March 31, 2018 include restricted balances of Rs. 1,393.85 Lakhs and Rs. 6,408.03 Lakhs respectively. The restrictions are primarily on account of balances held as margin money deposits against guarantees and as collateral security.

Notes forming part of Standalone Financial Statements

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
12	**Loans**		
	Retention & Security Deposits :		
	Secured	–	–
	Unsecured	22,513.06	29,733.37
	Doubtful	3,856.26	–
	Less: Provision for Doubtful Deposit	(3,856.26)	–
		22,513.06	29,733.37
	Loans & Advances to Employees	6.46	11.13
	Total	**22,519.53**	**29,744.50**

12.1 Unsecured Retention & Security Deposits, considered good by the management.

12.2 Refer Note No. 1(VII)(a) for policy on Impairment of Financial Assets and Note No. 56 for disclosure of Expected Credit Loss on Financial Assets (Other than Trade Receivables).

	Particulars	As at 31.03.2019	As at 31.03.2018
13	**Others**		
	Interest Accrued But Not Due	72.39	1,217.66
	Loans & Advances to Related Parties #	95,775.96	82,529.39
	Other assets	1,216.24	1,216.24
	Total	**97,064.60**	**84,963.30**

13.1 All above are Unsecured and considered good by the management

Refer note number 37

	Particulars	As at 31.03.2019	As at 31.03.2018
14	**Other Current Assets**		
	Advances		
	Mobilisation Advance (assets)	117.81	–
	Advances to suppliers	6,263.36	6,594.59
	Prepaid Expenses	24.77	278.19
	Balance with statutory/ Government Authorities (Short)	–	3,679.13
	Other Current Assets	11.37	11.37
	Total	**6,417.30**	**10,563.28**

14.1 All above are Unsecured and considered good by the management

	Particulars	As at 31.03.2019	As at 31.03.2018
15	**Equity Share Capital**		
	AUTHORIZED CAPITAL		
	35,00,00,000 (Previous Periods 35,00,00,000) Equity Shares of Rs 2/- Each	7,000.00	7,000.00
		7,000.00	**7,000.00**
	ISSUED , SUBSCRIBED & PAID UP CAPITAL		
	23,85,97,348 (P.Y. 23,85,97,348) Equity shares of Rs 2/- Each fully paid up	4,771.95	4,771.95
		4,771.95	4,771.95
	Total	**4,771.95**	**4,771.95**

Notes forming part of Standalone Financial Statements

15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Issued Share Capital

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of Shares	Amount (Rs in Lakhs)	No of Shares	Amount (Rs in Lakhs)
Number of Shares at the beginning	2,385.97	4,771.95	2,385.97	4,771.95
Changes during the period	–	–	–	–
Number of Shares at the end	**2,385.97**	**4,771.95**	**2,385.97**	**4,771.95**

15.2 Terms/Rights attached to equity shares

Equity shares are having a par value of Rs 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.3 Details of shareholders holding more than 5% shares in the company

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of shares	%	No of shares	%
Equity shares of Rs 2 each fully paid				
Bank of Baroda	252.81	10.60%	252.81	10.60%
Union Bank of India	162.60	6.81%	162.60	6.81%
Ajit B Kulkarni	155.12	6.50%	155.12	6.50%
Allahabad Bank	147.66	6.19%	147.66	6.19%
Central Bank of India	129.02	5.41%	129.02	5.41%
Axis Bank Limited	125.04	5.24%	125.04	5.24%

As per the records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

During preceeding five years, the company has neither issued bonus shares nor issued shares without consideration. It has also not bought back shares during these years.

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
16	**Other Equity**		
	Retained Earnings	(4,90,876.31)	(3,31,989.31)
	Other Reserves		
	Securities Premium Reserve	62,442.13	62,442.13
	General Reserve	4,392.00	4,392.00
	Remeasurements of the defined benefit plans	29.29	29.29
	Exchange differences in translating the financial statements of a foreign operation	(123.10)	(123.10)
	Total	**(4,24,136.00)**	**(2,65,249.00)**
17	**Borrowings**		
	Term Loans		
	From Financial Institutions	135.50	130.85
	Total	**135.50**	**130.85**
	The above amount includes		
	Secured Borrowings	135.50	130.85
	Unsecured Borrowings	–	–
	Secured by Personal Guarantee by Promoters/ Directors	135.50	130.85

Notes forming part of Standalone Financial Statements

17.1. Foreign Currency Loans are repayable in 1 to 2 years at interest rates ranging from 2.98% p.a. to 5.15% p.a. These loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of promoter & directors of the company. Entire loan amounts have been matured and transferred to Current maturities of long term debt.

17.2. Rupee Loans from banks are repayable in 3 to 5 years at interest rates ranging from 11.95% p.a. to 13.55% p.a. These loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of promoter & directors of the company. Entire loan amounts have been matured and transferred to Current maturities of long term debt.

17.3. Rupee Loans from Financial Institutions are repayable in 3 years to 4 year from the date of loan at interest rates ranging from 12% p.a. to 14.00% p.a. . These loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of promoter directors of the company.

17.4. Fixed Deposit from Public are repayable in 2 to 3 years from the date of deposit at an interest rates ranging from 11.50% p.a. to 12.50%p.a. These deposits are unsecured in nature. All FDs have become payable. Refer Note no. 21 under the head 'Unpaid matured deposits and interest accrued thereon'.

17.5. Period and amount of continuing default in repayment of loans as on 31.03.2019:-

Name	**Amount of default (In Lakhs)**	**Range of Default (in days)**
Allahabad Bank	3,976.00	90-1095
Bank of Baroda	3,000.00	334-788
Bank Of Maharashtra	10,000.00	424-1065
Central Bank Of India	2,542.50	30-668
Export Import Bank Of India	12,100.00	729-1094
BMW Financial Services	2.48	30-58
Daimler Financial Services	9.30	29-363

(Rs. in Lakhs)

	Particulars	**As at 31.03.2019**	**As at 31.03.2018**
18	**Provisions**		
	Provision for Gratuity (Long Term)	159.01	159.01
	Total	**159.01**	**159.01**
19	**Deferred Tax Liabilities**		
	Deferred Tax Liability		
	- On account of Depreciation difference	3,430.67	8,419.40
	- On account of Fair Value of Investment in Gold	0.09	0.09
	- On account of Fair Value of Financial Instrument	–	–
	Deferred Tax Asset		
	- On account of Fair Value of Financial Instrument (Asset)	–	–
	- On Account of Losses (Restricted to)	(3,430.76)	(8,419.49)
	Total	**–**	**–**
20	**Borrowings**		
	Rupee loan from banks (Short)	3,72,786.63	3,22,892.93
	Deferred Payment Liabilities	1,435.77	1,435.77
	Total	**3,74,222.40**	**3,24,328.70**
	The above amount includes		
	Secured Borrowings	3,74,222.40	3,24,328.70
	Unsecured Borrowings	–	–
	Secured by Personal Guarantee by Promoters/ Directors	3,74,222.40	3,24,328.70

Notes forming part of Standalone Financial Statements

20.1. Rupee loan is taken from various banks at interest rates ranging from 11.15% to 13.35% p.a. These loans are secured against i) first charge by hypothecation of current assets, namely stock of raw materials, work-in-progress and receivables, ii) first charge on the gross block iii) Project specific current assets and iii) Personal guarantees of Promoter-Directors of the company.

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
21 Other Financial Liabilities		
Current maturities of long-term debt*	1,27,280.48	1,39,447.80
Interest due but not paid	1,06,193.51	52,116.73
Unpaid dividends	4.99	4.61
Unpaid matured deposits and interest accrued thereon**	3,057.88	2,922.94
Creditors for Capital expenses	73.15	71.68
Security Deposits (Short)	15,766.27	15,460.67
Advances From Related Parties #(Short)	30,117.64	39,924.59
Other Payables	5,823.97	4,565.54
Total	**2,88,317.88**	**2,54,514.56**

* Refer Note No. 17.1 & 17.2 for terms and securities

** Refer Note No. 17.3 for terms and securities

Refer note number 37

Particulars	As at 31.03.2019	As at 31.03.2018
22 Other Current Liabilities		
Revenue received in advance	495.46	1,632.56
Mobilisation advance	1,299.86	8,479.76
Withholding & other taxes payable	12,977.25	9,491.17
Total	**14,772.56**	**19,603.49**
23 Provisions		
Provision for Gratuity	143.95	159.60
Total	**143.95**	**159.60**

Notes forming part of Standalone Financial Statements

(Rs. in Lakhs)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
24	**Revenue From Operations**		
	Construction and allied revenue	31,604.26	88,169.64
	Other Operating Revenue		
	Sale of Scrap	–	16.13
	Others	–	3.30
	Total	**31,604.26**	**88,189.07**
25	**Other Income**		
	Interest Income	364.89	1,345.61
	Profit on sale of Fixed Assets	3.68	3,331.83
	Sundry Balance Written Back	4,866.31	7,643.42
	Fair Value Gain on financial instruments at fair value through Profit or Loss	–	19.90
	Other non-operating income	126.53	515.06
	Total	**5,361.41**	**12,855.82**
26	**Cost of materials consumed**		
	Raw Material Stock at the beginning of the period	2,879.43	4,896.62
	Add :- Purchases during the year	6,680.10	4,869.53
		9,559.53	**9,766.15**
	Less : Raw Material Stock at the end of the period	67.14	2,879.43
	Total	**9,492.39**	**6,886.72**
27	**Construction & Operating Expenses**		
	Consumption of Stores & Spares	(16.16)	542.96
	Sub-contract & Labour Charges	31,378.08	80,019.13
	Repairs & Maintenance - Machinery	38.03	53.88
	Equipment Hire Charges	17.05	302.34
	Power & Fuel Charges	39.50	29.77
	Freight Inwards	0.37	19.17
	Clearing & Forwarding Charges	–	0.73
	Site Mobilisation Expenses	0.05	2.48
	Other Expenses	133.04	519.83
	Total	**31,589.95**	**81,490.29**
28	**Changes in inventories of finished goods, Stock-in -Trade and work-in-progress**		
	Inventory at the end of the period		
	Construction Work-In-Progress	31,622.12	31,160.37
		31,622.12	**31,160.37**
	Inventory at the beginning of the period		
	Construction Work-In-Progress.	31,160.37	1,64,164.50
		31,160.37	**1,64,164.50**
	Total	**(461.75)**	**1,33,004.14**
29	**Employee Benefits Expense**		
	Contribution to PF & other fund	34.60	101.00
	Salaries & Wages	1,366.08	2,508.97
	Staff Welfare Expenses	13.30	50.31
	Gratuity Expenses	–	88.40
	Total	**1,413.98**	**2,748.67**

PRATIBHA

Notes forming part of Standalone Financial Statements

(Rs. in Lakhs)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
30	**Finance costs**		
	Interest*	63,674.84	62,663.35
	Exchange differences regarded as an adjustment to borrowing costs	(0.38)	420.49
	LC & Bill Discounting Charges	(10.76)	70.46
	Other borrowing costs	7,596.57	1,096.52
	Total	**71,260.27**	**64,250.81**

*For details on restatement of Total Comprehesive Income of the year ended March 31, 2018, due to prior period Interest on Borrowed Funds, Refer Note No. 48

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
31	**Depreciation and amortization expense**		
	Depreciation	3,798.10	4,453.77
	Amortization	11.90	44.66
	Total	**3,810.01**	**4,498.42**
32	Other expenses		
	Advertising & Business Promotion Expenses	0.21	22.93
	Auditors Remuneration	10.00	20.00
	Commission & Brokerage Expenses	0.01	0.42
	Computer & Software Expenses	28.83	56.91
	Directors Sitting Fees & Commission	–	6.30
	Donation	–	0.06
	Electricity Charges	17.76	59.84
	General Expenses	6.73	118.55
	Insurance Charges	68.54	250.01
	Legal Fees & Professional Charges	260.48	623.76
	Loss on Sale of Fixed Asset	9,808.96	4,009.24
	Postage & Courier Charges	1.23	7.66
	Printing & Stationery	2.64	8.07
	Rates & Taxes	81.47	784.86
	Rent	120.51	307.03
	Assets Impairment	29.16	–
	Repairs & Maintenance - Office	23.68	56.15
	Security Service Charges	14.44	101.17
	Sundry Balance Written Off (Net)	2,524.11	26,204.86
	Travelling & Visa Expenses	28.08	172.82
	Provision for Doubtful/Bad Debts - Expenses	13,572.41	–
	Telephone & Internet Expenses	19.54	56.25
	Vehicle Expenses	28.57	73.18
	Share of Loss from JV*	30,159.85	55,387.00
	Share of Loss from Non Consolidating JVs	4,656.06	185.99
	Fixed Asset Writen Off	6,910.79	–
	BG Encashment Balance Written Off	9,441.31	–
	Provision for Impairment in value of Investment	359.67	–
	Foreign Exchange Fluctuation	572.77	0.01
	Total	**78,747.82**	**88,513.06**

*For details on restatement of Total Comprehesive Income of the year ended March 31, 2018, due to company's share of restated profit / loss in JV, Refer Note No. 48

Notes forming part of Standalone Financial Statements

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
32.1 Payment to Auditors		
As Auditors		
- Audit Fee	10.00	20.00
- Tax Audit Fee	–	–
In Other Capacity		
- Taxation Matters	–	–
- Other Services	–	–
	10.00	**20.00**
33 Items that will not be reclassified to profit or loss		
Changes in revaluation surplus	–	–
Remeasurements of the defined benefit plans	–	26.76
Equity Instruments through Other Comprehensive Income	–	–
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	–	–
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	–	–
Others items	–	–
Total	**–**	**26.76**
34 Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of a foreign operation	–	(41.67)
Debt Instruments through Other Comprehensive Income	–	–
The effective portion of gains and loss on hedging instruments in a cash flow hedge	–	–
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent to be classified into profit or loss	–	–
Others item	–	–
Total	**–**	**(41.67)**
35 Earning per Share		
Profit/(Loss) attributable to Equity shareholders	(1,58,887.00)	(2,80,362.13)
Weighted Average Number of Shares for Basic and Diluted EPS	2,385.97	2,385.97
Basic EPS (Amount in Rs.)	(66.59)	(117.50)
Diluted EPS (Amount in Rs.)	(66.59)	(117.50)

Notes forming part of Standalone Financial Statements

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
36.	**Contingent Liabilities:**		
i.	Bank Guarantee	49,776.51	94,962.66
ii.	Corporate Guarantee	40,088.91	40,088.91
iii.	Estimated amounts of contract remaining to be executed on Capital Account and not provided for	–	15,135.19
iv.	Cases in the court, which in the opinion of the management, require no provision of liability than what is recorded in accounts.	16,550.26	5,782.52
v.	Central Excise Liability (excluding Penalties) that may arise. The appeal against the order is with CESTAT, Kolkata. Company has received stay against recovery of demand. The Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	24.27	24.27
vi.	Service Tax liability (excluding Penalties) that may arise. The matters are with CESTAT. Based on the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	293.90	293.90
vii.	Sales Tax Liability (excluding Penalties). The matters are in appeal and management is of the opinion that the liability may not arise. Accordingly no provision has been made.	8,396.69	8,490.73
viii.	Income Tax liability (excluding Penalties) that may arise. The matters are in appeal and management is of the opinion that, since ITAT has passed favorable orders in past, the liability may not arise. Accordingly no provision has been made.	31,738.15	14,137.59
ix.	Customs Duty liability that may arise. Commissioner of Customs has passed order levying Redemption fine and penalty for non fulfilling export obligation on import of machinery. Appeal has been filed with CESTAT, Mumbai.	66.89	66.89

36.1. Corporate Guarantee amounting to Rs. 13,574.91 lakhs given for wholly owned subsidiary Prime Infrapark Pvt Ltd to LIC Housing Finance Ltd has been invoked by the latter on August 16, 2019 under CIRP.

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

36.3. The company has received show cause notices from service tax department demanding aggregate dues including penalty of Rs. 2,211.59 Lakh. Management is of the opinion that no liability will arise against these matters. Suitable replies have been given against these show cause notices.

36.4. There could be additional tax liability under Central Sales Tax Act on account of non submission of C Forms for pending assessments for the period upto June 2018. The management is in the process of collecting pending C Forms and is of the opinion that all pending C forms shall be collected and produced in assessment proceedings and no additional liability will arise.

36.5. The Company has filed court cases against various parties for claiming Rs. 2,258.51 Lakhs. These matters are under litigation and outcome will be known in due course of time. The Management is hopeful that substantial amount will be allowed as claim in favor of the Company.

Notes forming part of Standalone Financial Statements

37. Related Party Disclosure:

37.1. As per the Ind AS 24, details of related parties & transactions with them are given below:

Sr. No.	Name of Related Party	Relationship
1	Prime Infrapark Pvt. Ltd	Subsidiary Companies
2	Muktangan Developers Pvt. Ltd.	
3	Pratibha Holding (Singapore) Pte. Ltd	
4	Pratibha Infra Lanka (Private) Ltd (Wholly owned subsidiary of Pratibha Holding (Singapore) Pte Limited)	
5	Bhopal Sanchi Highways Pvt. Ltd.	
6	Saudi Pratibha Industries Limited	Associates
7	Pratibha Shareholding Private Limited	Enterprises over which Key Managerial Personnel and relatives of such personnel are able to exercise significant influence
8	Pratibha Heavy Engineering Limited	
9	Pratisheel Infra Solutions Private Limited	
10	Pratibha Membrane Filtering Systems Private Limited	
11	Ping Digital Media Private Limited	
12	Pratibha Foundation	
13	Anand Kulkarni Venture Private Limited	
14	Spark Infra Solutions Private Limited	
15	Celestial Consultancy Private Limited	
16	Acme Infrastructure Management And Consultancy Services Private Limited	
17	Petron Pratibha JV	Joint Ventures
18	Pratibha JV	
19	Pratibha Ostu Stettin JV	
20	Pratibha Rohit JV	
21	Patel Pratibha JV	
22	Pratibha Unity JV	
23	MEIL Saisudhir Pratibha JV	
24	Pratibha China State JV	
25	Unity Pratibha Multimedia JV	
26	Niraj Pratibha JV	
27	Unity Pratibha Consortium	
28	ITD Pratibha Consortium	
29	Pratibha GIN KJI Consortium	
30	Pratibha SMS JV	
31	Pratibha Al Ambia JV	
32	Pratibha Aparna JV	
33	Pratibha Membrane Filters JV	
34	Pratibha Mosinzhstroi Consortium	
35	Pratibha CRFG JV	
36	Pratibha GECPL JV	
37	Pratibha Pipes & Structural Consortium	
38	Gammon Pratibha JV	
39	FEMC Pratibha JV	
40	KBL PIL Consortium	
41	Pratibha Jain Irrigation Navana JV	
42	Pratibha Yogiraj JV	
43	Pratibha Industries Limited Yogiraj JV	
44	Pratibha Ranjit JV	
45	Pratibha CSL Sudhir Constructions JV	
46	TCPL Pratibha JV	
47	Overseas Infrastructure Alliance - Pratibha Industries Ltd. Consortium	

Notes forming part of Standalone Financial Statements

Sr. No.	Name of Related Party	Relationship
48	Mr. Ajit B. Kulkarni	Key Managerial Personnel
49	Mrs. Sunanda D. Kulkarni	
50	Mr. Sharad P. Deshpande	
51	Mr. K.H. Sethuraman	
52	Mrs. Bhavana D. Shah	
53	Mr. Ravi A. Kulkarni	Relatives of Key Managerial Personnel
54	Mr. Shyam Kulkarni	
55	Mrs. Samidha A. Kulkarni	
56	Ms. Nidhi A. Kulkarni	
57	Mr. Anand Kulkarni	

37.2. Disclosure of related party transactions:

(Rs. in lakhs)

Particulars	Subsidiaries	
	FY 2018-19	FY 2017-18
Loan/Advance given / (returned)		
Prime Infrapark Pvt. Ltd.	–	1,112.59
Bhopal Sanchi Highways Pvt. Ltd.	4.01	22.58
Muktangan Developers Pvt. Ltd.	–	(2.89)
Total	**4.01**	**1,132.28**

(Rs. in lakhs)

Particulars	Associates/Affiliates	
	FY 2018-19	FY 2017-18
Loan/Advance given / (returned)		
Saudi Pratibha Industries Limited	–	0.39
Total	**–**	**0.39**

(Rs. in lakhs)

Particulars	Joint Ventures	
	FY 2018-19	FY 2017-18
Sales & Services		
Pratibha GIN KJI Consortium	–	61.77
Total	**–**	**61.77**
Interest & Other Incomes received / receivable		
TCPL Pratibha JV (Nepal)	81.70	32.20
Pratibha CSL Sudhir Constructions JV	–	171.00
Pratibha Ranjit JV	23.56	147.89
Overseas Infrastructure Alliance - Pratibha Industries Ltd. Consortium	–	118.76
Total	**105.26**	**469.84**

Notes forming part of Standalone Financial Statements

(Rs. in lakhs)

Particulars	Joint Ventures	
	FY 2018-19	FY 2017-18
Loan/Advance given / (returned)		
Pratibha Al Ambia	(74.84)	187.28
Pratibha Aparna JV	–	(86.62)
Pratibha Ostu Stettin JV	–	0.01
Pratibha CRFG JV	–	0.15
Pratibha GECPL JV	10.81	33.78
Pratibha Mosinzhstroi Consortium	4,066.15	200.66
MEIL Saisudhir Pratibha JV	(19.32)	
KBL PIL Consortium	–	(1.90)
Total	**3,982.80**	**333.35**
Loan/Advance accepted / (repaid)		
NIRAJ PRATIBHA JV	(8.33)	79.16
Pratibha FEMC JV	(19,200.41)	(12,839.49)
Pratibha Yogiraj JV	4.09	2,739.89
Pratibha Industries Limited Yogiraj JV	(111.50)	2,335.89
PRATIBHA SMS JV (HUDA)	–	(0.23)
Pratibha GIN KJI Consortium	–	(1.05)
GIL - PIL JV	–	0.55
Total	**(19,316.16)**	**(7,685.29)**
Guarantee given / (received)		
Pratibha Yogiraj JV	1,584.46	–
Pratibha Mosinzhstroi Consortium	–	1,485.00
Total	**1,584.46**	**1,485.00**

Transactions with Key Managerial Personnel & their Relatives

(Rs. in lakhs)

Particulars	FY 2018-19	FY 2017-18
Salaries	106.68	128.81
Mr. K.H. Sethuraman	60.24	65.70
Mrs. Bhavana D. Shah	11.28	10.38
Mr. Shyam Kulkarni	17.51	26.48
Mr. Anand Kulkarni	17.65	26.26
Total compensation to key management personnel	**106.68**	**128.81**
Rent paid	**–**	**50.48**
Mr. Ajit Kulkarni	–	50.48

Notes forming part of Standalone Financial Statements

37.3. Amount due to/ from related party

(Rs. in lakhs)

Particulars	Subsidiaries	
	2018-19	**2017-18**
Investments held by the Company		
Bhopal Sanchi Highways Pvt. Ltd.	0.51	0.51
Muktangan Developers Pvt. Ltd.	–	190.00
Pratibha Holding (Singapore) Pvt. Ltd.	93.47	93.47
Prime Infrapark Pvt. Ltd.	–	100.00
Investments held by the Company Total	**93.98**	**383.98**
Loans and Advances Given/ (Accepted)		
Bhopal Sanchi Highways Pvt. Ltd.	7,350.70	7,346.69
Muktangan Developers Pvt. Ltd.	1,248.69	1,248.69
Pratibha Holding (Singapore) Pte Ltd.	62.41	23.11
Prime Infrapark Pvt. Ltd.	9,168.90	9,168.90
Pratibha Infra Lanka (Private) Ltd.*	39.30	39.30
Loans and Advances Given/ (Accepted) Total	**17,870.00**	**17,826.69**

*Step Down Subsidiary

(Rs. in lakhs)

Particulars	Associate /Affiliates	
	2018-19	**2017-18**
Investments held by the Company		
Saudi Pratibha Industries Ltd.	–	69.67
Investments held by the Company Total	**–**	**69.67**
Loans and Advances Given/ (Accepted)		
Saudi Pratibha Industries Ltd.	94.81	88.73
Pratibha Foundation	(21.50)	(21.50)
Loans and Advances Given/ (Accepted) Total	**73.31**	**67.23**

(Rs. in lakhs)

Particulars	Joint Ventures	
	2018-19	**2017-18**
Investments held by the Company		
ITD Pratibha Consortium	(55.74)	(8.42)
Niraj Pratibha JV	6,546.34	6,817.65
Patel Pratibha JV	37.07	333.12
Pratibha Al Ambia JV	(548.41)	(485.53)
Pratibha Aparna JV	(2,354.14)	(2,265.96)
Pratibha China State JV	(3,088.51)	598.25
Pratibha CRFG JV	(7,625.66)	(7,600.45)
FEMC Pratibha JV	29,807.99	64,590.33

Notes forming part of Standalone Financial Statements

(Rs. in lakhs)

Particulars	Joint Ventures	
	2018-19	**2017-18**
Pratibha GECPL JV	(890.11)	(582.51)
Pratibha Industries Limited Yogiraj JV	6,616.83	7,087.28
Pratibha JV	56.30	56.30
Pratibha Membrane Filters JV	569.58	921.10
Pratibha Mosinzhstroi Consortium	15,370.68	16,766.16
Pratibha Ostu Stettin JV	161.49	210.78
Pratibha Pipes & Structural Consortium	0.62	0.62
Pratibha Rohit JV	(64.96)	(64.96)
Pratibha SMS JV	880.08	1,484.08
Pratibha Yogiraj JV	4,686.80	4,763.45
Unity Pratibha Consortium	619.40	620.68
Unity Pratibha Multimedia JV	151.04	176.96
Investments held by the Company Total	**50,876.68**	**93,418.94**
Retention Deposit Given		
ITD Pratibha Consortium	47.32	47.32
Patel Pratibha JV	180.07	247.06
Pratibha China State JV	–	4,936.23
Pratibha Ostu Stettin JV	–	62.54
Retention Deposit Given Total	**227.39**	**5,293.15**
Trade Receivables		
Pratibha China State JV	1,643.87	1,643.87
FEMC Pratibha JV	–	–
Pratibha Membrane Filters JV	–	0.52
Pratibha GIN KJI Consortium	4.51	18.82
Pratibha Ostu Stettin JV	2,028.75	2,028.75
Trade Receivables Total	**3,677.13**	**3,691.96**
Mobilisation Advance Received/(Recovered)		
Pratibha China State JV	479.99	479.99
Mobilisation Advance Received/(Recovered) Total	**479.99**	**479.99**
Trade Payables		
Patel Pratibha JV	–	44.79
Pratibha Membrane Filters JV	–	48.81
Trade Payables Total	**–**	**93.60**
Loans and Advances Given		
ITD Pratibha Consortium	15.33	15.33
Pratibha Al Ambia JV	5,663.11	5,737.95

Notes forming part of Standalone Financial Statements

(Rs. in lakhs)

Particulars	Joint Ventures	
	2018-19	2017-18
Pratibha Aparna JV	2,793.62	2,793.62
Pratibha CRFG JV	8,370.61	8,370.61
Pratibha GECPL JV	973.01	962.20
Pratibha Mosinzhstroi Consortium	43,117.98	39,051.84
Pratibha Rohit JV	0.07	0.07
KBL PIL Consortium	43.89	44.20
MEIL Saisudhir Pratibha JV	122.35	141.66
Pratibha Pipes & Structural Consortium	4.04	4.04
Total	**61,103.99**	**57,121.50**
Loans and Advances Accepted		
Niraj Pratibha JV	70.83	79.16
FEMC Pratibha JV	3,757.18	22,957.59
Pratibha Industries Limited Yogiraj JV	6,137.29	6,248.80
Pratibha JV	62.37	62.37
Pratibha Membrane Filters JV	377.26	377.26
Pratibha SMS JV	547.74	547.74
Pratibha Yogiraj JV	5,728.95	5,724.87
Unity Pratibha Consortium	546.35	546.35
Unity Pratibha Multimedia JV	37.76	37.76
Gammon Pratibha JV	22.09	22.09
Pratibha GIN KJI Consortium	9.78	13.55
Total	**17,297.62**	**36,617.54**

38. Component Accounting for Fixed Assets

In opinion of the management, based on internal verification of the assets of the company, there is no major part, in case of any asset, which is significant to total cost of the asset and whose useful life is different from the useful life of the asset. Hence, there is no change in accounting of fixed assets and depreciation thereon as required under Ind AS 16: Property, Plant and Equipment.

39. Leases:

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

During the year the Company has recognized following rental expenses:

(Rs. in lakhs)

Particulars	2018-19	2017-18
House Rent	120.51	307.03
Equipment Hire Charges	17.05	302.34
Total	**137.56**	**609.37**

Notes forming part of Standalone Financial Statements

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

(Rs. in lakhs)

Sr. no.	Particulars	Outstanding Balance		Maximum Balance during the year	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
1	**Loans and Advances in the nature of Loans to Subsidiaries**				
	Prime Infrapark Pvt. Ltd	9,168.90	9,168.90	9,168.90	10,258.99
	Muktangan Developers Pvt. Ltd.	1,248.69	1,248.69	1,248.69	1,251.59
	Pratibha Holding (Singapore) Pte. Ltd	23.11	23.11	23.11	23.11
	Pratibha Infra Lanka (Private) Ltd	39.30	39.30	39.30	39.30
	(Wholly owned subsidiary of Pratibha Holding (Singapore) Pte Limited)				
	Bhopal Sanchi Highways Pvt. Ltd.	7,350.70	7,346.69	7,350.70	7,346.69
2	**Loans and Advances in the nature of Loans to associates**				
	Saudi Pratibha Industries Ltd.	94.81	88.73	94.81	88.89
3	**Loans and advances in the nature of loans to firms/companies in which directors are interested**	–	–	–	–

*Balance of Foreign entities is without considering effect of foreign exchange fluctuations.

41. Financial Reporting of Interest in Joint Ventures:

The investments in joint venture are governed by the Ind AS-31 "Interests in Joint Venture" issued by the Institute of Chartered Accountants of India. During the period under review, there were following active investments in the joint ventures:

Name	%	Current Assets	Long Term Assets	Current Liabilities	Income	Expenses
Patel Pratibha JV	100%	69.79	11.10	299.76	58.64	354.69
Pratibha JV	95%	–	59.25	2.95	–	–
Pratibha SMS JV	100%	575.42	405.81	101.15	1.68	605.68
Unity Pratibha Consortium	100%	643.65	177.63	201.92	–	0.85
Niraj Pratibha JV	50%	1,204.91	224.38	102.18	3.43	274.74
Pratibha Ostu Stettin JV	50%	403.00	503.58	1,099.58	4.13	36.66
Pratibha Rohit JV	80%	1.20	–	90.60	–	24.49
Pratibha CRFG JV	100%	10,274.40	1,275.40	19,175.46	–	25.21
ITD Pratibha Consortium	100%	4.09	3.80	63.63	–	48.26
Pratibha Al Ambia JV	100%	5,258.79	308.44	6,115.64	118.16	181.03
Pratibha Aparna JV	100%	526.57	16.79	2,897.50	4.62	92.79
Pratibha China State JV	60%	345.04	388.43	4,314.52	16.79	3,703.55
Pratibha Membrane Filters JV	51%	100.63	99.77	82.39	9.93	370.86
Pratibha GECPL JV	100%	155.25	42.28	1,087.64	20.36	327.96
Pratibha Mosinzhstroi Consortium	100%	88,550.77	2,027.24	75,249.80	5,662.61	7,058.10
Pratibha Unity JV	50%	–	–	–	–	–

Notes forming part of Standalone Financial Statements

Name	%	Current Assets	Long Term Assets	Current Liabilities	Income	Expenses
Unity Pratibha Multimedia JV	100%	58.46	105.81	13.22	–	25.92
Pratibha Pipes & Structural Consortium	40%	2.32	0.16	1.86	–	–
FEMC Pratibha JV	100%	2,05,756.68	9,506.34	2,12,559.59	1,243.40	28,298.62
Pratibha Yogiraj JV	99.99%	14,889.36	287.39	10,490.43	–	76.64
Pratibha Industries Limited Yogiraj JV	99.99%	18,991.58	822.98	13,198.39	–	470.41
KBL PIL Consortium*	50%	0.33	49.28	49.61	–	0.05
Pratibha GIN KJI Consortium*	74%	54.69	753.14	812.89	21.18	21.18
MEIL Saisudhir Pratibha JV*	25%	621.13	–	88.11	–	–
Gammon Pratibha JV *	49%	172.37	–	179.16	–	6.74

* Joint Ventures are in the nature of jointly controlled operations.

As per Para 1, of Ind AS-31 , "This statement should be applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income, and expenses in the financial statements of ventures and investors, regardless of the structures or forms under which the joint venture activities take place."

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

42. Earning in Foreign Exchange :

(Rs. in lakhs)

Particulars	2018-19	2017-18
Consultancy Fees	81.70	150.96
Total	**81.70**	**150.96**

43. Expenditure in Foreign Currency :

(Rs. in lakhs)

Particulars	2018-19	2017-18
On Foreign Travel	1.38	56.68
On Interest & Bank Commission Charges	502.63	589.44
On Import of Material & Stores	–	8.48
On Overseas Branch Expenses	0.08	167.46
Total	**504.30**	**822.06**

44. During the year, the company has not remitted dividend in foreign currency (P.Y. NIL)

45. As on March 31, 2019, there is no Mark-to-Market loss on account of derivative forward exchange contract.

46. Segment Reporting:

The Company is operating in single segment i.e. Engineering, Procurement and Construction (EPC) which includes sale of products. There have been no other reportable segments identified by Chief Operating Decision Maker and hence no segment reporting is presented under IND AS 108.

47. The company has restated the Total Comprehensive Income for the year ended March 31, 2018, due to the company's share of restated profit/loss in JV and company's prior period finance costs, amounting to Rs. 6,710.67 lakhs and Rs. 61,339.71 lakhs, respectively, related to the FY 2017-18.

Notes forming part of Standalone Financial Statements

48. The company has restated Other Equity as on March 31, 2017 and March 31, 2018, due to the company's share of restated profit/loss in JV and company's prior period finance costs, related to the FY 2016-17 & FY 2017-18. Details are as under: -

(Rs. in lakhs)

Particulars	**2016-17**	**2017-18**
Interest on Borrowed Funds	12,819.07	61,339.71
Company's share of restated profit/loss in JV :-	81.70	150.96
FEMC Pratibha JV	1,058.91	6,668.21
Pratibha Mosinzhstroi Consortium	–	42.46
Total	**13,877.98**	**68,050.38**

49. The Company has not made provision against Investment of Rs. 0.51 lakhs and Loans given of Rs. 7350.70 lakhs to its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. While investment is carried at cost, advances are considered good and recoverable. Its Concession Agreement has been terminated by NHAI. The subsidiary company has lodged claim and the matter is under arbitration. The management is in arbitration with NHAI and is hopeful of recovering its entire investment including Loans. Hence no provision has been made.

50. Considering the fact that the project at Dubai has been completed and assessing the physical condition of assets at the project location and cost to dispose them off, the Company has impaired all such assets aggregating to Rs. 29.15 lakhs during the FY 2018-19.

51. The Company carried out physical verification of it's assets located at project sites. Based on such physical verification and management assessment for the usability of assets, it has written off Property, Plant & Equipment, aggregating to Rs. 6910.79 lakhs during the FY 2018-19.

52. Since the net worth of wholly owned subsidiaries, Muktangan Developers Pvt. Ltd. and Prime Infrapark Pvt. Ltd., have fully eroded, the Company has fully impaired the value of its investment in them amounting to Rs. 190 lakhs and Rs. 100 lakhs, respectively, during the FY 2018-19.

53. Based on management's assessment, the company has fully impaired the value of its investment in its associate, Saudi Pratibha Industries LLC, amounting to Rs. 69.67 lakhs, during the FY 2018-19.

54. Many clients of the company had en-cashed Bank Guarantee on account of various reasons. These amounts were previously treated as recoverable and were accordingly shown as "Receivable against BG Encashment" under Other Financial Assets in Balance Sheet. However based on change in management's judgement and estimates on possibility of recovery, the Company has written off Rs. 9,441.31 lakhs during the FY 2018-19. The management is legally pursuing to recover the amounts.

55. Financial instruments:

55.1. Categories of Financial Instruments:

(Rs. in lakhs)

	31.03.2019		**31.03.2018**	
Financial Assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Measured at Amortised cost				
Investments	104.27	104.27	463.95	463.95
Others	277.12	277.12	19,737.65	19,737.65
Trade Receivables	4,300.97	4,300.97	21,691.44	21,691.44
Cash and Cash Equivalents	1,899.38	1,899.38	2,284.75	2,284.75
Bank Balances	1,104.05	1,104.05	4,648.31	4,648.31
Loans	22,519.53	22,519.53	29,744.50	29,744.50
Others	97,064.60	97,064.60	84,963.30	84,963.30
Total Financial assets measured at Amortised Cost	**127,269.90**	**127,269.90**	**163,533.90**	**163,533.90**

Notes forming part of Standalone Financial Statements

(Rs. in lakhs)

Financial Assets	31.03.2019 Carrying Amount	31.03.2019 Fair Value	31.03.2018 Carrying Amount	31.03.2018 Fair Value
Measured at Fair Value Through Profit And Loss				
Investments in Gold	3.15	3.15	3.15	3.15
Investments in Joint Ventures	50,834.22	50,834.22	85,648.88	85,648.88
Loans	137.45	137.45	542.24	542.24
Total Financial assets measured at Fair Value through Profit and Loss	**50,974.82**	**50,974.82**	**86,194.27**	**86,194.27**
Total Financial Assets	**178,244.72**	**178,244.72**	**249,728.17**	**249,728.17**
Financial Liabilities				
Measured at Amortised cost				
Borrowings	374,357.90	374,357.90	324,459.55	324,459.55
Trade Payables (Current)	12,088.28	12,088.28	24,802.00	24,802.00
Other Financial Liabilities	288,317.88	288,317.88	254,514.56	254,514.56
Total Financial Liabilities	**674,764.07**	**674,764.07**	**603,776.11**	**603,776.11**

56. Financial Instruments and Risk Review

Financial Risk Management Framework

Pratibha Industries Limited is exposed primarily to credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is towards the balances of security deposits, trade receivables, retention & security deposits, loans & advances to related parties and other financial assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to various parties, by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on.

Trade receivables

Movement in the allowances for the doubtful trade receivables (expected credit loss allowance):

(Rs. in lakhs)

Particulars	31st March 2019	31st March 2018
Balance at the beginning of the year	–	–
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	8,520.53	–
Balance at the end of the year	**8,520.53**	**–**

Notes forming part of Standalone Financial Statements

Financial Assets (Other than Trade Receivables)

Movement in the allowances for all other impaired financial assets, being security deposits, retention & security deposits, (expected credit loss allowance):

(Rs. in lakhs)

Particulars	31st March 2019	31st March 2018
Balance at the beginning of the year	–	–
Movement in the expected credit loss allowance on all the financial assets, other than trade receivables, calculated at lifetime expected credit losses	5,051.87	–
Balance at the end of the year	**5,051.87**	**–**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rates, credit, liquidity and other market changes.

57. Income Taxes

57.1. Income Tax Expense/ (Benefit)

(Rs. in lakhs)

Particulars	31st March 2019	31st March 2018
Current Tax	–	–
Deferred tax	–	–
Total tax Expense/ (Benefit)	–	–

57.2. Deferred Tax Assets/(Liabilities)

Significant components of Deferred Tax Liabilities / (Assets) recognised in the financial statements are as follows:

(Rs. in lakhs)

Deferred tax balance in relation to	As at 01-04-2018	Recognised/ reversed through profit and loss	Recognised/ reversed through OCI	As at 31-03-2019
Property, Plant & Equipment	8,419.40	(4,988.73)	–	3,430.67
Fair valuation of Financial Instruments	–		–	–
Fair valuation of Gold	0.09	–	–	0.09
Business Losses	(8,419.49)	4,988.73	–	(3,430.76)
Total	**–**	**–**	**–**	**–**

(Rs. in lakhs)

Deferred tax balance in relation to	As at 01-04-2017	Recognised/ reversed through profit and loss	Recognised/ reversed through OCI	As at 31-03-2018
Property, Plant & Equipment	9,719.72	(1300.32)	–	8,419.40
Fair valuation of Financial Instruments	9.96	(9.96)	–	–
Fair valuation of Gold	0.05	0.04	–	0.09
Business Losses	(9,729.73)	1,310.24	–	(8,419.49)
Total	**–**	**–**	**–**	**–**

Notes forming part of Standalone Financial Statements

58. The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

(Rs. in lakhs)

Particulars	**31.03.2019**	**31.03.2018**
Principal Amount due and remaining unpaid	–	–
Interest due and the unpaid interest	–	–
Interest paid	–	–
Payment made beyond the appointed date during the year	–	–
Interest due and payable for the period of delay	–	–
Interest accrued and remaining unpaid	–	–
Amount of further interest remaining due and payable in succeeding years	–	–

59. Due to financial distress, the Company could not repay public deposits on time and has defaulted in payments to many deposit holders.

60. Balance under the head 'Deposits', 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof.

61. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

For **Ramanand & Associates**
Chartered Accountants
Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 03/12/2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PRATIBHA INDUSTRIES LIMITED

Report on the audit of consolidated financial statements

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of **PRATIBHA INDUSTRIES LIMITED**, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and which includes Group's share of the profit/(loss) after tax and total comprehensive income/(loss) of its associates and Jointly Controlled Entities, which comprises the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

1. ***Inventory of Work in Progress (WIP) of the Holding Company and of the JVs' includes certain contractual claims amounting to Rs. 31,059.53 lakhs and Rs. 1,00,336.39 lakhs, respectively. These amounts have been ascertained by their respective managements based on their estimates. Out of these contractual claims, claims of the Holding Company and of the JVs', as reported by their auditors, amounting to Rs. 25,933.29 lakhs and Rs. 1,00,336.39 lakhs, respectively, are either formally submitted but not yet approved by respective clients or no formal submissions have been made to respective clients. The amounts of these claims are subject to change post approval from clients. To the extent of Rs. 1,26,269.68 lakhs, Inventories are overstated and accumulated losses are understated in the consolidated financial statements.***

2. ***The management of the Holding Company and a JV, has not provided us and to the auditor of that JV, as reported in the JV's audit report, with the detailed working of Construction Work in Progress (WIP), Cost to Completion and consequent profitability and / or losses on projects which are pending execution. In absence of these details, it is not possible for us and for the JVs' auditor, to ascertain whether the Construction WIP of Rs. 870.92 lakhs has been valued and stated correctly or not. The consequential impact, if any, on the consolidated financial statements is therefore not ascertainable.***

3. ***Balance confirmation of trade Receivables, Loans and Advances, deposits and trade payables are not received from third parties. These balances are subject to confirmations and consequent adjustments, if required. In absence of balance confirmations, financial impact on consolidated financial statements is not ascertainable.***

4. ***As per the bank loan statements made available to us and to the auditor of JVs, by the respective management of the Holding Company and such JVs, the banks have charged Rs. 2,555.22 lakhs and Rs. 340.24 lakhs, respectively, on account of interest and other charges for the period February 01, 2019 to March 31, 2019. However, the Holding Company and such JVs, as reported in the JVs' audit reports, have not made provision for such interest and charges, due to commencement of CIRP period under IBC. To the extent of Rs. 2,895.46 lakhs, finance expenses, loan liability, loss for the year and accumulated losses of Group are understated.***

5. ***Certain loan accounts of Holding Company having aggregate balances of Rs. 18,661.06 lakhs are not reconciled with their respective bank statements which are showing aggregate balance of Rs. 5,819.33 lakhs, for reasons other than Interest & Other charges. Thus, loan balances of the Holding Company are overstated by Rs. 12,841.73 lakhs. Also, the current accounts of the Holding Company have long standing unreconciled balance aggregating to Rs. 267.61 lakhs. To the extent of Rs. 267.61 lakhs, bank balances are overstated. In absence of detailed reconciliation statement, we cannot ascertain the overall impact on consolidated financial statements.***

6. ***Many loan accounts of the Holding Company, having aggregate balance of Rs. 80,143.36 lakhs, and current accounts of the Holding Company and of the JVs', as reported in the JVs' audit reports, having aggregate balance of Rs. 53.21 lakhs and Rs. 33.06 lakhs, respectively, are not confirmed due to non-availability of statement / confirmation from respective Banks. In absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on consolidated financial statements.***

7. ***In the reconciliation statement of various bank accounts of the Holding Company, there are many entries relating to Receipts and Payments, having aggregated value of Rs. 714.57 lakhs and Rs. 572.21 lakhs, respectively, which are pending to be cleared since long. To the extent of Rs. 142.36 lakhs, the bank balance is overstated. In absence of complete details, we cannot ascertain the overall impact on consolidated financial statements.***

8. ***The Holding Company has an unconfirmed balance of Fixed Deposit with Bank of Baroda, amounting to Rs. 517.38 lakhs as at March 31, 2019. In absence of balance confirmation from the bank, financial impact on consolidated financial statements is not ascertainable.***

9. ***The Group has given loans and advances to related parties amounting to Rs. 12,026.52 lakhs and received loans and advances from related parties amounting to Rs. 1,531.11 lakhs. As per the information given by the Holding Company's management and as reported in the JVs' audit reports, all these related parties have made substantial losses and their net worth has been fully eroded. However, the Group has not made provision for possible loss on such loans and advances.***

10. ***The Holding company has not provided audited financial statements of its wholly owned subsidiary M/s. Pratibha Holdings (Singapore) Pte. Ltd. In absence of these Financial Statements, we cannot comment on any requirement for provision for diminution in value of investments.***

11. ***The Holding Company has not made provision for impairment against Investment of Rs. 0.51 lakhs in its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Its Concession Agreement has been terminated by NHAI. As informed to us, the subsidiary company has lodged claim and the matter is under arbitration.***

12. ***For the Holding Company and for the JVs', there are many statutory dues amounting to Rs. 12,977.25 lakhs and Rs. 1,357.60 lakhs, respectively, which are pending to be deposited by the respective entities with appropriate government authorities. The Holding Company and the JVs', as reported by the JVs' auditors, have not made provision for interest on these dues on account of delay in depositing them. Since the management of Holding Company and of the JVs' has not estimated overall liability on account of interest, financial impact on consolidated financial statements is not ascertainable.***

13. ***The Holding Company and the JVs', as reported by its' auditors, have not provided sufficient appropriate information to evaluate the accuracy of recognition, measurement and presentation of revenues and other related balances in view of the applicability of Ind AS 115 "Revenue from Contracts with Customers". The Group has not evaluated impact of variable consideration on its revenue as required under IND AS 115.***

14. ***During the year, the Group has unilaterally written back certain liabilities amounting to Rs. 4,877.60 lakhs. The managements of the Company and of the JVs', as reported by its' auditors, are of the opinion that based on their analysis of balances and due to various reasons, these balances were not payable and hence written back. To that extent, the liabilities, current year's loss and accumulated losses are understated in the consolidated financial statements.***

15. ***The contracts of the JVs have been terminated by their respective clients and the projects have been assigned to other contractors, as reported by the auditors of JVs. As per the information & explanation given by the management of such JVs, there are no liabilities in such projects. However, there is certain provision for expenses aggregating to Rs. 3,873.76 lakhs is appearing in Other Financial Liabilities. No detail of the provision has been provided to the auditor of such JVs for verification. In absence of the details, to the extent of amount of the provision, the liabilities and accumulated losses are overstated.***

16. ***For the Property, Plant & Equipment in the Holding Company, having net written down value of Rs. 37,624.12 lakhs, as at the balance sheet date, the management of the Holding Company had conducted physical verification at few locations. In the physical verification, assets having written down value of Rs. 11,200.00 lakhs have been verified. As per the explanation and information provided, no physical verification could be carried out for the balance assets having written down value of Rs. 26,424.12 lakhs, due to such assets being either under client custody, seized by vendors / subcontractors, or such assets being available at sites with no access to the company. Based on such verification and management's own assessment for balance locations, the Holding Company has written off assets having aggregate written down value of Rs. 6,910.79 lakhs during the year. No details have been provided for arriving at the management's assessment for the location not physically verified. In absence of these details, we cannot ascertain the accuracy of the amount written off.***

17. ***The Holding Company has not done impairment testing for the Property, Plant and Equipment, not physically verified. In view of the limited information provided to us by the management of the Holding Company, we cannot comment on the requirement of the impairment for these assets and its consequential impact on the consolidated financial statements.***

18. ***The Holding Company has not made Provision for Employee Benefits in accordance with Ind AS 19. The management of the Holding Company, is in opinion that since the matter is under CIRP and also majority of the employees have already left the company, there will be no additional liability on account of employee benefits. In absence of valuation report, we cannot comment on the impact on consolidated financial statements.***

19. ***The foreign currency balances, in respect of the Holding Company and of the JVs', for foreign vendors having credit balance aggregating to Rs. 449.99 lakhs and Rs. 313.51 lakhs, respectively, and for advances paid to foreign vendors, aggregating to Rs. 120.22 lakhs and Rs. 766.81 lakhs, respectively, as at March 31, 2019, could not be ascertained due to improper accounting. In the absence of complete details, their closing foreign currency balances could not be translated at the rate as on the balance sheet as required under IND AS 21 and consequential impact on consolidated financial statements could not be ascertained.***

20. ***The balances with statutory authorities includes credits, in respect of the Holding Company and of the JVs', aggregating to Rs. 2,443.77 lakhs and Rs. 700.54 lakhs, respectively, which pertains to the Service Tax, and Excise Duty. The Holding Company and the JVs', as reported in the JVs' audit reports, have not filed Service Tax and Excise Returns since long, to claim credits against Service Tax and Excise Duty liabilities. In absence of submission of returns, the credits cannot be utilized. To this extent, the Group's current assets are overstated and accumulated losses are understated.***

21. ***During the financial year 2017-18, four independent directors of Holding Company had resigned from its Board and no new appointments have been made during the financial year 2018-19. As a result, it's composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee was not in compliance with the provisions of Section 149(4), Section 177 & Section 178 respectively.***

22. ***The Holding Company has not maintained detailed Party wise outstanding of Public Deposits and the provision for penal interest has been made on estimated basis. In the absence of party wise details, we cannot ascertain the possible impact on consolidated financial statements due to short / excess provision for Interest. Further, penal interest for the months of February & March 2019, as required under Rule 17 of Companies (Acceptance of Deposits) Rules, 2014, has not been provided by the Holding Company, due to the commencement of CIRP period under IBC.***

23. ***As required under the provisions of Section 148 of the Companies Act, 2013, read with Rule 4 of the Companies (Cost Record and Audit) Rules, 2014, the cost audit has not been conducted of Holding Company's records.***

24. ***As required under the provisions of Section 138 of the Companies Act, 2013, read with Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit of the functions and activities of the Holding Company has not been conducted for the year ended March 31, 2019.***

Material Uncertainty Related to Going Concern

The Group has accumulated losses of Rs. 5,05,188.82 lakhs and its net worth is fully eroded. It has incurred net loss during the year ended March 31, 2019 amounting to Rs. 1,61,649.83 lakhs as well as in previous years. It is unable to repay its debts, statutory obligations and pay salaries apart from other obligations/commitments. The application of Holding Company's Financial Creditors under section 9 of the Insolvency and Bankruptcy Code (IBC) had been admitted by Hon'ble National Company Law Tribunal, Mumbai Bench and Resolution Professional ("RP") was appointed vide order dated March 14, 2019. Till the date of signing of consolidated financial statements, no resolution plan had been approved. Further, application for liquidation of the Holding Company has been filed by the Resolution Professional with the NCLT.

All these indicate a material uncertainity that may cast significant doubt upon the Groups' ability to continue as a Going Concern. However, the consolidated financial statements are prepared on a going concern basis.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company is undergoing Corporate Insolvency Resolution Process (CIR Process) under the provisions of the Insolvency and Bankruptcy Code 2016 (Insolvency Code) w.e.f. February 01, 2019 in terms of orders passed by Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench. As per Section 20 of the Insolvency Code, management & operations of the Group and Jointly Controlled Entities are being managed by Resolution Professional Mr. Anil Mehta, on a Going Concern Basis.

The Holding Company's management is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective management / Board of Directors of the companies included in the Group and of its associate and Jointly Controlled Entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management / Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management / Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Management / Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

Other Matters

We did not audit the financial statements of 11 subsidiaries (including 11 Joint Ventures treated as Subsidiary) included in the consolidated financial statements, whose financial statements reflect, total assets of Rs. 3,59,847.35 lakhs, total liabilities of Rs.

3,40,955.54 lakhs as at March 31, 2019, and total revenue from operations of Rs. 7,051.51 lakhs, total expenses of Rs. 37,211.42 lakhs for the year ended March 31, 2019. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to aforesaid subsidiaries, is based solely on the reports of such other auditors.

The financial statements/ financial information of 4 subsidiaries (including 1 step-down subsidiary) as considered in the consolidated financial statements, whose financial statements reflect, total assets of Rs. 17,218.15 lakhs, total liabilities of Rs. 31,431.44 lakhs as at March 31, 2019, and total revenue from operations of Rs. 15.14 lakhs, total expenses of Rs. 2,988.55 lakhs for the year ended March 31, 2019, have not been audited by us or by other auditors. Their unaudited financial statements/ financial information have been furnished to us by the Management of Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

a. except for the matters in the Basis for Disclaimer of Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b. due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books and the report of the other auditors;

c. due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the consolidated Balance Sheet, consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, and consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d. due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid consolidated financial statements comply with the Indian Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. the matters described under the Basis for Disclaimer of Opinion paragraph, and going concern matter described in the Material Uncertainty Related to Going Concern paragraph, read further with para 5 & 6 of our report in Annexure "A" attached hereto, in our opinion, may have an adverse effect on the functioning of the Group;

f. on the basis of information available on the MCA website, all the directors are disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

g. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above,

h. with respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and subsidiary companies incorporated in India, and the operating effectiveness of such controls, we give our separate Report in the "Annexure A".

i. with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditor's) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :

   a. as detailed in Note No. 37 to the Consolidated Financial Statements, the Group has disclosed the impact of pending litigations on its consolidated financial position;

   b. due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   c. the Holding Company has not transferred Rs. 0.98 lakhs to Investor Education and Protection Fund due date for which was August 19, 2018.

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Ramanand Gupta
Managing Partner
Membership No.: 103975
UDIN: 19103975AAAAKK9738

Date: December 06, 2019
Place: Mumbai

Annexure "A" to the Independent Auditor's Report

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **PRATIBHA INDUSTRIES LIMITED** on the consolidated financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We were engaged to audit the internal financial controls with reference to consolidated financial statements of **Pratibha Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries, which are companies incorporated in India, as of March 31, 2019, in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

2. **Management's Responsibility for Internal Financial Controls**

   The respective Management / Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to consolidated financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Controls Over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of their business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

   Because of the matters described in the Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the consolidated financial statements of the Holding Company.

4. **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

   A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. **Basis for Disclaimer of Opinion**

   We are unable to obtain sufficient appropriate audit evidence on which to base our opinion on the effectiveness of Company's internal financial controls with reference to consolidated financial statements, because of the significance of the following matters:

   a) ***The Holding Company did not have an appropriate internal control system for preparing debtors ageing and making provision for doubtful debts. This could potentially result in non-booking of provision for doubtful debts.***

   b) ***The Holding Company did not have an appropriate internal control system for obtaining external balance confirmation on periodic basis. This could potentially result in inaccurate assets & liabilities disclosed in the books of accounts.***

   c) ***The Holding Company did not have an appropriate internal control system for reviewing computation of Construction Work in Progress (WIP), Cost to Completion and estimated profitability of all projects regularly. This could potentially result in inaccurate disclosure of WIP and consequent profitability.***

d) ***The Holding Company did not have an appropriate internal control system to collect bank statements / balance confirmations in respect of its various current and loan accounts. This could lead to long outstanding entries in the bank reconciliation statements and unreconciled balances of various bank accounts on Balance Sheet date.***

e) ***The Holding Company did not have an appropriate internal control system of maintaining updated bank fixed deposit register, tracking maturity of FDs and accounting for interest on timely basis. This could potentially result in inaccurate reporting of the balance of fixed deposit, accrued interest and interest income.***

f) ***The Holding Company did not have an appropriate internal control system with respect to the details of the Public Deposit holders. This could lead to inability to track the balance of amount outstanding to individual deposit holders, and inaccurate accounting of the penal interest, in absence of such individual balances.***

g) ***The Holding Company did not have an appropriate internal control system for physical verification and safeguarding of its Property, Plant & Equipment. This could potentially result in misrepresentation of the existence and valuation of the assets.***

h) ***The Holding Company did not have an appropriate internal control system for reconciling balances of foreign vendors in INR and applicable foreign currency. This could potentially result in inaccurate translation of foreign currency balance in INR balance on Balance sheet date.***

i) ***The Holding Company did not have an appropriate internal control system over updation of accounts on timely basis. Booking of many entries are delayed on account of delayed receipt of records. There is lack of coordination between different divisions of the company. These all could potentially result in misstatement of financial statements.***

j) ***The Holding company did not have an appropriate internal control system of checking the interest levied by Lenders. This could potentially lead to overcharging by Lenders and increase in Finance Cost of the holding company.***

k) ***The Holding company did not have an appropriate internal control system of calling Quotations from more than one Vendor while placing order. This could potentially lead to inefficient procurement and increased cost.***

l) ***The Holding company did not have mechanism to track booking of expenses against advances paid. This could potentially lead to unauthorised payment and non-adjustment of advance against corresponding liability.***

6. Disclaimer of Opinion

As described in the Basis for Disclaimer paragraph above, because of the significance of the matters, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding Company had adequate internal financial controls with reference to consolidated financial statements and whether such internal financial controls were operating effectively for the year ended March 31, 2019 based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Holding Company, and the disclaimer has affected our opinion on the consolidated financial statements and we have issued a disclaimer of opinion on the consolidated financial statements for the year ended on that date.

8. Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements, does not cover unaudited subsidiary companies.

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Ramanand Gupta
Managing Partner
Membership No.: 103975
UDIN: 19103975AAAAKK9738

Date: December 06, 2019
Place: Mumbai

Consolidated Balance Sheet as at 31st March, 2019

(Rs. in Lakhs)

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
ASSET			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	37,984.86	60,050.51
(b) Capital Work-in-progress		–	887.78
(c) Goodwill	3	–	150.00
(d) Other Intangible assets	4	44.21	15,330.96
(e) Financial Assets			
(i) Investments	5	4,857.87	9,513.62
(ii) Loans	6	152.96	598.34
(iii) Others	7	16,287.36	39,019.24
(f) Other Non-Current Assets	8	31,537.38	21,372.55
(2) Current Assets			
(a) Inventories	9	1,32,333.98	1,45,348.87
(b) Financial Assets			
(i) Trade Receivables	10	8,134.10	23,314.23
(ii) Cash and Cash Equivalents	11	2,521.08	3,229.24
(iii) Bank Balances	12	1,168.04	4,712.30
(iv) Loans	13	42,639.05	53,480.14
(v) Others	14	13,322.06	14,468.34
(c) Current Tax Asset (Net)		880.04	2,310.49
(d) Other Current Assets	15	16,708.51	20,043.32
Total Assets		**3,08,571.50**	**4,13,829.93**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	16	4,771.95	4,771.95
(b) Other Equity	17	(4,38,442.97)	(2,76,790.79)
Liabilities			
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	135.50	130.85
(b) Provisions	19	159.01	159.01
(c) Deferred Tax Liabilities (Net)	20	–	–
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	3,79,377.24	3,25,554.64
(ii) Trade Payables (Current)		25,767.34	40,290.52
(iii) Other Financial Liabilities	22	3,19,233.66	2,76,656.78
(b) Other Current Liabilities	23	16,805.75	42,277.28
(c) Provisions	24	143.95	159.60
(d) Current Tax Liabilities (Net)		620.09	620.09
Total Equity and Liabilities		**3,08,571.50**	**4,13,829.93**
Significant Accounting Policies	1		

The accompanying Notes are an integral part of Consolidated Financial Statements

As per our Report of even date

For **Ramanand & Associates**
Chartered Accountants
Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 06/12/2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

PRATIBHA

Statement of Consolidated Profit and Loss for the Year ended 31st March, 2019

(Rs. in Lakhs)

	Particulars	Note No	For the year ended 31.03.2019	For the year ended 31.03.2018
I	Revenue From Operations	25	38,634.33	98,261.53
II	Other Income	26	5,397.44	25,878.51
III	**Total Income (I+II)**		**44,031.77**	**1,24,140.03**
IV	**EXPENSES**			
	Cost of materials consumed	27	13,862.95	10,086.23
	Construction & Operating Expenses	28	37,474.33	91,044.55
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	29	7,798.84	1,85,686.80
	Employee benefits expense	30	2,028.76	4,225.71
	Finance costs	31	78,839.05	74,113.04
	Depreciation and amortization expense	32	3,810.01	4,779.74
	Other expenses	33	57,211.60	36,342.67
	Total expenses (IV)		**2,01,025.54**	**4,06,278.73**
V	**Profit/(loss) before exceptional items and tax (III- IV)**		**(1,56,993.77)**	**(2,82,138.70)**
VI	Exceptional Items		–	–
VII	Profit/(loss) before tax (V-VI)		(1,56,993.77)	(2,82,138.70)
VIII	Tax expense:			
	(1) Current tax		–	–
	(2) Deferred tax		–	(39.78)
IX	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**(1,56,993.77)**	**(2,82,098.92)**
X	Profit/(loss) from discontinued operations		–	–
XI	Tax expense of discontinued operations		–	–
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		–	–
XIII	Profit/(loss) for the period (IX+XII)		**(1,56,993.77)**	**(2,82,098.92)**
XIV	Share in profit/(loss) of joint ventures/ associates (net)		**(4,656.06)**	**(185.99)**
XV	Adjustments for non-controlling interest in subsidiaries		–	0.01
XVI	**Net profit after tax, non-controlling interest and share in profit/(loss) of joint ventures/ associates (XIII+XIV+XV) (PAT)**		**(1,61,649.83)**	**(2,82,284.90)**
XVII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss	34	–	26.76
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
	B (i) Items that will be reclassified to profit or loss	35	(2.36)	(42.51)
	(ii) Income tax relating to items that will be reclassified to profit or loss		–	–
XVIII	**Total Comprehensive Income for the period (XVI+XVII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**(1,61,652.19)**	**(2,82,300.65)**
XIX	**Earnings per equity share (for continuing operation):**			
	(1) Basic	36	(67.75)	(118.31)
	(2) Diluted	36	(67.75)	(118.31)
XX	**Earnings per equity share (for discontinued operation):**			
	(1) Basic		–	–
	(2) Diluted		–	–
XXI	**Earnings per equity share (for discontinued & continuing operations)**			
	(1) Basic		(67.75)	(118.31)
	(2) Diluted		(67.75)	(118.31)

The accompanying notes are an integral part of Standalone Financial Statements

As per our Report of even date

For **Ramanand & Associates**
Chartered Accountants
Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 06/12/2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(1,61,649.83)	(2,82,138.70)
Adjustment for :		
Depreciation & Amortization	3,810.01	4,779.74
(Profit)/Loss on Sale of Assets	9,805.28	678.84
Finance Charges	78,839.43	73,692.55
Sundry Balance write Off/(back)	513.47	7,333.29
Unrealised Foreign Exchange Gain	(0.38)	420.49
Fair Valuation (Gain)/Loss	–	95.05
Loss on Impairment of Assets	29.16	–
Provision for Doubtful Debts	14,742.59	–
BG Encashment Balance Written Off	18,515.24	–
Fixed Asset Written Off	6,910.79	–
Foreign Exchange Fluctuation	572.77	–
Impairment of Goodwill	150.00	–
Share in profit/(loss) of joint ventures/ associates (net)	4,656.06	–
Adjustments for non-controlling interest in subsidiaries	–	(0.01)
Operating Profit before working Capital Changes	**(23,105.42)**	**(1,95,138.76)**
Adjustment for:		
Inventories	13,014.89	1,88,550.09
Trade Receivables	5,032.16	(5,533.70)
Other Assets	(1,162.40)	(27,509.80)
Trade Payables	(10,081.41)	20,338.98
Other Liabilities	(25,021.78)	9,389.17
Minority Interest	–	(0.01)
	(41,323.96)	**(9,904.05)**
Less: Direct Taxes Paid	–	–
Net cash used in Operating Activities (a)	**(41,323.96)**	**(9,904.05)**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets (net)	17,684.95	4,631.09
Sale of/ (Additions to) Investments (net)	6,158.16	(344.01)
Net cash used in investing activities (b)	**23,843.11**	**4,287.08**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	–	(1.82)
Proceeds from Long Term Borrowings (Net)	(15,673.53)	28,508.73
Proceeds from Short Term Borrowings (Net)	53,822.60	10,257.17
Finance Charges paid (Net)	(78,839.43)	(73,692.55)
Interest due	57,327.72	41,307.29
Public Deposits and interest accrued thereon	134.94	198.21
Net cash from Financing Activities (c)	**16,772.30**	**6,577.04**
NET INCREASE IN CASH AND CASH EQUIVALENTS (a+ b + c)	**(708.54)**	**960.07**
Opening Cash and Cash Equivalents	3,224.63	2,264.56
Closing Cash and Cash Equivalents	**2,516.09**	**3,224.63**

Notes : 1. The above statement has been prepared in indirect method as described in Ind AS-7 issued by ICAI.

2. Cash and Cash Equivalent

Cash and Cash Equivalent	As at 31.03.2019	As at 31.03.2018
Cash in hand	1.59	67.24
Balance with Banks	2,519.49	3,162.00
Less: Unpaid Dividend Balance	(4.99)	(4.61)
Total	**2,516.09**	**3,224.63**

As per our Report of even date

For **Ramanand & Associates**
Chartered Accountants
Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 06/12/2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

PRATIBHA

Consolidated Statement showing changes in Equity for the year ended 31st March, 2019

(Rs. in Lakhs)

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
4,771.95	–	4,771.95

B. Other Equity*

	Reserves and Surplus			Exchange differences in translating the financial statements of foreign operation	Remeasure-ments of the defined benefit plans	Total
	General Reserve	Securities Premium Reserve	Retained Earnings			
Balance at the beginning of the reporting period	4,392.00	62,442.13	(2,61,423.97)	(115.21)	29.29	(1,94,675.76)
Changes in accounting policy or prior period errors	–	–	(82,115.03)	–	–	(82,115.03)
Restated balance at the beginning of the reporting period	**4,392.00**	**62,442.13**	**(3,43,538.99)**	**(115.21)**	**29.29**	**(2,76,790.79)**
Total Comprehensive Income for the year	–	–	(1,61,649.83)	(2.36)	–	(1,61,652.19)
Balance at the end of the reporting period	**4,392.00**	**62,442.13**	**(5,05,188.82)**	**(117.57)**	**29.29**	**(4,38,442.97)**

*For details on restatement of Other Equity as on March 31, 2018, Refer Note No. 44

C. Non-controlling interests

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
-	–	–

Consolidated Statement showing changes in Equity for the period ending 31st March, 2018

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
4,771.95	–	4,771.95

B. Other Equity**

	Reserves and Surplus			Exchange difference on translating the financial statements of foreign operations	Remeasure-ments of the defined benefit plans	Total
	General Reserve	Securities Premium Reserve	Retained Earnings			
Balance at the beginning of the reporting period	4,392.00	62,442.13	(47,376.12)	(72.70)	2.53	19,387.84
Changes in accounting policy or prior period errors	–	–	(13,877.98)	–	–	(13,877.98)
Restated balance at the beginning of the reporting period	**4,392.00**	**62,442.13**	**(61,254.10)**	**(72.70)**	**2.53**	**5,509.86**
Total Comprehensive Income for the year**	–	–	(2,82,284.90)	(42.51)	26.76	(2,82,300.65)
Balance at the end of the reporting period	**4,392.00**	**62,442.13**	**(3,43,538.99)**	**(115.21)**	**29.29**	**(2,76,790.79)**

**For details on restatement of Total Comprehensive Income for the year ended March 31, 2018 and Other Equity as on March 31, 2017, Refer Note No. 43 and Note No. 44, respectively.

C. Non-controlling interests

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
0.01	(0.01)	–

Notes forming part of Consolidated Financial Statements

Note 1: Significant Accounting Policies

The 'Corporate Insolvency Resolution Process' ("CIRP") had been initiated in respect of the Holding Company under the provisions of "The Insolvency and Bankruptcy Code, 2016" ('IBC' / 'the Code') by the National Company Law Tribunal ("NCLT"), Mumbai bench, vide its order dated February 01, 2019. Application by the Resolution Professional for extension of further 90 days beyond 180 days, for completion of 'Corporate Insolvency Resolution Process' ("CIRP") of the Holding Company, had been accepted by National Company Law Tribunal ("NCLT"), Mumbai bench, vide its order dated July 17, 2019. Post the balance sheet date, in view of no resolution plan having been approved before the expiry of extended time limit for completion of CIRP, the Resolution Professional has filed an application with the NCLT, for the liquidation of the Holding company, and the matter is sub-judice.

I. Statement of Compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31st March 2019, the Group prepared its consolidated financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP").

II. Basis of preparation of Consolidated Financial Statements:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Consolidated Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2016. Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2019, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakhs, except otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

III. Basis of Consolidation:

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

The Financial Statements of the Company, its subsidiary companies (which are not in the nature of joint ventures) and joint ventures in the nature of subsidiaries (based on control) have been consolidated on a line–by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealized profits or losses resulting from intra group transactions are fully eliminated.

In case of foreign subsidiaries, income & expenses are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation in Other Comprehensive Income.

The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.

Minority Interest's share of net profit for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Minority Interest's share of net assets is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

The Consolidated Financial Statements include the interest of the Company in JVCs (Jointly controlled entities), which has been accounted for using the proportionate method prescribed by Ind AS 31-" Interests in Joint Ventures".

Investments in associate companies have been accounted for by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline, which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

IV. Goodwill:

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

V. Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

The amortisation period for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Computer Software is amortised over a period of 5 years

VI. Revenue Recognition:

a) Construction Contract Sales:

Revenue from construction contracts is recognized by applying over a point in time method after providing for foreseeable losses, if any. Performance obligation is determined based on physical measurement of work actually completed at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of actual work done. Profit is recognized and taken as the revenue of the year only when the work on the contract has progressed to a reasonable extent. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Claims for extra work and escalation in rates relating to execution of contracts are accounted as income in the year of acceptance by customer or receipt of arbitration award or evidence of acceptance received.

b) Revenues from construction/project related activity and contracts executed in Joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Indian Accounting Standard (Ind AS) 31 "Interests in Joint Ventures"] is accounted as and when the same is determined by the joint ventures. Revenue from services rendered to such joint ventures is accounted on accrual basis.

c) Sales recognition:

   1. Sales including contractual receipts are accounted net of recoverable taxes, Discount, Returns and Rejections. Sales of material are recognized on dispatch from the warehouse of the company.

   2. Scrap Sales are accounted net of Sales Tax, Discount, Returns and Rejections. Scrap Sales are recognized on dispatch of material from the warehouse of the company.

d) Profit or loss on sale of assets is recognized on transfer of title from the company and is determined as the difference between the sale price and carrying value of the assets.

e) Other incomes are accounted on accrual basis except dividend income which is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

VII. Non-Controlling Interest

Under Ind AS, profit or loss and each component of other comprehensive income is attributed to the owners of the parent and to the non-controlling interest (NCI) even if this results in the non-controlling interest having a deficit balance. Under previous GAAP, the excess of such losses attributable to NCI over its interest in the equity of the subsidiary were attributed to the owners of the parent.

VIII. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

IX. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Notes forming part of Consolidated Financial Statements

2 Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	01-04-2018	Additions	Deductions	31/03/2019	01-04-2018	Additions	Deductions	31/03/2019	31/03/2019	31/03/2018
Tangible										
(a) Land	702.04	–	297.09	404.96	–	–	–	–	404.96	702.04
(b) Buildings	0.00	–	–	–	–	–	–	–	0.00	0.00
(b) Plant and Equipment	67,675.08	–	20,567.05	47,108.77	11,513.43	3,529.26	4,286.36	10,756.45	36,352.31	56,161.65
(c) Furniture and Fixtures	564.12	–	298.43	267.01	232.24	67.79	181.63	118.89	148.12	331.87
(d) Vehicles	1,494.36	–	698.28	796.08	636.99	149.87	473.22	313.64	482.44	857.37
(e) Office Equipment	140.84	–	98.67	42.73	109.46	5.28	85.54	29.71	13.02	31.38
(f) Computer	177.16	–	72.96	104.20	126.53	2.43	42.29	86.67	17.53	50.63
(g) Electrical Installation	56.30	–	6.73	49.57	26.77	6.55	6.01	27.31	22.26	29.53
(h) Office Premises	2,066.14	–	1,480.70	585.44	180.10	36.92	175.81	41.22	544.23	1,886.04
Total	**72,876.04**	**–**	**23,519.90**	**49,358.75**	**12,825.52**	**3,798.10**	**5,250.86**	**11,373.89**	**37,984.86**	**60,050.51**
Previous Year	*79,013.79*	*321.28*	*6,459.03*	*72,876.04*	*9,184.61*	*4,453.77*	*812.85*	*12,825.52*	*60,050.51*	*69,829.18*

3 Goodwill*

Goodwill*	150.00	–	150.00	–	–	–	–	–	–	150.00
Previous Year	*150.00*	–	–	*150.00*	–	–	–	–	*150.00*	*150.00*

*During the FY 2018-19, the management has impaired the entire value of Goodwill on consolidation of Muktangan Developers Pvt. Ltd., one of the wholly owned subsidiaries.

4 Other Intangible Assets

(a) Computer software	459.06	–	179.41	279.65	371.97	11.90	148.43	235.44	44.21	87.10
(b) Lease Rights**	16,875.13	–	16,875.13	–	1,631.26	–	1,631.26	–	–	15,243.87
Total	**17,334.19**	**–**	**17,054.54**	**279.65**	**2,003.23**	**11.90**	**1,779.70**	**235.44**	**44.21**	**15,330.96**
Previous Year	*17,319.23*	*14.97*	–	*17,334.19*	*1,958.57*	*44.66*	–	*2,003.23*	*15,330.96*	*15,641.90*

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
5	**Investments**		
	Unquoted		
	In equity shares - Fully paid up		
	2,660 (2660) Abhyudaya Co Op. Bank Ltd	0.27	0.27
	1,71,350 (1,71,350) Janakalyan Sahakari Bank Ltd	17.14	17.14
	5 (5) the Greater Bombay Co-op. Bank Ltd.	0.00	0.00
	100 (100) Baramati Tollways Pvt. Ltd.	0.01	0.01
	In equity shares of Subsidiaries - Fully paid up		
	5,100 (5,100) Bhopal Sanchi Highways Pvt. Ltd.	–	–
	Investment in Joint ventures	4,837.32	9,493.06
	Quoted		
	Investment in Gold Coins	3.15	3.15
	Total	**4,857.87**	**9,513.62**
	Aggregate value of		
	Quoted Investments	3.15	3.15
	Market Value - Quoted Investments	3.15	3.15
	Unquoted Investments	4,854.73	9,510.47
	Impairment in value of investments	–	–
6	**Loans**		
	Security Deposits	152.96	598.34
	Secured	–	–
	Unsecured	152.96	598.34
	Doubtful	1,353.52	–
	Less: Provision for Doubtful Deposit	(1,353.52)	–
	Total	**152.96**	**598.34**

6.1 Unsecured Security Deposits, considered good by the management.

6.2 Refer Note No. 55 for disclosure of Expected Credit Loss on Financial Assets (Other than Trade Receivables).

	Particulars	As at 31.03.2019	As at 31.03.2018
7	**Others**		
	Term deposits with more than 12 months maturity	1,043.49	3,652.50
	Receivable against BG Encashment	–	35,366.74
	Claim Receivable	15,243.87	–
	Total	**16,287.36**	**39,019.24**

7.1. For details on margin money Refer Note no. 12.1

7.2. For details on Receivable against BG Encashment, Refer Note No. 52

7.3. For details on Claim Receivable, Refer Note No. 47

	Particulars	As at 31.03.2019	As at 31.03.2018
8	**Other Non-Current Assets**		
	Capital Advances	125.43	1,872.54
	Balance with statutory/ Government Authorities	31,410.28	19,493.18
	Others	1.67	6.83
	Total	**31,537.38**	**21,372.55**

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
9	**Inventories**		
	Raw materials	67.14	5,283.19
	Work-in-progress	1,32,266.83	1,40,065.67
	Total	**1,32,333.98**	**1,45,348.87**
10	**Trade Receivables**		
	Secured	–	–
	Unsecured	8,134.10	23,314.23
	Doubtful	8,791.79	–
	Less: Provision for Doubtful debts	(8,791.79)	–
	Total	**8,134.10**	**23,314.23**
	10.1 Unsecured Trade Receivables, considered good by the management.		
	10.2 Refer Note No. 55 for disclosure of Expected Credit Loss on Trade Receivables.		
11	**Cash and Cash Equivalents**		
	Balances with Banks	2,519.49	3,162.00
	Cash on hand	1.59	67.24
	Total	**2,521.08**	**3,229.24**
	Balances with bank in unpaid dividend accounts	4.99	4.61
	11.1. Refer Note no. 1(VIII)		
12	**Bank Balances**		
	Term Deposits for less than 12 months	1,168.04	4,712.30
	Total	**1,168.04**	**4,712.30**
	Balances with bank held as margin money deposit against guarantees / Letter of Credit	2,231.12	6,458.84
	Balances with bank held as collateral securities	–	767.00
	Balances with bank held as investment in liquid assets for Public deposits maturity.	–	–

12.1 Term Deposit (including with maturity more than 12 months # Note 7) as on March 31, 2019 and March 31, 2018 include restricted balances of Rs 2,231.12 Lakhs and Rs 7225.84 Lakhs, respectively. The restrictions are primarily on account of Bank balances held as margin money deposits against guarantees, as collateral security, unclaimed dividends and as investment in liquid assets for Public deposits maturity.

	Particulars	As at 31.03.2019	As at 31.03.2018
13	**Loans**		
	Retention & Security Deposits-	42,630.80	53,467.27
	Secured	–	–
	Unsecured	42,630.80	53,467.27
	Doubtful	4,597.29	–
	Less: Provision for Doubtful Deposit	(4,597.29)	–
		42,630.80	53,467.27
	Loans & Advances to Employees	8.25	12.87
	Total	**42,639.05**	**53,480.14**

13.1 Unsecured Retention & Security Deposits, considered good by the management.

13.2 Refer Note No. 55 for disclosure of Expected Credit Loss on Financial Assets (Other than Trade Receivables).

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
14	**Others**		
	Interest Accrued But Not Due	79.30	1,220.38
	Loans & Advances to Related Parties #	12,026.52	12,031.72
	Other assets	1,216.24	1,216.24
	Total	**13,322.06**	**14,468.34**
	14.1 All above are Unsecured and considered good by the management		
	# Refer Note no. 38		
15	**Other Current Assets**		
	Advances		
	Mobilisation Advance (assets)	117.81	39.15
	Advances to suppliers	16,499.56	13,821.36
	Prepaid Expenses	33.57	335.48
	Balance with statutory/ Government Authorities (Short)	–	5,787.03
	Other Current Assets	57.58	60.29
	Total	**16,708.51**	**20,043.32**
	15.1 All above are Unsecured and considered good by the management		
16	**Equity Share Capital**		
	AUTHORIZED CAPITAL		
	35,00,00,000 (Previous Periods 35,00,00,000) Equity Shares of Rs 2/- Each	7,000.00	7,000.00
		7,000.00	**7,000.00**
	ISSUED , SUBSCRIBED & PAID UP CAPITAL		
	23,85,97,348 (P.Y. 23,85,97,348) Equity shares of Rs 2/- Each fully paid up	4,771.95	4,771.95
		4,771.95	4,771.95
	Total	**4,771.95**	**4,771.95**
17	**Other Equity**		
	Retained Earnings	(5,05,188.82)	(3,43,538.99)
	Other Reserves		
	Securities Premium Reserve	62,442.13	62,442.13
	General Reserve	4,392.00	4,392.00
	Remeasurements of the defined benefit plans	29.29	29.29
	Exchange differences in translating the financial statements of a foreign operation	(117.57)	(115.21)
	Total	**(4,38,442.97)**	**(2,76,790.79)**
18	**Borrowings**		
	Term Loans		
	From Financial Institutions	135.50	130.85
	Total	**135.50**	**130.85**
	The above amount includes		
	Secured Borrowings	135.50	130.85
	Unsecured Borrowings	–	–
	Secured by Personal Guarantee by Promoters/ Directors	135.50	130.85

PRATIBHA

Notes forming part of Consolidated Financial Statements

18.1. Foreign Currency Loans are repayable in 1 to 2 years at interest rates ranging from 2.98% p.a. to 5.15% p.a. These loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of promoter, directors of the company. Entire loan amounts have been matured and transferred to Current maturities of long term debt.

18.2. Rupee Loans from banks are repayable in 3 to 5 years at interest rates ranging from 11.00% p.a. to 13.35% p.a. These loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of promoter, directors of the company. Entire loan amounts have been matured and transferred to Current maturities of long term debt.

18.3. Rupee Loans from Financial Institutions are repayable in 3 years to 4 year from the date of loan at interest rates ranging from 12% p.a. to 14.00% p.a. . These loans are secured by first charges on specific assets financed by the lender. Further, loans are guaranteed by the personal guarantees of promoter, directors of the company.

18.4. Fixed Deposit from Public are repayable in 2 to 3 years from the date of deposit at an interest rates ranging from 11.50% p.a. to 12.50%p.a. These deposits are unsecured in nature. All FDs have become payable. Refer Note no. 22 under the head 'Unpaid matured deposits and interest accrued thereon'.

18.5. Period and amount of continuing default in repayment of loans as on 31.03.2019:-

Name	**Amount of default (In Lakhs)**	**Range of Default (in days)**
Allahabad Bank	3,976.00	90-1095
Bank of Baroda	3,000.00	334-788
Bank Of Maharashtra	10,000.00	424-1065
LIC Housing Finance Corporation	2,029.84	30-668
Central Bank of India	2,542.50	30-668
Export Import Bank Of India	12,100.00	729-1094
BMW Financial Services	2.48	30-58
Daimler Financial Services	9.30	29-363
YES Bank	97.50	90-274

(Rs. in Lakhs)

	Particulars	**As at 31.03.2019**	**As at 31.03.2018**
19	**Provisions**		
	Provision for Gratuity (Long Term)	159.01	159.01
	Total	**159.01**	**159.01**
20	**Deferred Tax Liabilities**		
	Deferred Tax Liability		
	- On account of Depreciation difference	3,430.67	8,419.40
	- On account of Fair Value of Investment in Gold	0.09	0.09
	Deferred Tax Asset		
	- On Account of Losses (Restricted to)	(3,430.76)	(8,419.49)
	Total	–	–
21	**Borrowings**		
	Rupee loan from banks	3,77,941.47	3,24,118.87
	Deferred Payment Liabilities	1,435.77	1,435.77
	Total	**3,79,377.24**	**3,25,554.64**
	The above amount includes		
	Secured Borrowings	3,73,491.71	3,24,328.70
	Unsecured Borrowings	1,435.77	1,435.77
	Secured by Personal Guarantee by Promoters/ Directors	3,73,491.71	3,24,328.70

Notes forming part of Consolidated Financial Statements

21.1. Rupee loan taken from various banks at interest rates ranging from 11.00% p.a. to 13.35% p.a. These loans are secured against i) first charge by hypothecation of current assets (other than those specifically charged to other banks), namely stock of raw materials, work-in-progress and receivables, ii) First charge on the gross block (other than those specifically charged to other banks) iii) Project specific current assets and iv) Personal guarantees of Promoter-Directors of the company.

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
22	**Other Financial Liabilities**		
	Current maturities of long-term debt*	1,68,144.95	1,83,544.63
	Interest due but not paid	1,13,796.43	56,468.70
	Unpaid dividends	4.99	4.61
	Unpaid matured deposits and interest accrued thereon**	3,057.88	2,922.94
	Creditors for Capital expenses	261.46	252.50
	Security Deposits (Short)	22,472.80	21,495.11
	Advances From Related Parties #	1,573.57	1,322.35
	Other Payables	9,921.59	10,645.95
	Total	**3,19,233.66**	**2,76,656.78**
	* Refer Note No. 18.1, 18.2, 18.3 for terms and securities		
	** Refer Note No. 18.4 for terms and securities		
	# Refer Note no. 38		
23	**Other Current Liabilities**		
	Revenue received in advance	615.48	16,358.06
	Mobilisation advance	1,299.86	14,574.86
	Withholding & other taxes payable	14,890.41	11,344.36
	Total	**16,805.75**	**42,277.28**
24	**Provisions**		
	Provision for Gratuity	143.95	159.60
	Total	**143.95**	**159.60**

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
25	**Revenue From Operations**		
	Construction and allied revenue	38,634.33	97,167.17
	Other Operating Revenue		
	Sale of Scrap	–	185.87
	Rental Income	–	905.19
	Others	–	3.30
	Total	**38,634.33**	**98,261.53**
26	**Other Income**		
	Interest Income	389.64	1,880.43
	Profit on sale of Fixed Assets	3.68	3,331.83
	Sundry Balance Written Back	4,877.60	20,131.29
	Fair Value Gain on financial instruments at fair value through Profit or Loss	–	19.90
	Other non-operating income	126.53	515.06
	Total	**5,397.44**	**25,878.51**
27	**Cost of materials consumed**		
	Raw Material Stock at the beginning of the period	5,283.19	8,146.48
	Add :- Purchases during the year	8,646.90	7,222.94
		13,930.09	**15,369.42**
	Less : Raw Material Stock at the end of the period	67.14	5,283.19
	Total	**13,862.95**	**10,086.23**
28	**Construction & Operating Expenses**		
	Consumption of Stores & Spares	6.53	601.91
	Sub-contract & Labour Charges	37,223.31	88,154.73
	Repairs & Maintenance - Machinery	24.54	66.24
	Equipment Hire Charges	44.15	912.93
	Power & Fuel Charges	39.50	30.40
	Freight Inwards	0.50	29.31
	Clearing & Forwarding Charges	1.34	22.18
	Site Mobilisation Expenses	0.05	2.54
	Other Expenses	134.40	1,224.32
	Total	**37,474.33**	**91,044.55**
29	**Changes in inventories of finished goods, Stock-in -Trade and work-in-progress**		
	Inventory at the end of the period		
	Construction Work-In-Progress	1,32,266.83	1,40,065.67
		1,32,266.83	**1,40,065.67**
	Inventory at the beginning of the period		
	Construction Work-In-Progress.	1,40,065.67	3,25,752.48
		1,40,065.67	**3,25,752.48**
	Total	**7,798.84**	**1,85,686.80**
30	**Employee Benefits Expense**		
	Contribution to PF & other fund	47.23	113.86
	Salaries & Wages	1,967.32	3,960.69
	Staff Welfare Expenses	14.22	62.76
	Gratuity Expenses	–	88.40
	Total	**2,028.76**	**4,225.71**

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
31	**Finance costs**		
	Interest*	70,586.93	71,883.88
	Exchange differences regarded as an adjustment to borrowing costs	(0.38)	420.49
	LC & Bill Discounting Charges	–	195.18
	Other borrowing costs	8,252.50	1,613.50
	Total	**78,839.05**	**74,113.04**

*For details on restatement of Total Comprehesive Income of the year ended March 31, 2018, due to prior period Interest on Borrowed Funds, Refer Note No. 43 & 44

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
32	**Depreciation and amortization expense**		
	Depreciation	3,798.10	4,453.83
	Amortization	11.90	325.91
	Total	**3,810.01**	**4,779.74**
33	**Other expenses**		
	Advertising & Business Promotion Expenses	0.21	23.22
	Auditors Remuneration	10.00	20.00
	Commission & Brokerage Expenses	0.01	124.17
	Computer & Software Expenses	29.12	61.96
	Directors Sitting Fees & Commission	–	6.30
	Donation	–	39.22
	Electricity Charges	19.95	251.39
	General Expenses	6.96	119.61
	Insurance Charges	185.54	400.29
	Legal Fees & Professional Charges	278.70	732.77
	Loss on Sale of Fixed Asset	9,808.96	4,010.67
	Postage & Courier Charges	1.24	7.97
	Printing & Stationery	3.50	6.27
	Rates & Taxes	116.76	1,409.83
	Rent	123.79	382.50
	Loss on Impairment of Assets	29.16	–
	Repairs & Maintenance - Office	70.95	105.56
	Security Service Charges	165.00	672.65
	Sundry Balance Written Off (Net)	5,391.06	27,464.58
	Travelling & Visa Expenses	28.64	177.38
	Fair Value Loss on financial instruments at fair value through Profit or Loss	–	114.94
	Provision for Doubtful Debts	14,742.59	–
	BG Encashment Balance Written Off	18,515.24	–
	Fixed Asset Writen Off	6,910.79	–
	Telephone & Internet Expenses	19.82	63.16
	Vehicle Expenses	30.84	148.21
	Foreign Exchange Fluctuation	572.77	0.01
	Impairment of Goodwill	150.00	–
	Total	**57,211.60**	**36,342.67**

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
34	**Items that will not be reclassified to profit or loss**		
	Changes in revaluation surplus	–	–
	Remeasurements of the defined benefit plans	–	26.76
	Equity Instruments through Other Comprehensive Income	–	–
	Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	–	–
	Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	–	–
	Others items	–	–
	Total	**–**	**26.76**
35	**Items that will be reclassified to profit or loss**		
	Exchange differences in translating the financial statements of a foreign operation	(2.36)	(42.51)
	Debt Instruments through Other Comprehensive Income	–	–
	The effective portion of gains and loss on hedging instruments in a cash flow hedge	–	–
	Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent to be classified into profit or loss	–	–
	Others item	–	–
	Total	**(2.36)**	**(42.51)**
36	**Earning per Share**		
	Profit/(Loss) attributable to Equity shareholders	(1,61,652.19)	(2,82,284.90)
	Weighted Average Number of Shares for Basic and Diluted EPS	2,385.97	2,385.97
	Basic EPS (Amount in Rs.)	(67.75)	(118.31)
	Diluted EPS (Amount in Rs.)	(67.75)	(118.31)

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
37.	**Contingent Liabilities:**		
a)	Bank Guarantee	49,776.51	94,962.66
b)	Corporate Guarantee	370.00	370.00
c)	Estimated amounts of contract remaining to be executed on Capital Account and not provided for	–	15,135.19
d)	Cases in the court, which in the opinion of the management, require no provision of liability than what is recorded in accounts.	19,106.51	6,004.42
e)	Central Excise Liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	24.27	24.27
f)	Service Tax liability (excluding Penalties) that may arise. The matter is with CESTAT. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	293.90	293.90
g)	Sales Tax Liability that may arise. The matter is with Appellate Authority. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.	8,684.91	8,778.95
h)	Income Tax liability (excluding Penalties) that may arise. The matters are in appeal and management is of the opinion that, since ITAT has passed favorable orders in past, the liability may not arise. Accordingly no provision has been made.*	37,974.68	16,305.03
i)	Customs Duty liability that may arise. Commissioner of Customs has passed order levying Redemption fine and penalty for non fulfilling export obligation on import of machinery. Appeal has been filed with CESTAT, Mumbai.	66.89	66.89

37.1 Corporate Guarantee amounting to Rs. 13,574.91 lakhs given by the Company for it's wholly owned subsidiary Prime Infrapark Pvt Ltd in favour of LIC Housing Finance Ltd has been invoked by the latter on August 16, 2019 under CIRP.

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

37.3 The company and two JVs have received show cause notices from service tax department demanding aggregate dues including penalty of Rs. 2,211.59 Lakhs and Rs. 994.12 Lakhs respectively. Management is of the opinion that no liability will arise against these matters.

37.4 There could be additional tax liability under Central Sales Tax Act on account of non submission of C Forms for pending assessments for the period upto June 2018. The management is in the process of collecting pending C Forms and is of the opinion that all pending C forms shall be collected and produced in assessment proceedings and no additional liability will arise.

37.5 The Company has filed court cases against various parties for claiming Rs. 2,258.51 Lakhs. These matters are under litigation and outcome will be known in due course of time. The Management is hopeful that substantial amount will be allowed as claim in favor of the Company.

Notes forming part of Consolidated Financial Statements

38. Related Party Disclosure:

38.1. As per the Ind AS 24, details of related parties & transactions with them are given below:

Sr. No.	Name of Related Party	Relationship
1	Bhopal Sanchi Highways Pvt. Ltd.*	Subsidiary Companies
2	Saudi Pratibha Industries Limited	Associates
3	Pratibha Shareholding Private Limited	Enterprises over which Key Managerial Personnel and relatives of such personnel are able to exercise significant influence
4	Pratibha Heavy Engineering Limited	
5	Pratisheel Infra Solutions Private Limited	
6	Pratibha Membrane Filtering Systems Private Limited	
7	Ping Digital Media Private Limited	
8	Pratibha Foundation	
9	Anand Kulkarni Venture Private Limited	
10	Spark Infra Solutions Private Limited	
11	Celestial Consultancy Private Limited	
12	Acme Infrastructure Management And Consultancy Services Private Limited	
13	Petron Pratibha JV	Joint Ventures
14	Pratibha JV	
15	Pratibha Ostu Stettin JV	
16	Pratibha Rohit JV	
17	Patel Pratibha JV	
18	Pratibha Unity JV	
19	MEIL Saisudhir Pratibha JV	
20	Pratibha China State JV	
21	Niraj Pratibha JV	
22	Unity Pratibha Consortium	
23	Pratibha GIN KJI Consortium	
24	Pratibha Membrane Filters JV	
25	Pratibha Pipes & Structural Consortium	
26	Gammon Pratibha JV	
27	KBL PIL Consortium	
28	Pratibha Jain Irrigation Navana JV	
29	Pratibha Ranjit JV	
30	Pratibha CSL Sudhir Constructions JV	
31	TCPL Pratibha JV	
32	Overseas Infrastructure Alliance - Pratibha Industries Ltd. Consortium	
33	Mr. Ajit B. Kulkarni	Key Managerial Personnel
34	Mrs. Sunanda D. Kulkarni	
35	Mr. Sharad P. Deshpande	
36	Mr. K.H. Sethuraman	
37	Mrs. Bhavana D. Shah	
38	Mr. Ravi A. Kulkarni	Relatives of Key Managerial Personnel
39	Mr. Shyam Kulkarni	
40	Mrs. Samidha A. Kulkarni	
41	Ms. Nidhi A. Kulkarni	
42	Mr. Anand Kulkarni	

*Considered as associate for the purpose of Consolidation (Ind AS 110)

Notes forming part of Consolidated Financial Statements

38.2. Disclosure of related party transactions:

(Rs. in lakhs)

Particulars	Subsidiaries	
	FY 2018-19	FY 2017-18
Loan/Advance given/ (returned)		
Bhopal Sanchi Highways Pvt. Ltd.	4.01	22.58
Total	**4.01**	**22.58**

(Rs. in lakhs)

Particulars	Associates/Affiliates	
	FY 2018-19	FY 2017-18
Loan/Advance given/ (returned)		
Saudi Pratibha Industries Limited	–	0.39
Total	**–**	**0.39**

(Rs. in lakhs)

Particulars	Joint Ventures	
	FY 2018-19	FY 2017-18
Sales & Services		
Pratibha GIN KJI Consortium	–	61.77
Total	**–**	**61.77**
Interest & Other Incomes received / receivable		
TCPL Pratibha JV (Nepal)	81.70	32.20
Pratibha CSL Sudhir Constructions JV	–	171.00
Pratibha Ranjit JV	23.56	147.89
Overseas Infrastructure Alliance - Pratibha Industries Ltd. Consortium	–	118.76
Total	**105.26**	**469.84**
Loan/Advance given/ (returned)		
Pratibha Ostu Stettin JV	–	0.01
MEIL Saisudhir Pratibha JV	(19.32)	–
KBL PIL Consortium	–	(1.90)
Total	(19.32)	(1.89)
Loan/Advance accepted/ (repaid)		
NIRAJ PRATIBHA JV	(8.33)	79.16
Pratibha GIN KJI Consortium	–	(1.05)
GIL - PIL JV	–	0.55
Total	**(8.33)**	**78.66**

Notes forming part of Consolidated Financial Statements

Transactions with Key Managerial Personnel & their Relatives

(Rs. in lakhs)

Particulars	FY 2018-19	FY 2017-18
Salaries	106.68	128.81
Mr. K.H. Sethuraman	60.24	65.70
Mrs. Bhavana D. Shah	11.28	10.38
Mr. Shyam Kulkarni	17.51	26.48
Mr. Anand Kulkarni	17.65	26.26
Total compensation to key management personnel	**106.68**	**128.81**
Rent paid	**–**	**50.48**
Mr. Ajit Kulkarni	–	50.48

38.3. Amount due to/ from related party

(Rs. in lakhs)

Particulars	Subsidiaries	
	2018-19	**2017-18**
Investments held by the Company		
Bhopal Sanchi Highways Pvt. Ltd.	0.51	0.51
Investments held by the Company Total	**0.51**	**0.51**
Loans and Advances Given/ (Accepted)		
Bhopal Sanchi Highways Pvt. Ltd.	7,350.70	7,346.69
Loans and Advances Given/ (Accepted) Total	**7,350.70**	**7,346.69**

(Rs. in lakhs)

Particulars	Associate /Affiliates	
	2018-19	**2017-18**
Investments held by the Company		
Saudi Pratibha Industries Ltd.	–	69.67
Investments held by the Company Total	**–**	**69.67**
Loans and Advances Given/ (Accepted)		
Saudi Pratibha Industries Ltd.	94.81	88.73
Pratibha Foundation	(21.50)	(21.50)
Loans and Advances Given/ (Accepted) Total	**73.31**	**67.23**

Notes forming part of Consolidated Financial Statements

(Rs. in lakhs)

Particulars	Joint Ventures	
	2018-19	**2017-18**
Investments held by the Company		
Niraj Pratibha JV	6,546.34	6,817.65
Patel Pratibha JV	37.07	333.12
Pratibha China State JV	(3,088.51)	598.25
Pratibha JV	56.30	56.30
Pratibha Membrane Filters JV	569.58	921.10
Pratibha Ostu Stettin JV	161.49	210.78
Pratibha Pipes & Structural Consortium	0.62	0.62
Pratibha Rohit JV	(64.96)	(64.96)
Unity Pratibha Consortium	619.40	620.68
Investments held by the Company Total	**4,837.32**	**9,493.54**
Retention Deposit Given		
Patel Pratibha JV	180.07	247.06
Pratibha China State JV	–	4,936.23
Pratibha Ostu Stettin JV	–	62.54
Retention Deposit Given Total	**180.07**	**5,245.83**
Trade Receivables		
Pratibha China State JV	1,643.87	1,643.87
Pratibha Membrane Filters JV	–	0.52
Pratibha GIN KJI Consortium	4.51	18.82
Pratibha Ostu Stettin JV	2,028.75	2,028.75
Trade Receivables Total	**3,677.13**	**3,691.96**
Mobilisation Advance Received/(Recovered)		
Pratibha China State JV	(479.99)	(479.99)
Mobilisation Advance Received/(Recovered) Total	**(479.99)**	**(479.99)**
Trade Payables		
Patel Pratibha JV	–	(44.79)
Pratibha Membrane Filters JV	–	(48.81)
Trade Payables Total	**–**	**(93.60)**
Loans and Advances Given		
Pratibha Rohit JV	0.07	0.07
KBL PIL Consortium	43.89	44.20
MEIL Saisudhir Pratibha JV	122.35	141.66
Pratibha Pipes & Structural Consortium	4.04	4.04
Loans and Advances Given Total	**170.34**	**189.97**

Notes forming part of Consolidated Financial Statements

(Rs. in lakhs)

Particulars	Joint Ventures	
	2018-19	2017-18
Loans and Advances Accepted		
Niraj Pratibha JV	70.83	79.16
Pratibha JV	62.37	62.37
Pratibha Membrane Filters JV	377.26	377.26
Unity Pratibha Consortium	546.35	546.35
Gammon Pratibha JV	22.09	22.09
Pratibha GIN KJI Consortium	9.78	13.55
Loans and Advances Accepted Total	**1,088.69**	**1,100.78**

39. Component Accounting for Fixed Assets

In opinion of the management, based on internal verification of the assets of the Group, there is no major part, in case of any asset, which is significant to total cost of the asset and whose useful life is different from the useful life of the asset. Hence, there is no change in accounting of fixed assets and depreciation thereon as required under Ind AS 16- Property, Plant & Equipment.

40. Leases:

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

During the year the Group has recognized following rental expenses:

(Rs. in lakhs)

Particulars	2018-19	2017-18
House Rent	123.79	382.50
Equipment Hire Charges	44.15	60.86
Lease Rentals	–	472.05
Total	**167.94**	**915.42**

41. As on 31st March 2019, there is no Mark-to-Market loss on account of derivative forward exchange contract.

42. Segment Reporting:

The Group is operating in single segment i.e. Engineering, Procurement and Construction (EPC) which includes sale of products. There have been no other reportable segments identified by Chief Operating Decision Maker and hence no segment reporting is presented under IND AS 108.

43. The Group has restated the Total Comprehensive Income for the year ended March 31, 2018, due to the prior period finance costs, aggregating to Rs. 68,237.05 lakhs, related to the FY 2017-18.

44. The Group has restated the Other Equity as on March 31, 2017 and March 31, 2018, due to the prior period finance costs, related to the FY 2016-17 & FY 2017-18, aggregating to Rs. 13,877.98 lakhs and Rs. 68,237.05 lakhs, respectively. Details are as under: -

Notes forming part of Consolidated Financial Statements

(Rs. in lakhs)

Particulars	2016-17	2017-18
Interest on Borrowed Funds :		
Pratibha Industries Limited	12,819.07	61,339.71
Prime Infrapark Pvt. Ltd.	–	186.66
FEMC Pratibha JV	1,058.91	6,668.21
Pratibha Mosinzhstroi Consortium	–	42.46
Total	**13,877.98**	**68,237.05**

45. The subsidiaries considered in the consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	% of Shareholding
Prime Infrapark Pvt Ltd.	India	100%
Muktangan Developers Pvt. Ltd.		100%
Pratibha Holding (Singapore) Pte Ltd	Singapore	100%
Pratibha Infra Lanka (Private) Ltd (Wholly owned subsidiary of Pratibha Holding (Singapore) Pte Limited)	Sri Lanka	100%

46. Interests in Joint Ventures considered in the consolidated financial statements as subsidiaries are:

Name of the Joint Venture	Country of Incorporation	%
Pratibha SMS JV	India	100%
Pratibha CRFG JV		100%
ITD Pratibha Consortium		100%
Petron Pratibha JV		100%
Pratibha Al Ambia JV		100%
Pratibha Aparna JV		100%
Pratibha GECPL JV		100%
Pratibha Mosinzhstroi Consortium		100%
Unity Pratibha Multimedia JV		100%
FEMC Pratibha JV		100%
Pratibha Yogiraj JV		100%
Pratibha Industries Limited Yogiraj JV		100%

47. The concession Agreement between the Prime Infrapark Pvt Ltd, one of the wholly owned subsidiaries, and DMRC ("the Client") has been terminated by the client due to default of the terms of the agreement. The management of the Group has estimated a claim against the Client amounting to Rs. 152.44 Crores, shown under Other Financial assets during the FY 2018-19.

48. The Holding Company has not made provision against Loans given of Rs. 7350.70 lakhs to its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Advances are considered good and recoverable by the management. Its Concession Agreement has been terminated by NHAI. The subsidiary company has lodged claim and the matter is under arbitration. The management of the subsidiary is in arbitration with NHAI and is hopeful of recovering its entire investment including Loans. Hence, no provision has been made.

49. The Financial Statements of the subsidiary companies and the joint venture companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of the Company i.e. 31st March, 2019.

Notes forming part of Consolidated Financial Statements

50. Considering the fact that the project at Dubai has been completed and assessing the physical condition of assets at the project location and cost to dispose them off, the Company has impaired all such assets aggregating to Rs. 29.15 lakhs during the FY 2018-19.

51. The Company carried out physical verification of it's assets located at project sites. Based on such physical verification and management assessment for the usability of assets, it has written off Property, Plant & Equipment, aggregating to Rs. 6,910.79 lakhs during the FY 2018-19.

52. Many clients of the Group had en-cashed Bank Guarantee on account of various reasons. These amounts were previously treated as recoverable and were accordingly shown as "Receivable against BG Encashment" under Other Financial Assets in Balance Sheet. However, based on change in management's judgement and estimates on possibility of recovery, the Group has written off Rs. 18,515.24 lakhs during the FY 2018-19. The management is legally pursuing to recover the amounts.

53. Since, the net worth of wholly owned subsidiary, Muktangan Developers Pvt. Ltd. has fully eroded, the management has impaired goodwill on consolidation of the subsidiary company amounting to Rs. 150 lakhs during the FY 2018-19.

54. Financial instruments:

54.1. Categories of Financial Instruments:

(Rs. in lakhs)

	31.03.2019		31.03.2018	
Financial Assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Measured at Amortised cost				
Investments	17.41	17.41	17.41	17.41
Others	16,287.36	16,287.36	39,019.24	39,019.24
Trade Receivables	8,134.10	8,134.10	23,314.23	23,314.23
Cash and Cash Equivalents	2,521.08	2,521.08	3,229.24	3,229.24
Bank Balances	1,168.04	1,168.04	4,712.30	4,712.30
Loans	42,639.05	42,639.05	53,480.14	53,480.14
Others	13,322.06	13,322.06	14,468.34	14,468.34
Total Financial assets measured at Amortised Cost	**84,089.10**	**84,089.10**	**138,240.90**	**138,240.90**
Measured at Fair Value Through Profit And Loss				
Investments in Gold	3.15	3.15	3.15	3.15
Investments in Joint Ventures	4,837.32	4,837.32	9,493.06	9,493.06
Loans	152.96	152.96	598.34	598.34
Total Financial assets measured at Fair Value through Profit and Loss	**4,993.42**	**4,993.42**	**10,094.55**	**10,094.55**
Total Financial assets	**89,082.52**	**89,082.52**	**148,335.45**	**148,335.45**
Financial Liabilities				
Measured at Amortised cost				
Borrowings	547,657.69	547,657.69	509,230.11	509,230.11
Trade Payables (Current)	25,767.34	25,767.34	40,290.52	40,290.52
Other Financial Liabilities	151,088.71	151,088.71	93,112.15	93,112.15
Total Financial assets measured at Amortised Cost	**724,513.74**	**724,513.74**	**642,632.79**	**642,632.79**

Notes forming part of Consolidated Financial Statements

(Rs. in lakhs)

	31.03.2019		31.03.2018	
Financial Assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Measured at Fair Value Through Profit And Loss				
Other Financial Liabilities	–	–	–	–
Total Financial assets measured at Fair Value through Profit and Loss	**–**	**–**	**–**	**–**
Total Financial Liabilities	**724,513.74**	**724,513.74**	**642,632.79**	**642,632.79**

55. FINANCIAL INSTRUMENTS AND RISK REVIEW

Financial Risk Management Framework

The Group is exposed primarily to credit, liquidity, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is towards the balances of security deposits, trade receivables, retention & security deposits, loans & advances to related parties and other financial assets.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to various parties, by the Group. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called on.

Trade receivables

Movement in the allowances for the doubtful trade receivables (expected credit loss allowance):

(Rs. in lakhs)

Particulars	**31st March 2019**	**31st March 2018**
Balance at the beginning of the year	–	–
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	8,791.79	–
Balance at the end of the year	**8,791.79**	**–**

Financial Assets (Other than Trade Receivables)

Movement in the allowances for all other impaired financial assets, being security deposits, retention & security deposits, (expected credit loss allowance):

Notes forming part of Consolidated Financial Statements

(Rs. in lakhs)

Particulars	31st March 2019	31st March 2018
Balance at the beginning of the year	–	–
Movement in the expected credit loss allowance on all the financial assets, other than trade receivables, calculated at lifetime expected credit losses	5,950.81	–
Balance at the end of the year	5,950.81	–

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of interest rates, credit, liquidity and other market changes.

56. Income Taxes

56.1. Income Tax Expense/ (Benefit)

(Rs. in lakhs)

Particulars	31st March 2019	31st March 2018
Current Tax	–	–
Deferred tax	–	(39.78)
Total tax Expense/ (benefit)	–	(39.78)

56.2. Deferred Tax Assets/(Liabilities)

Significant components of deferred Tax Assets/ (Liabilities) recognised in the financial statements are as follows:

(Rs. in lakhs)

Deferred tax balance in relation to	As at 01-04-2017	Recognised/ reversed through profit and loss	Recognised/ reversed through OCI	As at 31-03-2018
Property, Plant & Equipment	9,783.87	(1,364.47)	–	8,419.40
Fair valuation of Financial Instruments	(14.42)	14.42	–	–
Fair valuation of Gold	0.05	0.04	–	0.09
Business Losses	(9,729.73)	1,310.23	–	(8,419.49)
Total	**39.78**	**(39.78)**	**–**	**–**

(Rs. in lakhs)

Deferred tax balance in relation to	As at 01-04-2018	Recognised/ reversed through profit and loss	Recognised/ reversed through OCI	As at 31-03-2019
Property, Plant & Equipment	8,419.40	(4,988.73)	–	3,430.67
Fair valuation of Financial Instruments	–	–	–	–
Fair valuation of Gold	0.09	–	–	0.09
Business Losses	(8,419.49)	4,988.73	–	(3,430.76)
Total	**–**	**–**	**–**	**–**

Notes forming part of Consolidated Financial Statements

57. The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

(Rs. in lakhs)

Particulars	**31.03.2019**	**31.03.2018**
Principal Amount due and remaining unpaid	–	–
Interest due and the unpaid interest	–	–
Interest paid	–	–
Payment made beyond the appointed date during the year	–	–
Interest due and payable for the period of delay	–	–
Interest accrued and remaining unpaid	–	–
Amount of further interest remaining due and payable in succeeding years	–	–

58. In the opinion of the Directors, the Current Assets have a value on realization in the ordinary course of the business, which is at least equal to the amount at which they are stated in the balance sheet.

59. Balance under the head 'Deposits', 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof.

60. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

For **Ramanand & Associates**
Chartered Accountants
Firm Regn No.: 117776W

Ramanand Gupta
Managing Partner
M No: 103975

Place : Mumbai
Date : 06/12/2019

For **Pratibha Industries Limited**

Ajit B Kulkarni
Director
DIN - 00220578

K H Sethuraman
Chief Financial Officer

Taken On Record
Anil Mehta
Resolution Professional IP Registration
IBBI/IPA-001/IP-P00749/2017-2018/11282

FORM AOC -1

(Pursuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A" : Subsidiaries

(Rs. in Lakhs)

Sr. No.	Name of the Subsidiary	Reporting period	Country	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Total Turnover/ Income	Profit before Tax	Provision for Taxation	Profit after Tax	Proposed Dividend	% of shareholding
1	Prime Infrapark Pvt Ltd	01-04-2018 to 31-03-2019	India	INR	100	-13,439	16,761	16,761	–	15.28	-2,084.50	–	-2,084.50	–	100%
2	Bhopal Sanchi Highways P. Ltd.*	01-04-2018 to 31-03-2019	India	INR	1	–	–	–	–	–	-888.01	–	-888.01	–	51%
3	Muktangan Developers Pvt. Ltd.	01-04-2018 to 31-03-2019	India	INR	40	-892.61	414.18	414.18	7.13	–		–		–	100%
4	Pratibha Holding (Singapore) Pte Ltd	01-04-2018 to 31-03-2019	Singapore	INR	93.47	-27.96	89.96	89.96	87.66	0.13	0.13	–	0.13	–	100%
		01-04-2018 to 31-03-2019		Singapore Dollar	1.84	-0.55	1.77	1.77	1.73	0.00	0.00	–	0.00	–	
5	Pratibha Infra Lanka (Private) Ltd	01-04-2018 to 31-03-2019	Sri Lanka	INR	87.66	-86.89	-47.06	-47.06	–	–	-2.49	–	-2.49	–	0%
		01-04-2018 to 31-03-2019		LKR	222	-220.06	-119.18	-119.18	–	–	-6.32	–	-6.32	–	

* Details are filed up to the extent of availablity of data

A. Name of the subsidiary which are yet to commence operations

1 Pratibha Holding (Singapore) Pte Ltd

2 Pratibha Infra Lanka (Private) Ltd

B Name of Subsidiaries which have been liquidated or sold during the year: NIL

Part "B" : Associates/ Joint Venture

(Rs. in Lakhs)

	Name of the Associates / Joint Venture	Saudi Pratibha Industries Limited	Pratibha SMS JV	Pratibha CRFG JV	ITD PRATIBHA CONSORTIUM JV	PRATIBHA AL AMBIA JV	PRATIBHA APARNA JV	Pratibha GECPL JV	PIL Mosinztroi JV	UPM JV	Pratibha FEMC JV
1	Balance Sheet Date	31st December, 2013	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019
2	Shares of Associate/ Joint Venture held by the Company on the year end										
	No.	4,90,000	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Amount of Investment in associates / Joint venture	69.67	880.08	(7,625.66)	(55.74)	(548.41)	(2,354.14)	(890.11)	15,328.22	151.04	29,807.99
	Extend of Holding %	49%	100	100	100	100	100	100	100	100	100
3	Description of how there is significant influence	due to % of share holding in the company	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
4	Reason why the associate/ joint venture is not consolidated	Not consolidated since NIL business in the Company since its inception	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
5	Networth attributable to shareholding as per latest audited balance sheet	–	880.08	(7,625.66)	(55.74)	(548.41)	(2,354.14)	(890.11)	15,328.22	151.04	2,703.43
6	Profit / Loss for the year	NIL									
	i. Consideration in Consolidation	NIL	1.68	–	–	118.16	4.62	20.36	5,662.61	–	1,243.40
	ii. Not Considered in Consolidation	NIL	–	–	–	–	–	–	–	–	–

	Name of the Associates / Joint Venture	Pratibha Yogiraj JV	Yogiraj PIL JV	Niraj Pratibha Jv	Pratibha China State JV	Pratibha JV Delhi Airport	Pratibha Ostu Stettin JV	Pratibha Pipes & Structural Consortium JV	Pratibha Rohit JV	Unity Pratibha Consortium JV	Pratibha Membrane Filters JV	Patel Pratibha Jv
1	Balance Sheet Date	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019
2	Shares of Associate/ Joint Venture held by the Company on the year end											
	No.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Amount of Investment in associates / Joint venture	4,686.80	6,616.83	6,546.34	(3,088.51)	56.30	161.49	0.62	(64.96)	619.40	569.58	37.07
	Extend of Holding %	100	100									
3	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
4	Reason why the associate/ joint venture is not consolidated	Consolidated	Consolidated	Consolidation is not applicable as per the IND AS due	Consolidation is not applicable as per the IND AS due	Consolidation is not applicable as per the IND AS due	Consolidation is not applicable as per the IND AS due	Consolidation is not applicable as per the IND AS due	Consolidation is not applicable as per the IND AS due	Consolidation is not applicable as per the IND AS due	Consolidation is not applicable as per the IND AS due	Consolidation is not applicable as per the IND AS due
5	Networth attributable to shareholding as per latest audited balance sheet	4,686.80	6,616.83	6,546.34	(3,088.51)	56.30	161.49	0.62	(64.96)	619.40	569.58	37.07
6	Profit / Loss for the year											
	i. Consideration in Consolidation	–	–	–	–	–	–	–	–	–	–	–
	ii. Not Considered in Consolidation	–	–	(271.32)	(3,688.84)	NIL	(32.53)	–	(15.31)	(0.42)	(360.93)	(296.06)

AGM NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Pratibha Industries Limited will be held on Tuesday, 11th February, 2020 at 11.00 a.m. at IMC Bldg, IMC Marg, Churchgate, Mumbai, Maharashtra 400020, to transact the following businesses:

Background:

Pursuant to order dated February 01, 2019, of the Hon'ble National Company Law Tribunal - Mumbai Bench, ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from February 01, 2019 (Corporate Insolvency Resolution Process Commencement Date). Pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional ("RP") viz. **Shri Anil Mehta (IP registration no. : IBBI/IPA-001/IP-P00749/2017-2018/11282)**. As on the date of signing of this report, CIRP Period is expired and accordingly, the RP has filed an application before the Hon'ble National Company Law Tribunal - Mumbai Bench for liquidation of the Company as going concern, which is pending to be decided by the Hon'ble Bench.

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.

Clarification on appointment of Director in place of Director liable to retire by rotation:

At this ensuing Annual General Meeting, Mr. Ajit Bhagwan Kulkarni- Chairman & Director (Din: 00220578) of the Company is liable to retire by rotation in terms of provisions of the Section 152 (6) of the Companies Act, 2013 ("Act"). However, Mr. Ajit Kulkarni cannot be reappointed as a Director in the Company in view of his disqualification as per the provisions of Section 164 (2) the Act.

Pursuant to commencement of CIR Process of the Company, powers of the Board of Directors are exercised by the Resolution Professional as stated above and hence, no director is proposed to be appointed in place of retiring Director.

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

CIN: L45200MH1995PLC090760

Date : 09th January, 2020
Place : Mumbai

By the Order of Resolution Professional

For **Pratibha Industries Limited**

Sd/-

Ajit Kulkarni
Chairman & Director

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate Members intending to send their Authorized Representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 ('the Act') are requested to send a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

3. Members are requested to bring their attendance slip duly completed and signed mentioning therein details of their DP ID and Client ID/Folio Number (along with their copy of Annual Report) to the Meeting.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of members of the Company will be entitled to vote.

5. Proxy, in prescribed Form No. MGT-11 is enclosed herewith. The Proxy shall not have a right to speak at the meeting and shall not be entitled to vote, except on a poll.

6. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office and the Corporate Office on all working days during business hours up to the date of the Meeting.

7. Pursuant to Section 91 of the Act, the Company has notified closure of Register of Members and Share Transfer Books from 03rd February, 2020 to 10th February, 2020 (both days inclusive) for the purpose of AGM.

8. Pursuant to Section 72 of the Act read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH - 13, which can be obtained from the Company's Registrar and Transfer Agent.

9. Non-Resident Indian Members are requested to inform RTA, immediately of:

   (a) Change in their residential status on return to India for permanent settlement.

   (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

11. Pursuant to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, with effect from April 1, 2019, transfer of securities of the Company would be carried out in dematerialized form only, except in case of transmission or transposition of securities.

12. Electronic copy of the Notice of the Twenty Fourth Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting alongwith Attendance Slip, Proxy Form and the copy of the Annual Report for FY 2018-19 is being sent to all the members whose email address is registered with the Company, RTA or Depository Participant, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copy of the Annual Report for FY 2018-19 is being sent in permitted mode. Annual Report for FY 2018-19 and the Notice of the Twenty Fourth AGM circulated to the members will also be available on the Company's website at www.pratibhagroup.com .

13. **E-voting**

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

    II. The facility for voting through ballot paper will also be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

    III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    IV. The process and manner for remote e-voting are as under:

The instructions for shareholders voting electronically are as under:

(a) The remote e-voting period begins on 05th February, 2020 (9:00 a.m.) and ends on 10th February, 2020 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 03rd February, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(b) The shareholders should log on to the e-voting website www.evotingindia.com.

(c) Click on 'SHAREHOLDERS/MEMBERS' tab.

(d) Now Enter your 'USER ID'

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(e) Next, enter the Image Verification as displayed and Click on 'LOGIN'.

(f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(g) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address slip / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (D).

(h) After entering these details appropriately, click on 'SUBMIT' tab.

(i) Members holding shares in physical form will then directly reach the COMPANY SELECTION SCREEN. However, members holding shares in demat form will now reach 'PASSWORD CREATION' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(k) Click on the EVSN of the Company 'PRATIBHA INDUSTRIES LIMITED' to vote.

(l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(q) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(r) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(s) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(t) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 03rd February, 2020 ("the cut-off date").

VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

VII. A person who becomes member after dispatch of Annual Report, may follow the same procedure for e-Voting.

VIII. Person who ceases to be a member after dispatch of Annual Report as on the cut-off date shall treat this Notice for information only.

IX. Mr. Mayank Padiya, Practicing Company Secretary has been appointed by the Resolution Professional as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.pratibhagroup.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing and shall also be communicated to the Stock Exchanges where the shares of the Company are listed, within forth eight hours after the AGM. The results shall also be displayed on the notice board at the Registered Office of the Company.

Important Communication to members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that the service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants. We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and will co-operate with the Company in implementing the same.

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

CIN: L45200MH1995PLC090760

Date : 09th January, 2020
Place : Mumbai

By the Order of Resolution Professional

For **Pratibha Industries Limited**

Sd/-

Ajit Kulkarni
Chairman & Director

PRATIBHA

PRATIBHA INDUSTRIES LIMITED

CIN: L45200MH1995PLC090760

Registered Office: Shrikant Chambers, 5th Floor, Phase – II, Next to R. K. Studio, Sion Trombay Road, Chembur, Mumbai - 400 071.
Corporate Office: Unit No/s.1/B-56 & 1/B-57, Phoenix Paragon Plaza Phoenix Market City, LBS Marg Kurla (W) Mumabi - 400070.
Tel: +91-22-3955-9999 Fax: +91-22-3955-9900 **Email:** info@pratibhagroup.com URL: www.pratibhagroup.com

ATTENDANCE SLIP DP ID: ____________________

(To be presented at the Entrance) Folio No./Client ID: ____________________

I/We hereby record my/our presence 24th ANNUAL GENERAL MEETING of the Company at IMC Bldg, IMC Marg, Churchgate, Mumbai, Maharashtra 400020 on Tuesday, 11th February, 2020 at 11.00 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

____
Signature of the Member/Proxy

PRATIBHA

PRATIBHA INDUSTRIES LIMITED

CIN: L45200MH1995PLC090760

Registered Office: Shrikant Chambers, 5th Floor, Phase – II, Next to R. K. Studio, Sion Trombay Road, Chembur, Mumbai - 400 071.
Corporate Office: Unit No/s.1/B-56 & 1/B-57, Phoenix Paragon Plaza Phoenix Market City, LBS Marg Kurla (W) Mumabi - 400070.
Tel: +91-22-3955-9999 Fax: +91-22-3955-9900 **Email:** info@pratibhagroup.com URL: www.pratibhagroup.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member : ……………………………………………………………………………

Registered Address : ……………………………………………………………………………

Email ID : ……………………………………………………………………………

Folio No. / DP ID-Client ID : ……………………………………………………………………………

I/We, being the member(s) holding ……………………………………… shares of the above named Company, hereby appoint:

1. Name: ……………………………………… Address: ………………………………………
   E-mail Id: ……………………………………… Signature: ………………………………………, or failing him
2. Name: ……………………………………… Address: ………………………………………
   E-mail Id: ……………………………………… Signature: ………………………………………, or failing him
3. Name: ……………………………………… Address: ………………………………………
   E-mail Id: ……………………………………… Signature: ………………………………………, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Tuesday, 11th February, 2020 at 11.00 a.m. at IMC Bldg, IMC Marg, Churchgate, Mumbai, Maharashtra 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For*	Against*
1.	Adoption of audited stand alone and consolidated financial statements of the Company for the financial year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon.		

Signed this ………. day of ……………………….. 2020

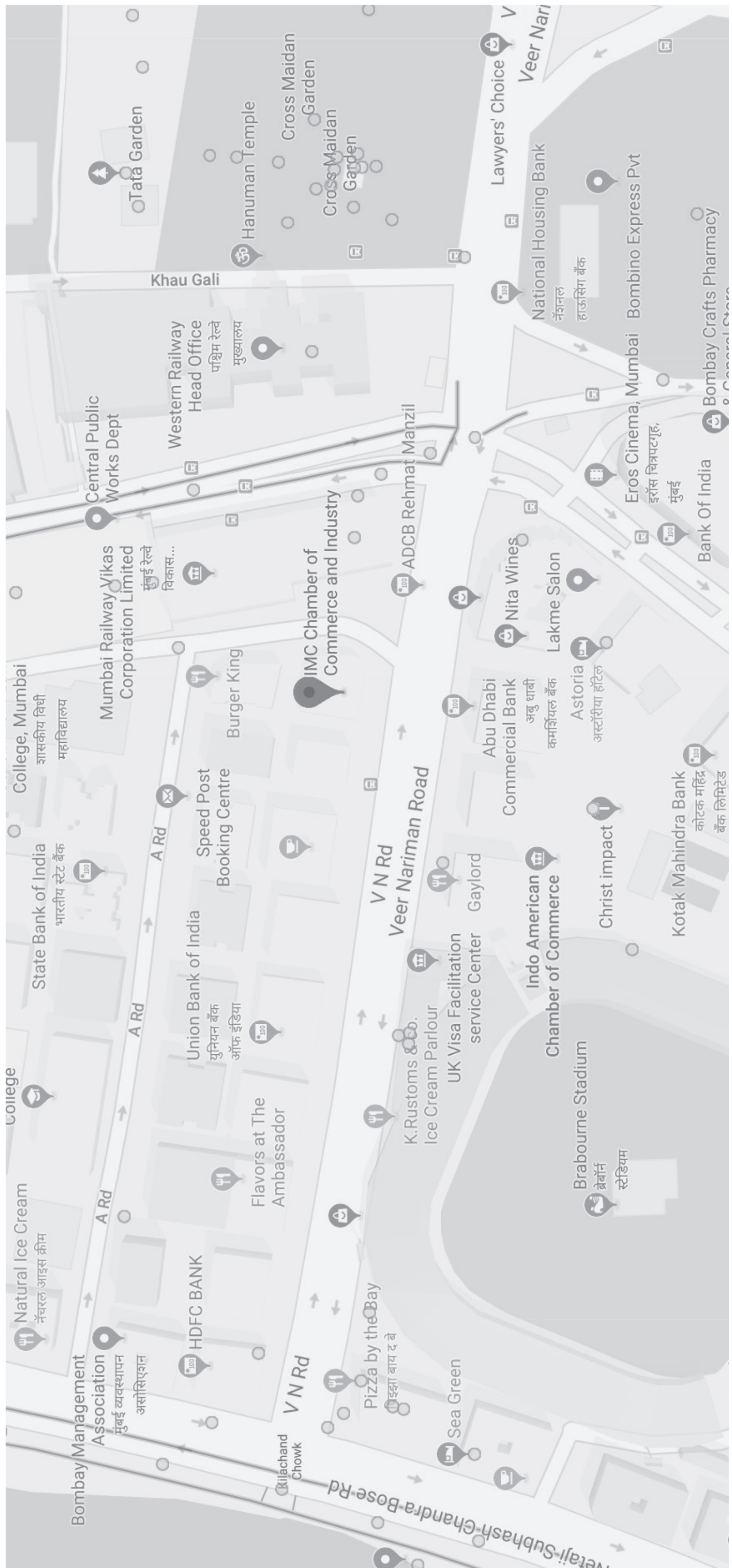
Signature of Member(s):…………………………………

Signature of Proxy Holder:………………………………

Affix Re.1
Revenue
Stamp

1. **Please put a '√' in a Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, proxy will be entitled to vote in the manner as he/she thinks appropriate.**
2. **The form of Proxy to be in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
3. **A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.**

Route Map to the AGM Venue



PRATIBHA INDUSTRIES LIMITED

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