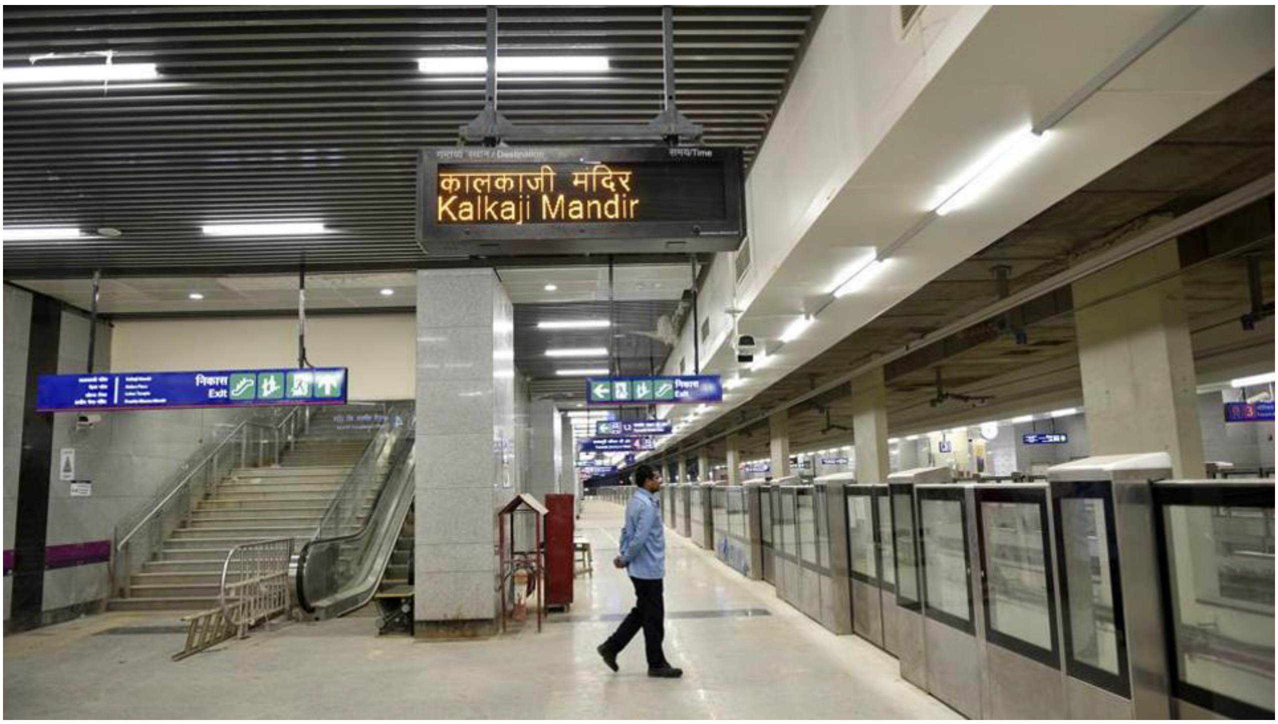
PRATIBHA INDUSTRIES LIMITED

23rd Annual Report



2017
2018

नैनं छिन्दन्ति शस्त्राणि नैनं दहति पावकः ।
न चैनं क्लेदयन्त्यापो न शोषयति मारुतः ।।

LATE SMT. USHA B. KULKARNI (MAUSHIJI)

(27 February 1935 - 5 August 2016)

Founder and Chairperson, Pratibha Industries Limited

Your life was a blessing, Your memory a treasure,
You are loved beyond words and Missed beyond measure.

Cherished and deeply missed by
The Team of Pratibha Industries

Environmental Engineering

Environmental Engineering is one of Pratibha's traditional core skills achieved with the integration of science and sound engineering principles it has provided safe drinking water, reduced pollution and scientific disposal of waste. It joins our construction expertise in high complexity environment. We offer cutting-edge system operation & maintenance know-how to meet our customer's requirement throughout the life cycle of the project.

Environmental Engineering

Our Experience

* Over 10,000 kms of pipelines with different material of construction
* Project covering from 90 mm dia up to 3500 mm dia.
* Storage Reservoir of various capacities 4800 ML Earthen, 600 ML RCC
* Water Treatment Plant varied capacities.
* Storm Water Pumping Stations.
* Pumping Stations of varied capacities
* Various capacities of MBR and ESR's
* RCC pipe laying by Micro Tunnelling up to 2400 mm dia.
* Sewerage Treatment Plant varied capacities with Power Generation

Our Expertise

* One Stop Solution Provider for all Water and Waste Water requirements.
* Water Sourcing Solutions covering development of Independent Source, Bulk Water Supply, Transmission Main, Augmentation of existing Water Supply Schemes for Urban and Rural
* Water Distribution and Metering Solutions
* Collection, Processing Solutions, Treatment and Disposal of Waste Water and Sewerage
* Collection, Segregation, Transprtation, Treatment (waste to energy) and disposal

Environmental Engineering

Huda 100 Water Treatment Plant
MLD at Gurugram (Haryana)

Water Treatment
Plant of 100
MLD at Meerut (U.P.)

MCGM Modak Sagar
Water Lake
Thane District (Maharashtra)

Urban Infrastructure

Undertaking massive Urban Infrastructure Special Projects covering Metros, Airports, Railway Stations, Roads and Bridges to keep in pace with the requirement of our Country for urban infrastructure. Pratibha has established itself in this segment successfully. All the projects undertaken by Pratibha in this segment have been completed/being completed adopting the most innovative technologies.

Urban Infrastructure

Our Experience

* Design & Construction of Tunnel by Tunnel Boring Machine around 25 kms
* Design & Construction of Underground Stations
* Largest capacity for Tunnel Boring with 22 TBM and MTBM
* Design & Construction of Three Airport Terminal Buildings including all services.
* Design & Construction of Three Railway Stations including all services

Our Expertise

Metros

* Elevated and Underground Metro Stations.
* Design and Construction of Tunnel by TBM.
* Cross over Tunnel

Airports

* Design and Construction of Terminal Building including all Civil, MEP & Allied Works
* Structural Fabrication.

Railway Stations

* Infrastructure development including Design & Construction of Railway Stations.

Arrival Terminal at
IGI Airport, New Delhi

DMRC Mandi House Underground
Metro Station

DMRC Janpath Under Ground
Metro Station

Buildings

Engineering capabilities of Pratibha is supplemented by its state-of-the-art architectural skills to design & build various complex civil infrastructures with latest technological standards. Besides operating as a general contractor, Pratibha synergises within its system, the innovative approaches such as project financing and concessions. We undertake projects on different terms like Turn-key, Lump-sum with all associated MEP Services.

Buildings

Our Experience

* Over 40 million Square Feet of construction on PAN India basis.
* Tallest Structural Steel Building at Mumbai.
* Construction of Green Buildings on Turnkey basis.
* 500 Bed Multi- Speciality Hospital.
* 550 Keys Four Star NOVOTEL Hotel Green Buildings, coupled with 6 basement below the ground (30 mtr).

Our Expertise

* Residential Buildings (Including High Rise & Townships)
* Commercial Buildings (Including Iconic Structures in Steel & RCC)
* Green Buildings
* Shopping Malls
* Car Parking
* Hotels
* Institutional Buildings
* Multi-speciality Hospitals

Financial strategy with high leveraging for raising the long term funds for implementing the capital intensive projects is inevitable. Building a financially resilient business structure in a maturing financial market is a big challenge for EPC company.

We at Pratibha are on our mission to be a Globally reputed EPC Company by Building a Robust, Resilient and Sustainable Business with massive goal of rising to be a Market Leader. Leaping over hurdles & disruptions through appropriate restructurings has always been critical in realising the wealth for all the stakeholders in the long run. Our consistency over the years bears testimony of our Undefeatable Resilience.

Building Financially Resilient Business

Contents

PRATIBHA

CORPORATE INFORMATION

Board of Directors

Mr. Ajit B. Kulkarni	Chairman & Director
Mr. Sharad Deshpande	Director
Mr. Awinash M. Arondekar	Independent Director (resigned w.e.f 20/03/2018)
Mr. Shrikant T. Gadre	Independent Director (resigned w.e.f.22/12/2017)
Dr. S. L. Dhingra	Independent Director (resigned w.e.f.21/03/2018)
Mr. V. Sivakumaran	Independent Director (resigned w.e.f.20/03/2018)
Mr. Vilas B. Parulekar	Independent Director
Smt. Sunanda Kullarni	Non Executive Woman Director(Additional Director appointed w.e.f. 20/02/2018)

Key Managerial personnel

Mr. K. H. Sethuraman	Chief Financial Officer
Ms. Bhavana Shah (From 20th July, 2017)	Company Secretary & Compliance Officer

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

23rd Annual General Meeting
On 24th December, 2018 at 3:00 p.m.
The Bombay Presidency Golf Club Limited,
Dr. C. G. Road, Chembur,
Mumbai – 400 071.

MANAGEMENT DISCUSSION AND ANALYSIS

Initiatives on the measures for revival of the construction sector

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.

After two sub-par years, interjected by demonetization and roll out of GST (Goods and Service Tax), growth is seen recapturing to respectable 7.5% next fiscal. However due to inconsistent decisions and change in policies by regulatory banking authorities, like scrapping of restructuring proposals pending on12thFeb 2018,tightened loan recognitions norms and scrapped all existing debt-restructuring proposals/schemes, affecting the company as same has wasted nearly 20 months on restructuring proposals, for large borrowers since IBC has been put in place.

2017-18 was a year of consolidation for the construction sector in India and it was no different for the company. The company focused on reducing its financial leverage and driving organisational change that aimed to deliver operational robustness. Starting from 2018-19, with the required financial and human resources in place, the Company is struggling to witness a good growth in execution of its sizeable order backlog.

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. Second, average crude oil (Indian basket) prices have risen by around 14% in 2017-18 compared to 2016-17. Going by the recent trends, the average crude oil prices, which was around US$ 56-57 per barrel in 2017-18 could rise further by another 10% to 15% in 2018-19. These factors could have a dampening effect to global economic growth.

India is also going through a difficult phase related to its banks and non-performing assets (NPA). The latest Reserve Bank of India (RBI) estimates in September 2017 suggests that gross

NPA was ₹ 9 lakh crore, which is 10.5% of the banking assets with restructured assets being an incremental ₹ 1.3 lakh crore. Further, a report by the credit rating agency, CARE, shows that, from a global perspective, India was fifth-worst in terms of bad loans in the system, measured as the ratio of NPA to outstanding loans.

In a major development on February 12, 2018, the RBI withdrew a host of restructuring schemes such as 5:25, Strategic Debt Restructuring (SDR), Scheme for Sustainable Structuring of Stressed Assets (S4A) and Corporate Debt Restructuring (CDR).

Instead, the RBI has insisted on capturing early stress on loan accounts immediately in the event of a default. While this new stance of the RBI will doubtless add transparency about stressed accounts, a proportion of banking assets under the various restructuring schemes that have been withdrawn by the central bank could run the risk of becoming NPAs. Moreover, unless this move is backed by concurrent addition of resources for provisioning or capital infusion, it may create more confusion among the lenders and borrowers alike. Therefore, it is imperative that all stakeholders, under the aegis of the RBI, evolve a cohesive and synchronized joint plan regarding the extent of provisioning and capital required and its mode of funding. In the interim, the present uncertain regulatory environment coupled with the increasing revelations and ongoing probes into frauds and allegations of improprieties against bankers is denting credit availability in the economy.

In summary, therefore, though India's GDP and GVA growth witnessed a slowdown in 2017-18 compared to the three earlier years, it is still in a fairly healthy state. Growth in public investments has created a fillip for infrastructure and also increased the ratio of gross domestic capital formation to GDP - for the first time over the last five years. There are concerns regarding the NPA overhang and the possibility of a widening current account deficit due to rising crude oil prices. Equally, greater stability in operationalizing the GST regime in India, likely recovery in investments and a continued commitment to fiscal prudence augur well for the economy. The RBI has pegged GDP growth for 2018-19 at 7% of GDP. HCC believes that such a growth rate will be realized, and that a stage could be set for 7.3% to 7.5% growth in 2019-20.

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. The levels of growth in the five years before 2012-13 were clearly much higher than what has been witnessed ever since. Construction growth in India has grown to 4.3% in 2017-18.

This business environment has thrown up several challenges for engineering and construction (E&C) companies in India . Two of these are key to the turnaround of the construction industry in India. First, there are the legacy issues of the past six to seven years that have put individual players under very difficult financial pressure. These relate to the adverse effects of the massive build-up of stalled and delayed projects in the country. It is estimated that as of January 2018, around 925 projects with a reported investment of ₹ 13.25 lakh crore have earned the unfortunate tag of 'implementation stalled'.

Second, there is the urgent need to generate new opportunities for players in the construction sector. In this, to its credit it must be stated that the Government of India (GoI) has been playing a key role, especially in the last couple of years. As an example, it is worthwhile to highlight the expenditure outlays on various infrastructure sectors in the Union Budget for 2018-19. Here is a list.

- GoI has increased budgetary and extra budgetary expenditure on infrastructure by around 20% from ₹ 4.94 lakh crore in 2017-18 to ₹ 5.97 lakh crore for 2018-19. Within the infrastructure sector, the focus areas of growth are clearly road transportation, railways, urban development and airports.
- In roads, capital expenditure of ₹ 1,22,000 crore has been earmarked for expansion of National Highways (more than 9,000-km length was achieved in 2017-18). Connectivity with the interior, backward and border areas of the country is being sought under the recently approved Bharatmala Pariyojana programme.
- For railways, capital expenditure of ₹ 1,48,528 crore is earmarked for 18,000 km of doubling, third and fourth line works, 5,000 km of gauge conversion, 3,600 km of track renewals and rolling stock programme for 12,000 wagons, 5,160 coaches, and 700 locomotives during 2018-19. The work on eastern and western DFC (Domestic Freight Corridor) is going on along with redevelopment of 600 major railway stations. In addition, ₹ 16,800 crore has been allotted for MRTS and Metro projects.

Thus, there are large opportunities in the future. To profitably avail of these prospects, each player in the construction industry in India must strike a balance between two goals. The first is to systematically deleverage their balance sheets, prune fixed costs and monetise non-core activities — and do so in a manner that gives sufficient comfort to the lenders. The second is to grow their businesses and continue to execute despite a substantial liquidity crunch. These are in itelf is challanging. How E&C majors go about meeting these imperatives and how they can be assisted by banks and their clients will clearly determine the state of the business in the next few years.

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.

In 2017-18, this strategic intent translated into further enhancing focus on the core construction business. In effect, PIL has had to strike a fine balance between maintaining pace of execution

activities, closing completed projects and growing the order book while managing without active support from banking sector. The Company has also undertaken several initiatives to

monetise or dilute its own positions in non-core businesses.

<u>RISKS AND CONCERNS continue as an HINDRANCE stopping the GROWTH</u>

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

During the Financial Year 2017-18 ('FY2018' or 'year under review'), the Company has achieved a consolidated turnover of ₹ 982.61 crores as compared to ₹ 1687.15 crores in the Financial Year 2016-17 ('FY 2017' or 'corresponding previous year'), thereby significant reduction in revenue at consolidated level. The Company has made loss of ₹ 2138.67 crores during FY2018 as against ₹ 837. 13 crores in FY2017.

The company bagged fresh orders to the tune of ₹ 1170.08Cr. during the year under review in joint ventures.

<u>The prominent projects bagged were from water segment, institutional buildings and metro station</u>

During the year under review the company bagged 3 projects in total worth ₹ 1170.08 crores approx.. One construction and redevelopment of Panvel depot in PPP mode worth ₹ 330 Cr. Another Water supply scheme for water supply scheme for KRISHNA BHAGYA NIGAM LIMITED amounting to ₹ 523.03 Cr, and Third Rehabillation of Distribution Network for NRW reduction for Dhaka city Zones for ,Dhaka Water Supply & Sewerage Board, Bangladesh for ₹ 317.05 Cr .

The Company has also emerged as the preferred bidder for three projects in Sri Lanka aggregating to ₹ 102.12 Cr. The company is hopeful of beginning execution on these projects in the current fiscal .

As in the case with most of the EPC (Engineering, Procurement and Construction) companies, the high cost of borrowed funds continued to affect the profitability of the Company adversely. Total borrowings of the Company (including short term borrowing) at consolidated level as on 31st March, 2018 were ₹ 3256.84 crores.

During the year under review, the Company witnessed considerable mismatch in cash flows due to delays in realizations of receivables and project executions which in turn created difficulties in meeting the obligations for repayment of loans. The Joint lenders forum constituted by the consortium of banks has invoked the strategic restructuring of Debts (SDR) as per the prevailing circulars issued the reserve bank of India, and had declared company as NPA as per new circular by RBI. This in turn has resulted in encashment of some of the bank guarantee's by customers.

The Company is operating in only one segment of operation i.e. construction. 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 on1/09/2017, and the matter is being followed closely with the client for amicable settlement.

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 ₹ 210.oo crores which was expected to generated total cash flow of ₹ 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 is in advance stage, the management is of the opinion that their case is strong and are expecting positive favourable result in the case.

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 have pleasure in presenting the 23rd Annual Report together with the financial statements for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended 31st March, 2018, is summarized below:

(₹ in crores)

Particulars	Standalone		Consolidated	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Total Revenue	1010.45	1102.35	1241.40	1730.02
Total Expenditure	3133.42	2025.14	3380.42	2666.60
Profit/(loss) before Tax	**(2122.97)**	**(922.79)**	**(2139.02)**	**(936.59)**
Less: Provision of Taxation	-	(99.23)	(0.40)	(99.46)
Profit/(loss) After Tax	**(2122.97)**	**(823.55)**	**(2138.62)**	**(837.13)**
Add: Share in Profit/(loss) of Joint Ventures/ Associates (net) & Adjustment for Non-Controlling interest in Subsidiaries	-	-	(1.86)	(2.27)
Net Profit after Tax, Non-Controlling interest and share in Profit/(loss) of Joint Ventures	**(2122.97)**	**(823.55)**	**(2140.48)**	**(839.40)**
Other Compressive Income	(0.15)	0.97	(0.16)	1.04
Total Comprehensive Income	**(2123.12)**	**(822.59)**	**(2140.64)**	**(838.36)**
Earnings Per Share (in ₹)				
Basic	(88.98)	(61.69)	(89.71)	(62.87)
Diluted	(88.98)	(61.69)	(89.71)	(62.87)

PERFORMANCE REVIEW

During the financial year 2017-18 ('FY2018' or 'year under review'), the Company has achieved a consolidated turnover of ₹ 982.61 Crores as compared to ₹ 1687.15 crores in the financial year 2016-17 ('FY 2017' or 'corresponding previous year'), thereby significant reduction in revenue of approx. 41.75% at consolidated level. The Company has consolidated loss of ₹ 2140.64 Crores during FY 2018 as against ₹ 839.39 crores loss in FY2017, mainly due to increase in finance cost and reduction in turnover.

The Company bagged fresh orders to the tune of ₹ 1170.08 Cr. during the year under review in joint ventures.

The prominent projects bagged were from water segment, institutional buildings and metro station During the year under review. The company bagged 3 projects in total worth ₹ 1170.08 crores approx.. One construction and redevelopment of Panvel depot in PPP mode worth ₹ 330 Cr. Another Water supply scheme for water supply scheme for KRISHNA BHAGYA NIGAM LIMITED amounting to ₹ 523.03 Cr, Third Rehabillation of Distribution Network for NRW reduction for Dhaka city Zones for, Dhaka Water Supply & Sewerage Board, Bangladesh for ₹ 317.05 Cr .

The business of the Company has been discussed in separate section viz. " Management Discussion and Analysis" which forms part of this report.

The lenders due to the severe financial crisis invoked the SDR on the 16.06.2016 with 18 months moratorium for arriving at a satisfactory solution. Though few investors evinced interest the SDR conclusion process could not be achieved and accordingly the account turned NPA with effect from 16.06.2016.

Currently the company is snaring at severe financial crunch coupled with paucity in the working capital requirements, nonpayment of salary to works and staff , nonpayment of statutory dues, etc.

Further bankers and government authorities have attached our various bank accounts for recovering their dues pertaining to the company.

The Bank of Baroda, financial creditor of the company has initiated Insolvency process under IBC Code and has filed petition with NCLT , Mumbai for the same. Company has received copy of the same Company Petition from HAS Advocates , on behalf of its client , Bank of Baroda, Financial Creditor of the company, under section 7 of the Insolvency and Bankruptcy Code, 2016 along with ancillary documents. The matter was listed on 5/11/2018 for hearing and was adjourned to 2nd January, 2019 for further proceeding.

DIVIDEND

In view of losses, your Directors do not recommend any dividend for the F.Y. 2017-18.

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. As per Section 74(1)(b) of the Act, the entire amount was to be repaid by 31st March, 2015. Hon'ble Company Law Board has vide its order dated 19th May, 2015 has allowed the Company to repay the deposit on the respective date of maturity of fixed deposits along with interest due thereon, if any, instead of repayment of entire fixed deposit on or before the 31st March, 2015.

The company has made an application u/s 74(2) of The Companies Act, 2013 to NCLT , MUMBAI Bench in August, 2017 for seeking an extension for further period of three years for repayment of outstanding deposits which was already matured. However the same matter has not been listed for hearing.

As on 31st March, 2018, fixed deposits outstanding stood at ₹ 2972.94 lacs including Interest due and Provision for penal Interest.

The Company made payments of matured and claimed deposits to the extent permitted by the liquidity.

DIRECTORS

Mr. Ravi Kulkarni, Dy. Managing Director retired by rotation in the last AGM.

During the Financial year there were various changes in the Board of Directors as follow:

1. Mr. Shrikant T. Gadre, the Independent Director resigned on 22/12/2017.
2. Mr. Awinash M. Arondekar the Independent Director resigned on 20/03/2018.
3. Mr. Sivakumaran Vaidyanathan the Independent Director resigned on 20/03/2018.
4. Dr. Sunder Lal Dhingra the Independent Director resigned on 21/03/2018.
5. Mrs. Sunanda D. Kulkarni was appointed as an additional director of the company with effect from 20/02/2018. Mrs. Sunanda D. Kulkarni holds office only upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.
6. Mr. Haresh Adhia , Nominee Director of the company resigned on 12/05/2018.

KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Bhavana Shah was appointed as Company Secretary w.e.f. 20th July, 2017. Mr. K. Sethuraman is CFO of the company.

MEETINGS OF THE BOARD

The details of meetings of Board and its Committees held during FY 2017-18 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 profit and 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. Reply to the qualifications in auditor's report on stand alone and consolidated financial statements of the period under review is annexed to the Directors' Report as The statement on impact of audit qualifications as stipulated in Regulation 33(3)(d) of SEBI (LODR) Regulations 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 ₹ 200,000/- plus applicable taxes and out of pocket expenses. A resolution for ratification by shareholders of said remuneration payable to Cost Auditors is included in the AGM notice.

INTERNAL FINANCIAL CONTROLS

During the year under review, the Company appointed Internal auditor as per the requirements of the Companies Act, 2013. However, due to Stressed Financial Conditions leading to irragularities in payment of fees to internal auditor resulting into non Co-operation from auditor. 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 Board appointed M/s. Haresh M. Associates, Company Secretaries in Whole Time Practice to conduct Secretarial Audit of the Company for the financial year 2017-18. The report of the Secretarial Auditor is annexed to this report as **Annexure - C**.

As far point wise reply to the qualifications of **Secretarial Audit Report** is as follow:

1. As mentioned earlier in this report, company is facing severe financial crunch since last two years, leading to delay in completion of projects, resulting into non-availability of funds on time and shortage of working capital, company could not comply with statutory compliance under various laws including SEBI(LODR) Regulations, 2015. Hence company did not file results on time as per SEBI Regulations. The company has,from time to time , apprised both stock exchange, vide various letters about the financial situation of the company. BSE and NSE has levied penalty, which company was not in position to pay and BSE has issued notice to the company for suspension of trading of the company shares w.e.f. 26th November, 2018.
2. The company was in process to identify and appoint woman director on the Board of the company. and company appointed woman director w.e.f. 20/02/2018.
3. The company, due to financial problems could not repay deposits on time. The company got extension from CLB in 2015 for repayment of deposits and after that company sought legal opinion regarding disqualification of director due to default of repayment in deposits on time, which on the basis of extension granted by CLB, gave favourable opinion regarding the qualification of directors, accordingly directors continued as such.

   After that company in August, 2017 has made petition to the NCLT,Mumbai Bench for further extension of period of 3 years of time for repayment of deposit, but the matter is not listed for hearing.

   Further to inform that in such tight situation, company has made efforts to pay maximum possible and made repayment of around ₹ 12 crores principal and ₹ 2 crores interest. This shows clear intention of the company that default is not intentional but due to prevailing circumstances.
4. As mentioned above , majority Independent Directors have resigned during the year under review either due to health reasons or personal reasons.
5. As regards point no. 5, 6,7 ,8 company could not pay fees to the cost auditor and internal auditor on time, which is pending for nearly last two years. Similarly company did not pay fees of the foreign subsidiary companies and auditor has not submitted the financial statements. Hence cost audit, internal audit was not carried out and also APR relating to foreign subsidiary was not filed.
6. As far point no. 9 , composition of audit committee was not as per SEBI(LODR) Regulations, but to comply with the other requirements, the present members of

the committee have to work , till new members are appointed.

7. Delay in listing fees, again due to non-availability of funds on time. The company was looking for company secretary after the resignation of previous company and appointed on 20th July, 2017.
8. As regards confirmation and approval of minutes of subsidiary companies by the Board, there was delay in getting records on time from subsidiary companies and some time not getting financials from auditors.

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 and 2017-18 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 2017-18, 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 Note no 40 to the Balance Sheet as on 31st March, 2018.

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 Note no.43 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. On the basis of criteria so approved, the evaluation of the Board of Directors and its committees was carried out on 30th May, 2017 to assess the effectiveness of the Board and its Committees during F. Y. 2017-18. A separate exercise was also carried out to evaluate the performance of individual Directors on various parameters which, inter alia, included understanding of their roles and responsibilities, business of the Company, level of participation and contribution, independence of judgement, safeguarding the overall interest of shareholders and the Company.

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, was not fair enough and 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, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- No 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.
- 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.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank 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.

For and on behalf of the Board of Directors

Sd/-

Date: 9th Novemebr, 2018 **Ajit Kulkarni**

Place: Mumbai **Chairman & Director**

PRATIBHA

Annexure -A to Board's Report

Form No. MGT-9 - EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
[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	Whether listed Company. Yes/ No.	Yes
6	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

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	4,44,97,793	-	4,44,97,793	18.65	3,74,69,448	0	3,74,69,448	15.70	-2.95
Sub Total (A)(1)	4,44,97,793	-	4,44,97,793	18.65	3,74,69,448	0	3,74,69,448	15.70	-2.95
2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**4,44,97,793**	**-**	**4,44,97,793**	**18.65**	**3,74,69,448**		**3,74,69,448**	**15.7**	-2.95
B. Public shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-		-	-	-
b) Banks / FI	13,77,80,842	-	13,77,80,842	57.75	13,75,52,106		13,75,52,106	57.65	-0.10
c) Central Government / State Government(s)	-	-	-	-	3,447	0	3,447	0.00	0.00
d) FIIs	-	-	-	-	7,00,182		7,00,182	0.29	0.29
e) Insurance Company	1,48,126	-	1,48,126	0.06	1,48,126	-	1,48,126	0.06	0.00
Sub Total (B) (1)	**13,79,28,968**	**-**	**13,79,28,968**	57.81	**13,84,03,861**	-	**13,84,03,861**	58.01	0.20
2) Non-institutions									
a) Bodies Corp.									
i) Indian	69,08,700	-	69,08,700	2.90	80,92,366		80,92,366	3.39	0.50
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,57,34,770	5,880	3,57,34,770	14.98	3,74,52,073	5,880	3,74,57,953	15.70	0.72
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	70,40,461	-	70,40,461	2.95	1,09,35,567		1,09,35,567	4.58	1.63
c) Others (specify)									
i) Non Resident Indians (Repat)	15,90,662	-	15,90,662	0.67	22,10,654	-	22,10,654	0.92	0.25
ii) Non Resident Indians (Non Repat)	2,88,336	-	2,88,336	0.12	5,87,514	-	5,87,514	0.25	0.13
iii) Clearing Member	29,68,396	-	29,68,396	1.24	14,67,412	-	14,67,412	0.62	-0.63
iv) Foreign National	-	-	-	-	-	-	-	-	-
v) Trusts	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
vi) Hindu Undivided Family (HUF)	16,33,382	-	16,33,382	0.68	19,72,573		19,72,573	0.83	0.14
Sub Total (B)(2)	**5,61,64,707**	**5,880**	**5,61,70,587**	23.54	**6,27,18,159**	**5,880**	**6,27,24,039**	26.28	**2.74**
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	**19,40,93,675**	**5,880**	**19,40,99,555**	81.35	**20,11,22,020**	**5,880**	**20,11,27,900**	**84.29**	**-0.21**
Total (A)+(B)	**23,85,91,468**	**5,880**	**23,85,97,348**	100.00	**23,85,91,468**	**5,880**	**23,85,97,348**	**100**	**0**
C. Shares held by custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**23,85,91,468**	**5,880**	**23,85,97,348**	**100**	**23,85,91,468**	**5,880**	**23,85,97,348**	**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	3,04,13,804	12.75	5.45	2,33,85,459	9.80	5.45	-2.95
2.	Ajit B. Kulkarni- HUF	98,17,750	4.12	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	0.00	-	8	8	-	0.00
	Total	**4,44,97,793**	**18.65**	**9.54**	**3,74,69,448**	**15.70**	**9.54**	**-2.95**

(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
1	**MR. AJIT B KULKARNI**				
	At the beginning of the year	**3,04,13,804**	**12.75**	**3,04,13,804**	**12.75**
	29-09-2017 (Transfer)	(95,38,014)	(4)	2,08,75,790	8.75
	09-02-2018 (Transfer)	25,09,669	1.05	2,33,85,459	9.80
	At the end of the year	2,33,85,459		2,33,85,459	

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

Sr. No.	Particulars	Shareholding		Cumulative Shareholding	
		No. of shares held	% of total shares of the Company	No. of shares held	% of total shares of the Company
1	BANK OF BARODA				
	At the beginning of the year	2,52,80,715	10.60	2,52,80,715	10.60
	At the end of the year	2,52,80,715	10.60	2,52,80,715	10.60
2	UNION BANK OF INDIA				
	At the beginning of the year	1,62,60,052	6.81	1,62,60,052	6.81
	At the end of the year	1,62,60,052	6.81	1,62,60,052	6.81
3	ALLAHABAD BANK				
	At the beginning of the year	1,47,65,646	6.19	1,47,65,646	6.19
	At the end of the year	1,47,65,646	6.19	1,47,65,646	6.19
4	CENTRAL BANK OF INDIA				
	At the beginning of the year	1,29,01,758	5.41	1,29,01,758	5.41
	At the end of the year	1,29,01,758	5.41	1,29,01,758	5.41
5	AXIS BANK LIMITED				
	At the beginning of the year	1,26,05,550	5.28	1,26,05,550	5.28
	07-04-2017 (Transfer)	14,980	0.01	1,26,20,530	5.29
	14-04-2017 (Transfer)	600	0.00	1,26,21,130	5.29
	21-04-2017 (Transfer)	(5,500)	(0.00)	1,26,15,630	5.29
	26-05-2017 (Transfer)	2,59,192	0.11	1,28,74,822	5.40
	02-06-2017 (Transfer)	(1,200)	(0.00)	1,28,73,622	5.40
	09-06-2017 (Transfer)	(3,900)	(0.00)	1,28,69,722	5.39
	16-06-2017 (Transfer)	(1,35,250)	(0.06)	1,27,34,472	5.34
	23-06-2017 (Transfer)	6,554	0.00	1,27,41,026	5.34
	30-06-2017 (Transfer)	(1,27,660)	(0.05)	1,26,13,366	5.29
	07-07-2017 (Transfer)	(570)	(0.00)	1,26,12,796	5.29
	14-07-2017 (Transfer)	(480)	(0.00)	1,26,12,316	5.29
	28-7-2017 (Transfer)	29,000	0.01	1,26,41,316	5.30
	04-08-2017 (Transfer)	(58,021)	(0.02)	1,25,83,295	5.27
	11-08-2017 (Transfer)	44,637	0.02	1,26,27,932	5.29
	18-08-2017 (Transfer)	(170)	(0.00)	1,26,27,762	5.29
	25-08-2017 (Transfer)	(8,850)	(0.00)	1,26,18,912	5.29
	01-09-2017 (Transfer)	(58,994)	(0.02)	1,25,59,918	5.26
	15-09-2017 (Transfer)	1,07,518	0.04	1,26,67,436	5.31
	22-09-2017 (Transfer)	4,433	0.00	1,26,71,869	5.31
	29-09-2017 (Transfer)	(98,224)	(0.04)	1,25,73,645	5.27
	06-10-2017 (Transfer)	2,75,287	0.12	1,28,48,932	5.39
	13-10-2017 (Transfer)	16,790	0.01	1,28,65,722	5.39
	20-10-2017 (Transfer)	(1,050)	(0.00)	1,28,64,672	5.39
	27-10-2017 (Transfer)	(2,000)	(0.00)	1,28,62,672	5.39
	03-11-2017 (Transfer)	79,853	0.03	1,29,42,525	5.42
	10-11-2017 (Transfer)	67,847	0.03	1,30,10,372	5.45
	17-11-2017 (Transfer)	(2,25,280)	(0.09)	1,27,85,092	5.36
	24-11-2017 (Transfer)	(1,19,514)	(0.05)	1,26,65,578	5.31
	08-12-2017 (Transfer)	(1,01,933)	(0.04)	1,25,63,645	5.27
	15-12-2017 (Transfer)	(50,000)	(0.02)	1,25,13,645	5.24
	22-12-2017 (Transfer)	50,000	0.02	1,25,63,645	5.27
	12-01-2018 (Transfer)	(50,000)	(0.02)	1,25,13,645	5.24
	26-01-2018 (Transfer)	(4,000)	(0.00)	1,25,09,645	5.24
	02-02-2018 (Transfer)	50,000	0.02	1,25,59,645	5.26
	16-02-2018 (Transfer)	1,35,000	0.06	1,26,94,645	5.32
	23-02-2018 (Transfer)	1,35,000	(0.06)	1,25,59,645	5.26

	23-03-2018 (Transfer)	(50,000)	(0.02)	1,25,09,645	5.24
	At the end of the year	1,25,09,645	5.24	1,25,09,645	5.24
6	PUNJAB NATIONAL BANK				
	At the beginning of the year	1,02,53,288	4.30	1,02,53,288	4.30
	At the end of the year	1,02,53,288	4.30	1,02,53,288	4.30
7	BANK OF INDIA				
	At the beginning of the year	92,55,849	3.88	92,55,849	3.88
	At the end of the year	92,55,849	3.88	92,55,849	3.88
8	ICICI BANK LTD				
	At the beginning of the year	73,22,843	3.07	73,22,843	3.07
	07.04.2017 (Transfer)	(10,376)	(0.00)	73,12,467	3.06
	14.04.2017 (Transfer)	10,376	0.00	73,22,843	3.07
	21.04.2017 (Transfer)	776	0.00	73,23,619	3.07
	28.04.2017 (Transfer)	(2,428)	(0.00)	73,21,191	3.07
	05.05.2017 (Transfer)	(107)	0.00	73,21,084	3.07
	12.05.2017 (Transfer)	3,16,888	0.13	76,37,972	3.20
	19.05.2017 (Transfer)	(1635)	(0.00)	76,36,337	3.20
	26.05.2017 (Transfer)	(3,09,903)	(0.13)	73,26,434	3.07
	02.06.2017 (Transfer)	(20,192)	(0.01)	73,06,242	3.06
	09.06.2017 (Transfer)	2,650	0.00	73,08,892	3.06
	16.06.2017 (Transfer)	(1,174)	(0.00)	73,07,718	3.06
	23.06.2017 (Transfer)	1,691	0.00	73,09,409	3.06
	30.06.2017 (Transfer)	(5,952)	(0.00)	73,03,457	3.06
	07.07.2017 (Transfer)	(37,120)	(0.02)	72,66,337	3.05
	14.07.2017 (Transfer)	(2)	0.00	72,66,335	3.05
	21.07.2017 (Transfer)	1,551	0.00	72,67,886	3.05
	28.07.2017 (Transfer)	(732)	(0.00)	72,67,154	3.05
	04.08.2017 (Transfer)	(17,937)	(0.01)	72,49,217	3.04
	11.08.2017 (Transfer)	(1,598)	(0.00)	72,47,619	3.04
	18.08.2017 (Transfer)	1,598	0.00	72,49,217	3.04
	01.09.2017 (Transfer)	(15,316)	(0.01)	72,33,901	3.03
	08.09.2017 (Transfer)	(250)	(0.00)	72,33,651	3.03
	15.09.2017 (Transfer)	(2,455)	(0.00)	72,31,196	3.03
	22.09.2017 (Transfer)	(1,200)	(0.00)	72,29,996	3.03
	29.09.2017 (Transfer)	1,079	0.00	72,31,075	3.03
	06.10.2017 (Transfer)	(310)	(0.00)	72,30,765	3.03
	13.10.2017 (Transfer)	(3,433)	(0.00)	72,27,332	3.03
	20.10.2017 (Transfer)	1,087	0.00	72,28,419	3.03
	27.10.2017 (Transfer)	8,937	0.00	72,37,356	3.03
	03.11.2017 (Transfer)	(14)	0.00	72,37,342	3.03
	10.11.2017 (Transfer)	3,855	0.00	72,41,197	3.03
	17.11.2017 (Transfer)	(60)	0.00	72,41,137	3.03
	24.11.2017 (Transfer)	(52,432)	(0.02)	71,88,705	3.01
	At the end of the year	71,88,705	3.01	71,88,705	3.01
9	INDIAN OVERSEAS BANK				
	At the beginning of the year	63,83,596	2.68	63,83,596	2.68
	At the end of the year	63,83,596	2.68	63,83,596	2.68
10	BANK OF MAHARASHTRA				
	At the beginning of the year	51,74,033	2.17	51,74,033	2.17
	At the end of the year	51,74,033	2.17	51,74,033	2.17

Note:

1. **Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.**
2. **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	**3,04,13,804**	**12.75**	**3,04,13,804**	**12.75**
	29-09-2017 (Transfer)	(95,38,014)	(4)	2,08,75,790	8.75
	09-02-2018 (Transfer)	25,09,669	1.05	2,33,85,459	9.80
	At the end of the year	2,33,85,459		2,33,85,459	
2	**Mr. Ravi A. Kulkarni (Dy. Managing Director) ceased to be director w.e.f 29th September, 2017.**				
	At the beginning of the year	10,00,000	0.42	10,00,000	0.42
	No change during the year	-	-	-	
	At the end of the year	**1,000,000**	**0.42**	**1,000,000**	**0.42**
3	Mrs. Sunanda D. Kulkarni (Non-Executive Woman director Appointed w.e.f 14th February, 2018)				
	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** (₹ in lacs)

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

Particulars	Secured Loans	Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	4,30,848.89	21,401.61	2,724.72	4,54,975.22
(Including Interest due but not paid and Interest accrued but not due)				
Total	**4,30,848.89**	**21,401.61**	**2,724.72**	**4,54,975.22**
Change in Indebtedness during the financial year				
· Addition	11,016.41	18,522.98	198.21	
· (Reduction)	-	-	-	-
Net Change	**11,016.41**	**18,522.98**	**198.21**	**29,737.60**
Indebtedness at the end of the financial year				
Principal Amount	4,41,865.30	39,924.59	2,922.94	4,84,712.83
(Including Interest due but not paid and Interest accrued but not due)				
Total	**4,41,865.30**	**39,924.59**	**2,922.94**	**4,84,712.83**

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 2017-18.

B. Remuneration to other directors (Sitting fees):

Amount in ₹)

Sl. no.	Particulars of Remuneration	Mr. Shrikant T. Gadre	Mr. Awinash Arondekar	Dr. Sunder Lall Dhingra	Mr. V. Sivakumaran	Mr. Vilas B. Parulekar	Mrs. Sunanda D. Kulkarni	Total Amount
1.	Independent Directors Fee for attending board / committee meetings	190,000.00	200,000.00	100,000.00	100,000.00	140,000.00		7,30,000
2.	Commission	-	-	-	-	-		-
3.	Others, please specify	-	-	-	-	-		-
	Total (1)	190,000.00	200,000.00	100,000.00	100,000.00	140,000.00		7,30,000
	Other Non-Executive Directors	N. A.	N. A.	N. A.	N. A.	N. A.		N. A.
	Total (2)	-	-	-	-	-		-
	TOTAL (B)=(1+2)							
	Total Managerial Remuneration		**₹ 7,30,000 (Total A and Total B)**					
	Overall Ceiling as per the Act		NA (There being losses in the FY 2017-18)					

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		K. H. Sethuraman CFO	Bhavana Shah 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	**65,69,826.00** Nil Nil	**10,37,545.00**	**76,07,371.00** Nil Nil
2.	Stock Option	Nil		Nil
3.	Sweat Equity	Nil		Nil
4.	Commission - as % of profit - others, specify…	Nil		Nil
5.	Others, please specify	Nil		Nil
	TOTAL	**65,69,826.00**	**10,37,545.00**	**76,07,371.00**

** Mrs. Bhavana Shah has been appointed as Company Secretary & Compliance officer w.e.f 20th July, 2017*

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 Consolidated Financial Results for 31st March, 2018

I. **Audit Qualifications:** (₹ In crores)

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	1,241.40	1,241.40
2	Total Expenditure	3,380.42	3,380.42
3	Net Profit/(Loss)	(2,140.48)	(2,140.48)
4	Earnings Per Share	(89.71)	(89.71)
5	Total Assets	4,138.30	4,138.30
6	Total Liabilities	4,138.30	4,138.30
7	Net Worth	(1785.49)	(1785.49)
8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL

II	Audit Qualifications:		
1	a.	**Details of Audit Qualification:**	
		The holding company has accumulated losses and its net worth is fully eroded. It has incurred net loss during the current year as well as previous years and it's current liabilities exceeded its current assets as at the balance sheet date. It is unable to repay its debts, statutory obligations and pay salaries apart from other obligations/commitments. Its scheme of Strategic Debt Restructuring has failed as the lenders have not accepted its proposal. All these indicate a material uncertainity that may cast significant doubt upon the holding Company's ability to continue as a Going Concern. The Management of Holding Company is optimistic about finding resolution and believes it will be able to continue its business, accordingly 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 first time	
	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:**
			As per the Management's estimation, there is NIL impact of audit qualification. The Management of Pratibha Industries Limited is optimistic about finding resolution and believes it will be able to continue its business, accordingly the Consolidated financial results are prepared on a going concern basis for the year ended 31st March, 2018.
		ii.	**If Management is unable to estimate the impact, reasons for the same:**
			Not applicable
		iii.	**Auditors' Comments on (i) or (ii) above:**
			The lenders have rejected proposal given under the scheme of SDR and the scheme has also failed. Since the negativity in net worth is substantial amount, it will be very difficult to recover the losses in near future. Hence we stand by the remark.
2	a.	**Details of Audit Qualification:**	
		Inventory of Work in Progress (WIP) of Holding Company includes certain contractual claim amounting to Rs. 36.91 Crores. These amounts have been ascertained by the management of Holding Company based on their estimates. No formal submission of these claims has been made to clients. WIP also includes certain claims amounting to ₹ 170.33 Crores which are though submitted but not yet approved by respective clients. The amounts of these claims are subject to change post submission/approval from clients. In absence of any communication from clients, we cannot confirm the amount of this WIP. The consequential impact, if any, on the Consolidated financial statements 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 2015-16	
	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:** The company has prepared the claim based on the contractual terms which will be submitted shortly and company is hopeful of clients approval in due course of time.
		ii.	**If Management is unable to estimate the impact, reasons for the same:** Not applicable
		iii.	**Auditors' Comments on (i) or (ii) above:** The claims should be properly should be submitted and approved by clients in order to be recognised in WIP. Since these are yet to be done and the amounts are not yet crystalised from clients side, such claims should not be recognised as WIP. Hence we stand by our remark.
3	**Audit Qualification:**		
	a.	**Details of Audit Qualification:**	
		The management of the Holding Company has not provided us with the 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 WIP has been valued and stated correctly or not. The consequential impact, if any, on the Consolidated financial statements is therefore not ascertainable.	
	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:**	
		Not Applicable.	
	e.		
		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
		ii.	**If Management is unable to estimate the impact, reasons for the same:**
			Not applicable
		iii.	**Auditors' Comments on (i) or (ii) above:**
			Without proper estimation for cost to complete and estimated profitability, it is difficult to arrive at correct working of WIP. Even if the contracts are given on back to back basis, it is essential to prepare the working, to arrive at project profitability on balance work and if required provide for future losses immediately.
4	a.	**Details of Audit Qualification:**	
		The Holding company has not provided for interest on various loans from Banks to the extent of ₹ 220.42 Crores. To that extent interest expense, interest liability and loss for the year ended March 31, 2018 are understated. The management of the Holding Company is of the view that since the status of all loans has become NPA, interest will be waived off by the Banks and hence no provision is required.	
	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 since 2016-17	
	d.	**For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:**	
		The management of the Holding Company is of the view that since the status of all loans has become NPA, interest will be waived off by the Banks and hence no provision is made.	

	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
5	a.	**Details of Audit Qualification:**
		Many clients of the Holding company have en-cashed Bank Guarantee on account of various reasons. Balance of ₹ 353.67 Crores is shown as recoverable as asset in Balance sheet and no provision against the same has been made. To that extent loss and reserves are understated and Assets are overstated. Management of Holding Company is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.
	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
	d.	**For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:**
		Management of Holding Company is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.
	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.
6	a.	**Details of Audit Qualification:**
		Many clients of the Holding company have withheld around ₹ 142.88 Crores on account of various reasons. The amount is outstanding since long. This is shown as refundable from Clients and no provision against the same has been made. In absence of communication with client and proper documentations, we are unable to determine any possible impact thereof on the loss for the year. Management of the Holding Company is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.
	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 first time
	d.	**For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		Management is of the view that most of the money withheld by clients is recoverable.
	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:**
		Not applicable
		iii. **Auditors' Comments on (i) or (ii) above:**
		Not applicable

7	a.		**Details of Audit Qualification:**
			Many loan accounts having aggregate balance of ₹ 271.78 Crores, of Holding Company, are not confirmed due to non-availability of statement / confirmation from respective Banks. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and on the balance of cash and cash equivalent and Borrowed Funds.
	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 management shall provide required details to ascertain and confirm figures of loan accounts.
	e.		**For Audit Qualification(s) where the impact is not quantified by the auditor:**
			i.Management's estimation on the impact of audit qualification:
			Since management shall provide information relating to confirmation of loan accounts, it shall have nil impact of audit qualification.
	f.		**If management is unable to estimate the impact, reasons for the same:**
			Not applicable
	g.		Auditors' Comments on (i) or (ii) above:
			The impact can be ascertained only after receipt of statement / confirmation from banks.
8	a.		**Details of Audit Qualification:**
			The Holding Company has not made provision against Investment of ₹ 1 Crore and Loans given of ₹ 94.73 Crores to its wholly owned subsidiary M/s. Prime Infrapark Private Limited. The networth of the subsidiary company has fully eroded and its Concession Agreement has been terminated by DMRC.
	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 first time
	d.		**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
			The management is assuring that it will be done in the next quarter.
	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
9	a.		**Details of Audit Qualification:**
			The Holding Company has not made provision against Investment of ₹ 0.01 Crore and Loans given of ₹ 73.47 crores to its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Its Concession Agreement has been terminated by NHAI. 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
			Appeared for the first time
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
			The management is of the opinion that the company is expecting recovery of all investment and loans to subsidiary from arbitration proceedings with NHAI.
	e.		**For Audit Qualification(s) where the impact is not quantified by the auditor:**
		i.	**Management's estimation on the impact of audit qualification:**
			Since investment is expected to be recovered , it will have no impact on accounts.
		ii.	**If management is unable to estimate the impact, reasons for the same:**
			Not applicable.
		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.

10	**Audit Qualification:**	
	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 and associate company M/s. Saudi Pratibha Industries LLC. In absence of these details, we can not comment on any requirement for provision for diminution in value of investments.
	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 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:**
		The company is facing severe financial crunch and under this circumstances , auditor did not submit audited financial statements of wholly owned subsidiary M/s. PratibhaHoldings (Singapore) Pte. Ltd and associate company M/s. Saudi Pratibha Industries LLC. However it will be done in the next quarter.
		ii. **If management is unable to estimate the impact, reasons for the same:**
		Not applicable
		iii. **Auditors' Comments on (i) or (ii) above**
		Without audited financial statements, any impact on consolidated financial statement can not be ascertained.
11	**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 Consolidated financial statements 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
		Appeared for first time
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		The company is in majority working for government or semi government organisation where there is no practise of giving any balance confirmation certificate.
	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**
		Without balance confirmation, it is difficult to quantify the impact on financial statements.
12	**a.**	**Details of Audit Qualification:**
		As per the requirements of Rule 4 of Companies (cost records and audit) Amendment Rules, 2016, the Holding company has not conducted cost audit of its records.
	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 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:**
			The company shall initiate the process of completing the Cost Audit as soon as possible.
		ii.	**If management is unable to estimate the impact, reasons for the same:**
			Not applicable
		iii.	**Auditors' Comments on (i) or (ii) above**
			Since this is statutory requirement, the audit need to be conducted.
13	a.	**Details of Audit Qualification:**	
		During the year, Holding Company unilaterally wrote back certain liabilities amounting to ₹ 76.44 Crores. The management of Holding 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. In absence of proper documentation, financial impact on Consolidated financial statements 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	
		Appeared for the first time	
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**	
		The management is of the opinion that the balance is thoughtfully written back keeping in view very old outstanding.	
	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
14	a.	**Details of Audit Qualification:**	
		The Holding company has not made provision for Expected Credit Loss on receivables and other financial assets as required under IND AS 109.	
	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 first time	
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**	
		The company is in the process and reviewing the matter and effect will be adjusted in the next quater	
	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**
			Without proper working, impact of not making provision for ECL can not be ascertained.
15	a.	**Details of Audit Qualification:**	
		There are many statutory dues amounting to Rs: 94.91 Crores which are pending to be deposited by Holding Company with appropriate government authorities. The Holding company has not made provision for interest on these dues on account of delay in depositing them. Since the management of Holding Company has not estimated overall liability on account of interest, financial impact on Consolidated financial statements 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:**
		The company is under severe liquidity problem, due to which it could not pay statutory dues on timely basis. Now since the company's account has been declared as NPA by lenders, it is difficult to manage to pay dues immediately.
	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
16	a.	**Details of Audit Qualification:**
		During the year, three independent directors of Holding Company have resigned from its Board. As a result its composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are 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
		Appeared for 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:
		Majority of Independent Directors of the company have resigned either due to health reasons or due to preoccupancy in personal activities. Company is in process to identify and appoint new directors in their place in order to comply with the provisions of Section 149(4), Section 177 & Section 178 respectively of the Companies Act, 2013.
		ii. If management is unable to estimate the impact, reasons for the same:
		iii. Auditors' Comments on (i) or (ii) above
		This is statutory requirement. Though no impact is expected on financial statement.
17	a.	**Details of Audit Qualification:**
		The Holding company has not updated location of assets in fixed asset register.
	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:
		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
		It is necessary to update FA register on timely basis as per the requirements of Companies Act.

18	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 deposits amounting to ₹ 19.91 Crores and interest thereon amounting to ₹ 9.32 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:**	
		The company is under severe liquidity problems due to which company could not meet with financial obligations including repayment of deposits accepted from public. However the company has already made an application to NCLT, Mumbai Bench for extension of time for repayment of deposits and interest on it.	
	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
19	a.	**Details of Audit Qualification:**	
		The Holding company 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).	
	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:**	
		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:**
			The company has given loan to its subsidiary companies Since the company hold majority shares and hence no interest is charged
		ii.	**If management is unable to estimate the impact, reasons for the same:**
			NA
		iii.	**Auditors' Comments on (i) or (ii) above**
			As per the requirement of section 186 of the Companies Act, it is essential to provide for interest. Interest free loans can not be given.
20	a.	**Details of Audit Qualification:**	
		Auditor of Prime Infrapark Private limited has given adverse remarks in their audit report for FY 2017-18:	
		I.	The company's concession agreement has been terminated by DMRC w.e.f 1st September 2017 due to default of terms of the concession agreement. The company is unable to re-negotiate with DMRC & restore the agreement. The company's net worth has fully eroded due to accumulated losses. These events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business
		II.	Inspite of termination of concession agreement, the company has shown the Rights under concession agreement amounting to ₹ 152.44 crores as Intangible assets and has not made any provision for loss on account of the same. To that extent, the assets are overstated and loss is understated.

		III.	The company has not provided for interest on loan from Bank to the extent of ₹ 1.49 crores. To that extent interest expense, loan liability and loss for the year ended 31st March, 2018 are understated. The management is of the view that since the status of loan has become NPA, interest will be waived off by the Bank and hence no provision is made.
		IV.	The company has not made provision for Expected Credit Loss on receivables and other financial assets as required under IND AS 109.
		V.	There are many statutory dues amounting to ₹ 5.50 crores which are pending to be deposited by Company with appropriate government authorities. The company has not made provision for interest on these dues on account of delay in depositing them. Since the management has not estimated overall liability on account of interest, impact on financial statements is not ascertainable.
		VI.	DMRC has en-cashed Bank Guarantee amounting to ₹ 12.82 crores on account of non-payment of its dues. This amount is shown as recoverable from Client as asset in Balance sheet and no provision against the same has been made. To that extent, loss and reserves are understated and Assets are overstated. Management of the Company is of the opinion that this amount will be recovered in due course from the client and there is no need for any provision.
	b.	**Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	
		Adverse 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:	
		I & II	The management is in negotiation with DMRC to settle their
			Outstanding dues and restore the concession agreement.
		III	The management is of the view that since the status of loan has become NPA, interest will be waived off by the Bank and hence no provision is made.
		IV	Kindly refer Qualification Number 16.
		V	Kindly refer Qualification Number 17.
		VI	Since the Management is in negotiation and discussion to restore the concession agreement, Management is of the opinion that the amount encashed from the Bank Guarantee will be recovered in the due course of time. So Company has not created any provision in this regard. Accordingly,the adverse remark of the Auditor would not be quantifiable for the current reporting period.
		ii.	**If management is unable to estimate the impact, reasons for the same:**
		iii.	**Auditors' Comments on (i) or (ii) above**
			Necessary provisioning need to be done in the book of Holding company for value of investment and loans. Since the Holding company has given corporate guarantee for the loan taken by the subsidiary, it would require provision for the possible loss on account of guarantee invocation.s

Sd/-	Sd/-	Sd/-	
Sharad P. Deshpande Director	K. H. Sethuraman Chief Financial Officer	V B PARULEKAR Chairman of Audit Committee	For Ramanand & Associates Chartered Accountants ICAI Firm Registration No.117776W

Sd/-

Ramanand Gupta
Managing Partner
Membership No.103975

Date:11th September, 2018
Place: Mumbai

Statement of Impact of Audit Qualifications (for audit report with modified opinion submitted along-with Annual Audited Standalone Financial Results for 31st March, 2018

(₹ 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	1010.45	1010.45
	2	Total Expenditure	3133.42	3133.42
	3	Net Profit/(Loss)	(2122.97)	(2122.97)
	4	Earnings Per Share	(88.98)	(88.98)
	5	Total Assets	3,716.11	3,716.11
	6	Total Liabilities	3,716.11	3,716.11
	7	Net Worth	(1785.49)	(1785.49)
	8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL

II	Audit Qualifications:
1	a. **Details of Audit Qualification:**
	The company has accumulated losses and its net worth is fully eroded. It has incurred net loss during the current year as well as previous years and it's current liabilities exceeded its current assets as at the balance sheet date. It is unable to repay its debts, statutory obligations and pay salaries apart from other obligations/commitments. Its scheme of Strategic Debt Restructuring has failed as the lenders have not accepted its proposal. All these indicate a material uncertainity that may cast significant doubt upon the Company's ability to continue as a Going Concern. The Management is optimistic about finding resolution and believes it will be able to continue its business,accordingly 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
	First Time
	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:**
	As per the Management's estimation, there is NIL impact of audit qualification. The Management of Pratibha Industries Limited is optimistic about finding resolution and believes it will be able to continue its business, accordingly the Standalone financial results are prepared on a going concern basis for the year ended 31st March, 2018.
	ii. **If Management is unable to estimate the impact, reasons for the same:**
	Not applicable
	iii. **Auditors' Comments on (i) or (ii) above:**
	The lenders have rejected proposal given under the scheme of SDR and the scheme has also failed. Since the negativity in networth is substantial amount, it will be very difficult to recover the losses in near future. Hence we stand by the remark.
2	a. **Details of Audit Qualification:**
	Inventory of Work in Progress (WIP) of Holding Company includes certain contractual claim amounting to ₹ 36.91 Crores. These amounts have been ascertained by the management of Holding Company based on their estimates. No formal submission of these claims has been made to clients. WIP also includes certain claims amounting to ₹ 170.33 Crores which are though submitted but not yet approved by respective clients. The amounts of these claims are subject to change post submission/approval from clients. In absence of any communication from clients, we cannot confirm the amount of this WIP. The consequential impact, if any, on the Consolidated financial statements 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 2015-16

	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:**
			The company has prepared the claim based on the contractual terms which will be submitted shortly and company is hopeful of clients approval in due course of time.
		ii.	**If Management is unable to estimate the impact, reasons for the same:**
			Not applicable
		iii.	**Auditors' Comments on (i) or (ii) above:**
			The claims should be properly should be submitted and approved by clients in order to be recognised in WIP. Since these are yet to be done and the amounts are not yet crystallised from clients side, such claims should not be recognised as WIP. Hence we stand by our remark.
3	**Audit Qualification:**		
	a.	**Details of Audit Qualification:**	
		The management of the Holding Company has not provided us with the 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 WIP has been valued and stated correctly or not. The consequential impact, if any, on the Consolidated financial statements is therefore not ascertainable.	
	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:**	
		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.	
	e.	**For Audit Qualification(s) where the impact is not quantified by the Auditors:**	
		Not applicable	
		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
		ii.	**If Management is unable to estimate the impact, reasons for the same:**
			Not applicable
		iii.	**Auditors' Comments on (i) or (ii) above:**
			Without proper estimation for cost to complete and estimated profitability, it is difficult to arrive at correct working of WIP. Even if the contracts are given on back to back basis, it is essential to prepare the working, to arrive at project profitability on balance work and if required provide for future losses immediately.
4	a.	**Details of Audit Qualification:**	
		The Holding company has not provided for interest on various loans from Banks to the extent of ₹ 220.42 Crores. To that extent interest expense, interest liability and loss for the year ended March 31, 2018 are understated. The management of the Holding Company is of the view that since the status of all loans has become NPA, interest will be waived off by the Banks and hence no provision is required.	
	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 since 2016-17	
	d.	**For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:**	
		The management of the Holding Company is of the view that since the status of all loans has become NPA, interest will be waived off by the Banks and hence no provision is made.	
	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

5	a.	Details of Audit Qualification:
		Many clients of the Holding company have en-cashed Bank Guarantee on account of various reasons. Balance of ₹ 353.67 Crores is shown as recoverable as asset in Balance sheet and no provision against the same has been made. To that extent loss and reserves are understated and Assets are overstated. Management of Holding Company is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.
	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
	d.	**For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:**
		Management of Holding Company is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.
		i. **For Audit Qualification(s) where the impact is not quantified by the Auditors:**
		ii. **Management's estimation on the impact of audit qualification:**
		Not applicable
		iii. **If management is unable to estimate the impact, reasons for the same:**
		Not applicable
		iv. **Auditors' Comments on (i) or (ii) above:**
		Not applicable.
6	a.	**Details of Audit Qualification:**
		Many clients of the Holding company have withheld around ₹ 142.88 Crores on account of various reasons. The amount is outstanding since long. This is shown as refundable from Clients and no provision against the same has been made. In absence of communication with client and proper documentations, we are unable to determine any possible impact thereof on the loss for the year. Management of the Holding Company is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.
	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 first time
	d.	**For audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		Management is of the view that most of the money withheld by clients is recoverable.
	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:**
		Not applicable
		iii. **Auditors' Comments on (i) or (ii) above:**
		Not applicable
7	a.	**Details of Audit Qualification:**
		Many loan accounts having aggregate balance of ₹ 271.78 Crores, of Holding Company, are not confirmed due to non-availability of statement / confirmation from respective Banks. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and on the balance of cash and cash equivalent and Borrowed Funds.
	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 management shall provide required details to ascertain and confirm figures of loan accounts.

	i.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
		i.Management's estimation on the impact of audit qualification:
		Since management shall provide information relating to confirmation of loan accounts, it shall have nil impact of audit qualification.
	ii.	**If management is unable to estimate the impact, reasons for the same:**
		Not applicable
	iii.	**Auditors' Comments on (i) or (ii) above:**
		The impact can be ascertained only after receipt of statement / confirmation from banks.
8	a.	**Details of Audit Qualification:**
		The Holding Company has not made provision against Investment of ₹ 1 Crore and Loans given of ₹ 94.73 Crores to its wholly owned subsidiary M/s. Prime Infrapark Private Limited. The networth of the subsidiary company has fully eroded and its Concession Agreement has been terminated by DMRC.
	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 first time
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		The management is assuring that it will be done in the next quarter.
	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
9	a.	**Details of Audit Qualification:**
		The Holding Company has not made provision against Investment of ₹ 0.01 Crore and Loans given of ₹ 73.47 crores to its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Its Concession Agreement has been terminated by NHAI. 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
		Appeared for the first time
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		The management is of the opinion that the company is expecting recovery of all investment and loans to subsidiary from arbitration proceedings with NHAI.
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
		i. **Management's estimation on the impact of audit qualification:**
		Since investment is expected to be recovered , it will have no impact on accounts.
		ii. **If management is unable to estimate the impact, reasons for the same:**
		Not applicable.
		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.
10	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 and associate company M/s. Saudi Pratibha Industries LLC. In absence of these details, we cannot comment on any requirement for provision for diminution in value of investments.
	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 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:**
		The company is facing severe financial crunch and under this circumstances , auditor did not submit audited financial statements of wholly owned subsidiary M/s. Pratibha Holdings (Singapore) Pte. Ltd and associate company M/s. Saudi Pratibha Industries LLC. However it will be done in the next quarter.
		ii. **If management is unable to estimate the impact, reasons for the same:**
		Not applicable
		iii. **Auditors' Comments on (i) or (ii) above**
		Without audited financial statements, any impact on consolidated financial statement cannot be ascertained.
11	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 Consolidated financial statements 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
		Appeared for first time
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		The company is in majority working for government or semi government organisation where there is no practise of giving any balance confirmation certificate.
	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**
		Without balance confirmation, it is difficult to quantify the impact on financial statements.
12	a.	**Details of Audit Qualification:**
		As per the requirements of Rule 4 of Companies (cost records and audit) Amendment Rules, 2016, the Holding company has not conducted cost audit of its records.
	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 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:**
		The company shall initiate the process of completing the Cost Audit as soon as possible.
		ii. **If management is unable to estimate the impact, reasons for the same:**
		Not applicable
		iii. **Auditors' Comments on (i) or (ii) above**
		Since this is statutory requirement, the audit need to be conducted.
13	a.	**Details of Audit Qualification:**
		During the year, Holding Company unilaterally wrote back certain liabilities amounting to ₹ 76.44 Crores. The management of Holding 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. In absence of proper documentation, financial impact on Consolidated financial statements 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
		Appeared for the first time
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		The management is of the opinion that the balance is thoughtfully written back keeping in view very old outstanding.
	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
14	a.	**Details of Audit Qualification:**
		The Holding company has not made provision for Expected Credit Loss on receivables and other financial assets as required under IND AS 109.
	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 first time
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		The company is in the process and reviewing the matter and effect will be adjusted in the next quater
	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**
		Without proper working, impact of not making provision for ECL cannot be ascertained.
15	a.	**Details of Audit Qualification:**
		There are many statutory dues amounting to Rs: 94.91 Crores which are pending to be deposited by Holding Company with appropriate government authorities. The Holding company has not made provision for interest on these dues on account of delay in depositing them. Since the management of Holding Company has not estimated overall liability on account of interest, financial impact on Consolidated financial statements 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:**
		The company is under severe liquidity problem, due to which it could not pay statutory dues on timely basis. Now since the company's account has been declared as NPA by lenders, it is difficult to manage to pay dues immediately.
	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

16	a.	**Details of Audit Qualification:**
		During the year, three independent directors of Holding Company have resigned from its Board. As a result its composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are 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
		Appeared for 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:**
		Majority of Independent Directors of the company have resigned either due to health reasons or due to preoccupancy in personal activities. Company is in process to identify and appoint new directors in their place in order to comply with the provisions of Section 149(4), Section 177 & Section 178 respectively of the Companies Act, 2013.
		ii. **If management is unable to estimate the impact, reasons for the same:**
		iii. Auditors' Comments on (i) or (ii) above
		This is statutory requirement. Though no impact is expected on financial statement.
17	a.	**Details of Audit Qualification:**
		The Holding company has not updated location of assets in fixed asset register.
	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:**
		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**
		It is necessary to update FA register on timely basis as per the requirements of Companies Act.
18	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 deposits amounting to ₹ 19.91 Crores and interest thereon amounting to ₹ 9.32 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:**
		The company is under severe liquidity problems due to which company could not meet with financial obligations including repayment of deposits accepted from public. However the company has already made an application to NCLT, Mumbai Bench for extension of time for repayment of deposits and interest on it.
	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
19	a.	**Details of Audit Qualification:**	
		The Holding company 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).	
	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:**	
		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:**
			The company has given loan to its subsidiary companies Since the company hold majority shares and hence no interest is charged.
		ii.	**If management is unable to estimate the impact, reasons for the same:**
			NA
		iii.	**Auditors' Comments on (i) or (ii) above**
			As per the requirement of section 186 of the Companies Act, it is essential to provide for interest. Interest free loans cannot be given.
20	a.	**Details of Audit Qualification:**	
		Auditor of Prime Infrapark Private limited has given adverse remarks in their audit report for FY 2017-18:	
		i.	The company's concession agreement has been terminated by DMRC w.e.f 1st September 2017 due to default of terms of the concession agreement. The company is unable to re-negotiate with DMRC & restore the agreement. The company's net worth has fully eroded due to accumulated losses. These events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business
		ii.	Inspite of termination of concession agreement, the company has shown the Rights under concession agreement amounting to ₹ 152.44 crores as Intangible assets and has not made any provision for loss on account of the same. To that extent, the assets are overstated and loss is understated.
		iii.	The company has not provided for interest on loan from Bank to the extent of ₹ 1.49 crores. To that extent interest expense, loan liability and loss for the year ended 31st March, 2018 are understated. The management is of the view that since the status of loan has become NPA, interest will be waived off by the Bank and hence no provision is made.
		iv.	The company has not made provision for Expected Credit Loss on receivables and other financial assets as required under IND AS 109.
		v.	There are many statutory dues amounting to ₹ 5.50 crores which are pending to be deposited by Company with appropriate government authorities. The company has not made provision for interest on these dues on account of delay in depositing them. Since the management has not estimated overall liability on account of interest, impact on financial statements is not ascertainable.
		vi.	DMRC has en-cashed Bank Guarantee amounting to ₹ 12.82 crores on account of non-payment of its dues. This amount is shown as recoverable from Client as asset in Balance sheet and no provision against the same has been made. To that extent, loss and reserves are understated and Assets are overstated. Management of the Company is of the opinion that this amount will be recovered in due course from the client and there is no need for any provision.

	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:**
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
		i. Management's estimation on the impact of audit qualification:
		I & II - The management is in negotiation with DMRC to settle their Outstanding dues and restore the concession agreement.
		III - The management is of the view that since the status of loan has become NPA, interest will be waived off by the Bank and hence no provision is made.
		IV - Kindly refer Qualification Number 14.
		V - Kindly refer Qualification Number 15.
		VI- Since the Management is in negotiation and discussion to restore the concession agreement, Management is of the opinion that the amount encashed from the Bank Guarantee will be recovered in the due course of time. So Company has not created any provision in this regard. Accordingly, the adverse remark of the Auditor would not be quantifiable for the current reporting period.
		ii. If management is unable to estimate the impact, reasons for the same:
		iii. Auditors' Comments on (i) or (ii) above
		Necessary provisioning need to be done in the book of Holding company for value of investment and loans. Since the Holding company has given corporate guarantee for the loan taken by the subsidiary, it would require provision for the possible loss on account of guarantee invocations.

Sd/-	Sd/-	Sd/-	
Sharad P. Deshpande Director	K. H. Sethuraman Chief Financial Officer	V B PARULEKAR Chairman of Audit Committee	For Ramanand & Associates Chartered Accountants ICAI Firm Registration No.117776W
			Sd/-
			Ramanand Gupta Managing Partner Membership No.103975

Date:11th September, 2018
Place: Mumbai

Annexure C to Director's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

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

For the financial year ended March 31, 2018

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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s **Pratibha Industries Limited** 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, generally 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:

We 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, 2018, 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 Company has not maintained the records under provision of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b. The Company has not maintained the records under provision of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  The promoter of the company disposed off significant holding " 2.95 %" during February, 2018 however the same has not been disclosed under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and 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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009;

  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.

We have also examined compliance with the (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company with Bombay Stock Exchange Limited and National Stock Exchange and also notified 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. As per the explanation and representation given by the management of the company the company could not submit audited financial result for the F.Y 2017-18 and for the last quarter 31.03.2018 within the stipulated time period as per regulation 33 of the LODR, 2015. As a consequence Stock Exchanges has imposed fine. Which company has failed to pay due to that National Stock Exchange has suspended and revoked the trading of shares of the company pursuant to the provisions of SEBI circular no. CIR/CFD/CMD/1 2/2015 dated November 30, 2015 with respect to Standard Operating Procedure (SOP) for non-compliance of certain regulations of SEBI (LODR) Regulation, 2015 like non filling of Financial Results as per Reg.33 of SEBI (LODR) Regulation, 2015 for the quarter March 31 , 2018 and June 30, 2018.
2. The Company has not appointed a Woman Director on Board during the period from 01.04.2017 to 19.02.2018 under review in terms of section 149 of the Companies Act, 2013.
3. 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 in terms of Section 164(2)(b) of the Companies Act, 2013 and vacation of the office in terms of Section 167 (1) of ibid.
4. We further report that, during the year under review, three independent directors have resigned from the Board. As a result composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are not in compliance with the provisions of section 149(4), section 177 & section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. The Company has appointed Cost Auditor in terms of Section 148 and the Rules made thereunder but Cost audit is not carried out due to non payment of fees to cost auditor for last 2 years.
6. The Company has appointed internal auditor in terms of Section 138 of the Companies Act, 2013 but internal audit is not carried out due to non payment of fees to the Internal Auditor.
7. The company has not filed the annual performance report with RBI under FEMA with regard to its foreign subsidiary.
8. There are delays in filling of Share holding pattern under regulation 31 of LODR, 2015 and Compliance Certificate under regulation 7(3) of LODR, 2015 with both the stock exchanges.
9. The financial result are approved in audit committee but the composition of audit committee is not as per LODR, 2015 as three Independent Directors had resigned during the F. Y 2017-18.
10. There is delay in payment of listing fees for the F.Y 2017-18.
11. The company did not have Company Secretary from 01.04.2017 to 19.07.2017.

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 and a system exists 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.

Sd/-

CS Haresh Malusare
Practicing Company Secretary

M. No. 23949
C.P. No. 12864

Place: Mumbai
Dated: 02.11.2018

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. We 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.
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.

Sd/-
CS Haresh Malusare
Practicing Company Secretary

M. No. 23949
C.P. No. 12864

Place: Mumbai
Dated: 02.11.2018

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

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Sd/-
CS Haresh Malusare
Practicing Company Secretary

M. No. 23949
C.P. No. 12864

Place: Mumbai
Dated: 02.11.2018

Annexure D to the Directors' Report

(A) **Conservation of Energy:-**

I. **The Steps taken or impact on conservation of energy**: The company has policy in place to ensure optimum use of energy. Due to strict implementation of guide lines for use of lights, computers, air conditioners, and other utilities the company have successfully saved cost on electricity as well consumption of electrical energy. The company has extensively shifted to LEDs for reduction of electrical consumption.

II. **The steps taken by company for utilising alternate sources of energy**: The company office being placed in rental premise this could not be undertaken, However solar power utilization is being successfully in office implemented at residential complexes of Directors.

III. **The capital investment on energy conservation equipment**: The company as a matter of purchase policy prefers all electrical devices purchased for projects with improved efficiencies which results in conservation of energy through out the life cycle of the equipment's obviously at the added capital investment.

(B) **Technology absorption:**

I. **The efforts made towards technology absorption**: The company has studied in the field of conversion of Municipal waste to energy and had participated in one of the jobs for implementation of same. Further Efforts on same shall be continued as and when the opportunity is available.

II. **The benefits derived like product improvement, cost reduction, product development or import substitution**: The company is continuously in the process of cost reduction, and also has successfully used import substitute in projects and claimed deemed export benefit from govt.

III. **In case of imported technology**: The company is as on today not successful in use of imported technology.

(C) Foreign exchange earnings and out go: The particulars relating to earnings and expenditure in foreign currency are furnished in Note No. 45 and 46 to Notes to standalone financial statements.

For and on behalf of the Board of Directors

Sd/-

Date: 9th November, 2018 **Ajit Kulkarni**
Place: Mumbai **Chairman & Director**
DIN: 00220578

ANNEXURE - E

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 2016-17 is as follows:

Sr.no	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.	NA(No salary was paid to MD and WTD during the year)
(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.	Not Applicable
(iii)	the percentage increase in the median remuneration of employees in the financial year.	21.83%
(iv)	the number of permanent employees on the rolls of company.	No. of Employee 503 as on 31.03.2018
(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 21.83 % (Total 36 employees were given increment during the year under review), while there was no increment to remuneration of managerial personnel.
(vi)	affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid 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:**

	NAME OF EMPLOYEE	AGE	DESIGNATION	TOTAL EXPERIENCE YEARS	DATE OF JOINING	QUALIFICATION	Last Employed Name of the Company	Remuneration Received	Nature of Employment
1	K.H.SETHURAMAN	58	CHIEF FINANCE OFFICER	19.9	21-Feb-11	M.com	---	67,00,008	Permanent
2	SHIRISH BHANDARKAR	66	EXECUTIVE DIRECTOR	28.9	15-Feb-06	B.Tech in Mechanical	Batliboi Ltd.	54,99,996	Permanent
3	MANJAY KUMAR SINGH	47	VICE PRESIDENT	20.1	02-Jan-13	BE in Civil, PGPM	Housing Development & Infrastructur	33,99,996	Permanent
4	RAMANUJ GUPTA	51	ASSISTANT VICE PRESIDENT	20.8	01-Mar-12	DCE	---	33,60,000	Permanent
5	MAMTA SINGH	38	PRESIDENT	12.7	16-Apr-12	Bsc	---	33,00,000	Permanent
6	ZUBIN SIKKA	33	VICE PRESIDENT	12.9	02-Feb-10	B.com, MBA, Masters in Executive Communications	---	27,00,000	Permanent
7	ANAND A KULKARNI	30	EXECUTIVE DIRECTOR	8.4	01-Jul-10		---	27,00,000	Permanent
8	MANOHAR KULKARNI	35	EXECUTIVE DIRECTOR	12.3	01-Aug-06	MBA	---	27,00,000	Permanent
9	SHYAM KULKARNI	42	DEPUTY DIRECTOR	12.7	01-Apr-06		---	27,00,000	Permanent
10	SHAHRAM MAHMOUDZADEH HASHTROUDI	50	PROJECT MANAGER	25.2	11-Sep-13	BE in Civil	---	96,00,000	Contractual

Note: Mr. ANAND A KULKARNI is son of Mr. Ajit Kulkarni – Chairman & Director of the Company

Annexure F 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.	Pratibha Foundation, a trust established in the year 1999 carries out the CSR activities. 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%20 Policy.pdf
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)
3.	Average net profit of the company for last three financial years	(714.03)
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 : ₹ 121.19 lacs C. Manner in which the amount spent during the year: **Not Applicable**
6	Reason for not spending CSR amount	Due to liquidity crunch and losses in the current fiscal, the Company could not spend any amount towards CSR activities. Last year's unspent amount of ₹ 121.19 lacs also 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.

Sd/-
Ajit B. Kulkarni

Chairman & Director
DIN : 00220578

Sd/-
Vilas B Parulekar
Independent Director
Chairman - CSR Committee
DIN : 00025527

Place: Mumbai
Date: 9th November, 2018

Annexure G
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, at present consists of four Directors. 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, 2018 was as follows:

Sr. No.	Name of the Director	Designation	Category
1	Mr. Ajit B. Kulkarni	Chairman & Director	Promoter & Executive
2	Mr. Ravi A. Kulkarni*	Whole time Director	Promoter & Executive
3	Mr. Sharad Deshpande	Director	Executive & Professional
4	Mrs. Sunanda D. Kulkarni**	Director	Promoter & Non Executive
5	Mr. Vilas B. Parulekar***	Director	Independent & Non-Executive
6	Mr. Shrikant T. Gadre***	Director	Independent & Non-Executive
7	Mr. Awinash M. Arondekar***	Director	Independent & Non-Executive
8	Mr. V. Sivakumaran***	Director	Independent & Non-Executive
9	Dr. S. L. Dhingra***	Director	Independent & Non-Executive
10	Mr. Haresh Adhia****	Director	Nominee & Non-Executive Director

Note:

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

* *Mr. Ravi Kulkarni, Dy. Managing Director retired by rotation in the last AGM held on 29/09/2018.*

** *Mrs. Sunanda D. Kulkarni was appointed as an additional director of the company with effect from 20/02/2018. .*

*** *Mr. Shrikant T. Gadre, Mr. Awinash M. Arondekar, Mr. V. Sivakumaran, Dr. S. L. Dhingra - Independent Directors resigned from their post on 22/12/2017, 20/3/2018, 20/03/2018, 21/03/2018.*

****Mr. Haresh Adhia who was appointed as the nominee director by the Bank of Baroda the Lead Bank of the consortium of the lenders resigned on 12th May, 2018.*

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.

Seven Board meetings were held during the year under review, i.e. on 30th May, 2017, 8th June, 2017, 20th July, 2017, 14th August, 2017, 18th September, 2017, 14th November, 2017 and 14th February, 2018. Attendance of Directors in the aforesaid Board meetings, attendance at last Annual General Meeting (AGM) held on 29th September, 2017, 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		
		Board Meeting	Attendance At AGM	Directorships*	Committee Memberships**	Chairmanships*
1	Mr. Ajit B. Kulkarni	6	Y	3	3	-
2	Mr. Ravi A. Kulkarni	4	Y	3	-	-
3	Mr. Sharad P. Deshpande	5	Y	2	-	-
4	Mr. Awinash M. Arondekar	7	Y	2	4	3
5	Mr. Shrikant T. Gadre	5	Y	5	4	3
6	Mr. V. B. Parulekar	7	N	1	-	-
7	Dr. S. L. Dhingra	5	Y	1	-	-
8	Mr. V. Sivakumaran	6	N	1	-	-
9	Mrs. Sunanda D. Kulkarni	Not Applicable	Not Applicable	1		

* *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.*

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.

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

Performance evaluation of Independent Directors in respect of year under review was conducted by the Board of Directors, without the participation of director being evaluated, on the basis of criteria formulated by the Nomination & Remuneration Committee. The criteria inter alia included understanding of their roles and responsibilities, business of the Company, level of participation and contribution, independence of judgement, safeguarding the overall interest of shareholders and the Company.

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 constituted is not 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 the year under review. However company is in process to identify and appoint new Independent Directors as per the requirement. 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. Shrikant T. Gadre	Member	Independent & Non Executive Director
2	Mr. Awinash. M. Arondekar	Member	Independent & Non Executive Director
3	Mr. Vilas B. Parulekar	Chairman	Independent & Non Executive Director
4	Mr. Ajit B. Kulkarni	Member	Promoter & Director
5	Mr. V. Sivakumaran	Member	Independent & Non Executive Director

During the Financial year 2017-18, Mr. Shrikant T. Gadre, the chairman of the Audit Committee resigned from the post on 22nd December, 2017.

On 14th February, 2018 the Audit Committee was reconstituted and Mr. V. Sivakumaran and Mr. Vilas B. Parulekar were included in the audit Committee. Mr. Vilas B. Parulekar was appointed as the new chairman of the Audit Committee.

Mr. Awinash. M. Arondekar & Mr. V. Sivakumaran resigned from the directorship and as member from the committee on 20th March, 2018.

All the members of the Audit Committee are financially literate and Mr. Shrikant Gadre, Chairman possesses 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.

Meetings and Attendance during the year

During the year under review, the Audit Committee met four times. The gap between two meetings did not exceed 120 days. The dates on which Audit Committee meetings were held are: 30th May, 2017, 14th August, 2017, 14th November, 2017 and 14th February, 2018.

Sr. No.	Name of the Member	Attendance
1	Mr. Shrikant T. Gadre	3
2	Mr. Awinash. M. Arondekar	4
3	Mr. Ajit B. Kulkarni	3
4	Mr. Vilas B. Parulekar	1

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

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. Shrikant T. Gadre	Member	Independent & Non Executive Director
2	Mr. Awinash. M. Arondekar	Member	Independent & Non Executive Director
3	Mr. Vilas B. Parulekar	Chairman	Independent & Non Executive Director
4	Mr. V. Sivakumaran	Member	Independent & Non Executive Director

During the Financial year 2017-18, Mr. Shrikant T. Gadre, the chairman of the Nomination & Remuneration Committee resigned from the post on 22nd December, 2017.

On 14th February, 2018 the Nomination and Remuneration Committee was reconstituted and Mr. V. Sivakumaran and Mr. Vilas B. Parulekar were included in the Committee. Mr. Vilas B. Parulekar was appointed as the new chairman of the Committee.

Mr. Awinash. M. Arondekar & Mr. V. Sivakumaran resigned from the directorship and as member from the committee on 20th March, 2018. At present, the Committee consists of only one director.

During the year under review, five meetings of the Nomination & Remuneration Committee were held on 30th May, 2017, 20th July, 2017, 18th September, 2017, 14th November, 2017 and 14th February, 2018 and attended by all the members of the Committee.

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 Directors

The aggregate value of salary and perquisites including performance bonus/commission/ compensation, if any, paid for the year ended March 31, 2018, to the Managing Director and Whole Time Directors are disclosed in MGT-9 (Extract of Annual Report) attached to Directors' Report. The Company does not have stock option scheme for its Directors.

There being loss in the company during last two years, no remuneration is paid to Mr. Ajit B. Kulkarni, Director (formerly Managing Director) and Mr. Sharad Deshpande, Director (formerly Whole Time Director) during the year under review.

The contracts with respective Executive Directors may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing. There is no provision of severance pay in the contract entered with into with Directors.

N**on-executive Directors**

The Non-Executive Directors (NEDs) are paid remuneration by way of commission and sitting fees. The NEDs are paid sitting fees at the rate of ₹ 10,000/- for attending each meeting of Board and Committee. The details of payment made to NEDs are disclosed in MGT-9 (Extract of Annual Report) attached to Directors' Report. In view of the greater involvement of NEDs in the affairs of the Company, responsibilities and duties, the commission has fixed within the limit specified by provisions of the Companies Act, 2013 to the NEDs of the Company in commensurate with their role, responsibilities and duties.

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. Awinash M. Arondekar	Chairman	Independent & Non Executive Director
2	Mr. Shrikant T. Gadre	Member	Independent & Non Executive Director
3	Mr. Ajit B. Kulkarni	Member	Promoter and Executive Director

During the Financial year 2017-18, Mr. Awinash. M. Arondekar, the chairman of the Stakeholders Relationship Committee resigned from the post on 20th March, 2018.

Mr. Shrikant T. Gadre resigned from the directorship and as member from the committee on 22nd December, 2017.

As on 31st March, 2018, 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, 2018, the committee met twice on 30th May, 2017 and 14th November, 2017.

At present, the Committee consists of only one director.

Complaints received and redressed during the financial year 2017-18:

pending at beginning of year	Received during the Year	Resolved during the year	pending at end of 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	2
3	Other matters	0
	Total	2

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

Mrs. Bhavana Shah, Company Secretary and Compliance Officer, was nominated to supervise the Investor Grievance Redressal. She was responsible for supervising and coordinating with the M/s. Link Intime India Private Limited, Registrar & Transfer Agents, for redressal of grievances. All complaints have been addressed within the stipulated time.

Corporate Social Responsibility (CSR) Committee

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

During the Financial year 2017-18, Mr. Awinash. M. Arondekar, the chairman of the Corporate Social Responsibility (CSR) Committee resigned from the post on 20th March, 2018.

During the financial year ended 31st March, 2018, the Committee met once on 30th May, 2017, where all members were present.

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 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, 2018, the Committee comprised of Mr. Ajit B. Kulkarni as Chairperson and Mr. Sharad P. Deshpande as members.

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 Note No. 40 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 remain 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

CEO & CFO Certification

As required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) 2015, Director and 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, 2018. The said certificate is enclosed to this Report as **Annexure I**

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 ₹ 10/- each at a premium of ₹ 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, 2017.	**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, 2018.	7	1750

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

The Company has credited ₹ 53,630/- in FY 2017-18 to the Investor Education and Protection Fund (IEPF) in respect to interim dividend declared in the year 20010-11 which remained unclaimed / unpaid over a period of seven years, pursuant to the provisions of the Companies Act, 2013, read with applicable rules.

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	₹ 0.60 (i.e. 30%)**	18.08.2019
2	2012-13	30.09.2013	₹ 0.60 (i.e. 30%)**	31.10.2020
3	2013-14	30.09.2014	₹ 0.20 (i.e. 10%)**	31.10.2021
4	2014-15	30.09.2015	₹ 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 Director regarding compliance by board members and Key Managerial Personnel with Code of Conduct is attached herewith as **Annexure II**

Compliance certificate

Certificate from Mr. Mayank Padiya, Practicing Company Secretary, confirming 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 III**.

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
2016-17	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –40007 29th September, 2017	29th September, 2017	3:00 P. M	0
2015-16	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –40007 29th September, 2016	29th September, 2016	3:00 P. M	0
2014-15	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –40007 30th September, 2015	30th September, 2015	3:00 P. M	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. **23rd Annual General Meeting:**

   Date : Monday, 24th day of December, 2018

   Time : 3.00 p.m.

   Venue : The Bombay Presidency Golf Club, Dr. C. G. Road, Chembur, Mumbai - 400 071.

   Note: The above are updated after the Board approved AGM related matters at its meeting held on 9th November, 2018 at Unit No. 1/B-56 & 1/B-57, Phoenix Paragon Plaza, Phoenix Market City, LBS Marg, Kurla (W), Mumbai – 400 070. Maharashtra – India

2. **Financial Calendar (tentative)**

   Financial Year : 1st April 2018 to 31st March 2019

   First Quarter Results : 2nd Week of August, 2018

   Second Quarter Results : 2nd Week of November, 2018

   Third Quarter Results : 2nd week of February, 2019

   Last Quarter and Annual Audited Results : 4th week of May, 2019

3. **Dividend payment Date**

   No Dividend has been recommended by the Board for the financial year 2017-18.

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 2017-18, as applicable, have been paid by the Company to BSE and NSE.

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

7. **Book Closure period :** Monday, 17th December, 2018 to Friday, 22nd December, 2018 (both days inclusive).

   Note: Book Closure dates are updated after approval of Board at its meeting held on 9th November, 2018.

8. **Market price Data**

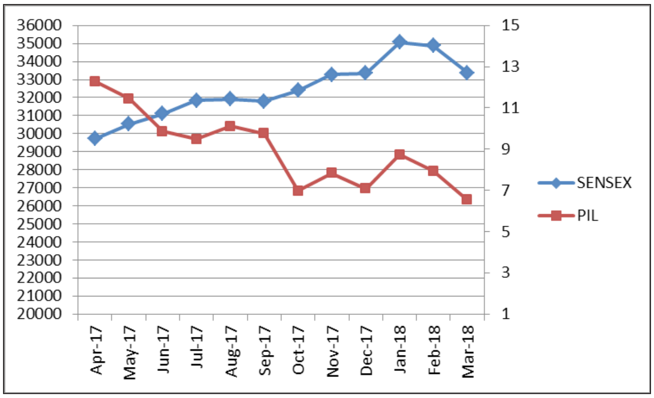
   The details of high and low of the Market Price Data of the equity shares of the Company for the financial year ended on 31st March, 2018 are as under:

Month	Bombay Stock exchange		National Stock exchange	
	Share price		Share price	
	high (₹)	low (₹)	high (₹)	low (₹)
April-17	13.80	10.78	13.90	10.80
May-17	12.73	10.15	12.75	10.10
June-17	11.70	8.02	10.70	7.95
July-17	10.40	8.59	10.50	8.50
August-17	12.20	8.01	12.25	8.05
September-17	11.69	7.82	11.6	7.55
October-17	8.48	5.46	8.45	5.65
November-17	9.35	6.31	9.35	6.25
December-17	8.20	5.96	8	6
January-18	10.11	7.37	10	7.4
February-18	8.80	7.10	8.9	7.1
March-18	7.40	5.70	7.4	5.7

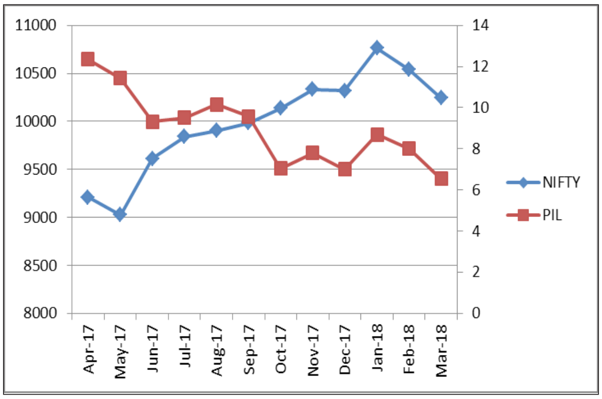
Source: BSE – NSE website

9. Performance in comparison to broad based indices:

PIL vs SENSEX



PIL vs NIFTY



10. 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;

11. Share transfer System

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

12. Distribution of Shareholding as on 31st March, 2018

Distribution of Shares	no. of Shareholders	% of Shareholders	no. of Shares	% of Shares
1 to 500	22,599	65.0556	44,68,346	1.8728
501 to 1000	4,842	13.9386	41,73,922	1.7494
2001 to 3000	1,247	3.5897	32,67,244	1.3694
3001 to 4000	646	1.8596	23,53,970	0.9866
4001 to 5000	609	1.7531	29,34,437	1.2299
5001 to 10000	942	2.7117	71,66,338	3.0035
10001 to ******	819	2.3576	20,93,82,157	87.7554
Grand total	**34,738**	**100.00**	**23,85,97,348**	**100.00**

13. Shareholding pattern as on 31st March, 2018

Shareholders	no. of Shares held	% to total shares held
Clearing Members	14,67,412	0.615
Other Bodies Corporate	80,90,456	3.3908
Financial Institutions	11,29,17,508	47.3256
Hindu Undivided Family	19,72,573	0.8267
Nationalised Banks	2,23,37,440	9.362
Non Nationalised Banks	22,97,158	0.9628
Non Resident Indians	22,10,654	0.9265
Non Resident (Non Repatriable)	5,87,514	0.2462
Persons Acting In Concert	1,25,33,708	5.2531
Public	4,83,87,640	20.2825
Promoters	2,49,35,740	10.451
G I C & Its Subsidiaries	1,48,126	0.0621
Foreign Portfolio Investors (Corporate)	7,00,182	0.2935
NBFCs registered with RBI	1,910	0.0008
Investor Education And Protection Fund	3,447	0.0014
Total	**23,85,97,348**	**100**

14. **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, 2018. Only 5880 shares are in physical form rest all shares are in demat form.

15. **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.

16. **Address for Correspondence:**

    For all matters relating to Shares, Annual Reports

    Mrs. Bhavana Shah

    Company Secretary & Compliance Officer
    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)

PRATIBHA

The Annexure I to 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, 2018 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, 2018 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/-**
Place: Mumbai	**Ajit B. Kulkarni**	**K. H. Sethuraman**
Date: 9th November, 2018	Chairman & Director	Chief Financial Officer

Annexure II 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, 2018.

	Sd/-
Place: Mumbai	**Ajit B. Kulkarni**
Date: 9th November, 2018	Chairman & Director
	DIN: 00220578

Annexure III to the Corporate Governance Report

Certificate on 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 2018 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, 2018 as stipulated in the above mentioned Listing Regulations except to the extent of following remarks/observations:

1. *Composition of Board of Directors, Audit Committee and Nomination & Remuneration Committee was not in accordance with the Listing Regulations in the Month of March, 2018 due to resignation of majority Independent Directors in that Month; and*
2. *Minutes of Meeting Board of Directors of Subsidiary Companies have not been placed in Meeting of Board of Directors of the Company.*

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.

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

Place : Mumbai
Date : 5th November, 2018

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PRATIBHA INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **PRATIBHA INDUSTRIES LIMITED**, ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India,including the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. ***The company has accumulated losses and its net worth is fully eroded. It has incurred net loss during the current year as well as previous years and it's current liabilities exceeded its current assets as at the balance sheet date. It is unable to repay its debts, statutory obligations and pay salaries apart from other obligations/commitments. Its scheme of Strategic Debt Restructuring has failed as the lenders have not accepted its proposal. All these indicate a material uncertainity that may cast significant doubt upon the Company's ability to continue as a Going Concern. The Management is optimistic about finding resolution and believes it will be able to continue its business,accordingly the standalone financial results are prepared on a going concern basis.***

2. ***Inventory of Work in Progress (WIP) includes certain contractual claim amounting to Rs. 36.91 Crores. These amounts have been ascertained by the management based on their estimates. No formal submission of these claims has been made to clients. WIP also includes certain claims amounting to Rs. 170.33 Crores which are though submitted but not yet approved by respective clients. The amounts of these claims are subject to change post submission/approval from clients. In absence of any communication from clients, we cannot confirm the amount of this WIP. The consequential impact, if any, on the standalone financial statements is therefore not ascertainable.***

3. ***The management has not provided us with the 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 WIP has been valued and stated correctly or not. The consequential impact, if any, on the standalone financial statements is therefore not ascertainable***

4. ***The company has not provided for interest on various loans from Banks to the extent of Rs. 220.42 Crores. To that extent interest expense, interest liability and loss for the year ended March 31, 2018 are understated. The management is of the view that since the status of all loans has become NPA, interest will be waived off by the Banks and hence no provision is required.***

5. ***Many clients of the company have en-cashed Bank Guarantee on account of various reasons. Balance of Rs. 353.67 Crores is shown as recoverable as asset in Balance sheet and no provision against the same has been made. To that extent loss and reserves are understated and Assets are overstated. Management is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.***

6. ***Many clients of the company have withheld around Rs. 142.88 Crores on account of various reasons. The amount is outstanding since long. This is shown as refundable from Clients and no provision against the same has been made. In absence of communication with client and proper documentations, we are unable to determine any possible impact thereof on the loss for the year. Management is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.***

7. ***Many loan accounts having aggregate balance of Rs. 271.78Crores are not confirmed due to non-availability of statement / confirmation from respective Banks. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and on the balance of cash and cash equivalent and Borrowed Funds.***

8. ***The Company has not made provision against Investment of Rs. 1 Crore and Loans given of Rs. 94.73 Crores to its wholly owned subsidiary M/s. Prime Infrapark Private Limited. The networth of the subsidiary company has fully eroded and its Concession Agreement has been terminated by DMRC.***

9. ***The Company has not made provision against Investment of Rs. 0.01 Crore and Loans given of Rs. 73.47 crores to its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Its Concession Agreement has been terminated by NHAI. The subsidiary company has lodged claim and the matter is under arbitration.***

10. ***The company has not provided audited financial statements of its wholly owned subsidiary M/s. Pratibha Holdings (Singapore) Pte. Ltd and associate company M/s. Saudi Pratibha Industries LLC. In absence of these details, we can not comment on any requirement for provision for diminution in value of investments.***

11. ***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.***

12. ***As per the requirements of Rule 4 of Companies (cost records and audit) Amendment Rules, 2016, the company has not conducted cost audit of its records.***

13. ***During the year, Company unilaterally wrote back certain liabilities amounting to Rs. 76.44 Crores. The management 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. In absence of proper documentation, financial impact on standalone financial statements is not ascertainable.***

14. ***The company has not made provision for Expected Credit Loss on receivables and other financial assets as required under IND AS 109.***

15. ***There are many statutory dues amounting to Rs.94.91 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. Since the management has not estimated overall liability on account of interest, financial impact on standalone financial statements is not ascertainable.***

16. ***During the year, three independent directors have resigned from the Board. As a result composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are not in compliance with the provisions of Section 149(4), Section 177 & Section 178 respectively.***

Opinion

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

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. As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain 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. the Company has not appointed a person other than Companies auditor for audit of accounts of branch offices under Section 143(8); hence clause (c) of sub-section (3) of section 143 is not applicable;

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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

e. 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 Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

f. the matters described under the Basis for Disclaimer of Opinion paragraph, read further with para i a, 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;

g. On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act. As per their declaration, M/s Pratibha Industries Ltd., has defaulted in repayment of Deposit received from Public. Based on legal opinion taken by them, this doesn't attract disqualification of directors.

h. 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.

i. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B".

j. 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. 36to 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. There has been delay of 9 days in transferring the Unpaid Dividend amounting to Rs. 53,630 of FY 2010-11.

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number.: 117776W

Sd/-
Ramanand Gupta
Partner
Membership. No.: 103975

Place: Mumbai
Date: 11th September 2018

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, 2018. 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, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We are informed that no material discrepancies were noticed 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 reasonable intervals 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, no material discrepancies between physical inventory and book records were noticed on physical verification. As regards inventory in the nature of Work in Progress, reference is invited to para 2 & 3 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 and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest are regular 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 and interest

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 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.*** Furtherthe 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. 19,91,20,000 and interest thereon amounting to Rs. 9,31,73,942.*** Further, directives issued by the Reserve Bank of India are not applicable to the company.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed 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 on test check basis, 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, 2018 for a period of more than six months from the date of becoming payable are as follows:

Nature of Dues	Amount (Rs)	Period to which amount relates	Due Date
Property Tax	4,49,600	2015-16	31-12-2016
Provident Fund	2,14,82,252	2015-16	till 15/04/2016
Provident Fund	3,16,47,364	2016-17	till 15/04/2017
Provident Fund	82,31,464	April 17 to August 17	till 15/09/2017
Employee State insurance corporation	7,06,934	2015-16	till 21/04/2016
Employee State insurance corporation	69,51,197	2016-17	till 21/04/2017
Employee State insurance corporation	26,55,240	April 17 to August 17	till 21/09/2017
Profession Tax	30,05,280	2015-16	till 30/04/2016
Profession Tax	27,32,288	2016-17	till 30/04/2017
Profession Tax	3,24,548	April 17 to August 17	till 30/09/2017
Maharashtra Welfare Labour Fund	91,680	2015-16	till 31/01/2016
Maharashtra Welfare Labour Fund	1,14,979	2016-17	till 31/01/2017
Maharashtra Welfare Labour Fund	4,815	Jun-17	31-07-2017
Service Tax	5,50,23,053	2014-15	Till 31/03/2015
Service Tax	12,85,95,644	2015-16	Till 31/03/2016
Service Tax	14,80,76,466	2016-17	Till 31/03/2017
Service Tax	3,26,77,884	April 17 to August 17	Till 05/09/2017
Excise Duty	12,59,894	Nov-16	05-12-2016
Customs Duty	5,72,57,530	16-17	31-03-2017
Tax Deducted At Source	1,55,59,913	Upto Mar-16	Till 30/04/2016
Tax Deducted At Source	10,78,30,552	2016-17	Till 30/04/2017
Tax Deducted At Source	2,30,81,290	April 17 to August 17	Till 07/09/2017
Tax Collected At Source	48,843	2016-17	Till 30/04/2017
Tax Collected At Source	15,619	April 17 to August 17	Till 07/09/2017
Value Added Tax	5,10,44,136	Upto Mar-16	Till 21/04/2016
Value Added Tax	2,47,41,892	2016-17	Till 21/04/2017
Value Added Tax	41,57,347	Apr17-Jun17	Till 21/07/2016
CGST	49,83,886	Jul17-Aug17	Till 20/09/2017
SGST	49,83,885	Jul17-Aug17	Till 20/09/2017
IGST	1,90,267	Jul17-Aug17	Till 20/09/2017

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:

Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Value Added Tax	10,77,90,909	2005-06 to 2009-10	Joint Commissioner (Appeal), Mumbai
Value Added Tax	1,95,26,625	2011-12	Asst Commercial Tax Officer, Goa
Value Added Tax	6,91,62,059	April 2012-March 2015	Asst Commissioner, Deptt of Trade & Taxes Delhi
Value Added Tax	3,91,47,672	2010-11	Joint Commissioner (Appeal) I, Mumbai
Value Added Tax	6,12,63,484	2011-12	Dy Commissioner (Appeal) I Mumbai
Value Added Tax	11,12,41,103	2012-13	Joint Commissioner of Sales Tax (Appeals)

Value Added Tax	24,06,185	2011-12	Add Commissioner Grade-II Appeal -I Meerut
Value Added Tax	4,61,39,603	2013-14	Add Commissioner Grade-II Appeal -I Meerut
Value Added Tax	6,53,90,998	2014-15	Special Commissioner I - Dept of Trade and Taxes, New Delhi
Value Added Tax	24,57,82,945	2015-16	Special Commissioner I - Dept of Trade and Taxes, New Delhi
Central Sales Tax	2,14,66,427	2010-11	Joint Commissioner (Appeal) I, Mumbai
Central Sales Tax	3,59,55,801	2011-12	Dy Commissioner (Appeal) I Mumbai
Central Sales Tax	2,37,99,475	2012-13	Joint Commissioner of Sales Tax (Appeals)
Service Tax	36,87,253	2007-10	CESTAT, Kolkata
Service Tax	99,65,877	2009-10	CESTAT, Dadar
Service Tax	5,03,62,887	2013-14	In the process of filing appeal to CESTAT, Mumbai
Service Tax	2,45,42,444	2016-17	Commissioner (Appeals) – Mysore
Excise Duty	24,26,682	2005-07	CESTAT, Kolkata
Custom Duty	66,89,106	2014-15	CIU, Mumbai
Income Tax	16,99,46,249	AY 2000-01 to AY 2008-09	Mumbai High Court
Income Tax	1,24,38,12,562	AY 2006-07 to AY 2013-14	ITAT, 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.

Name of Bank/ FI	No. of Instalments	Total Amount of Defaults	Range of Delay (in days)
BMW Financial Services	11	11,65,340	8 to 27
Daimler Financial Services	11	17,94,134	7 to 57
Kotak Mahindra Bank	9	23,63,739	12 to 91
Yes Bank	33	27,97,387	34 to 92

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:

Name of Bank/ FI	No. of Instalment	Total Amount of Defaults	Range of Delay
Allahabad Bank	8	24,92,00,000	90-730
Bank of Baroda	1	5,00,00,000	424
Bank Of Maharashtra	8	1,00,00,00,000	59-700
Central Bank Of India	4	12,71,25,000	30-303
Export Import Bank Of India	5	1,21,00,00,000	364-729
Kotak Mahindra Bank	2	5,99,232	146-177
BMW Financial Services	1	1,11,855	30
Daimler Financial Services	2	3,47,572	29-57

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 office (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
Firm Regn. No.: 117776W

Sd/-
Ramanand Gupta
Managing Partner
M. No.: 103975

Place: Mumbai
Date: 11th September 2018

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 31st March 2018]

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 have audited the internal financial controls over financial reporting of **Pratibha Industries Limited** ("the Company") as of March 31, 2018 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 over financial reporting 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. 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 over financial reporting based on our audit. We conducted 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, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Adverse opinion on the Company's internal financial controls system over financial reporting.

4. **Meaning of Internal Financial Controls Over Financial Reporting**

   A company's internal financial control over financial reporting 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 over financial reporting 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. **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

   Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

According to the information and explanations given to us and based on our audit, we have identified following material weaknesses that has not been identified as a material weakness in Management's assessment:

a) ***The Company did not have an appropriate internal control system for preparing debtors ageing and making provision for bad debts. This could potentially result in non booking of bad 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 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 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.***

e) ***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.***

f) ***The company did not have an appropriate internal control system of maintaining Bank FD register, tracking maturity of FDs and accounting for interest on timely basis. This could potentially result in reporting FD and interest balance on Balance sheet date.***

g) ***The company did not have an appropriate internal control system ofchecking the interest levied by Lenders. This could potentially lead to overcharging by Lenders and increase in Finance Cost of the company.***

h) ***The company did not have an appropriate internal control system ofcalling Quotations from more than one Vendor while placing order. This could potentially lead to inefficient procurement and increased cost.***

i) ***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. Opinion

In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2018, based on the internal control over financial reporting 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 standalone financial statements of the Company, and our aforesaid report and opinion on Internal Financial Control over Financial Reporting should be read in conjunction with our report of even date issued on the standalone financial statements of the Company.

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-
Ramanand Gupta
Partner
Membership Number: 103975

Place: Mumbai
Date: 11th September 2018

Standalone Balance Sheet as at 31st March 2018

(Rs. In Lakhs)

Particulars	Note No	As at 31.03.2018	As at 31.03.2017
ASSET			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	59,645.56	69,422.73
(b) Other Intangible assets	3	87.10	116.78
(c) Financial Assets			
(i) Investments	4	93,885.56	51,148.86
(ii) Loans	5	542.24	345.06
(iii) Others	6	19,737.65	10,040.32
(d) Deferred Tax Assets (Net)		-	-
(e) Other Non-Current Assets	7	7,783.83	3,085.11
(2) Current Assets			
(a) Inventories	8	34,039.79	169,061.12
(b) Financial Assets			
(i) Trade Receivables	9	21,691.44	24,274.41
(ii) Cash and Cash Equivalents	10	2,284.75	1,446.22
(iii) Bank Balances	11	4,648.31	13,436.15
(iv) Loans	12	29,744.50	29,339.47
(v) Others	13	84,963.30	159,812.82
(c) Current Tax Asset (Net)		1,993.53	1,835.24
(d) Other Current Assets	14	10,563.28	14,586.15
Total Assets		**371,610.83**	**547,950.45**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	15	4,771.95	4,771.95
(b) Other Equity	16	(183,320.64)	28,991.11
Liabilities			
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	130.85	17,517.79
(b) Provisions	18	159.01	98.66
(c) Deferred Tax Liabilities (Net)	19	-	-
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	324,328.70	314,015.68
(ii) Trade Payables		24,802.00	18,999.95
(iii) Other Financial Liabilities	21	180,355.78	144,375.04
(b) Other Current Liabilities	22	19,603.49	17,724.99
(c) Provisions	23	159.60	158.32
(d) Current Tax Liabilities (Net)		620.09	1,296.97
Total Equity and Liabilities		**371,610.83**	**547,950.45**
Significant Accounting Policies	1		

The accompanying Notes are an integral part of Financial Statements
As per our report of even date
For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-

Ramanand Gupta
Managing Partner
M No: 103975
Place : Mumbai
Date : 11th September, 2018

For and on behalf of the Board

Sd/-
Ajit B Kulkarni
Chairman & Director
DIN - 00220578

Sd/-
S P Deshpande
Director
DIN - 06507698

Sd/-
K H Sethuraman
Chief Financial Officer

Sd/-
Bhavana Shah
Company Secretary

Statement of Standalone Profit and Loss for the year ended 31st March 2018

(Rs. In Lakhs)

Particulars	Note No	For the year ended 31.03.2018	For the year ended 31.03.2017
I Revenue From Operations	24	88,189.07	106,107.79
II Other Income	25	12,855.82	4,127.45
III Total Income (I+II)		**101,044.89**	**110,235.24**
IV EXPENSES			
Cost of Materials Consumed	26	6,886.72	39,028.21
Construction & Operating Expenses	27	81,490.29	78,046.94
Changes in inventories of Stock-in -Trade and work-in-progress	28	133,004.14	2,417.33
Employee Benefits Expenses	29	2,748.67	5,373.41
Finance Costs	30	2,911.10	46,607.71
Depreciation and Amortization Expenses	31	4,498.42	4,860.58
Other Expenses	32	81,802.39	26,179.84
Total expenses (IV)		**313,341.73**	**202,514.02**
V Profit/(loss) before exceptional items and tax (III- IV)		**(212,296.84)**	**(92,278.78)**
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		**(212,296.84)**	**(92,278.78)**
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	(9,923.46)
IX Profit (Loss) for the period from continuing operations (VII-VIII)		**(212,296.84)**	**(82,355.31)**
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)		**(212,296.84)**	**(82,355.31)**
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	33	26.76	7.61
(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)	89.19
(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)		**(212,311.75)**	**(82,258.51)**
XVI Earnings per equity share (for continuing operation):			
(1) Basic	35	(88.98)	(61.69)
(2) Diluted	35	(88.98)	(61.69)
XVII Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		(88.98)	(61.69)
(2) Diluted		(88.98)	(61.69)

The accompanying Notes are an integral part of Financial Statements

As per our report of even date

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-

Ramanand Gupta
Managing Partner
M No: 103975
Place : Mumbai
Date : 11th September, 2018

For and on behalf of the Board

Sd/-
Ajit B Kulkarni
Chairman & Director
DIN - 00220578

Sd/-
S P Deshpande
Director
DIN - 06507698

Sd/-
K H Sethuraman
Chief Financial Officer

Sd/-
Bhavana Shah
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March, 2018

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(212,296.84)	(92,278.78)
Adjustment for :		
Depreciation & Amortization	4,498.42	4,860.58
(Profit)/Loss on Sale of Assets	677.41	715.79
Finance Charges	2,490.61	46,542.99
Sundry Balance write Off/(back)	18,561.43	3,489.07
Unrealised Foreign Exchange Gain	420.49	(70.02)
Loss / (Profit) from JV	48,862.32	15,646.54
Fair Valuation (Gain)/Loss	(19.90)	(28.92)
Operating Profit before working Capital Changes	(136,806.05)	(21,122.75)
Adjustment for:		
Inventories	135,021.33	3,863.58
Trade Receivables	(7,819.44)	64,870.02
Other Assets	(17,960.44)	6,842.56
Trade Payables	12,868.86	(49,766.07)
Other Liabilities	19,688.98	(15,056.35)
	4,993.23	(10,369.01)
Less: Direct Taxes Paid	-	-
Net cash used in Operating Activities (a)	4,993.23	(10,369.01)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets (net)	4,631.03	9,305.65
Sale of/ (Additions to) Investments (net)	(16,887.40)	(75,658.32)
Net cash used in investing activities (b)	(12,256.37)	(66,352.67)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1.82)	-
Corporate Dividend Tax paid	-	(41.38)
Proceeds from Long Term Borrowings (Net)	282.89	(4,045.25)
Proceeds from Short Term Borrowings (Net)	10,313.03	127,457.35
Finance Charges paid (Net)	(2,490.61)	(46,542.99)
Net cash from Financing Activities (c)	8,103.48	76,827.73
NET INCREASE IN CASH AND CASH EQUIVALENTS (a+ b + c)	**840.34**	**106.05**
Opening Cash and Cash Equivalents	1,439.80	1,333.75
Closing Cash and Cash Equivalents	2,280.14	1,439.80

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	**31.03.2018**	**31.03.2017**
Cash in hand	49.01	53.26
Balance with Banks	2,235.74	1,392.97
Less: Unpaid Dividend Balance	(4.61)	(6.42)
Total	2,280.14	1,439.80

The accompanying Notes are an integral part of Financial Statements

As per our report of even date

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-

Ramanand Gupta
Managing Partner
M No: 103975
Place : Mumbai
Date : 11th September, 2018

For and on behalf of the Board

Sd/-
Ajit B Kulkarni
Chairman & Director
DIN - 00220578

Sd/-
S P Deshpande
Director
DIN - 06507698

Sd/-
K H Sethuraman
Chief Financial Officer

Sd/-
Bhavana Shah
Company Secretary

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		Other Items of Other Comprehensive Income		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)	(78.91)	28,991.11
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	**4,392.00**	**62,442.13**	**(37,764.11)**	**(78.91)**	**28,991.11**
Total Comprehensive Income for the year	-	-	(212,270.09)	(41.67)	(212,311.75)
Balance at the end of the reporting period	**4,392.00**	**62,442.13**	**(250,034.19)**	**(120.57)**	**(183,320.64)**

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
2,021.11	2,750.84	4,771.95

B. Other Equity

	Reserves and Surplus		Other Items of Other Comprehensive Income		Total
	General Reserve	Securities Premium Reserve	Retained Earnings		
Balance at the beginning of the reporting period	4,392.00	23,930.38	45,488.58	(175.71)	73,635.26
Changes in accounting policy or prior period errors	-	-	(897.38)		(897.38)
Restated balance at the beginning of the reporting period	**4,392.00**	**23,930.38**	**44,591.21**	**(175.71)**	**72,737.88**
Total Comprehensive Income for the year	-	-	(82,355.31)	96.80	(82,258.51)
Addition due to further issue of shares	-	38,511.75	-		38,511.75
Balance at the end of the reporting period	**4,392.00**	**62,442.13**	**(37,764.11)**	**(78.91)**	**28,991.11**

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.

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. The previously mentioned financial statements have been approved by the Board of Directors in the meeting held on 11th September 2018.

For all periods up to and including the year ended 31 March 2018, 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, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31 March, 2018, 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.

Notes forming part of standalone financial statement

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.

Intangible assets are amortised as follows:

(1) Computer Software : 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 Property, plant and equipment and intangible assets other than goodwill**

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 Consolidated 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.

Notes forming part of standalone financial statement

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

Notes forming part of standalone financial statement

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

Notes forming part of standalone financial statement

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,

Notes forming part of standalone financial statement

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 end 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 percentage of completion method after providing for foreseeable losses, if any. Percentage of completion 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

Notes forming part of standalone financial statement

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 Cenvat Credit not utilized against current year's Cenvat liability is available for set-off in future. Therefore, all the purchase & expense transactions involving Cenvat are accounted net of tax to the extent tax is recoverable and the balance in Cenvat account is included under the head Balance with statutory/ Government Authorities under Other Current Assets.

b) Input VAT credit not utilized against current year's Output VAT liability is available for either refund or set-off in future. Therefore, all the purchase & expense transactions involving VAT are accounted net of tax to the extent tax is recoverable and the balance in Value added tax account is included under the head Balance with statutory/ Government Authorities under Other Current Assets, if the amount is recoverable within operating cycle and in other case, under the head Balance with statutory/ Government Authorities under Other Non-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.

Notes forming part of standalone financial statement

(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 relate 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.

Pratibha Industries Limited
Notes forming part of Financial Statements

2 Property, Plant and Equipment										(Rs. In Lakhs)
Particulars	**Gross Block**				**Depreciation**				**Net Block**	
	01/04/2017	**Additions**	**Deduction**	**31/03/2018**	**01/04/2017**	**Additions**	**Deduction**	**31/03/2018**	**31/03/2018**	**31/03/2017**
Tangible										
(a) Land	630.37	-	333.28	297.09	-	-	-	-	297.09	630.37
(b) Buildings	4,811.18	-	4,811.18	0.00	356.72	152.22	508.95	0.00	0.00	4,454.46
(c) Plant and Equipment	68,587.53	1.13	913.57	67,675.08	7,767.09	3,878.23	131.89	11,513.43	56,161.65	60,820.44
(d) Furniture and Fixtures	564.12	-	-	564.12	152.18	80.06	-	232.24	331.87	411.94
(e) Vehicles	1,196.64	320.15	22.43	1,494.36	435.55	210.83	9.39	636.99	857.37	761.09
(f) Office equipment	140.84	-	-	140.84	96.73	12.73	-	109.46	31.38	44.11
(g) Computer	177.16	-	-	177.16	122.03	4.50	-	126.53	50.63	55.13
(h) Electrical Installation	432.25	-	375.95	56.30	134.53	53.76	161.51	26.77	29.53	297.72
(i) Office Premises	2,066.14	-	-	2,066.14	118.67	61.44	-	180.10	1,886.04	1,947.47
Total	**78,606.22**	**321.28**	**6,456.42**	**72,471.54**	**9,183.49**	**4,453.77**	**811.73**	**12,825.70**	**59,645.56**	**69,422.73**
Previous Year	89,330.47	36.90	10,761.15	78,606.22	5,119.21	4,767.10	702.82	9,183.49	69,422.73	84,211.26

3 Intangible										
(a) Computer software	444.10	14.97	-	459.06	327.31	44.66	-	371.97	87.10	116.78
Total	**444.10**	**14.97**	**-**	**459.06**	**327.31**	**44.66**	**-**	**371.97**	**87.10**	**116.78**
Previous Year	444.10	-	-	444.10	233.83	93.48	-	327.31	116.78	116.78

Notes forming part of Standalone Financial Statements

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
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
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
Investment in Joint ventures	93,418.46	50,681.91
Quoted		
Investment in Gold Coins	3.15	3.01
Total	**93,885.56**	**51,148.86**
Aggregate value of		
Quoted Investments	3.15	3.01
Unquoted Investments	93,882.41	51,145.85
Impairment in value of investments	-	-
5 Loans		
Security Deposits	542.24	345.06
Total	**542.24**	**345.06**
The above are unsecured but considered good by the management.		
6 Others		
Term deposits with more than 12 months maturity	2,901.40	4,841.80
Receivable against BG Encashment	16,836.25	5,198.51
Total	**19,737.65**	**10,040.32**

6.1 For details on Margin Money, Refer Note no. 11.1

6.2. Many parties have encashed Bank guarantees due to various reasons. The management is hopeful of recovering the same in due course of time.

Particulars	As at 31.03.2018	As at 31.03.2017
7 Other Non-Current Assets		
Capital Advances	125.43	121.77
Balance with statutory/ Government Authorities	7,652.78	2,774.94
Others	5.62	188.41
Total	**7,783.83**	**3,085.11**

Notes forming part of Standalone Financial Statements

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
8 Inventories		
Raw materials	2,879.43	4,896.62
Work-in-progress	31,160.37	164,164.50
Total	**34,039.79**	**169,061.12**
8.1. Refer Note no. 1(XIII)		
9 Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	21,691.44	24,274.41
Doubtful	-	-
Less: Provision for Doubtful debts	-	-
Total	**21,691.44**	**24,274.41**
10 Cash and Cash Equivalents		
Balances with Banks	2,235.74	1,392.97
Cash on hand	49.01	53.26
Total	**2,284.75**	**1,446.22**
Balances with bank in unpaid dividend accounts	4.61	6.42
10.1. Refer Note no. 1(XXIII)		
11 Bank Balances		
Term Deposits for less than 12 months	4,648.31	13,436.15
Total	**4,648.31**	**13,436.15**
Balances with bank held as margin money deposit against guarantees / Letter of Credit	5,641.03	16,367.19
Balances with bank held as collateral securities	767.00	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, 2018 and March 31, 2017 include restricted balances of Rs. 6,408.03 Lakhs and Rs. 17,134.19 Lakhs respectively. The restrictions are primarily on account of balances held as margin money deposits against guarantees and as collateral security.

Particulars	As at 31.03.2018	As at 31.03.2017
12 Loans		
Retention & Security Deposits	29,733.37	29,321.65
Loans & Advances to Employees	11.13	17.82
Total	**29,744.50**	**29,339.47**
All above are Unsecured and Considered Good		
13 Others		
Interest Accrued But Not Due	1,217.66	1,200.56
Loans & Advances to Related Parties #	82,529.39	157,396.02
Other assets	1,216.24	1,216.24
Total	**84,963.30**	**159,812.82**
All above are Unsecured and Considered Good		
# Refer note number 40		
14 Other Current Assets		
Advances		
Mobilisation Advance (assets)	-	940.67
Advances to suppliers	6,594.59	7,543.34
Prepaid Expenses	278.19	586.69
Balance with statutory/ Government Authorities (Short)	3,679.13	5,478.00
Other Current Assets	11.37	37.44
Total	**10,563.28**	**14,586.15**

Notes forming part of Standalone Financial Statements

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
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
Total	**4,771.95**	**4,771.95**

15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Authorised Share Capital

Particulars	As at 31.03.2018		As at 31.03.2017	
	No of Shares	Amount (Rs in Lakhs)	No of Shares	Amount (Rs in Lakhs)
Number of Shares at the beginning	3,500.00	7,000.00	2,000.26	4,000.52
Changes during the period	-	-	1,500	2,999.48
Number of Shares at the end	**3,500.00**	**7,000.00**	**3,500.26**	**7,000.00**

Issued Share Capital

Particulars	As at 31.03.2018		As at 31.03.2017	
	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	1,010.55	2,021.11
Changes during the period	-	-	1,375	2,750.84
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 31.03.2018		As at 31.03.2017	
	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%	225.41	9.45%
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.

Notes forming part of Standalone Financial Statements

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.

15.4 Aggregate number of Shares issued for consideration other than cash

	31.03.2018 Number of Shares (In Lakhs)	31.03.2017 Number of Shares (In Lakhs)
Shares issued to JLF banks pursuant to scheme of SDR	-	1,375.42

16 Other Equity		
Retained Earnings	(250,034.19)	(37,764.11)
Other Reserves	-	
Securities Premium Reserve	62,442.13	62,442.13
General Reserve	4,392.00	4,392.00
Exchange differences in translating the financial statements of a foreign operation	(120.57)	(78.91)
Total	**(183,320.64)**	**28,991.11**

17 Borrowings	**As at 31.03.2018**	**As at 31.03.2017**
Term Loans		
Foreign currency loan from banks	-	-
Rupee loan from banks	-	17,517.79
From Financial Institutions	130.85	-
Fixed Deposit from Public	-	-
Total	**130.85**	**17,517.79**
The above amount includes		
Secured Borrowings	130.85	17,517.79
Unsecured Borrowings	-	-
Secured by Personal Guarantee by Promoters/ Directors	130.85	17,517.79

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.

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.

17.3. 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'.

17.4. Period and amount of continuing default in repayment of loans as on 31.03.2018:-

Name	**Amount of default (In Lakhs)**	**Range of Default (in days)**
Allahabad Bank	2,492.00	90-730
Bank of Baroda	500.00	424
Bank Of Maharashtra	10,000.00	59-700
Central Bank Of India	1,271.25	30-303
Export Import Bank Of India	12,100.00	364-729
Kotak Mahindra Bank	5.99	146-177
BMW Financial Services	1.12	30
Daimler Financial Services	3.48	29-57

Notes forming part of Standalone Financial Statements

18 Provisions	31.03.2018	31.03.2017
Provision for Gratuity	159.01	98.66
Total	**159.01**	**98.66**
18.1. Refer Note No. 29.1		

19 Deferred Tax Liabilities		
Deferred Tax Liability		
- On account of Depreciation difference	8,419.40	9,719.72
- On account of Fair Value of Investment in Gold	0.09	0.05
- On account of Fair Value of Financial Instrument	-	9.96
Deferred Tax Asset		
- On account of Fair Value of Financial Instrument	-	-
- On Account of Losses	(8,419.49)	(9,729.73)
Total	**-**	**-**

20 Borrowings		
Rupee loan from banks	322,892.93	312,579.91
Deferred Payment Liabilities	1,435.77	1,435.77
Total	**324,328.70**	**314,015.68**
The above amount includes		
Secured Borrowings	324,328.70	314,015.68
Unsecured Borrowings	-	-
Secured by Personal Guarantee by Promoters/ Directors	324,328.70	314,015.68

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.

21 Other Financial Liabilities		
Current maturities of long-term debt*	117,405.75	99,315.42
Unpaid dividends	4.61	6.42
Unpaid matured deposits and interest accrued thereon **	2,922.94	2,724.72
Creditors for Capital expenses	71.68	7,372.69
Security Deposits	15,460.67	11,347.43
Advances From Related Parties #	39,924.59	21,401.61
Other Payables	4,565.54	2,206.74
Total	**180,355.78**	**144,375.04**
* Refer Note No. 17.1 & 17.2 for terms and securities		
** Refer Note No. 17.3 for terms and securities		
# Refer note number 40		

22 Other Current Liabilities		
Revenue received in advance	1,632.56	1,831.03
Mobilisation advance	8,479.76	8,545.96
Withholding & other taxes payable	9,491.17	7,348.00
Total	**19,603.49**	**17,724.99**

23 Provisions	31.03.2018	31.03.2017
Provision for Gratuity	159.60	158.32
Total	**159.60**	**158.32**
23.1. Refer Note No. 29.1		

Notes forming part of Standalone Financial Statements

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
24 Revenue From Operations		
Construction and allied revenue	88,169.64	106,039.06
Other Operating Revenue		
Sale of Scrap	16.13	67.62
Others	3.30	1.11
Total	**88,189.07**	**106,107.79**
Disclosure pursuant to Indian Accounting Standard – 11 "Construction Contracts"		
Contract Revenue recognized as revenue during the year	87,985.59	83,654.61
Aggregate amount of Contract Cost incurred and recognized profits, less losses.	963,090.66	875,105.08
Advances received, net recoveries from progressive bills	8,479.76	8,545.96
Retention Money	29,733.37	29,321.65
24.1. Refer Note no. 1(XIV)		
25 Other Income		
Interest Income	1,345.61	2,464.18
Profit on sale of Fixed Assets	3,331.83	796.96
Office Rent Received	-	220.00
Foreign Exchange Fluctuation	-	5.25
Sundry Balance Written Back	7,643.42	-
Fair Value Gain on financial instruments at fair value through Profit or Loss	19.90	28.92
Other non-operating income	515.06	612.14
Total	**12,855.82**	**4,127.45**
26 Cost of materials consumed		
Raw Material Stock at the beginning of the period	4,896.62	6,342.87
Add :- Purchases during the year	4,869.53	37,581.96
	9,766.15	43,924.83
Less : Raw Material Stock at the end of the period	2,879.43	4,896.62
Total	**6,886.72**	**39,028.21**
27 Construction & Operating Expenses		
Consumption of Stores & Spares	542.96	2,403.30
Sub-contract & Labour Charges	80,019.13	66,455.52
Repairs & Maintenance - Machinery	53.88	1,791.58
Equipment Hire Charges	302.34	6,346.65
Power & Fuel Charges	29.77	195.50
Freight Inwards	19.17	213.03
Clearing & Forwarding Charges	0.73	42.23
Site Mobilisation Expenses	2.48	1.44
Other Expenses	519.83	597.70
Total	**81,490.29**	**78,046.94**

Notes forming part of Standalone Financial Statements

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
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	31,160.37	164,164.50
	31,160.37	**164,164.50**
Inventory at the beginning of the period		
Construction Work-In-Progress.	164,164.50	166,581.83
	164,164.50	**166,581.83**
Total	**133,004.14**	**2,417.33**
29 Employee benefits expense		
Contribution to PF & other fund	101.00	332.26
Directors Remuneration	-	425.85
Salaries & Wages	2,508.97	4,450.60
Staff Welfare Expenses	50.31	97.21
Gratuity Expenses	88.40	67.49
Total	**2,748.67**	**5,373.41**

29.1 - The following table set out the status of the Gratuity Plan as required under Ind AS-19 for Indian Operations

Reconciliation of opening and closing balance of present value of the defined benefit obligation and plan assets:		
Obligation at the beginning	359.97	380.01
Interest Cost	24.55	29.64
Service Cost	55.21	52.12
Actuarial (Gain)/Loss	-	
Due to Change in Financial Assumptions	(23.92)	35.15
Due to Experience	(5.65)	(45.77)
Benefit Paid	(72.66)	(91.18)
Obligation at the period end	**337.49**	**359.97**
Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company :		
Change in plan assets:		
Fair Value of plan asset at the beginning	103.00	182.92
Interest Income	7.02	14.27
Actuarial Gain / (Losses)		
Contribution	-	-
Benefit paid	(72.66)	(91.18)
Return on Plan Assets excluding Interest Income	(2.82)	(3.02)
Fair Value of plan asset at the end of the year	**34.54**	**103.00**
Reconciliation of present value of obligation and fair value of plan asset:		
Fair Value of plan asset at the end of the year	34.54	103.00
Present Value of defined obligation at the end of the period.	337.49	359.97
Liability recognized in the balance sheet	**302.95**	**256.97**
Actuarial Assumptions:		
Discount Rate (p.a.)	7.82%	6.82%
Estimated rate of return on plan assets (p.a.)	7.82%	6.82%
Mortality Table	IALM 2006-08	IALM 2006-08
Rate of escalation in salary (p.a.)	6.00%	6.00%

Notes forming part of Standalone Financial Statements

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Gratuity Cost for the period		
Service cost	55.21	52.12
Interest cost	17.53	15.37
Expected return on plan assets	-	-
Expense recognized in Profit and Loss Account	**72.74**	**67.49**
Gratuity Cost for the period		
Actuarial (Gains)/ Losses on Obligation for the period	(29.58)	(10.63)
Return on Plan Assets excluding Interest Income	2.82	3.02
Net (Income)/Expense recognized in Other Comprehensive Income	**(26.76)**	**(7.61)**
30 Finance costs		
Interest	1,323.63	38,215.87
Exchange differences regarded as an adjustment to borrowing costs	420.49	64.72
LC & Bill Discounting Charges	70.46	4,139.03
Other borrowing costs	1,096.52	4,188.09
Total	**2,911.10**	**46,607.71**
31 Depreciation and amortization expense		
Depreciation	4,453.77	4,767.10
Amortization	44.66	93.48
Total	**4,498.42**	**4,860.58**
32 Other expenses		
Advertising & Business Promotion Expenses	22.93	54.20
Auditors Remuneration	20.00	50.00
Commission & Brokerage Expenses	0.42	0.82
Computer & Software Expenses	56.91	113.55
Directors Sitting Fees & Commission	6.30	7.30
Donation	0.06	2.44
Electricity Charges	59.84	171.66
General Expenses	118.55	144.51
Insurance Charges	250.01	407.33
Legal Fees & Professional Charges	623.76	1,392.13
Loss on Sale of Fixed Asset	4,009.24	1,512.75
Postage & Courier Charges	7.66	5.53
Printing & Stationery	8.07	38.00
Rates & Taxes	784.86	1,442.62
Rent	307.03	693.48
Repairs & Maintenance - Office	56.15	142.63
Security Service Charges	101.17	270.32
Sundry Balance Written Off (Net)	26,204.86	3,481.65
Liquidated Damages	-	7.65
Travelling & Visa Expenses	172.82	264.78
Telephone & Internet Expenses	56.25	107.69
Vehicle Expenses	73.18	218.79
Share of Loss from JV	48,676.33	15,419.59
Share of Loss from Non Consolidating JVs	185.99	226.94
Foreign Exchange Fluctuation	0.01	3.48
Total	**81,802.39**	**26,179.84**

Notes forming part of Standalone Financial Statements

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
32.1 - Payment to Auditors		
As Auditors		
- Audit Fee	20.00	50.00
- Tax Audit Fee	-	7.50
In Other Capacity		
- Taxation matters	-	12.50
- Other Services	-	3.33
Total	**20.00**	**73.33**
33 Items that will not be reclassified to profit or loss		
Changes in revaluation surplus	-	-
Remeasurements of the defined benefit plans	26.76	7.61
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**	**7.61**
34 Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of a foreign operation	(41.67)	89.19
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)**	**89.19**
35 Earning per Share		
Profit/(Loss) attributable to Equity shareholders	(212,311.75)	(82,258.51)
Weighted Average Number of Shares for Basic and Diluted EPS	2,385.97	1,333.52
Basic EPS (Amount in Rs.)	(88.98)	(61.69)
Diluted EPS (Amount in Rs.)	(88.98)	(61.69)

Notes forming part of Standalone Financial Statements

37. Contingent Liabilities:

(Rs in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
i. Unutilized Letters of Credit with Bankers	-	957.58
ii. Bank Guarantee	94,962.66	1,24,629.57
iii. Corporate Guarantee	40,088.91	40,088.91
iv. Estimated amounts of contract remaining to be executed on Capital Account and not provided for	15,135.19	15,074.26
v. Cases in the court, which in the opinion of the management, require no provision of liability than what is recorded in accounts.	5,782.52	10,931.03
vi. 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
vii. 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
viii. 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.	8,490.73	7,140.33
ix. 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.	14,137.59	14,544.48
x. 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	25.00

37.1. The Management is of the opinion that claims for performance guarantee will not arise related to the projects executed previously.

37.2. During the FY 2016-17, Income tax authorities conducted search and seizure u/s 132 of Income Tax Act. The matter is pending for final assessment.

37.3. 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.

37.4. In case of interstate sales of FY 2012-13 to June 2018, C forms are yet to be collected from few customers. In absence of the forms, additional liability under the CST Act can arise, which is not ascertained by the Company. However, Management is of the opinion that all pending C forms shall be collected and produced in assessment proceedings and no liability will arise.

38. Winding up Petition has been filed against Company by one party for recovery of its dues. Management is of the opinion that the matter will be resolved amicably and no unfavorable order will be passed against the Company.

39. The Company has filed cases against various parties claiming amount aggregating to Rs. 7,317.00 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.

40. Related Party Disclosure:

40.1. 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

PRATIBHA

Notes forming part of Standalone Financial Statements

Sr. No.	Name of Related Party	Relationship
7	Pratibha Shareholding Private Limited	Enterprises over which Key Managerial Personnel and relatives ofsuch 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	
48	Mr. Ajit B. Kulkarni	Key Managerial Personnel
49	Mrs. Sunanda D. Kulkarni (Appointed w.e.f 20/02/18)	
50	Mr. Ravi A. Kulkarni (Retired w.e.f. 30/09/17)	
51	Mr. Sharad P. Deshpande	
52	Mr. K.H. Sethuraman	
53	Mrs. Bhavana D. Shah	
54	Mr. Shyam Kulkarni	Relatives of Key Managerial Personnel
55	Mrs. Samidha A. Kulkarni	
56	Ms. Nidhi A. Kulkarni	
57	Mr. Anand Kulkarni	

Notes forming part of Standalone Financial Statements

40.2.Disclosure of related party transactions:

(Rs. in Lakhs)

Particulars	Subsidiaries	
	FY 2017-18	FY 2016-17
Loan/Advance given/ (received)		
Prime Infrapark Pvt. Ltd.	1,112.59	(572.80)
Bhopal Sanchi Highways Pvt. Ltd.	22.58	5,248.95
Muktangan Developers Pvt. Ltd.	(2.89)	3.01
Total	**1,132.28**	**4,679.16**

(Rs. In Lakhs)

Particulars	Associates/Affiliates	
	FY 2017-18	FY 2016-17
Loan/Advance given/ (received)		
Pratibha Foundation	-	(23.00)
Saudi Pratibha Industries Limited	0.39	-
Total	**0.39**	**(23.00)**

(Rs In lakhs)

Particulars	Joint Ventures	
	FY 2017-18	FY 2016-17
Sales & Services		
Pratibha China State JV	-	338.82
Pratibha Ostu Stettin JV	-	202.58
Pratibha GIN KJI Consortium	61.77	122.95
Total	**61.77**	**664.35**
Interest & Other Incomes received / receivable		
Pratibha Jain Irrigation Navana JV	-	386.59
TCPL Pratibha JV	32.20	64.40
Pratibha CSL Sudhir Constructions JV	171.00	-
Pratibha Ranjit JV	147.89	-
Overseas Infrastructure Alliance - Pratibha Industries Ltd. Consortium	118.76	-
Total	**469.84**	**450.99**
Loan/Advance given/ (received)		
ITD Pratibha Consortium	-	1.05
Niraj Pratibha JV	(79.16)	-
Patel-Pratibha JV	-	(1.66)
Pratibha Al Ambia	187.28	7,067.46
Pratibha Aparna JV	(86.62)	2,318.63
Pratibha China State JV	-	4,994.40
Pratibha JV	-	0.11
Pratibha Membrane Filters JV	-	(160.90)
Pratibha Ostu Stettin JV	0.01	(124.32)
Pratibha Rohit JV	-	0.07
Pratibha SMS JV	0.23	(294.13)
Unity Pratibha Consortium	-	(8.95)
Unity Pratibha Multimedia JV	-	0.11
Pratibha CRFG JV	0.15	24.45
Pratibha GECPL JV	33.78	76.04

Notes forming part of Standalone Financial Statements

(Rs In lakhs)

Particulars	Joint Ventures	
	FY 2017-18	FY 2016-17
Pratibha Mosinzhstroi Consortium	200.66	4,917.60
MEIL Saisudhir Pratibha JV	1.05	-
KBL PIL Consortium	(1.90)	-
GIL PIL JV	(0.55)	-
FEMC Pratibha JV	12,839.49	8,840.27
Pratibha Yogiraj JV	(2,739.89)	(1,444.04)
Pratibha Industries Limited Yogiraj JV	(2,335.89)	(4,694.43)
Total	**8,018.64**	**21,511.72**
Guarantee given/(received)		
Pratibha Mosinzhstroi Consortium	1,485.00	-
Total	**1,485.00**	**-**
Investment made/(received)		
Niraj Pratibha JV	-	10,438.45
Pratibha Ostu Stettin JV	-	708.98
Pratibha Rohit JV	-	0.08
Unity Pratibha Consortium	-	2.48
Pratibha Mosinzhstroi Consortium	-	5,500.00
FEMC Pratibha JV	-	(22,845.40)
Total	**-**	**6,195.41**
Mobilisation Advance Received /(Recovered)		
Pratibha China State JV	-	(26.63)
Total	**-**	**26.63**

Transactions with Key Managerial Personnel & their Relatives

Particulars	FY 2017-18	FY 2016-17
Short-term employee benefits	**128.81**	**549.24**
Mrs. Usha Kulkarni	-	12.00
Mr. Ajit Kulkarni	-	300.00
Mr. Ravi Kulkarni	-	58.85
Mr. Sharad P.Deshpande	-	55.00
Mr. Yogen Lal	-	31.49
Mr. K.H. Sethuraman	65.70	91.91
Mrs. Bhavana D. Shah	10.38	-
Mr. Shyam Kulkarni	26.48	26.24
Mr. Anand Kulkarni	26.26	26.46
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total compensation to key management personnel	**128.81**	**549.24**
Rent paid	**50.48**	**180.14**
Mrs. Usha Kulkarni	-	1.25
Mr. Ajit Kulkarni	50.48	178.89

Notes forming part of Standalone Financial Statements

40.3.Amount due to/ from related party

Particulars	Subsidiaries	
	2017-18	2016-17
Investments held by the Company		
Bhopal Sanchi Highways Pvt. Ltd.	0.51	0.51
Muktangan Developers Pvt. Ltd.	190.00	190.00
Pratibha Holding (Singapore) Pvt. Ltd.	93.47	93.47
Prime Infrapark Pvt. Ltd.	100.00	100.00
Investments held by the Company Total	**383.98**	**383.98**
Loans and Advances Given/ (Received)		
Bhopal Sanchi Highways Pvt. Ltd.	7346.69	7,324.11
Muktangan Developers Pvt. Ltd.	1,248.69	1,251.59
Pratibha Holding (Singapore) Pte Ltd.	23.11	23.11
Prime Infrapark Pvt. Ltd.	9,168.90	8,056.30
Pratibha Infra Lanka (Private) Ltd.*	39.30	39.30
Loans and Advances Given/ (Received) Total	**17,826.69**	**16,694.40**

Step Down Subsidiary

Particulars	Associate /Affiliates	
	2017-18	2016-17
Investments held by the Company		
Saudi Pratibha Industries Ltd.	69.67	69.67
Investments held by the Company Total	**69.67**	**69.67**
Loans and Advances Given/ (Received)		
Saudi Pratibha Industries Ltd.	88.73	88.34
Pratibha Foundation	(21.50)	(21.50)
Loans and Advances Given/ (Received) Total	**67.23**	**66.84**

Particulars	Joint Ventures	
	2017-18	2016-17
Investments held by the Company		
ITD Pratibha Consortium	(8.42)	(7.65)
Niraj Pratibha JV	6,817.65	6,927.50
Patel Pratibha JV	333.12	335.59
Pratibha Al Ambia JV	(485.53)	(362.58)
Pratibha Aparna JV	(2,265.96)	(921.24)
Pratibha China State JV	598.25	602.00
Pratibha CRFG JV	(7,600.45)	(1,548.38)
FEMC Pratibha JV	64,590.33	10,668.11
Pratibha GECPL JV	(582.51)	(539.14)
Pratibha Industries Limited Yogiraj JV	7,087.28	7,281.38
Pratibha JV	56.30	56.31
Pratibha Membrane Filters JV	921.10	940.05
Pratibha Mosinzhstroi Consortium	16,766.16	18,725.52
Pratibha Ostu Stettin JV	210.78	263.03
Pratibha Pipes & Structural Consortium	0.62	0.64
Pratibha Rohit JV	(64.96)	(39.70)
Pratibha SMS JV	1,484.08	1,505.21
Pratibha Yogiraj JV	4,763.45	6,003.62
Unity Pratibha Consortium	620.68	620.68
Unity Pratibha Multimedia JV	176.96	170.95
Investments held by the Company Total	**93,418.94**	**50,681.91**
Retention Deposit Given		
ITD Pratibha Consortium	47.32	47.32

Notes forming part of Standalone Financial Statements

Particulars	Joint Ventures	
	2017-18	2016-17
Patel Pratibha JV	247.06	247.06
Pratibha China State JV	4,936.23	4,936.23
Pratibha Ostu Stettin JV	62.54	62.54
Retention Deposit Given Total	**5,293.15**	**5,293.15**
Trade Receivables		
Pratibha China State JV	1,643.87	5,644.60
Pratibha Membrane Filters JV	0.52	0.52
Pratibha Ostu Stettin JV	2,028.75	2,028.75
Trade Receivables Total	**3673.14**	**7,673.87**
Mobilisation Advance Received/(Recovered)		
Pratibha China State JV	(479.99)	(479.99)
Mobilisation Advance Received/(Received) Total	**(479.99)**	**(479.99)**
Trade Payables		
Patel Pratibha JV	(44.79)	(44.79)
Pratibha Membrane Filters JV	(48.81)	-
Trade Payables Total	**(93.60)**	**(44.79)**
Loans and Advances Given/ (Received)		
ITD Pratibha Consortium	15.33	15.33
Pratibha Al Ambia JV	5,737.95	5,550.66
Pratibha Aparna JV	2,793.62	2,877.62
Pratibha CRFG JV	8,370.61	8,370.46
FEMC Pratibha JV	(22,957.59)	66,705.26
Pratibha GECPL JV	962.20	928.41
Pratibha Industries Limited Yogiraj JV	(6,248.80)	(3,912.91)
Pratibha JV	(62.37)	(62.37)
Pratibha Membrane Filters JV	(377.26)	(376.74)
Pratibha Mosinzhstroi Consortium	39,051.84	38,840.44
Pratibha Rohit JV	0.07	0.07
Pratibha SMS JV	(547.74)	(547.98)
Pratibha Yogiraj JV	(5,724.87)	(2,984.98)
Unity Pratibha Consortium	(546.35)	(512.31)
Unity Pratibha Multimedia JV	(37.76)	(37.76)
Gammon Pratibha JV	(22.09)	(21.54)
KBL PIL Consortium	44.20	46.41
MEIL Saisudhir Pratibha JV	141.66	141.66
Pratibha GIN KJI Consortium	(13.55)	2.40
Patel Pratibha JV	-	(44.79)
Pratibha China State JV	-	4,064.47
Pratibha Pipes & Structural Consortium	4.04	4.04
Loans and Advances Given/ (Received) Total	**20,583.12**	**1,19,041.06**

41. 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.

42. 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.

Notes forming part of Standalone Financial Statements

During the year the Company has recognized following rental expenses:

(Rs. In Lakhs)

Particulars	2017-18	2016-17
House Rent	307.03	693.48
Equipment Hire Charges	302.34	6,346.65
Total	**609.37**	**7,040.13**

43. Disclosure as per amendment to clause 32 of the Listing Agreement

(Rs. in Lakhs)

Sr. No.	Particulars	Outstanding Balance		Maximum Balance during the year	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
1	**Loans and Advances in the nature of Loans to Subsidiaries**				
	Prime Infrapark Pvt. Ltd	9,168.90	8,191.22	10,258.99	8,630.95
	Muktangan Developers Pvt. Ltd.	1,248.69	1,251.59	1,251.59	1,251.62
	Pratibha Holding (Singapore) Pte. Ltd	23.11	23.11	23.11	23.11
	Pratibha Infra Lanka (Private) Ltd (Wholly owned subsidiary of Pratibha Holding (Singapore) Pte Limited)	39.30	39.30	39.30	39.30
	Bhopal Sanchi Highways Pvt. Ltd.	7,346.69	7,324.11	7,346.69	7,324.11
2	**Loans and Advances in the nature of Loans to associates**				
	Saudi Pratibha Industries Ltd.	88.73	88.34	88.89	88.34
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.

44. 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%	354.66	205.48	482.95	-	2.47
Pratibha JV	95%	-	59.25	2.95	3.55	3.56
Pratibha SMS JV	100%	1,571.76	70.92	158.60	0.21	21.34
Unity Pratibha Consortium	100%	643.69	177.63	201.12	10.25	10.72
Niraj Pratibha JV	50%	1,435.68	221.32	98.15	161.09	273.66
Pratibha Ostu Stettin JV	50%	367.41	588.46	1,099.58	-	20.57
Pratibha Rohit JV	80%	25.70	-	90.60	-	25.26
Pratibha CRFG JV	100%	10,398.99	1,260.30	19,259.74	21.73	6,073.81
ITD Pratibha Consortium	100%	51.41	3.80	63.63	-	0.77
Pratibha Al Ambia JV	100%	5,492.99	148.35	6,126.86	77.60	200.54
Pratibha Aparna JV	100%	618.77	12.72	2,897.45	171.59	1,516.31
Pratibha China State JV	60%	1,434.33	3,323.84	4,652.45	-	3.76
Pratibha Membrane Filters JV	51%	880.84	102.07	61.81	1.77	20.72
Pratibha GECPL JV	100%	463.48	18.95	1,064.93	90.12	133.50
Pratibha Mosinzhstroi Consortium	100%	88,646.39	1,217.15	73,097.38	1,028.62	2,987.97
Pratibha Unity JV	50%	-	-	-	14.25	14.25
Unity Pratibha Multimedia JV	100%	84.15	106.04	13.22	7.81	1.81

Notes forming part of Standalone Financial Statements

Name	%	Current Assets	Long Term Assets	Current Liabilities	Income	Expenses
Pratibha Pipes & Structural Consortium	40%	2.32	0.16	1.86	-	0.02
FEMC Pratibha JV	100%	2,14,104.83	26,735.73	2,03,354.79	20,591.38	58,295.09
Pratibha Yogiraj JV	99.99%	21,400.91	283.45	16,921.39	27.57	1,267.62
Pratibha Industries Limited Yogiraj JV	99.99%	33,138.37	819.32	26,871.12	33.43	227.52
KBL PIL Consortium*	50%	0.78	49.35	50.13	-	0.31
Pratibha GIN KJI Consortium*	74%	23.81	752.71	781.58	74.62	75.18
MEIL Saisudhir Pratibha JV*	25%	78.09	37.92	88.26	45.53	2.30
Gammon Pratibha JV *	49%	177.22	-	177.27	-	0.05

* 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.

45. Earning in Foreign Exchange :

(Rs in lakhs)

Particulars	2017-18	2016-17
Consultancy Fees	150.96	203.11
Total	**150.96**	**203.11**

46. Expenditure in Foreign Currency :

(Rs in lakhs)

Particulars	2017-18	2016-17
On Foreign Travel	56.68	60.48
On Professional Fees / Consultancy Charges	-	6.16
On Interest & Bank Commission Charges	589.44	206.37
On Import of Material & Stores	8.48	-
On Overseas Branch Expenses	167.46	40.80
Total	**822.06**	**313.80**

47. During the year, the company has not remitted dividend in foreign currency (P.Y. NIL)

48. As on 31st March 2018, there is no Mark-to-Market loss on account of derivative forward exchange contract.

49. 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.

50. The Company has not made provision against Investment of Rs. 1 Crore and Loans given of Rs. 94.73 Crores to its wholly owned subsidiary M/s. Prime Infrapark Private Limited. While investment is carried at cost, advances are considered good and recoverable. The networth of the subsidiary company has fully eroded and its Concession Agreement has been terminated by DMRC. The management is in discussion with DMRC. It is hopeful of resolving the issues and also restoring the Concession Agreement. Hence no provision has been made.

51. The Company has not made provision against Investment of Rs. 0.01 Crore and Loans given of Rs. 73.47 crores 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.

52. The company has not spent on CSR activities as required under section 135 of Companies Act, 2013 during the year.

Notes forming part of Standalone Financial Statements

53. Financial instruments:

53.1. Categories of Financial Instruments:

(Rs in Lakhs)

Financial Assets	31.03.2018		31.03.2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Measured at Amortised cost				
Investments	463.95	463.95	463.95	463.95
Others	19,737.65	19,737.65	10,040.32	10,040.32
Trade Receivables	21,691.44	21,691.44	24,274.41	24,274.41
Cash and Cash Equivalents	2,284.75	2,284.75	1,446.22	1,446.22
Bank Balances	4,648.31	4,648.31	13,436.15	13,436.15
Loans	29,744.50	29,744.50	29,339.47	29,339.47
Others	84,963.30	84,963.30	1,59,812.82	1,59,812.82
Total Financial assets measured at Amortised Cost	**1,63,533.90**	**1,63,533.90**	**2,38,813.34**	**2,38,813.34**
Measured at Fair Value Through Profit And Loss				
Investments in Gold	3.15	3.15	3.01	3.01
Investments in Joint Ventures	93,418.46	93,418.46	50,681.90	50,681.90
Loans	542.24	542.24	345.06	345.06
Total Financial assets measured at Fair Value through Profit and Loss	**93,963.85**	**93,963.85**	**51,029.97**	**51,029.97**
Total Financial Assets	**2,57,497.74**	**2,57,497.74**	**2,89,843.31**	**2,89,843.31**
Financial Liabilities				
Measured at Amortised cost				
Borrowings	3,24,459.55	3,24,459.55	3,31,533.47	3,31,533.47
Trade Payables (Current)	24,802.00	24,802.00	18,999.95	18,999.95
Other Financial Liabilities	1,80,355.78	1,80,355.78	1,44,375.04	1,44,375.04
Total Financial Liabilities	**5,29,617.33**	**5,29,617.33**	**4,94,908.46**	**4,94,908.46**

53.2.Level wise Disclosure of Financial Instruments

(Rs. In Lakhs)

Particulars	31.03.2018	31.03.2017	Level	Valuation Technique and Key Inputs
Investment in Gold	3.15	3.01	1	Quoted bid prices in an Active Market
Security Deposits	542.24	345.06	2	Inputs other than Quoted prices included within Level 1 that are observable for Asset or Liability either directly(i.e as prices) or indirectly (derived from prices)

54. Income Taxes

54.1.Income Tax Expense/ (Benefit)

(Rs. In lakhs)

Particulars	31st March 2018	31st March 2017
Current Tax	-	-
Deferred tax	-	(9,923.46)
Total tax Expense/ (Benefit)	**-**	**(9,923.46)**

Notes forming part of Standalone Financial Statements

54.2.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 01-04-2016	Recognised/ reversed through profit and loss	Recognised/ reversed through OCI	As at 31-03-2017
Property, Plant & Equipment	9,942.95	(223.23)	-	9,719.72
Fair valuation of Financial Instruments	(20.32)	30	-	9.96
Fair valuation of Gold	0.84	(0.78)	-	0.05
Business Losses	-	(9,729.73)	-	(9,729.73)
Total	**9,923.46**	**(9,923.46)**	**-**	**-**

(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	-	-	-	-

55. 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	31.03.2018	31.03.2017
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	-	-

56. Due to financial distress, the Company could not repay public deposits on time and has defaulted in payments to many deposit holders. The company has already made an application to NCLT dated 23/08/2017, seeking extension of time for repayment of all outstanding deposits together with interest thereon.

57. Balance under the head '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.

58. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

The accompanying Notes are an integral part of Financial Statements

As per our report of even date

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-

Ramanand Gupta
Managing Partner
M No: 103975
Place : Mumbai
Date : 11th September, 2018

For and on behalf of the Board

Sd/-
Ajit B Kulkarni
Chairman & Director
DIN - 00220578

Sd/-
S P Deshpande
Director
DIN - 06507698

Sd/-
K H Sethuraman
Chief Financial Officer

Sd/-
Bhavana Shah
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PRATIBHA INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited 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"), its associates and jointly controlled entities("JCE"), which comprises the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation 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 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group 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 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 Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. ***The holding company has accumulated losses and its net worth is fully eroded. It has incurred net loss during the current year as well as previous years and it's current liabilities exceeded its current assets as at the balance sheet date. It is unable to repay its debts, statutory obligations and pay salaries apart from other obligations/commitments. Its scheme of Strategic Debt Restructuring has failed as the lenders have not accepted its proposal. All these indicate a material uncertainity that may cast significant doubt upon the holding Company's ability to continue as a Going Concern. The Management of Holding Company is optimistic about finding resolution and believes it will be able to continue its business, accordingly the Consolidated financial results are prepared on a going concern basis.***

2. ***Inventory of Work in Progress (WIP) of Holding Company includes certain contractual claim amounting to Rs. 36.91 Crores. These amounts have been ascertained by the management of Holding Company based on their estimates. No formal submission of these claims has been made to clients. WIP also includes certain claims amounting to Rs. 170.33 Crores which are though submitted but not yet approved by respective clients. The amounts of these claims are subject to change post submission/approval from clients. In absence of any communication from clients, we cannot confirm the amount of this WIP. The consequential impact, if any, on the Consolidated financial statements is therefore not ascertainable.***

3. ***The management of the Holding Company has not provided us with the 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 WIP has been valued and stated correctly or not. The consequential impact, if any, on the Consolidated financial statements is therefore not ascertainable***

4. *The Holding company has not provided for interest on various loans from Banks to the extent of Rs. 220.42 Crores. To that extent interest expense, interest liability and loss for the year ended March 31, 2018 are understated. The management of the Holding Company is of the view that since the status of all loans has become NPA, interest will be waived off by the Banks and hence no provision is required.*

5. *Many clients of the Holding company have en-cashed Bank Guarantee on account of various reasons. Balance of Rs. 353.67 Crores is shown as recoverable from Clients as asset in Balance sheet and no provision against the same has been made. To that extent loss and reserves are understated and Assets are overstated. Management of Holding Company is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.*

6. *Many clients of the Holding company have withheld around Rs. 142.88 Crores on account of various reasons. The amount is outstanding since long. This is shown as refundable from Clients and no provision against the same has been made. In absence of communication with client and proper documentations, we are unable to determine any possible impact thereof on the loss for the year. Management of the Holding Company is of the opinion that these amounts will be recovered in due course from respective parties and there is no need for any provision.*

7. *Many loan accounts having aggregate balance of Rs. 271.78 Crores, of Holding Company, are not confirmed due to non-availability of statement / confirmation from respective Banks. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and on the balance of cash and cash equivalent and Borrowed Funds.*

8. *The Holding Company has not made provision against Investment of Rs. 1 Crore and Loans given of Rs. 94.73 Crores to its wholly owned subsidiary M/s. Prime Infrapark Private Limited. The networth of the subsidiary company has fully eroded and its Concession Agreement has been terminated by DMRC.*

9. *The Holding Company has not made provision against Investment of Rs. 0.01 Crore and Loans given of Rs. 73.47 crores to its subsidiary M/s. Bhopal Sanchi Tollways Private Limited. Its Concession Agreement has been terminated by NHAI. The subsidiary company has lodged claim and the matter is under arbitration.*

10. *The Holding company has not provided audited financial statements of its wholly owned subsidiary M/s. Pratibha Holdings (Singapore) Pte. Ltd and associate company M/s. Saudi Pratibha Industries LLC. In absence of these details, we can not comment on any requirement for provision for diminution in value of investments.*

11. *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.*

12. *As per the requirements of Rule 4 of Companies (cost records and audit) Amendment Rules, 2016, the Holding company has not conducted cost audit of its records.*

13. *During the year, Holding Company unilaterally wrote back certain liabilities amounting to Rs. 76.44 Crores. The management of Holding 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. In absence of proper documentation, financial impact on Consolidated financial statements is not ascertainable.*

14. *The Holding company has not made provision for Expected Credit Loss on receivables and other financial assets as required under IND AS 109.*

15. *There are many statutory dues amounting to Rs.94.91 Crores, which are pending to be deposited by Holding Company with appropriate government authorities. The Holding company has not made provision for interest on these dues on account of delay in depositing them. Since the management of Holding Company has not estimated overall liability on account of interest, financial impact on Consolidated financial statements is not ascertainable.*

16. *During the year, three independent directors of Holding Company have resigned from its Board. As a result its composition of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are not in compliance with the provisions of Section 149(4), Section 177 & Section 178 respectively.*

17. *Auditor of Prime Infrapark Private limited has given adverse remarks in their audit report for FY 2017-18:*

17.1.*The company's concession agreement has been terminated by DMRC w.e.f 1st September 2017 due to default of terms of the concession agreement. The company is unable to re-negotiate with DMRC & restore the agreement. The company's net worth has fully eroded due to accumulated losses. These events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business*

17.2.*Inspite of termination of concession agreement, the company has shown the Rights under concession agreement amounting to Rs. 152.44 crores as Intangible assets and has not made any provision for loss on account of the same. To that extent, the assets are overstated and loss is understated.*

17.3.*The company has not provided for interest on loan from Bank to the extent of Rs. 1.49 crores. To that extent interest expense, loan liability and loss for the year ended 31st March, 2018 are understated. The management is of the view that since the status of loan has become NPA, interest will be waived off by the Bank and hence no provision is made.*

17.4.*The company has not made provision for Expected Credit Loss on receivables and other financial assets as required under IND AS 109.*

17.5.*There are many statutory dues amounting to Rs. 5.50 crores which are pending to be deposited by Company with appropriate government authorities. The company has not made provision for interest on these dues on account of delay in depositing them. Since the management has not estimated overall liability on account of interest, impact on financial statements is not ascertainable.*

17.6.*DMRC has en-cashed Bank Guarantee amounting to Rs. 12.82 crores on account of non-payment of its dues. This amount is shown as recoverable from Client as asset in Balance sheet and no provision against the same has been made. To that extent, loss and reserves are understated and Assets are overstated. Management of the Company is of the opinion that this amount will be recovered in due course from the client and there is no need for any provision.*

Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements.

Other Matter

We did not audit the financial statement of 15 subsidiaries (including 11 Joint Venture companies treated as Subsidiary and 1 step-down subsidiary) included in the Statement. Out of these companies, the financial statement of 2 subsidiaries whose financial statements reflect, total assets of Rs. 199.27 crores, total liabilities of Rs. 309.60 crores, total revenue from operations of Rs. 9.05 Crores and total expenses of Rs. 28.36 crores for the year ended March 31, 2018 are audited by other auditors. The financial statement of 13 subsidiaries whose financial statements reflect, total assets of Rs. 4067.00 crores, total liabilities of Rs. 3498.98 crores, total revenue from operations of Rs. 91.67 Crores and total expenses of Rs. 1295.79 crores for the year ended March 31, 2018 are un audited. Their financial statements 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, jointly controlled entities and associates, is based solely on such financial statements.

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 that:

a. As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unableto obtain 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 Opinionparagraph, we are unable to state whether proper books of account as required by law have been kept by the Holding Company so far as appears from our examination of those books;

c. The Holding Company has not appointed a person other than Holding Company's auditor for audit of accounts of branch offices of Holding Company under Section 143(8); hence clause (c) of sub-section (3) of section 143 is not applicable.

d. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinionparagraph, we are unable to state whether the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

e. 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 Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

f. the matters described under the Basis for Disclaimer of Opinion paragraph, Other Matter Paragraph and para 5 & 6 of Annexure "A" attached hereto, in our opinion, may have an adverse effect on the functioning of the Group;

g. On the basis of written representations received from the directors of the Holding Company as on 31st March, 2018, taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Holding Company, its Subsidiary and associate companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act. . As per their declaration, M/s Pratibha Industries Ltd., has defaulted in repayment of Deposit received from Public. Based on legal opinion taken by them, this doesn't attract disqualification of directors.

h. 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,

i. With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associates and jointly controlled entities and the operating effectiveness of such controls, we give our separate Report in the "Annexure A".

j. 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 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. There has been delay of 9 days in transferring the Unpaid Dividend amounting to Rs. 53,630 of FY 2010-11 by the Holding Company.

For **Ramanand& Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-
Ramanand Gupta
Partner
Membership No.: 103975

Place: Mumbai
Date: 11thSeptember, 2018

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 31st March 2018]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2018, We have audited the internal financial controls over financial reporting of the Group, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

2. **Management's Responsibility for Internal Financial Controls**

   The respective Board of Directors of the of the Group, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 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 Group's internal financial controls over financial reporting based on our audit. We conducted 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our Adverseaudit opinion on theGroup, its associate companies and jointly controlled companies, which are companies incorporated in India, internal financial controls system over financial reporting.

4. **Meaning of Internal Financial Controls Over Financial Reporting**

   A company's internal financial control over financial reporting 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 over financial reporting 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. **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

   Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

According to the information and explanations given to us and based on our audit, we have identified following material weaknesses that has not been identified as a material weakness in Management's assessment:

a) ***The holding Company did not have an appropriate internal control system for preparing debtors ageing and making provision for bad debts. This could potentially result in non booking of bad 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 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 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.***

e) ***The holding company and Subsidiary M/s Prime Infrapark Pvt. Ltd.,as reported by its Independent Auditor,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.***

f) ***The holding company did not have an appropriate internal control system of maintaining Bank FD register, tracking maturity of FDs and accounting for interest on timely basis. This could potentially result in reporting FD and interest balance on Balance sheet date.***

g) ***The holding company did not have an appropriate internal control system ofchecking the interest levied by Lenders. This could potentially lead to overcharging by Lenders and increase in Finance Cost of the holding company.***

h) ***The holding company did not have an appropriate internal control system ofcalling Quotations from more than one Vendor while placing order. This could potentially lead to inefficient procurement and increased cost.***

i) ***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. **Opinion**

In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group, its associate companies and jointly controlled companies, which are companies incorporated in India, have not maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2018, based on the internal control over financial reporting 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 Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018consolidated financial statements of the Company, and our aforesaid report and opinion on Internal Financial Control over Financial Reporting should be read in conjunction with our report of even date issued on the consolidated financial statements of the Company.

7. **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not cover unaudited subsidiaries.

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-
Ramanand Gupta
Partner
Membership Number: 103975

Place: Mumbai
Date: 11th September, 2018

Consolidated Balance Sheet as at 31st March, 2018

(Rs. In Lakhs)

Particulars	Note No	As at 31.03.2018	As at 31.03.2017
ASSET			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	60,050.51	69,829.18
(b) Capital Work-in-progress		887.78	887.78
(c) Investment Property		-	-
(d) Goodwill	3	150.00	150.00
(e) Other Intangible assets	4	15,330.96	15,641.90
(f) Financial Assets			
(i) Investments	5	9,513.62	9,726.52
(ii) Loans	6	598.34	345.06
(iii) Others	7	39,019.24	10,690.63
(g) Deferred Tax Assets (Net)		-	-
(h) Other Non-Current Assets	8	21,372.55	10,109.26
(2) Current Assets			
(a) Inventories	9	1,45,348.87	3,33,898.95
(b) Financial Assets			
(i) Trade Receivables	10	23,314.23	29,343.23
(ii) Cash and Cash Equivalents	11	3,229.24	2,270.98
(iii) Bank Balances	12	4,712.30	14,067.10
(iv) Loans	13	53,480.14	54,129.11
(v) Others	14	14,468.34	13,810.17
(c) Current Tax Asset (Net)		2,310.49	3,223.21
(d) Other Current Assets	15	20,043.32	37,511.87
Total Assets		**4,13,829.93**	**6,05,634.95**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	16	4,771.95	4,771.95
(b) Other Equity	17	(1,94,675.76)	19,387.83
(c) Minority Interest		-	0.01
Liabilities		(1,89,903.81)	24,159.79
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	130.85	31,128.42
(ii) Other Financial Liabilities	19	-	734.49
(b) Provisions	20	159.01	98.66
(c) Deferred Tax Liabilities (Net)	21	-	39.78
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	3,25,554.64	3,15,297.47
(ii) Trade Payables (Current)		40,290.52	39,268.55
(iii) Other Financial Liabilities	23	1,94,541.76	1,59,841.07
(b) Other Current Liabilities	24	42,277.28	33,611.44
(c) Provisions	25	159.60	158.32
(d) Current Tax Liabilities (Net)		620.09	1,296.97
Total Equity and Liabilities		**4,13,829.93**	**6,05,634.95**
Significant Accounting Policies	1		

The accompanying Notes are an integral part of Financial Statements

As per our report of even date

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-

Ramanand Gupta
Managing Partner
M No: 103975
Place : Mumbai
Date : 11th September, 2018

For and on behalf of the Board

Sd/-
Ajit B Kulkarni
Chairman & Director
DIN - 00220578

Sd/-
S P Deshpande
Director
DIN - 06507698

Sd/-
K H Sethuraman
Chief Financial Officer

Sd/-
Bhavana Shah
Company Secretary

PRATIBHA

Statement of Consolidated Profit and Loss for the Year ended 31st March, 2018

(Rs. In Lakhs)

Particulars	Note No	For the year ended 31.03.2018	For the year ended 31.03.2017
I Revenue From Operations	26	98,261.53	1,68,714.54
II Other Income	27	25,878.51	4,287.06
III Total Income (I+II)		**1,24,140.03**	**1,73,001.59**
IV EXPENSES			
Cost of materials consumed	28	10,086.23	72,983.70
Construction & Operating Expenses	29	91,044.55	1,03,126.64
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	30	1,85,686.80	(1,817.02)
Employee benefits expense	31	4,225.71	9,637.09
Finance costs	32	5,875.99	61,711.68
Depreciation and amortization expense	33	4,779.74	5,535.93
Other expenses	34	36,342.67	15,482.27
Total expenses (IV)		**3,38,041.69**	**2,66,660.30**
V Profit/(loss) before exceptional items and tax (III- IV)		**(2,13,901.66)**	**(93,658.71)**
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		**(2,13,901.66)**	**(93,658.71)**
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(39.78)	(9,945.69)
IX Profit (Loss) for the period from continuing operations (VII-VIII)		**(2,13,861.88)**	**(83,713.01)**
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)		**(2,13,861.88)**	**(83,713.01)**
XIV Share in profit/(loss) of joint ventures/ associates (net)		**(185.99)**	**(226.94)**
XV Adjustments for non-controlling interest in subsidiaries		**0.01**	**(0.03)**
XVI Net profit after tax, non-controlling interest and share in profit/(loss) of joint ventures/ associates (XIII+XIV+XV) (PAT)		**(2,14,047.85)**	**(83,939.93)**
XVII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	35	26.76	7.61
(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	36	(42.51)	95.97
(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)		**(2,14,063.60)**	**(83,836.35)**
XIX Earnings per equity share (for continuing operation):			
(1) Basic	37	(89.71)	(62.87)
(2) Diluted	37	(89.71)	(62.87)
XX Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XXI Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		(89.71)	(62.87)
(2) Diluted		(89.71)	(62.87)
Significant Accounting Policies	1		

The accompanying Notes are an integral part of Financial Statements

As per our report of even date

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-

Ramanand Gupta
Managing Partner
M No: 103975
Place : Mumbai
Date : 11th September, 2018

For and on behalf of the Board

Sd/-
Ajit B Kulkarni
Chairman & Director
DIN - 00220578

Sd/-
S P Deshpande
Director
DIN - 06507698

Sd/-
K H Sethuraman
Chief Financial Officer

Sd/-
Bhavana Shah
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(2,13,901.66)	(93,658.71)
Adjustment for :		
Depreciation & Amortization	4,779.74	5,535.93
(Profit)/Loss on Sale of Assets	678.84	715.79
Finance Charges	5,455.50	61,646.96
Sundry Balance write Off/(back)	7,333.29	5,017.62
Unrealised Foreign Exchange Gain	420.49	(23.46)
Fair Valuation (Gain)/Loss	95.05	35.31
Diminution in value of investment on consolidation	-	14.83
Adjustments for non-controlling interest in subsidiaries	(0.01)	0.03
Operating Profit before working Capital Changes	(1,95,138.76)	(20,715.69)
Adjustment for:		
Inventories	1,88,550.09	1,066.59
Trade Receivables	(5,533.70)	50,547.86
Other Assets	(27,509.80)	13,522.47
Trade Payables	20,338.98	(68,878.48)
Other Liabilities	9,587.38	(38,002.84)
Minority Interest	(0.01)	(0.02)
	(9,705.83)	(62,460.11)
Less: Direct Taxes Paid	-	-
Net cash used in Operating Activities (a)	(9,705.83)	(62,460.11)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets (net)	4,631.09	9,209.57
Sale of/ (Additions to) Investments (net)	(344.01)	5,084.70
Net cash used in investing activities (b)	4,287.08	14,294.28
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1.82)	-
Corporate Dividend Tax paid	-	(41.38)
Proceeds from Long Term Borrowings (Net)	1,578.98	(956.05)
Proceeds from Short Term Borrowings (Net)	10,257.17	1,11,098.66
Finance Charges paid (Net)	(5,455.50)	(61,646.96)
Net cash from Financing Activities (c)	6,378.83	48,454.27
NET INCREASE IN CASH AND CASH EQUIVALENTS (a+ b + c)	**960.07**	**288.43**
Opening Cash and Cash Equivalents	2,264.56	1,976.13
Closing Cash and Cash Equivalents	**3,224.63**	**2,264.56**

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	**31.03.2018**	**31.03.2017**
Cash in hand	67.24	77.58
Balance with Banks	3,162.00	2,193.40
Less: Unpaid Dividend Balance	(4.61)	(6.42)
Total	**3,224.63**	**2,264.56**

The accompanying Notes are an integral part of Financial Statements

As per our report of even date

For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-

Ramanand Gupta
Managing Partner
M No: 103975
Place : Mumbai
Date : 11th September, 2018

For and on behalf of the Board

Sd/-
Ajit B Kulkarni
Chairman & Director
DIN - 00220578

Sd/-
S P Deshpande
Director
DIN - 06507698

Sd/-
K H Sethuraman
Chief Financial Officer

Sd/-
Bhavana Shah
Company Secretary

Statement showing changes in Equity for the year ended 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 differences in translating the financial statements of a foreign operation	Total
	General Reserve	Securities Premium Reserve	Retained Earnings		
Balance at the beginning of the reporting period	4,392.00	62,442.13	(47,373.59)	(72.70)	19,387.84
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	**4,392.00**	**62,442.13**	**(47,373.59)**	**(72.70)**	**19,387.84**
Total Comprehensive Income for the year	-	-	(2,14,021.09)	(42.51)	(2,14,063.60)
Balance at the end of the reporting period	**4,392.00**	**62,442.13**	**(2,61,394.68)**	**(115.21)**	**(1,94,675.76)**

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)	-

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
2,021.11	2,750.84	4,771.95

B. Other Equity

	Reserves and Surplus			Other Items of Other Comprehensive Income	Total
	General Reserve	Securities Premium Reserve	Retained Earnings		
Balance at the beginning of the reporting period	4,392.00	23,930.38	37,463.72	(176.27)	65,609.83
Changes in accounting policy or prior period errors	-	-	(897.38)	-	(897.38)
Restated balance at the beginning of the reporting period	**4,392.00**	**23,930.38**	**36,566.34**	**(176.27)**	**64,712.45**
Total Comprehensive Income for the year	-	-	(83,939.93)	103.57	(83,836.35)
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Addition due to further issue of shares	-	38,511.75	-	-	38,511.75
Balance at the end of the reporting period	**4,392.00**	**62,442.13**	**(47,373.59)**	**(72.70)**	**19,387.84**

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
0.03	(0.02)	0.01

Notes forming part of Consolidated Financial Statements

(Rs. In Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	01-04-2017	Additions	Deduction	31-03-2018	01-04-2017	Additions	Deduction	31-03-2018	31-03-2018	31-03-2017
1 Property, Plant and Equipment										
(a) Land	1,035.32	-	333.28	702.04	-	-	-	-	702.04	1,035.32
(b) Buildings	4,811.18	-	4,811.18	0.00	356.72	152.22	508.95	0.00	0.00	4,454.46
(c) Plant and Equipment	68,588.26	1.13	914.30	67,675.08	7,767.21	3,878.23	132.01	11,513.43	56,161.65	60,821.05
(d) Furniture and Fixtures	565.44	-	1.32	564.12	152.66	80.06	0.49	232.24	331.87	412.77
(e) Vehicles	1,196.64	320.15	22.43	1,494.36	435.55	210.83	9.39	636.99	857.37	761.09
(f) Office equipment	141.40	-	0.56	140.84	97.24	12.73	0.51	109.46	31.38	44.16
(g) Computer	177.16	-	-	177.16	122.03	4.50	-	126.53	50.63	55.13
(h) Electrical Installation	432.25	-	375.95	56.30	134.53	53.76	161.51	26.77	29.53	297.72
(h) Office Premises	2,066.14	-	-	2,066.14	118.67	61.44	-	180.10	1,886.04	1,947.47
Total	**79,013.79**	**321.28**	**6,459.03**	**72,876.49**	**9,184.61**	**4,453.77**	**812.85**	**12,825.70**	**60,050.51**	**69,829.18**
Previous Year	89,738.04	36.90	10,761.15	79,013.79	5,119.98	4,767.44	702.82	9,184.61	69,829.18	84,618.06
2 Goodwill	150.00	-	-	150.00	-	-	-	-	150.00	150.00
Previous Year	150.00	-	-	150.00	-	-	-	-	150.00	150.00
3 Other Intangible assets										
(a) Computer software	444.10	14.97	-	459.06	327.31	44.66	-	371.97	87.10	116.78
(b) Lease Right	16,875.13	-	-	16,875.13	1,631.26	-	-	1,631.26	15,243.87	15,525.12
Total	**17,319.23**	**14.97**	**-**	**17,334.19**	**1,677.32**	**44.66**	**-**	**2,003.23**	**15,330.96**	**15,641.90**
Previous Year	17,319.23	-	-	17,319.23	908.83	768.49	-	1,677.32	15,641.90	16,410.39

Note: '1' – Significant Accounting Policies on Consolidated Accounts

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. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 11th September 2018.

For all periods up to and including the year ended 31st March 2018, 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, 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, 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.

The Build, Operate and Transfer (BOT) contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the building/ car parking premise, but gets "Lease rental & parking charge collection rights" against the construction services rendered. Since the construction cost incurred by the operator is considered as exchanged with the grantor against these rights, profit from such contracts is considered as realized. Accordingly, in case of BOT contracts awarded to group companies (operator), where work is subcontracted to group companies, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Ind AS 27.

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.

Intangible assets are amortised as follows:

(1) Computer Software : Over a period of 5 years

(2) Lease rights : Over the lease period

VI. **Revenue Recognition:**

a) Construction Contract Sales:

Revenue from construction contracts is recognized by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion 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) Lease rentals are recognized on accrual basis net of rebate, discounts and service tax. Car parking charges are recognized on accrual basis.

f) 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

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
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 Associate Companies		
Saudi Pratibha Industries LLC	-	-
Investment in Joint ventures	9,493.06	9,706.10
Quoted		
Investment in Gold Coins	3.15	3.01
Total	**9,513.62**	**9,726.52**
Aggregate value of		
Quoted Investments	3.15	3.01
Market Value - Quoted Investments	3.15	3.01
Unquoted Investments	9,510.47	9,723.51
6 Loans		
Security Deposits	598.34	345.06
Total	**598.34**	**345.06**
The above are unsecured but considered good by the management.		
7 Others		
Term deposits with more than 12 months maturity	3,652.50	5,492.11
Receivable against BG Encashment	35,366.74	5,198.51
Total	**39,019.24**	**10,690.63**
7.1. For details on margin money refer note 11.1		
7.2. Many parties have encashed Bank guarantees due to various reasons. The management is hopeful of recovering the same in due course of time.		
8 Other Non-Current Assets		
Capital Advances	1,872.54	1,699.13
Balance with statutory/ Government Authorities	19,493.18	8,157.00
Others	6.83	253.13
Total	**21,372.55**	**10,109.26**

PRATIBHA

Notes forming part of Consolidated Financial Statements

9 Inventories		
Raw materials	5,283.19	8,146.48
Work-in-progress	1,40,065.67	3,25,752.48
Total	**1,45,348.87**	**3,33,898.95**

10 Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	23,314.23	29,343.23
Doubtful	-	-
Less: Provision for Doubtful debts	-	-
Total	**23,314.23**	**29,343.23**

11 Cash and Cash Equivalents		
Balances with Banks	3,162.00	2,193.40
Cash on hand	67.24	77.58
Total	**3,229.24**	**2,270.98**
Balances with bank in unpaid dividend accounts	4.61	6.42
11.1. Refer Note no. 1		

12 Bank Balances		
Term Deposits for less than 12 months	4,712.30	14,067.10
Total	**4,712.30**	**14,067.10**
Balances with bank held as margin money deposit against guarantees / Letter of Credit	6,458.84	17,661.87
Balances with bank held as collateral securities	767.00	767.00
Balances with bank held as investment in liquid assets for Public deposits maturity.	-	-

12.1 Bank balances in Current accounts and Term Deposit (including with maturity more than 12 months # Note 6) as on March 31, 2018 and March 31, 2017 include restricted balances of Rs 7225.84 Lakhs and Rs 18428.87 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.

13 Loans		
Retention & Security Deposits	53,467.27	54,107.99
Loans & Advances to Employees	12.87	21.12
Total	**53,480.14**	**54,129.11**
All above are Unsecured and considered good		

14 Others		
Interest Accrued But Not Due	1,220.38	1,244.29
Loans & Advances to Related Parties #	12,031.72	11,349.64
Other assets	1,216.24	1,216.24
Total	**14,468.34**	**13,810.17**
All above are Unsecured and considered good		
# Refer Note no. 38		

15 Other Current Assets		
Advances		
Mobilisation Advance (assets)	39.15	1,144.32
Advances to suppliers	13,821.36	19,414.22
Prepaid Expenses	335.48	937.37
Balance with statutory/ Government Authorities (Short)	5,787.03	15,929.35
Other Current Assets	60.29	86.62
Total	**20,043.32**	**37,511.87**
All above are Unsecured and considered good		

Notes forming part of Consolidated Financial Statements

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
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	(2,61,394.66)	(47,373.59)
Other Reserves	-	
Securities Premium Reserve	62,442.13	62,442.13
General Reserve	4,392.00	4,392.00
Exchange differences in translating the financial statements of a foreign operation	(115.22)	(72.71)
Total	**(1,94,675.76)**	**19,387.83**

18 Borrowings

	As at 31.03.2018	As at 31.03.2017
Term Loans		
Foreign currency loan from banks	-	-
Rupee loan from banks	-	18,576.99
From Financial Institutions	130.85	12,551.43
Fixed Deposit from Public	-	-
Total	**130.85**	**31,128.42**
The above amount includes		
Secured Borrowings	130.85	31,128.42
Unsecured Borrowings	-	-
Secured by Personal Guarantee by Promoters/ Directors	130.85	31,128.42

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.

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.

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'.

Notes forming part of Consolidated Financial Statements

18.5. Period and amount of continuing default in repayment of loans as on 31.03.2018:-

Name	Amount of Default	Range of default (in days)
Allahabad Bank	2,492.00	90-730
Bank of Baroda	500.00	424
Bank Of Maharashtra	10,000.00	59-700
LIC Housing Finance Corporation	862.78	30-303
Central Bank of India	1,271.25	30-303
Export Import Bank Of India	12,100.00	364-729
Kotak Mahindra Bank	5.99	146-177
BMW Financial Services	1.12	30
Daimler Financial Services	3.48	29-57

19 Other Financial Liabilities		
Security Deposits (Liab)	-	734.49
Total	**-**	**734.49**
20 Provisions		
Provision for Gratuity (Long Term)	159.01	98.66
Total	**159.01**	**98.66**
21 Deferred Tax Liabilities		
Deferred Tax Liability		
- On account of Depreciation difference	8,419.40	9,783.87
- On account of Fair Value of Investment in Gold	0.09	0.05
- On account of Fair Value of Financial Instrument	-	9.96
Deferred Tax Asset		
- On account of Fair Value of Financial Instrument (Asset)	-	(24.37)
- On Account of Losses	(8,419.49)	(9,729.73)
Total	**-**	**39.78**
22 Borrowings		
Rupee loan from banks (Short)	3,24,118.87	3,13,861.70
Deferred Payment Liabilities	1,435.77	1,435.77
Total	**3,25,554.64**	**3,15,297.47**
The above amount includes		
Secured Borrowings	3,24,118.87	3,13,861.70
Unsecured Borrowings	1,435.77	1,435.77
Secured by personal guarantee by promoters / directors	3,24,118.87	3,13,861.70

22.1. 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 iii) Personal guarantees of Promoter-Directors of the company.

Notes forming part of Consolidated Financial Statements

23 Other Financial Liabilities		
Current maturities of long-term debt*	1,56,614.87	1,23,617.84
Interest accrued but not due	1,283.43	-
Unpaid dividends	4.61	6.42
Unpaid matured deposits and interest accrued thereon**	2,922.94	2,724.72
Creditors for Capital expenses	252.50	7,377.41
Security Deposits (Short)	21,495.11	16,882.30
Advances From Related Parties #	1,322.35	541.24
Other Payables	10,645.95	8,691.12
Total	**1,94,541.76**	**1,59,841.07**

* Refer Note No. 17.1, 17.2, 17.3 for terms and securities
** Refer Note No. 17.4 for terms and securities
# Refer Note no. 38

24 Other Current Liabilities		
Revenue received in advance	16,358.06	13,045.19
Mobilisation advance	14,574.86	12,187.27
Withholding & other taxes payable	11,344.36	8,378.98
Total	**42,277.28**	**33,611.44**

25 Provisions		
Provision for Gratuity	159.60	158.32
Total	**159.60**	**158.32**

(Rs. In Lakhs)

Particulars	**For the year ended 31.03.2018**	**For the year ended 31.03.2017**
26 Revenue From Operations		
Construction and allied revenue	97,167.17	1,65,833.13
Other Operating Revenue		
Sale of Scrap	185.87	597.34
Rental Income	905.19	2,282.95
Others	3.30	1.11
Total	**98,261.53**	**1,68,714.54**

Disclosure pursuant to Indian Accounting Standard – 11 "Construction Contracts"

Particulars	**2017-18**	**2016-17**
Contract Revenue recognized as revenue during the year	96,837.82	1,35,335.13
Aggregate amount of Contract Cost incurred and recognized profits, less losses.	14,24,438.78	13,27,600.96
Advances received, net recoveries from progressive bills	14,574.86	12,187.27
Retention Money	53,467.27	54,107.99

26.1. Refer Note no. 1(VI).

27 Other Income		
Interest Income	1,880.43	2,572.27
Profit on sale of Fixed Assets	3,331.83	796.96
Office Rent Received	-	220.00
Foreign Exchange Fluctuation (Income)	-	8.26
Sundry Balance Written Back	20,131.29	40.92
Fair Value Gain on financial instruments at fair value through Profit or Loss	19.90	35.12
Other non-operating income	515.06	613.53
Total	**25,878.51**	**4,287.06**

Notes forming part of Consolidated Financial Statements

28 Cost of materials consumed		
Raw Material Stock at the beginning of the period	8,146.48	11,030.08
Add :- Purchases during the year	7,222.94	70,100.10
	15,369.42	81,130.18
Less : Raw Material Stock at the end of the period	5,283.19	8,146.48
Total	**10,086.23**	**72,983.70**
29 Construction & Operating Expenses		
Consumption of Stores & Spares	601.91	3,668.74
Sub-contract & Labour Charges	88,154.73	87,313.30
Repairs & Maintenance - Machinery	66.24	1,823.04
Equipment Hire Charges	912.93	7,780.60
Power & Fuel Charges	30.40	205.88
Freight Inwards	29.31	303.16
Clearing & Forwarding Charges	22.18	202.15
Site Mobilisation Expenses	2.54	1.60
Other Expenses	1,224.32	1,828.18
Total	**91,044.55**	**1,03,126.64**
30 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		
Inventory at the end of the period		
Construction Work-In-Progress	1,40,065.67	3,25,752.48
	1,40,065.67	**3,25,752.48**
Inventory at the beginning of the period		
Construction Work-In-Progress.	3,25,752.48	3,23,935.46
	3,25,752.48	**3,23,935.46**
Total	**1,85,686.80**	**(1,817.02)**
31 Employee benefits expense		
Contribution to PF & other fund	113.86	374.12
Directors Remuneration	-	425.85
Salaries & Wages	3,960.69	8,624.02
Staff Welfare Expenses	62.76	145.62
Gratuity Expenses	88.40	67.49
Total	**4,225.71**	**9,637.09**
32 Finance costs		
Interest	3,646.83	51,742.34
Exchange differences regarded as an adjustment to borrowing costs	420.49	64.72
LC & Bill Discounting Charges	195.18	4,652.26
Other borrowing costs	1,613.50	5,252.36
Total	**5,875.99**	**61,711.68**
33 Depreciation and amortization expense		
Depreciation	4,453.83	4,767.44
Amortization	325.91	768.49
Total	**4,779.74**	**5,535.93**

Notes forming part of Consolidated Financial Statements

34 Other expenses		
Advertising & Business Promotion Expenses	23.22	56.18
Auditors Remuneration	20.00	56.23
Commission & Brokerage Expenses	124.17	15.82
Computer & Software Expenses	61.96	126.73
Directors Sitting Fees & Commission	6.30	8.74
Donation	39.22	2.44
Electricity Charges	251.39	534.16
General Expenses	119.61	147.49
Insurance Charges	400.29	794.98
Legal Fees & Professional Charges	732.77	1,596.15
Loss on Sale of Fixed Asset	4,010.67	1,512.75
Postage & Courier Charges	7.97	7.45
Printing & Stationery	6.27	45.14
Rates & Taxes	1,409.83	2,355.40
Rent	382.50	970.40
Repairs & Maintenance - Office	105.56	315.43
Security Service Charges	672.65	892.33
Sundry Balance Written Off (Net)	27,464.58	5,051.12
Liquidated Damages	-	7.65
Travelling & Visa Expenses	177.38	271.37
Fair Value Loss on financial instruments at fair value through Profit or Loss	114.94	70.43
Telephone & Internet Expenses	63.16	141.76
Vehicle Expenses	148.21	439.97
Share of Loss from JV	-	(0.48)
Diminution in value of investment on consolidation	-	14.83
Foreign Exchange Fluctuation	0.01	47.31
Total	**36,342.67**	**15,481.79**

35 Items that will not be reclassified to profit or loss		
Changes in revaluation surplus	-	-
Remeasurements of the defined benefit plans	26.76	7.61
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**	**7.61**

36 Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of a foreign operation	(42.51)	95.97
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	**(42.51)**	**95.97**

37 Earning per Share		
Profit/(Loss) attributable to Equity shareholders	(2,14,063.60)	(83,836.35)
Weighted Average Number of Shares for Basic and Diluted EPS	2,385.97	1,333.52
Basic EPS (Amount in Rs.)	(89.71)	(62.87)
Diluted EPS (Amount in Rs.)	(89.71)	(62.87)

38. Contingent Liability:

(Rs in Lakhs)

Particulars	31.03.2018	31.03.2017
a) Unutilized Letters of Credit with Bankers		
• In respect of joint ventures	-	-
• In respect of others	-	957.78
b) Bank Guarantee		
• In respect of joint ventures	-	2,188.51
• In respect of others	94,962.66	1,25,674.57
c) Corporate Guarantee		
• In respect of joint ventures	-	-
• In respect of others	370.00	370.00
d) Estimated amounts of contract remaining to be executed on Capital Account and not provided for		
• In respect of joint ventures	-	-
• In respect of others	15,135.19	15,074.26
e) Cases in the court, which in the opinion of the management, require no provision of liability than what is recorded in accounts.		
• In respect of joint ventures	200.00	340.11
• In respect of others	5,782.52	10,931.03
f) 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.		
• In respect of joint ventures	-	-
• In respect of others	24.27	24.27
g) 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.		
• In respect of joint ventures	-	-
• In respect of others	293.90	293.90
h) 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.		
• In respect of joint ventures	288.22	10.18
• In respect of others	8,490.73	7,140.33
i) 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.*		
• In respect of joint ventures	2,145.53	2,716.90
• In respect of others	14,159.49	14,544.48
j) 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.		
• In respect of joint ventures	-	-
• In respect of others	66.89	25.00

38.1 The management is of the opinion that claims for performance guarantee will not arise related to the projects executed previously.

38.2 During the FY 2016-17, Income tax authorities conducted search and seizure u/s 132 of Income Tax Act. The matter is pending for final assessment.

38.3 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.

38.4 In case of interstate sales of FY 2012-13 to June 2018, C forms are yet to be collected from few customers. In absence of the forms, additional liability under the CST Act can arise, which is not ascertained by the Company. However, Management is of the opinion that all pending C forms shall be collected and produced in assessment proceedings and no liability will arise.

38.5 The Company has filed cases against various parties claiming amount aggregating to Rs. 7,317.00 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.

39. Related Party Disclosure:

39.1. 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 (Appointed w.e.f 20/02/2018)	
35	Mr. Ravi A. Kulkarni (Retired w.e.f. 30/09/2017)	
36	Mr. Sharad P. Deshpande	
37	Mr. K.H. Sethuraman	
38	Mrs. Bhavana D. Shah	
39	Mr. Shyam Kulkarni	Relatives of Key Managerial Personnel
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)

39.2.Disclosure of related party transactions:

(Rs. in Lakhs)

Particulars	**Subsidiaries**	
	FY 2017-18	**FY 2016-17**
Loan/Advance given/ (received)		
Bhopal Sanchi Highways Pvt. Ltd.	22.58	5,248.95
Total	**22.58**	**5,248.95**

(Rs. In Lakhs)

Particulars	**Associates/Affiliates**	
	FY 2017-18	**FY 2016-17**
Loan/Advance given/ (received)		
Pratibha Foundation	-	(23.00)
Saudi Pratibha Industries Limited	0.39	-
Total	**0.39**	**(23.00)**

(Rs in lakhs)

Particulars	**Joint Ventures**	
	FY 2017-18	**FY 2016-17**
Sales & Services		
Pratibha China State JV	-	338.82
Pratibha Ostu Stettin JV	-	202.58
Pratibha GIN KJI Consortium	61.77	122.95
Total	**61.77**	**664.35**
Interest & Other Incomes received / receivable		
Pratibha Jain Irrigation Navana JV	-	386.59
TCPL Pratibha JV	32.20	64.40
Pratibha CSL Sudhir Constructions JV	171.00	-
Pratibha Ranjit JV	147.89	-
Overseas Infrastructure Alliance - Pratibha Industries Ltd. Consortium	118.76	-
Total	**469.84**	**450.99**
Loan/Advance given/ (received)		
Niraj Pratibha JV	(79.16)	-
Patel-Pratibha JV	-	(1.66)
Pratibha China State JV	-	4,994.40
Pratibha JV	-	0.11
Pratibha Membrane Filters JV	-	(160.90)
Pratibha Ostu Stettin JV	0.01	(124.32)
Pratibha Rohit JV	-	0.07
Unity Pratibha Consortium	-	(8.95)
MEIL Saisudhir Pratibha JV	1.05	-
KBL PIL Consortium	(1.90)	-
GIL PIL JV	(0.55)	-
Total	**(80.55)**	**4,698.75**
Investment made/(received)		
Niraj Pratibha JV	-	10,438.45
Pratibha Ostu Stettin JV	-	708.98
Pratibha Rohit JV	-	0.08
Unity Pratibha Consortium	-	2.48
Total	**-**	**11,149.99**
Mobilisation Advance Received /(Recovered)		
Pratibha China State JV	-	(26.63)
Total	**-**	**26.63**

Transactions with Key Managerial Personnel & their Relatives

Particulars	FY 2017-18	FY 2016-17
Short-term employee benefits	**128.81**	**549.24**
Mrs. Usha Kulkarni	-	12.00
Mr. Ajit Kulkarni	-	300.00
Mr. Ravi Kulkarni	-	58.85
Mr. Sharad P.Deshpande	-	55.00
Mr. Yogen Lal	-	31.49
Mr. K.H. Sethuraman	65.70	91.91
Mrs. Bhavana D. Shah	10.38	-
Mr. Shyam Kulkarni	26.48	26.24
Mr. Anand Kulkarni	26.26	26.46
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total compensation to key management personnel	**128.81**	**549.24**
Rent paid	**50.48**	**180.14**
Mrs. Usha Kulkarni	-	1.25
Mr. Ajit Kulkarni	50.48	178.89

39.3.Amount due to/ from related party

Particulars	Subsidiaries	
	2017-18	2016-17
<u>Investments held by the Company</u>		
Bhopal Sanchi Highways Pvt. Ltd.	0.51	0.51
Investments held by the Company Total	**0.51**	**0.51**
<u>Loans and Advances Given/ (Received)</u>		
Bhopal Sanchi Highways Pvt. Ltd.	7,346.69	7,324.11
Loans and Advances Given/ (Received) Total	**7,346.69**	**7,324.11**

Particulars	Associate /Affiliates	
	2017-18	2016-17
<u>Investments held by the Company</u>		
Saudi Pratibha Industries Ltd.	69.67	69.67
Investments held by the Company Total	**69.67**	**69.67**
<u>Loans and Advances Given/ (Received)</u>		
Saudi Pratibha Industries Ltd.	88.73	88.34
Pratibha Foundation	(21.50)	(21.50)
Loans and Advances Given/ (Received) Total	**67.23**	**66.84**

Particulars	Joint Ventures	
	2017-18	2016-17
<u>Investments held by the Company</u>		
Niraj Pratibha JV	6,817.65	6,927.50
Patel Pratibha JV	333.12	335.59
Pratibha China State JV	598.25	602.00
Pratibha JV	56.30	56.31
Pratibha Membrane Filters JV	921.10	940.05
Pratibha Ostu Stettin JV	210.78	263.03
Pratibha Pipes & Structural Consortium	0.62	0.64
Pratibha Rohit JV	(64.96)	(39.70)

Particulars	Joint Ventures	
	2017-18	2016-17
Unity Pratibha Consortium	620.68	620.68
Investments held by the Company Total	**9,493.54**	**9,706.10**
Retention Deposit Given		
Patel Pratibha JV	247.06	247.06
Pratibha China State JV	4,936.23	4,936.23
Pratibha Ostu Stettin JV	62.54	62.54
Retention Deposit Given Total	**5,245.83**	**5,245.83**
Trade Receivables		
Pratibha China State JV	1,643.87	5,644.60
Pratibha Membrane Filters JV	0.52	0.52
Pratibha Ostu Stettin JV	2,028.75	2,028.75
Trade Receivables Total	**3,673.14**	**7,673.87**
Mobilisation Advance Received/(Recovered)		
Pratibha China State JV	(479.99)	(479.99)
Mobilisation Advance Received/(Received) Total	**(479.99)**	**(479.99)**
Trade Payables		
Patel Pratibha JV	(44.79)	(44.79)
Pratibha Membrane Filters JV	(48.81)	-
Trade Payables Total	**(93.60)**	**(44.79)**
Loans and Advances Given/ (Received)		
Pratibha JV	(62.37)	(62.37)
Pratibha Membrane Filters JV	(377.26)	(376.74)
Pratibha Rohit JV	0.07	0.07
Unity Pratibha Consortium	(546.35)	(512.31)
Gammon Pratibha JV	(22.09)	(21.54)
KBL PIL Consortium	44.20	46.41
MEIL Saisudhir Pratibha JV	141.66	141.66
Pratibha GIN KJI Consortium	(13.55)	2.40
Patel Pratibha JV	-	(44.79)
Pratibha China State JV	-	4,064.47
Pratibha Pipes & Structural Consortium	4.04	4.04
Loans and Advances Given/ (Received) Total	**(831.65)**	**3,241.30**

40. 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.

41. 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	2017-18	2016-17
House Rent	382.50	970.40
Equipment Hire Charges	60.86	7,780.60
Lease Rentals	472.05	894.72
Total	**915.42**	**9,645.72**

42. As on 31st March 2018, there is no Mark-to-Market loss on account of derivative forward exchange contract.

43. 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.

44. 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.	India	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%

45. 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	India	100%
ITD Pratibha Consortium	India	100%
Petron Pratibha JV	India	100%
Pratibha Al Ambia JV	India	100%
Pratibha Aparna JV	India	100%
Pratibha GECPL JV	India	100%
Pratibha Mosinzhstroi Consortium	India	100%
Unity Pratibha Multimedia JV	India	100%
FEMC Pratibha JV	India	100%
Pratibha Yogiraj JV	India	100%
Pratibha Industries Limited Yogiraj JV	India	100%

46. 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, 2018.

47. Financial instruments:

47.1.Categories of Financial Instruments:

(Rs in lakhs)

Financial Assets	31.03.2018		31.03.2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Measured at Amortised cost				
Investments	17.41	17.41	17.41	17.41
Others	39,019.24	39,019.24	10,690.63	10,690.63
Trade Receivables	23,314.23	23,314.23	29,343.23	29,343.23
Cash and Cash Equivalents	3,229.24	3,229.24	2,270.98	2,270.98

(Rs in lakhs)

Financial Assets	31.03.2018		31.03.2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Bank Balances	4,712.30	4,712.30	14,067.10	14,067.10
Loans	53,480.14	53,480.14	54,129.11	54,129.11
Others	14,468.34	14,468.34	13,810.17	13,810.17
Total Financial assets measured at Amortised Cost	**1,38,240.90**	**1,38,240.90**	**1,24,328.63**	**1,24,328.63**
Measured at Fair Value Through Profit And Loss				
Investments in Gold	3.15	3.15	3.01	3.01
Investments in Joint Ventures	9,493.06	9,493.06	9,706.10	9,706.10
Loans	598.34	598.34	345.06	345.06
Total Financial assets measured at Fair Value through Profit and Loss	**10,094.55**	**10,094.55**	**10,054.17**	**10,054.17**
Total Financial assets	**1,48,335.45**	**1,48,335.45**	**1,34,382.80**	**1,34,382.80**
Financial Liabilities				
Measured at Amortised cost				
Borrowings	4,82,300.36	4,82,300.36	4,70,043.73	4,70,043.73
Trade Payables (Current)	40,290.52	40,290.52	39,268.55	39,268.55
Other Financial Liabilities	37,926.88	37,926.88	36,223.23	36,223.23
Total Financial assets measured at Amortised Cost	**5,60,517.76**	**5,60,517.76**	**5,45,535.51**	**5,45,535.51**
Measured at Fair Value Through Profit And Loss				
Other Financial Liabilities	-	-	734.49	734.49
Total Financial assets measured at Fair Value through Profit and Loss	-	-	734.49	734.49
Total Financial Liabilities	**5,60,517.76**	**5,60,517.76**	**5,46,270.00**	**5,46,270.00**

47.2.Level wise Disclosure of Financial Instruments

(Rs in lakhs)

Particulars	31.03.2018	31.03.2017	Level	Valuation Technique and Key Inputs
Investment in Gold	3.15	3.01	1	Quoted bid prices in an Active Market
Security Deposits	53,467.27	51,135.57	2	Inputs other than Quoted prices included within Level 1 that are observable for Asset or Liability either directly(i.e as prices) or indirectly (derived from prices)
Other Financial Liabilities	-	734.49	2	Inputs other than Quoted prices included within Level 1 that are observable for Asset or Liability either directly(i.e as prices) or indirectly (derived from prices)

48. Income Taxes

48.1.Income Tax Expense/ (Benefit)

(Rs. In lakhs)

Particulars	31st March 2018	31st March 2017
Current Tax	-	-
Deferred tax	(39.78)	(9,945.69)
Total tax Expense/ (benefit)	**(39.78)**	**(9,945.69)**

48.2.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 01-04-2016	Recognised/ reversed through profit and loss	Recognised/ reversed through OCI	As at 31-03-2017
Property, Plant & Equipment	9942.95	(159.07)	-	9,783.87
Fair valuation of Financial Instruments	41.69	(56.10)	-	(14.42)
Fair valuation of Gold	0.84	(0.78)	-	0.05
Business Losses	-	(9,729.73)	-	(9729.73)
Total	**9,985.47**	**(9,945.69)**	**-**	**39.78**

(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)**	**-**	**-**

49. The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

Particulars	**31.03.2018**	**31.03.2017**
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	-	-

50. 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.

51. Balance under the head '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 .

52. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

The accompanying Notes are an integral part of Financial Statements
As per our report of even date
For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Registration Number: 117776W

Sd/-

Ramanand Gupta
Managing Partner
M No: 103975
Place : Mumbai
Date : 11th September, 2018

For and on behalf of the Board

Sd/-
Ajit B Kulkarni
Chairman & Director
DIN - 00220578

Sd/-
S P Deshpande
Director
DIN - 06507698

Sd/-
K H Sethuraman
Chief Financial Officer

Sd/-
Bhavana Shah
Company Secretary

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

(₹)

Sr. No.	Name of the Subsidiary	Reporting period	Country	Reporting Currency	Share Capital (lacs)	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	01-04-2017 to 31-03-2018	India	INR	100.00	(1,116,785,113)	**1,862,511,962**	**1,862,511,962**	**-**	**104,141,799**	**(178,681,960)**	(3,977,894)	**(174,704,066)**	-	100%
2	Bhopal Sanchi Highways P. Ltd.	01-04-2017 to 31-03-2018	India	INR	1.00	(43,07,408)	100,682,312,0	100,682,312,0	**-**	3,04,030	(23,79,054)	4,91,804	(28,70,858)	-	51%
3	Muktangan Developers Pvt. Ltd.	01-04-2017 to 31-03-2018	India	INR	40.00	(460,103)	**130,218,796**	**130,218,796**	712,500	-	**(396,518)**	-	**(396,518)**	-	100%
4	Pratibha Holding (Singapore) Pte Ltd*	01-04-2016 to 31.03.2017	Singapore	INR	93.47	(2,808,805)	**9,020,573**	**9,020,573**	87.66	-	**(727,344)**	-	**(1,706)**	-	100%
		01-04-2016 to 31.03.2017		Singapore Dollar	2.01	-60493.22	194276.08	194276.08	1.89	-	-15664.82	-	-36.74	-	
5	Pratibha Infra Lanka (Private) Ltd*	01-04-2016 to 31.03.2017	Sri Lanka	INR	87.66	(8,356,740)	**(4,426,370)**	**(4,426,370)**	-	-	**16**	-	**(48,034)**	-	100%
		01-04-2016 to 31.03.2017		LKR	205.60	-19599889.83	-10381603.96	-10381603.96	-	-	38.08	-	-112659.09	-	

* There is no activity in the company during the year under review and hence there is no change in last year's figures.

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.

Part "B" : Associates/ Joint Venture

Rs. In lacs

	Name of the Associates / Joint Venture	Saudi Pratibha Industries Limited
1	Balance Sheet Date	31st December, 2013
2	Shares of Associate/ Joint Venture held by the Company on the year end	
	No.	490,000
	Amount of Investment in associates / Joint venture	69.67
	Extend of Holding %	49%
3	Description of how there is significant influence	due to % of share holding in the company
4	Reason why the associate/ joint venture is not consolidated	Consolidated as per Equity Method under Accounting Standard 23 Accounting for Investments in Associates in Consolidated Financial Statements
5	Networth attributable to shareholding as per latest audited balance sheet	65.15
6	Profit / Loss for the year	NIL
	i. Consideration in Consolidation	NIL
	ii. Not Considered in Consolidation	NIL

A. Name of the associates/ joint venture which are yet to commence operations

None

B Name of associates / joint venture which have been liquidated or sold during the year.

None

AGM NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of Pratibha Industries Limited will be held on Monday, 24th December, 2018 at 3.00 p.m. at The Bombay Presidency Golf Club Ltd., Dr. C. G. Road, Chembur, Mumbai - 400 071, to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended 31st March, 2018, the reports of the Board of Directors and Auditors thereon.

SPECIAL BUSNIESSES

2. To approve the remuneration of the Cost Auditors

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

   RESOLVED THAT pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Ketki D. Visariya & Co., the Cost Accountants, (Firm Registration No. 000362), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2018-19, amounting to ₹ 2,00,000 (Rupees Two Lakhs Only) and applicable taxes and reimbursement of out of pocket expenses as may be incurred by them in the course of the aforesaid audit be and is hereby approved;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the foregoing Resolution."

3. Appointment of Mrs. Sunanda D. Kulkarni (DIN 08071382) as a Director

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   RESOLVED THAT Mrs. Sunanda D. Kulkarni (DIN 08071382), who was appointed as an Additional Director of the Company with effect from February 20, 2018 by the Board of Directors, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the "Act") but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

Registered Office
Shrikant Chambers,
5th Floor, Phase – II,
Next to R. K. Studio,
Sion Trombay Road, Chembur,
Mumbai - 400 071.
CIN: L45200MH1995PLC090760

Date : 9th November, 2018
Place : Mumbai

By Order of the Board of Directors
For Pratibha Industries Limited

Sd/-

Bhavana Shah
Company Secretary

Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **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.
3. Corporate Members intending to send their Authorized Representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 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.
4. 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.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Statements attached thereto 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. The Company has notified closure of Register of Members and Share Transfer Books from 17th December, 2018 to 22nd December, 2018 (both days inclusive) for the purpose of AGM.
8. Pursuant to Section 72 of the Companies Act, 2013 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. **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 23rd 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:

    The e-voting period begins on 21nd December, 2018 (9:00 a.m.) and ends on 23rd December, 2018 (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 17th December, 2018 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.

    The shareholders should log on to the e-voting website www.evotingindia.com.

    Click on 'SHAREHOLDERS'.

    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.

(a) Next enter the Image Verification as displayed and Click on 'LOGIN'.

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.

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).

(b) After entering these details appropriately, click on 'SUBMIT' tab.

(c) 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.

(d) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(e) Click on the EVSN of the Company 'PRATIBHA INDUSTRIES LIMITED' to vote.

(f) 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.

(g) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(h) 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.

(i) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(j) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(k) 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.

V. **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.

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.

VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company.

VII. 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.

A person who becomes member after dispatch of Annual Report, may follow the same procedure for e-Voting as mentioned above or write to bhavana.shah@pratibhagroup.com

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. M/s. Ruchita Shah & Associates, Practicing Company Secretaries has been appointed 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.

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. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchanges of India Limited, Mumbai.

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.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 2

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. Ketki D. Visariya & Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2018-19.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, is to be ratified by the members of the Company. Details of remuneration proposed to be paid to Cost Auditor are as under:

Particulars	Amount in ₹
Cost Audit Fees - 2018-19	2,00,000/- and applicable taxes thereto and the reimbursement of out-of-pocket expenses at actuals

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 2 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions.

The Board commends the Resolution set out at Item No.2 mentioned in the Notice for approval by the Shareholders.

Item No. 3

The Board of Directors of the Company at its meeting held on 14th February, 2018, based on recommendation received from Nomination & Remuneration Committee of the Company, appointed Mrs. Sunanda D. Kulkarni (DIN: 08071382) as an Additional Director (Non-executive Women Director) with effect from 20th February, 2018, pursuant to Section 161(1) of the Companies Act, 2013, read with the Rules framed thereunder. Mrs. Sunanda D. Kulkarni holds office only up to the date of the ensuing Annual General Meeting, but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a member proposing the candidature of Mrs. Sunanda D. Kulkarni as a Director of the Company. Further, as per first proviso of Section 160(1) of the Companies Act, 2013, as newly introduced, deposit of ₹ 1 lac amount has not been required for her appointment as it is recommended by the Nomination & Remuneration Committee.

Mrs. Sunanda D. Kulkarni shall not be paid any remuneration, except sitting fees for attending the meeting of Board of Directors.

None of the other Directors / Key Managerial Personnel of the Company are, in any way, concerned or interested, financially or otherwise, in these Resolutions except Mrs. Sunanda D. Kulkarni and Mr. Ajit Kulkarni.

The Board commends the Resolution set out at Item No.3 mentioned in the Notice for approval by the Shareholders.

Details of Directors Seeking reappointment at the forthcoming Annual General Meeting:

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Name of the Director	**Mrs. Sunanda Kulkarni**
Date of the Birth	16/12/1950
Date of Appointment	20/02/2018
DIN	08071382
Educational Qualifications	B.com
Areas of Expertise and Experience	Promoting education, including special education and employment, enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports. engaged in various CSR activities
Remuneration with other Directors/Managers/KMP	NIL(Except sitting fees)
No. of Meetings of the Board attended During the F.Y. 2017-18	Not Applicable
Companies in which she holds directorship	None
Membership Chairmanship of Board Committees	None
Shareholding in the Company	0.65%

Registered Office
Shrikant Chambers,
5th Floor, Phase – II,
Next to R. K. Studio,
Sion Trombay Road, Chembur,
Mumbai - 400 071.
CIN: L45200MH1995PLC090760

By Order of the Board of Directors
For Pratibha Industries Limited

Sd/-

Bhavana Shah
Company Secretary

Date: 9th November, 2018

Place: Mumbai

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

PRATIBHA

ATTENDANCE SLIP DP ID ______________________________

(To be presented at the entrance) Folio No./Client Id ______________________________

I/We hereby record my/our presence 23rd ANNUAL GENERAL MEETING of the Company at The Bombay Presidency Golf Club Ltd., Dr. C. G. Road, Chembur, Mumbai - 400 071 on Monday, 24th December, 2018 at 3.00 p.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 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

PRATIBHA

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(s) : ……………………………………………………………

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 23rd Annual General Meeting of the Company, to be held on Monday, 24th December, 2018 at 3.00 p.m. at The Bombay Presidency Golf Club Ltd., Dr. C. G. Road, Chembur, Mumbai - 400 071 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, 2018, the reports of the Board of Directors and Auditors thereon.	☐	☐
2.	Ratification of remuneration of the Cost Auditors.	☐	☐
3.	Appointment of Mrs. Sunanda D. Kulkarni as a Director.	☐	☐

Signed this……………………… day of……………………… 2018

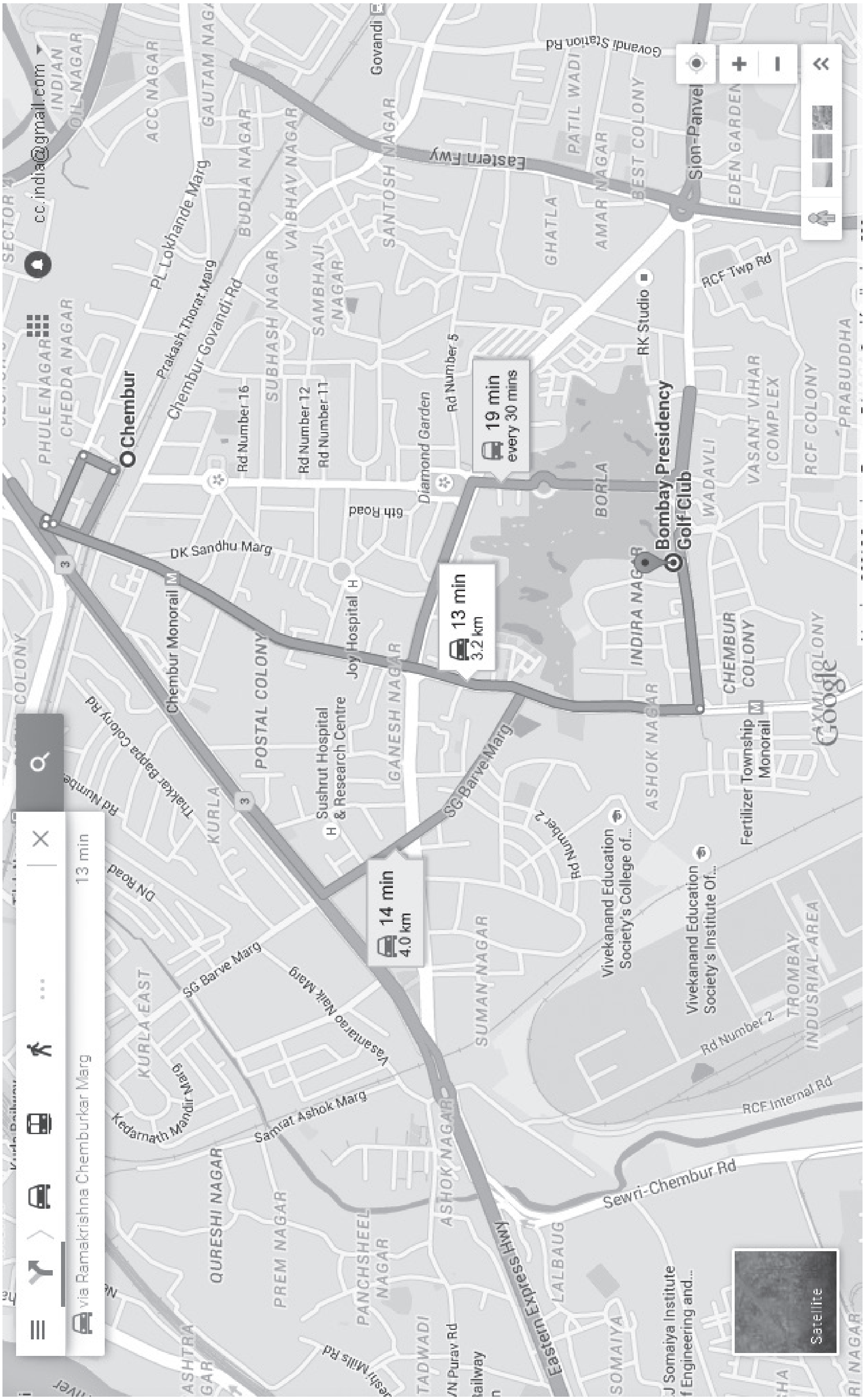
Signature of Member(s): ………………………………

Signature of Proxy holder: ………………………………

Affix Re.1 Revenue Stamp

1. **Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.**
2. **This form of proxy 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 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.