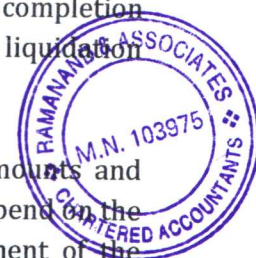




**Independent Auditors' report on Annual Consolidated Financial Results of the PRATIBHA INDUSTRIES LIMITED for the year ended March 31, 2019 pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

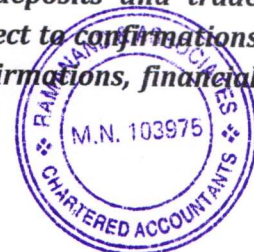
To,  
**The Resolution Professional**  
Pratibha Industries Ltd.  
Mumbai.

1. We were engaged to audit the accompanying Statement of Annual Audited Consolidated Financial Results of **Pratibha Industries Limited**, (the "Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), and its share of the profit/(loss) after tax and total comprehensive income/(loss) of its associates and Jointly Controlled Entities, for the year ended March 31, 2019 (the 'Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (the Circular).
2. The management of the Group is responsible for preparation of accompanying statement which is prepared from the annual statutory Ind AS Consolidated Financial Statement prepared in accordance with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended) under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the accounting principles generally accepted in India, basis which the above statement containing the annual audited consolidated financial results has been prepared, endorsed & approved by the Chief Financial Officer and thereafter provided to the Director for his signing on December 06, 2019 and further taken on record by the Resolution Professional. The responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.
3. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual consolidated financial results. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the



annual consolidated financial results, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the annual consolidated financial results in order to design audit procedures that are appropriate in the circumstances. An audit also includes, evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management, as well as evaluating the overall presentation of the Statement.

5. Our responsibility is to conduct an audit of the Annual Consolidated Financial Results in accordance with Standards on Auditing and to issue an auditor's report. However, because of the significance of the matters described in the Paragraph No. 6 to 32 below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the on these Annual Consolidated Financial Results.
6. ***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.***
7. ***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.***
8. ***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.***
9. ***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.***



10. *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.*
11. *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.*
12. *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.*
13. *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.*
14. *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.*
15. *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.*
16. *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.*
17. *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.*
18. *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.

19. 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.
20. 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.
21. 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.
22. The Holding Company has maintained Fixed Asset register. However, locations of assets have not been updated properly.
23. 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, 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.
24. 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.
25. The Holding Company has not made Provision for Employee Benefits in accordance with



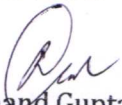
*Ind AS 19. The management of the Holding Company, is in opinion that since the matter is under CIRP and also majority of the employees have already left the company, there will be no additional liability on account of employee benefits. In absence of valuation report, we cannot comment on the impact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

26. *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 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.*
27. *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.*
28. *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.*
29. *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.*
30. *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.*
31. *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.*
32. *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.*
33. *Because of the significance of the matters described in the Paragraph No. 6 to 32 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinion as to whether these Annual Consolidated Financial Results:*



- a. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations; and
  - b. give a true and fair view of the net consolidated loss and other comprehensive income and other financial information for the year ended March 31, 2019.
34. We did not audit the financial statements of 11 subsidiaries (including 11 Joint Ventures treated as Subsidiary) included in the consolidated annual financial results, whose annual financial statements reflect, total assets of Rs. 3,598.47 Crores, total liabilities of Rs. 3,409.55 Crores as at March 31, 2019, and total revenue from operations of Rs. 70.51 Crores, total expenses of Rs. 372.11 Crores for the year ended March 31, 2019. These annual 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 reporting on the statement, to the extent they have been derived from such annual financial statements / financial information is solely based on the reports of such other auditors.
35. The annual financial statements/ financial information of 4 subsidiaries (including 1 step-down subsidiary) as considered in the consolidated annual financial results, whose annual financial statements reflect, total assets of Rs. 172.18 Crores, total liabilities of Rs. 314.31 Crores as at March 31, 2019, and total revenue from operations of Rs. 0.15 Crores, total expenses of Rs. 29.88 Crores for the year ended March 31, 2019, have not been audited by us or by other auditors. Their financial statements/ financial information have been furnished to us by the Management of Holding Company. Our reporting on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements / financial information.
36. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as stated in Paragraph 1 above, as required under the Regulation and the Circular.

For Ramanand & Associates  
Chartered Accountants  
FRN No. 117776W

  
CA Ramanand Gupta  
Partner  
M. No. 103975  
UDIN: 19103975AAAAKK9738



Date: 06/12/2019  
Place: Mumbai

# Pratibha Industries Limited

CIN : L45200MH1995PLC090760

Regd. Off.: Shrikant Chambers, Phase - II, 5th Floor, Sion Trombay Road, Next to R.K. Studio, Chembur, Mumbai - 400 071.  
Tel.:+91-22-3955 9999, Fax:+92-22-3955 9900. Website: www.pratibhagroup.com,

## Statement of Consolidated Financial results for the Quarter and Year ended 31st March 2019

Sr. No.	Particulars	(Rs. In Cr)				
		Quarter Ended			Year Ended	
		31.03.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2018 (Unaudited)	31.03.2019 (Audited)	31.03.2018 (Audited)
1	<b>Income</b>					
	(a) Gross Sales / Income from Operations	95.14	67.09	95.77	386.34	982.62
	(b) Other Income	50.20	0.72	82.26	53.97	258.79
	<b>Total Income</b>	<b>145.34</b>	<b>67.81</b>	<b>178.02</b>	<b>440.32</b>	<b>1,241.40</b>
2	<b>Expenditure</b>					
	(a) Consumption of raw materials	1.50	134.14	5.01	138.63	100.86
	(b) Construction & Operating Expenses	106.76	59.70	136.41	374.74	910.45
	(c) Changes in inventories of Finished Goods,	(1.25)	18.02	99.76	77.99	1,856.87
	(d) Employees cost	3.99	4.88	7.69	20.29	42.26
	(e) Finance Costs	102.38	561.77	688.32	788.39	741.13
	(f) Depreciation & Amortisation	7.23	9.84	10.30	38.10	47.80
	(g) Other Expenditures	113.20	440.84	129.61	572.12	363.43
	<b>Total Expenditures</b>	<b>333.81</b>	<b>1,229.18</b>	<b>1,077.09</b>	<b>2,010.26</b>	<b>4,062.79</b>
3	<b>Profit before Exceptional Items (1-2)</b>	<b>(188.47)</b>	<b>(1,161.37)</b>	<b>(899.07)</b>	<b>(1,569.94)</b>	<b>(2,821.39)</b>
4	Exceptional Items	-	-	-	-	-
5	<b>Profit before tax (3-4)</b>	<b>(188.47)</b>	<b>(1,161.37)</b>	<b>(899.07)</b>	<b>(1,569.94)</b>	<b>(2,821.39)</b>
6	<b>Tax expenses</b>					
	Current Tax	-	-	-	-	-
	Deferred Tax	-	-	-	-	(0.40)
7	<b>Profit after tax (5-6)</b>	<b>(188.47)</b>	<b>(1,161.37)</b>	<b>(899.07)</b>	<b>(1,569.94)</b>	<b>(2,820.99)</b>
8	Share in profit/(loss) of joint ventures/ associates (net)	(4.79)	(39.91)	(1.52)	(46.56)	(1.86)
9	Adjustments for non-controlling interest in subsidiaries	0.00	(0.01)	(0.01)	-	0.00
10	<b>Net profit after tax, non-controlling interest and share in profit/(loss) of joint ventures/ associates (7+8+9)</b>	<b>(193.26)</b>	<b>(1,201.29)</b>	<b>(900.60)</b>	<b>(1,616.50)</b>	<b>(2,822.85)</b>
11	Other Comprehensive Income (OCI)	(0.02)	-	(0.37)	(0.02)	(0.16)
12	<b>Total Comprehensive Income (10+11)</b>	<b>(193.28)</b>	<b>(1,201.29)</b>	<b>(900.97)</b>	<b>(1,616.52)</b>	<b>(2,823.01)</b>
13	Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	47.72	47.72	47.72	47.72	47.72
14	Other Equity attributable to Owners of the Company				(4,384.43)	(2,767.91)
15	Earning Per Share (in Rs.)					
	- Basic	(8.10)	(50.35)	(37.75)	(67.75)	(118.31)
	- Diluted	(8.10)	(50.35)	(37.75)	(67.75)	(118.31)

### Statement of Reconciliation of Other Equity as on 31st March 2018:-

Particulars	Amount (Rs. in Cr)
<b>Balance of Other Equity as reported in Consolidated Balance Sheet</b>	<b>(1,946.76)</b>
Less: Prior Period Expenses - Finance Cost for FY 2017-18	682.37
Less: Prior Period Expenses - Finance Cost for FY 2016-17	138.78
<b>Restated Balance of Other Equity</b>	<b>(2,767.91)</b>

### Statement of Reconciliation of Total Comprehensive Income as reported in Quarter/ Year ended March 31, 2018:-

Particulars	Amount (Rs. in Cr)	
	For the Quarter ended	For the Year ended
	31.03.2018 (Unaudited)	31.03.2018 (Audited)
<b>Total Comprehensive Income as reported in Statement of Consolidated Profit &amp; Loss</b>	<b>(218.60)</b>	<b>(2,140.64)</b>
Less: Prior Period Expenses - Finance Cost for FY 2017-18	682.37	682.37
<b>Restated Total Comprehensive Income</b>	<b>(900.97)</b>	<b>(2,823.01)</b>

8

# Pratibha Industries Limited

CIN : L45200MH1995PLC090760

Regd. Off.: Shrikant Chambers, Phase - II, 5th Floor, Sion Trombay Road, Next to R.K. Studio, Chembur, Mumbai - 400 071.  
Tel.:+91-22-3955 9999, Fax:+92-22-3955 9900. Website: www.pratibhagroup.com,

## Consolidated Statement of Assets and Liabilities

(Rs. In Cr)

Particulars	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
<b>A ASSETS</b>		
<b>1 NON-CURRENT ASSETS</b>		
(a) Property, Plant and Equipment	379.85	600.51
(b) Capital Work-in-progress	-	8.88
(c) Investment Property	-	-
(d) Goodwill	-	1.50
(e) Other Intangible assets	0.44	153.31
(f) Financial Assets		
(i) Investments	48.58	95.14
(ii) Trade Receivables	-	-
(iii) Loans	1.53	5.98
(iv) Others	162.87	390.19
(g) Deferred Tax Assets (Net)	-	-
(h) Other Non-Current Assets	315.37	213.73
<b>2 CURRENT ASSETS</b>		
(a) Inventories	1,323.34	1,453.49
(b) Financial Assets		
(i) Investment	-	-
(ii) Trade Receivables	81.34	233.14
(iii) Cash and Cash Equivalents	25.21	32.29
(iv) Bank Balances	11.68	47.12
(v) Loans	426.39	534.80
(vi) Others	133.22	144.68
(c) Current Tax Asset (Net)	8.80	23.10
(d) Other Current Assets	167.09	200.43
<b>TOTAL ASSETS</b>	<b>3,085.72</b>	<b>4,138.30</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 EQUITY</b>		
(a) Equity Share Capital	47.72	47.72
(b) Other Equity	(4,384.43)	(2,767.91)
(c) Minority Interest	-	-
<b>2 NON CURRENT LIABILITIES</b>		
(a) Financial Liabilities		
(i) Borrowings	1.36	1.31
(ii) Other Financial Liabilities	-	-
(b) Provisions	1.59	1.59
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non Current Liabilities	-	-
<b>3 CURRENT LIABILITIES</b>		
(a) Financial Liabilities		
(i) Borrowings	3,793.77	3,255.55
(ii) Trade Payables (Current)	257.67	402.91
(iii) Other Financial Liabilities	3,192.34	2,766.57
(b) Other Current Liabilities	168.06	422.77
(c) Provisions	1.44	1.60
(d) Current Tax Liabilities (Net)	6.20	6.20
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,085.72</b>	<b>4,138.30</b>

### NOTES:

- 1 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.
- 2 The Company is operating in single segment i.e. Engineering, Procurement and Construction (EPC). There have been no other reportable segments identified by the Management and hence no segment reporting is presented under IND AS 108.
- 3 In view of losses, no additional provision for deferred tax is considered.

h




## Pratibha Industries Limited

CIN : L45200MH1995PLC090760

Regd. Off.: Shrikant Chambers, Phase - II, 5th Floor, Sion Trombay Road, Next to R.K. Studio, Chembur, Mumbai - 400 071.  
Tel.:+91-22-3955 9999, Fax:+92-22-3955 9900. Website: [www.pratibhagroup.com](http://www.pratibhagroup.com),

- 4 During the year, the company reviewed inventory and valued the inventory at an amount which is most likely to be realised. The inventories include amount towards certain claims which the management as per its best judgement is hopeful of recovering from respective clients.
- 5 The company's networth is negative due to accumulated losses. Given that the company is under Corporate Insolvency Resolution Process, the financial results are prepared on a going concern basis.
- 6 Net worth of two wholly owned subsidiary companies, have fully eroded, Company's aggregate exposure is of Rs. 141.91 Crores as at 31st March, 2019 , consisting of investment in the equity share capital and interest free advances granted to these subsidiary companies.
- 7 Previous periods' figures have been regrouped/restated/reclassified wherever necessary to make them comparable with the current period.

For PRATIBHA INDUSTRIES LIMITED

  
Ajit Bhagwan Kulkarni

Director

DIN:00220578

Place : Mumbai

Date : 06/12/2019

h



# RAMANAND & ASSOCIATES

CHARTERED ACCOUNTANTS

HeadOffice:  
6/C, Gr. Floor, Ostwal Park,  
Bldg. No. 4, Near Jesal Park Jain Temple,  
Bhayandar (East), Dist. Thane 401105.  
Mob.: 9322231113 / 9322006131  
Tel.: 02228171199 / 32252775  
Email: [rg@caramanandassociates.com](mailto:rg@caramanandassociates.com)  
Website: [www.caramanandassociates.com](http://www.caramanandassociates.com)

**Independent Auditors' report on Annual Standalone Financial Results of the PRATIBHA INDUSTRIES LIMITED for the year ended March 31, 2019 pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**To,  
The Resolution Professional**

Pratibha Industries Ltd.

Mumbai.

1. We were engaged to audit the accompanying statement of Annual Audited Standalone Financial Results of **Pratibha Industries Limited**, (the "Company"), for the year ended March 31, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (the Circular).
2. The management is responsible for preparation of accompanying statement which is prepared from the annual statutory Ind AS Standalone Financial Statement prepared in accordance with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended) under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the accounting principles generally accepted in India, basis which the above statement containing the annual audited standalone financial results has been prepared, endorsed & approved by the Chief Financial Officer and thereafter provided to the Director for his signing on December 03, 2019 and further taken on record by the Resolution Professional. The responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.
3. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual standalone financial results. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual standalone financial results, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the annual standalone financial results in order to design audit procedures that are appropriate in the circumstances. An audit also includes, evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management, as well as evaluating the overall presentation of the Statement.
5. Our responsibility is to conduct an audit of the Annual Standalone Financial Results in accordance with Standards on Auditing and to issue an auditor's report. However, because of the significance of the matters described in the Paragraph No. 6 to 31, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Annual Standalone Financial Results
6. ***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.

7. *Inventory of Work in Progress (WIP) includes certain contractual claim amounting to Rs.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.*
8. *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.*
9. *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.*
10. *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.*
11. *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.*
12. *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.*
13. *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.*
14. *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.*
15. *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.*
16. *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.*



17. *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.*
18. *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 is 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.*
19. *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.*
20. *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.*
21. *The company has maintained Fixed asset register, however locations of assets have not been updated properly.*
22. *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, 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.*
23. *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.*
24. *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.*
25. *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.*
26. *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.*
27. *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.*



28. *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.*
29. *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.*
30. *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.*
31. *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.*
32. Because of the significance of the matters described in the Paragraph No. 6 to 31 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether these Annual Standalone Financial Results:
- are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations; and
  - give a true and fair view of the net loss and other comprehensive income and other financial information for the year ended March 31, 2019.
33. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as stated in Paragraph 1 above, as required under the Regulation and the Circular.

**For Ramanand & Associates**

Chartered Accountants

FRN No. 117776W



**CA Ramanand Gupta**

Partner

M. No. 103975

UDIN: 19103975AAAAKD1215

Date: 03/12/2019

Place: Mumbai

# Pratibha Industries Limited

CIN : L45200MH1995PLC090760

Regd. Off.: Shrikant Chambers, Phase - II, 5th Floor, Sion Trombay Road, Next to R.K. Studio, Chembur, Mumbai - 400 071.  
Tel.:+91-22-3955 9999, Fax:+92-22-3955 9900. Website: www.pratibhagroup.com,

## Statement of Standalone Financial results for the Quarter and Year ended 31st March 2019

(Rs. in Cr)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2018 (Unaudited)	31.03.2019 (Audited)	31.03.2018 (Audited)
1	<b>Income</b>					
	(a) Gross Sales / Income from Operations	81.20	43.96	199.23	316.04	881.89
	(b) Other Income	50.04	0.81	67.89	53.61	128.56
	<b>Total Income</b>	<b>131.24</b>	<b>44.77</b>	<b>267.12</b>	<b>369.66</b>	<b>1,010.45</b>
2	<b>Expenditure</b>					
	(a) Consumption of raw materials	0.18	93.24	4.41	94.92	68.87
	(b) Construction & Operating Expenses	100.97	31.27	219.40	315.90	814.90
	(c) Changes in inventories of Finished Goods,	(4.62)	(52.07)	175.73	(4.62)	1,330.04
	(d) Employees cost	2.61	3.33	5.77	14.14	27.49
	(e) Finance Costs	96.14	522.83	614.99	712.60	642.51
	(f) Depreciation & Amortisation	7.23	9.84	10.86	38.10	44.98
	(g) Other Expenditures	173.55	623.56	131.55	787.48	885.13
	<b>Total Expenditures</b>	<b>376.07</b>	<b>1,297.11</b>	<b>1,162.70</b>	<b>1,958.53</b>	<b>3,813.92</b>
3	<b>Profit before Exceptional Items (1-2)</b>	<b>(244.83)</b>	<b>(1,252.34)</b>	<b>(895.58)</b>	<b>(1,588.87)</b>	<b>(2,803.47)</b>
4	Exceptional Items	-	-	-	-	-
5	<b>Profit before tax (3-4)</b>	<b>(244.83)</b>	<b>(1,252.34)</b>	<b>(895.58)</b>	<b>(1,588.87)</b>	<b>(2,803.47)</b>
6	<b>Tax expenses</b>					
	Current Tax	-	-	-	-	-
	Deferred Tax	-	-	-	-	-
7	<b>Profit after tax (5-6)</b>	<b>(244.83)</b>	<b>(1,252.34)</b>	<b>(895.58)</b>	<b>(1,588.87)</b>	<b>(2,803.47)</b>
8	Other Comprehensive Income (OCI)	-	-	(0.38)	-	(0.15)
9	<b>Total Comprehensive Income (7+8)</b>	<b>(244.83)</b>	<b>(1,252.34)</b>	<b>(895.95)</b>	<b>(1,588.87)</b>	<b>(2,803.62)</b>
10	Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	47.72	47.72	47.72	47.72	47.72
11	Other Equity attributable to Owners of the Company				(4,241.36)	(2,652.49)
12	Earning Per Share (in Rs.)					
	- Basic	(10.26)	(52.49)	(37.54)	(66.59)	(117.50)
	- Diluted	(10.26)	(52.49)	(37.54)	(66.59)	(117.50)

### Statement of Reconciliation of Other Equity as on 31st March 2018:-

Particulars	Amount (Rs. in Cr)
<b>Balance of Other Equity as reported in Standalone Balance Sheet</b>	<b>(1,833.21)</b>
Less: Prior Period Expenses - Finance Cost for FY 2017-18	613.40
Less: Prior Period Expenses - Finance Cost for FY 2016-17	128.19
Less: Share of Loss from JV for FY 2017-18	67.11
Less: Share of Loss from JV for FY 2016-17	10.59
<b>Restated Balance of Other Equity</b>	<b>(2,652.49)</b>

### Statement of Reconciliation of Total Comprehensive Income as reported in Quarter/ Year ended March 31, 2018:-

Particulars	Amount (Rs. in Cr)	
	For the Quarter ended	For the Year ended
	31.03.2018 (Unaudited)	31.03.2018 (Audited)
<b>Total Comprehensive Income as reported in Statement of Standalone Profit &amp; Loss</b>	<b>(215.45)</b>	<b>(2,123.12)</b>
Less: Prior Period Expenses - Finance Cost for FY 2017-18	613.40	613.40
Less: Share of Loss from JV	67.11	67.11
<b>Restated Total Comprehensive Income</b>	<b>(895.95)</b>	<b>(2,803.62)</b>

# Pratibha Industries Limited

CIN : L45200MH1995PLC090760

Regd. Off.: Shrikant Chambers, Phase - II, 5th Floor, Sion Trombay Road, Next to R.K. Studio, Chembur, Mumbai - 400 071.  
Tel.:+91-22-3955 9999, Fax:+92-22-3955 9900. Website: www.pratibhagroup.com,

## Standalone Statement of Assets and Liabilities

(Rs. In Cr)

Particulars	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
<b>A</b>	<b>ASSETS</b>	
<b>1</b>	<b>NON-CURRENT ASSETS</b>	
	(a) Property, Plant and Equipment	375.80
	(b) Capital Work-in-progress	596.46
	(c) Investment Property	-
	(d) Goodwill	-
	(e) Other Intangible assets	-
	(f) Financial Assets	0.44
	(i) Investments	-
	(ii) Loans	509.42
	(iii) Others	1.37
	(g) Deferred Tax Assets (Net)	2.77
	(h) Other Non-Current Assets	-
<b>2</b>	<b>CURRENT ASSETS</b>	
	(a) Inventories	-
	(b) Financial Assets	316.89
	(i) Investment	-
	(ii) Trade Receivables	43.01
	(iii) Cash and Cash Equivalents	18.99
	(iv) Bank Balances	11.04
	(v) Loans	225.20
	(vi) Others	970.65
	(c) Current Tax Asset (Net)	7.27
	(d) Other Current Assets	64.17
	<b>TOTAL ASSETS</b>	<b>2,710.96</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>	
<b>1</b>	<b>EQUITY</b>	
	(a) Equity Share Capital	47.72
	(b) Other Equity	(4,241.36)
<b>2</b>	<b>NON CURRENT LIABILITIES</b>	
	(a) Financial Liabilities	
	(i) Borrowings	1.36
	(ii) Other Financial Liabilities	1.31
	(b) Provisions	-
	(c) Deferred Tax Liabilities (Net)	1.59
	(d) Other Non Current Liabilities	-
<b>3</b>	<b>CURRENT LIABILITIES</b>	
	(a) Financial Liabilities	
	(i) Borrowings	3,742.22
	(ii) Trade Payables (Current)	120.88
	(iii) Other Financial Liabilities	2,883.18
	(b) Other Current Liabilities	147.73
	(c) Provisions	1.44
	(d) Current Tax Liabilities (Net)	6.20
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,638.41</b>

### NOTES:

- 1 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.
- 2 The Company is operating in single segment i.e. Engineering, Procurement and Construction (EPC). There have been no other reportable segments identified by the Management and hence no segment reporting is presented under IND AS 108.
- 3 In view of losses, no additional provision for deferred tax is considered.
- 4 During the year, the company reviewed inventory and valued the inventory at an amount which is most likely to be realised. The inventories include amount towards certain claims which the management as per its best judgement is hopeful of recovering from respective clients.
- 5 The company's networth is negative due to accumulated losses. Given that the company is under Corporate Insolvency Resolution Process, the financial results are prepared on a going concern basis.

M

## Pratibha Industries Limited

CIN : L45200MH1995PLC090760

Regd. Off.: Shrikant Chambers, Phase - II, 5th Floor, Sion Trombay Road, Next to R.K. Studio, Chembur, Mumbai - 400 071.  
Tel.:+91-22-3955 9999, Fax:+92-22-3955 9900. Website: www.pratibhagroup.com,

- 6 Net worth of two wholly owned subsidiary companies, have fully eroded, Company's aggregate exposure is of Rs. 141.91 Crores as at 31st March, 2019 , consisting of investment in the equity share capital and interest free advances granted to these subsidiary companies.
- 7 Previous periods' figures have been regrouped/restated/reclassified wherever necessary to make them comparable with the current period.

For PRATIBHA INDUSTRIES LIMITED

Ajit Bhagwan Kulkarni

Director

DIN:00220578

Place : Mumbai

Date : 03/12/2019

K