

PRATIBHA INDUSTRIES LIMITED

21st Annual Report
2015 - 2016

Contents...

01 - Corporate Information

02 - Five years at a Glance

03 - Management Discussion
& Analysis



06 - Directors' Report

11 - Extract of Annual Return

25 - Corporate
Governance Report



34 - Annexures to Corporate
Governance Report

36 - Auditors' Report on
Standalone Financials

44 - Standalone Financials

65 - Auditors' Report on
Consolidated Financials

70 - Consolidated Financials

85 - AOC - I

86 - Notice



Forward looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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



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, Transportation, Treatment (waste to energy) and disposal

Environmental Engineering



Elevated Service
Reservoir at Meerut

Water Treatment
Plant of 100
MLD at Meerut



MCGM Large
Diameter Pipeline

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.

Urban Infrastructure



Arrival Terminal at
IGI Airport, New Delhi

DMRC Mandi House Underground
Metro Station



DMRC Janpath Under Ground
Metro Station

Buildings & Factories

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 & Factories

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

Buildings & Factories



Tata Housing Residential
Project at Kalyan (Maharashtra)

Raheja Universal
Madh, Malad (Mumbai)

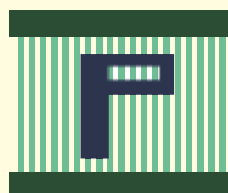


Konnectus Building
DMRC Multilevel
CAR Parking & Commercial Building at Delhi

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Usha B. Kulkarni (Upto 5th August, 2016)
 Mr. Ajit B. Kulkarni
 Mr. Ravi A. Kulkarni
 Mr. Sharad Deshpande
 Mr. Awinash M. Arondekar
 Mr. Shrikant T. Gadre
 Dr. S. L. Dhingra
 Mr. V. Sivakumaran
 Mr. Vilas B. Parulekar

Chairperson
 Managing Director
 Dy. Managing Director
 Whole time Director
 Independent Director
 Independent Director
 Independent Director
 Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Yogen Lal
 Mr. K. H. Sethuraman
 Mr. Pankaj S. Chourasia (Upto 19th October, 2015)
 Mr. Mayur C. Barvadiya (Upto 27th May, 2016)
 Mr. Rajesh Hegde (w.e.f. 26th August, 2016)

Chief Executive Officer
 Chief Financial Officer
 Company Secretary

BANKERS TO THE COMPANY

Allahabad Bank
 Bank of Baroda
 Bank of Maharashtra
 Canara Bank
 DBS Bank
 ICICI Bank Limited
 Lakshmi Vilas Bank
 Punjab National Bank
 State Bank of Bikaner & Jaipur
 State Bank of India
 State Bank of Travancore
 Syndicate Bank

Axis Bank Limited
 Bank of India
 Bharatiya Mahila Bank
 Central Bank of India
 Export Import Bank of India
 Indian Overseas Bank
 Oriental Bank of Commerce
 Standard Chartered Bank
 State Bank of Hyderabad
 State Bank of Patiala
 Union Bank of India
 Yes Bank Limited

STATUTORY AUDITORS

M/s. Jayesh Sanghrajka & Co. 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

COST AUDITORS

M/s. Ketki D. Visariya & Co.
 Cost Accountants

CORPORATE OFFICE

14th Floor, Universal Majestic, P. L. Lokhande Marg,
 Off. Ghatkopar Mankhurd Link Road,
 Govandi (W), Mumbai – 400 043.
Tel.: 91- 22- 3955 9999 / **Fax:** 91- 22- 3955 9900

INTERNAL AUDITORS

M/s. Chokshi & Chokshi LLP
 Chartered Accountants

SECRETARIAL AUDITOR

Mr. Dinesh Kumar Deora
 Practising Company Secretaries

REGISTRARS AND TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (W), Mumbai - 400 078.
Tel.: No. 022-25963838 / **Fax:** 022 - 25946969
Website: www.linkintime.co.in
E-mail: rnt.helpdesk@linkintime.co.in



Five Years at a Glance (Consolidated)

(₹in Millions)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Total Income	44,120.27	31,871.98	23,204.16	21,821.51	16,894.19
Operating Expenses	38,888.16	27,259.27	19,801.87	18,733.99	14,465.47
Operating Profit	5,232.11	4,612.71	3,402.28	3,087.52	2,428.72
Finance Charges	3,839.24	3,096.10	2,574.94	1,582.95	1,094.74
Depreciation	569.19	591.72	445.39	309.98	227.89
Prior Period Expenses	91.50	18.50	-	-	-
Exceptional Items	-	158.64	-	-	-
Profit before Tax	732.18	747.74	381.95	1,194.60	1,106.09
Provision for Tax	430.61	306.92	228.06	367.65	295.06
Profit after Tax	301.57	440.82	153.89	826.95	811.03
What we owned					
Fixed Assets					
Gross Block	12,378.98	12,295.13	12,457.41	9,568.61	5,461.23
Less: Depreciation	2,111.63	1,563.68	1,345.51	908.00	615.55
Net Block	10,267.35	10,731.45	11,111.90	8,660.60	4,845.68
Capital Work in Progress	79.17	78.22	619.25	303.71	2,766.26
Investments	3.22	3.22	3.22	3.22	29.68
Working Capital	14,696.88	13,135.98	6,528.74	10,107.85	7,235.43
Miscellaneous Expenditure	-	-	-	-	-
Total	25,046.62	23,948.87	18,263.11	19,075.38	14,877.06
What we owed					
Secured Loans	17,115.35	16,064.62	10,790.57	11,675.45	7,026.67
Unsecured Loans	136.68	503.58	579.23	733.64	2,034.55
Deferred Tax Liability	640.24	527.90	431.89	335.11	240.67
Total	17,892.27	17,096.11	11,801.69	12,744.20	9,301.89
Net worth					
Share Capital	202.11	202.11	202.11	202.11	348.85
Reserves & Surplus	6,952.22	6,650.65	6,259.31	6,129.07	5,226.32
Total	7,154.33	6,852.76	6,461.42	6,331.18	5,575.17

(Amount in ₹)

EPS	2.98	4.36	1.52	8.20	8.15
Dividend Per Share	-	0.20	0.20	0.60	0.60
Book Value Per Share	70.80	67.81	63.94	62.65	56.07
Debt Equity Ratio	2.41	2.42	1.76	1.96	1.47

MANAGEMENT DISCUSSION AND ANALYSIS

INFRASTRUCTURE INDUSTRY IN INDIA

The Central Government has made tangible progress in clearing the huge backlog of Projects in infrastructure. Increased public sector spending in few sectors such as roads over the last one year has kick-started the construction cycle to a moderate extent. Focused follow-up on hurdles in completion of projects under construction has begun to help. Measures like cancelling the projects in early stage and part-commissioning of those in the late-construction stage, have reduced the volume of stalled projects.

The latest available data reveals that Projects aggregating to ₹12,75,877 crore remain stalled as on February 1, 2016. While the trend has been declining, what is worrying is that newer Projects keep getting included in the list. Nearly 80 per cent of the stalled projects are from the power, steel, railway and petroleum sectors.

The stalled projects have not just disturbed the momentum in creation of physical infrastructure but also have crippled the stakeholders financially, leading to a very aggressive operating environment. Developers and the construction companies, who have mobilized human and equipment resources and invested in capex, are facing huge idling of their resources which has been eroding their balance sheets. Lack of timely decisions on the part of government clients including no decisions on release of payments provided for under various contracts have led these players to be saddled with debt.

The backlog was so immense that despite the above measures initiated by the Government, the construction sector witnessed a decline in growth in 2015-16 as compared to 2014-15. This slowdown in activity has adversely impacted the entire construction industry in India. Almost all the major EPC companies are sitting on huge debts and are battling severe liquidity issues. This has adversely impacted the day to day operations of most companies leaving them vulnerable to further financial risks.

Availability of finance for the sector at reasonable cost continues to remain challenging. Bringing in private sector investments, facilitating long-term refinancing of bank loans and providing policy support to revitalize PPP projects, are some of the measures outlined by the Government to accelerate the pace of infrastructure building in the country. Other measures such as last-mile financing from the government, and leeway to banks to significantly extend term of the loan, have had limited impact. Infrastructure sector continues to be key contributor to stress in the banking sector. The construction sector provides employment to more than 40 million people and is next to agriculture in the Indian economy. A stressed construction sector does not augur well for India's ambition for sustained economic growth of over 8%. The entire industry hopes for immediate resolution of legacy issues to help revival of the sector as most companies currently are reeling under the burden of their debts and / or losses.

A positive occurrence for the industry in general was the enactment of two legislations, namely the Arbitration and Conciliation (Amendment) Act, 2015, and The Commercial Courts Commercial Division and Commercial

Appellate Division of High Courts Act, 2015. These Acts will probably bring sanctity to the Arbitration process which was conceived in the first place to avoid vexatious, arduous and lengthy litigations in courts. The provisions of the amended Arbitration Act provide for faster and time bound decision making in the arbitration process. And fore need to deposit award money by the aggrieved party before taking the judicial route to challenge an arbitration award is a welcome step. The Commercial Courts Act permits setting up of commercial court at a district level and a commercial division in the High Court to deal with commercial disputes over ₹1 crore. Proper implementation of the above Acts should provide some succor to the Industry long reeling under the impact of unpaid dues and claims despite Arbitration Awards in their favour.

There are long pending opportunities in various sectors of vital infrastructure such as roads, power, water works and urban infrastructure, which have either remained in the planning stage or have been stalled. Expedient creation of such infrastructure will help to achieve the twin coveted objectives of sustained economic growth over the next decade and will also help to create huge employment opportunities in the sector and the ancillary industries that support it such as cement, steel, building materials, construction equipment etc.

The Union Budget of 2016-17 has allocated a record ₹2.21 lakh crore for the infrastructure sector with the bulk of the allocation being reserved for roads. A new contract method holds the key to renewed attempts by the government in drawing private players back to the highways sector. After finding it difficult to award highway sections to private developers, the government shifted from the BOT (build, operate, transfer) model to the government-funded EPC (engineering procurement construction) and introduced the new method — the hybrid annuity model — for projects granted from October 1, 2015.

Under the new model, the National Highways Authority of India (NHAI) will provide an initial grant of up to 40% of the cost and the developer has to chip in with the rest and complete the project. In August, the Cabinet Committee on Economic Affairs cleared a proposal to allow infrastructure companies to divest 100% of their equity after two years of completion of construction for all projects given under the BOT model, irrespective of when year the contract was handed out.

Due to almost a nil response from private developers to the opportunities on a BOT basis, NHAI had to fall back on EPC contracts to plug the gap. Disputes too are hampering completion of projects. Data from the Ministry of Road Transport and Highways shows 112 cases involving ₹25,000 crore were pending under arbitration between the NHAI and developers till end-April 2015. A challenging target for project awards through the public-private-partnership route is likely for the coming fiscal — at close to 5,000 km of highway sections. These include bids for the proposed Bharat Mala project that entails road development along the international borders and the country's coastline and the Char Dham connectivity project that envisages linking up the religious tourism circuit.

Though 2015 began with the Rail Budget stressing long-term capital investment and enhancement of capacity, the Railways battled massive slowdown through the year. A deal with LIC for a loan of ₹1.5 lakh crore over five years was a landmark but the Railways has drawn only ₹2,000 crore from that. The decline in passenger and freight business also left earnings short of estimates. Contracts for locomotive projects in Madhepura and Marhowrah to Alstom and GE, and the deal with Japan for India's first bullet train corridor between Ahmedabad and Mumbai with a loan from Japan, served as a silver lining for 2015.

Rail Budget 2016 has focused on more passenger-friendly initiatives instead of long-term infrastructure building. This year trains across India will get new passenger coaches with world-class interiors that are being manufactured in Bhopal. Gatimaan Express, a semi high-speed service has started between Delhi and Agra. The Railways' pace of capital expenditure which was extremely slow throughout 2015-16 has picked up in the current fiscal.

A heartening exception in the infrastructure domain is the flourishing of Metros in almost all the major urban centres of the country. Besides the Tier I Metros of Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad, the year saw significant progress on Metros in Jaipur, Navi Mumbai, Kochi and Lucknow. The year also saw green shoots in new locations such as Ahmedabad and Nagpur. A number of cities are likely to see either expansion of their existing capacities or Projects moving from the drawing board to the construction stage this year. These include Indore, Chandigarh, Guwahati, Patna to name a few.

Under the New Civil Aviation Policy proposals including tax breaks, a regional connectivity scheme, no-frills airports and rationalisation of jet fuel cost are likely to be great facilitators for unleashing the potentials of the sector. With no-frills airports proposed at over 401 unused airstrips, domestic air traffic is expected to go up to 300 million by 2022 from 70 million now. The selection process for developers of Navi Mumbai and Goa's Mopa airport is expected to conclude in this fiscal. Plans to privatise and modernise airports of Kolkata, Chennai, Jaipur and Ahmedabad that were to start last fiscal did not fructify.

In the water sector too a number of opportunities have been envisaged. However with the exception of one or two states notably Telangana, none of the opportunities have moved on to the bidding stage due to constraint in funding with the state government entities responsible to execute these projects. Telangana saw a massive number of Projects being put to tender in both the water supply and irrigation domain. The remaining state government opportunities remained muted and as such did not fructify. The other key clients such as Urban Local Bodies viz. MCGM/ NMMC / DJB too were not in a position to invite bids for significant new Projects. It is expected that a number of bids will be invited in the current fiscal by the aforementioned authorities.

There is a lot of potential in the buildings segment of infrastructure. An ambitious housing programme to alleviate hardships of urban poor has been launched by Central Government in 2015 with a planned tenure till 2022. At the slum decadal growth rate of 34%, the slum households are projected to go upto 18 million. 2 million non-slum urban poor households are also proposed to be

covered under the Mission. Christened as Pradhan Mantri Awas Yojana (PMAY), the total housing shortage envisaged to be addressed through the new mission is 20 million. The Mission is being implemented during 2015-2022 and provides central assistance to Urban Local Bodies (ULBs) and other implementing agencies through States/UTs. Nodal implementing agencies such as NBCC (National Building Construction Corporation), EPIL (Engineering Projects India Limited) and the like have received huge order inflows in the past 6 months. These are likely to move to the construction stage in this fiscal.

RISKS AND CONCERNS

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

- High debt and high cost of finance;
- Increasing cost of raw materials;
- Complexities of structures;
- Regulatory compliance;
- High level of completion;
- Shortage of skilled labour;
- Procuring approvals/permits;
- Political and geological risks.

PERFORMANCE REVIEW

During the Financial Year 2015-16 ('FY2016' or 'year under review'), the Company has achieved a consolidated turnover of ₹4,412.03 crores as compared to ₹3,187.20 crores in the Financial Year 2014-15 ('FY 2015' or 'corresponding previous year'), thereby clocking a magnificent growth rate of 38.50% at consolidated level. The Company has earned consolidated PAT of ₹30.16 crores during FY2016 as against ₹44.08 crores in FY2015, thereby witnessing decline of 31.50% mainly due to increased finance cost.

The Company has bagged fresh orders to the tune of ₹1,672 crores during the year under review. The prominent projects bagged were from water segment and construction of institutional buildings.

The Company has also emerged as the preferred bidder for two major projects in Sri Lanka and Ivory Coast aggregating to USD 318 million. The Company is hopeful of beginning execution on these Projects in the current fiscal subject to support from its Lenders.

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. During FY2016, the Company incurred ₹383.92 crores and ₹263.29 crores as interest and finance charges at consolidated and standalone level respectively, which are about 9% of the respective turnovers. This proved as major drag-down on the low profit margin business of the Company. Total borrowings of the Company (including short term borrowings) at consolidated level as at 31st March, 2016 were ₹2,757.58 crores vis-à-vis ₹2,283.30 crores as at 31st March, 2015.

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 Directors are hopeful of suitable debt restructuring in the best interest of the Company and in consonance with the risk and return of long term projects being executed by the Company.

The Company operates in single segment 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 2040. The Company was able to lease only around 50% of the constructed area due to subdued market conditions. This in turn has led to negative cash flows leading to the erosion of the net worth of the Company.

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 in the coming fiscal.

Bhopal Sanchi Highways Pvt. Ltd

This subsidiary is 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 crores which was expected to generate a total cashflow of ₹335 crores. However, due to non-availability of work front for considerable period and resultant cost overruns and disputes in 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. Now the matter is pending before the Arbitration Tribunal.

Foreign Subsidiaries

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

RISK MANAGEMENT

The Company has developed procedures and practices to effectively mitigate the adverse effects of the risks involved in the business and has laid down procedures for handling risks in carrying out the business to the best advantage of all stakeholders and to improve shareholder value and to ensure continuity of business. However, it is practically not possible to thwart all the risk and Company has to absorb some risk in the form of additional cost / loss towards the same.

HUMAN RESOURCES DEVELOPMENT

PIL talent base as on March 31, 2016, stands at 917. As we continue to grow rapidly, there is an increasingly sharper focus on the HR functional alignment with the business and building people capability. The Company continues to provide growth opportunities to its employees by way of training workshop and by that way to retain efficient and talented employees in the Company.

Your Company is following highest level of safety measures for the its most precious assets i.e. human capital. 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. There is a well-defined in-house training program for its employees to upgrade their operating skills. The relations between the Company and the employees were cordial and the Company throughout the year.

INTERNAL CONTROL AND AUDIT

The Company believes in systematic working and placing of proper checks. Proper systems are in place and regular reviews are held at higher levels to check the efficacy and relevance of system. The effectiveness of the internal controls is continuously monitored by the Audit Committee.

Main Objective of Internal Audit is to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the management. The Audit Committee's observations and suggestions were acted upon by the Management.

CONCLUSION

In conclusion, it can be said that although there is huge competition increasing in the market, challenges like ever increasing cost of input material, restricted availability of funds that too a higher cost, the Company is ready for the same. The hard working team of Pratibha Industries Limited along with its experts will help the Company to grow and sustain in this world. The opportunities and strengths are the major factors for the future prospects of the Company. Your Company will surely help the nation to achieve new heights of success and glory.

Directors' Report

To,
The Members
Pratibha Industries Limited

Your Directors present the 21st Annual Report together with the financial statements for the financial year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended 31st March, 2016, is summarized below:

(₹ in crores)

Particulars	Standalone		Consolidated	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Total Revenue	2,988.75	2,426.07	4,412.03	3,187.20
EBIDTA	411.03	353.05	514.06	459.42
Less: Interest & Finance Charges	263.29	188.15	383.92	309.61
Less: Depreciation & Amortization	53.76	55.99	56.92	59.17
Less: Exceptional Items	-	15.86	-	15.86
Profit Before Tax	93.97	93.04	73.22	74.77
Provision for Tax	41.19	30.64	43.06	30.69
Profit After Tax (PAT)	52.78	62.41	30.16	44.08
Balance brought forward	435.92	378.46	381.84	342.71
Less: Proposed Dividend On Equity Shares	-	2.02	-	2.02
Less: Tax on Dividend	-	0.41	-	0.41
Less: Excess depreciation as per Schedule II of Companies Act, 2013		2.52		2.52
Balance carried forward	488.70	435.92	412.00	381.84
Earnings Per Share (in ₹)				
Basic	5.22	6.18	2.98	4.36
Diluted	5.22	6.18	2.98	4.36

PERFORMANCE REVIEW

During the financial year 2015-16 ('FY2016' or 'year under review'), the Company has achieved a consolidated turnover of ₹4,412.03 crores as compared to ₹3,187.20 crores in the financial year 2014-15 ('FY 2015' or 'corresponding previous year'), thereby clocking a magnificent growth rate of 38.43% at consolidated level. The Company has earned consolidated PAT of ₹30.16 crores during FY2016 as against ₹44.08 crores in FY2015, thereby witnessing decline of 31.59% mainly due to increased finance cost.

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. During FY2016, the Company incurred ₹383.92 crores and ₹263.29 crores as interest and finance charges at consolidated and standalone level respectively, which are about 9% of the respective turnovers. This proved to be a major drag-down on the low profit margin business of the Company. Total borrowings of the Company (including short term borrowings) at consolidated level as on 31st March, 2016 were ₹2,757.58 crores vis-à-vis ₹2,283.30 crores as at 31st March, 2015. 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. Directors are of the view that the debt restructuring will help in restoring the liquidity position of the Company on long run basis.

The business of the Company has been discussed in a separate section viz., 'Management Discussion & Analysis' which forms part of this Report.

If the ambitious projects like '100 Smart Cities', 'Bharatmala', 'Sagarmala' etc. as initiated/proposed by Govt. of India are implemented, the Directors foresee great business prospects for EPC companies going forward and believe that a lower interest rate regime, which is likely to follow as inflation trends soften, will create more conducive business environment for companies implementing long term infrastructural projects.

DIVIDEND

In order to conserve the resources and to optimize the earnings through re-deployment in the business, your Directors do not recommend any dividend for the FY2016.

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. During the year, no new company has become subsidiary, associate or joint venture company. 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 Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-27 on reporting of interest in Joint Ventures and AS-23 on Accounting for 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.

The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of and Corporate Office your Company during business hours on all working days upto the date of the Annual General Meeting as required under Section 136 of the Act. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company.

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 Subsequently, Ministry of Corporate Affairs also issued Circular No.09/2015 dated 18th June, 2015 restoring the repayment schedule.

As on 31st March, 2016, fixed deposits from the public and shareholders stood at ₹10.20 crores, which were to mature after the end of year under review. Deposits to the extent of ₹2.94 crores was matured but not claimed by the depositors till that date. Due to mismatch in the cash flows and resultant liquidity crunch, deposit (matured

and claimed) amounting to ₹15.38 crores (and interest thereon) were outstanding as at the end of FY2016. The details of the default in terms of Rule 8(5)(v)(c) of the Companies (Accounts) Rules, 2014 are as follows:

Sr. No.	Particulars	Principal Amount (₹. in crores)	Interest Outstanding (₹. in crores)
1	At the beginning of the year	Nil	Nil
2	Maximum during the year	15.38	1.57
3	At the end of the year	15.38	1.57

The Company made payments of matured and claimed deposits to the extent permitted by the liquidity. The Company will make all efforts to repay all outstanding amounts of public deposits by 31st March, 2017.

DIRECTORS

Mr. Awinash M. Arondekar, Mr. Shrikant T. Gadre, Dr. S. L. Dhingra, Mr. V. Sivakumaran and Mr. Vilas B. Parulekar were appointed as Independent Directors at the 19th AGM held on 30th September, 2014 for a term of five years and as such hold the office upto the AGM to be held in the year 2019. The Company has received declarations from all the Independent Directors confirming that they continue fulfil the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, ("SEBI LODR Regulations").

Mr. Sharad P. Deshpande, Whole Time Director will retire by rotation in the next AGM and being eligible offers himself for reappointment. The Board recommends for his reappointment in the next AGM.

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Pankaj Chaurasiya resigned as Company Secretary with effect from the closing hours of 19th October, 2015 for better prospects. Consequently, Mr. Mayur Barvadiya was appointed as Company Secretary w.e.f. 7th November, 2015.

Mr. Mayur Barvadiya has tendered resignation as Company Secretary from the closing hours of 27th May, 2016.

The Board places on record its appreciation for their valuable contribution during their association with your Company.

MEETINGS OF THE BOARD

The details of meetings of Board and its Committees held during FY2016 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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. Jayesh Sanghrajka & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. In terms of third proviso to Section 139 of the Act, the present Statutory Auditors are eligible for re-appointment in the next AGM for the financial year 2016-17.

The Company has received confirmation from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under the Act, and also that they are not disqualified for such re-appointment within the meaning of Section 141 of the Act. The Auditors have also submitted peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, New Delhi, as per Regulation 33 of SEBI LODR Regulations.

AUDITORS' REPORT

The Auditors have made certain qualified observations in their Report. With regard to observation of Auditors on valuation of Work in Progress (WIP), your Directors are of the view that it is not justifiable for not booking the completed portion of WIP for want of certification from clients which are mainly delayed due to administrative reasons. Therefore wherever it was feasible, the management had taken decision on the best judgement basis to book completed portion of WIP and valued accordingly.

With regard to Auditors' observation on non-reporting of revenue from sale of construction materials under distinctive segment under AS 17 – Segment Reporting, your Directors wish to state that the same is not a separate segment and is part of main segment i.e. Engineering, Procurement & Construction.

The Auditors have also made observations as 'Emphasis of Matters' with specific reference to Notes to the financial statements. The Notes referred to therein are self-explanatory and therefore do not call for any further comments.

The Auditors have also observed that in case of certain

assets, current location is not mentioned in records. Being EPC Company, the Company's major assets are situated at work sites and as such locations are updated on an on-going basis. The Company updates the Register of Fixed Assets on timely manner.

With regard to observation made under point (v) to Annexure A to the Auditors' report, the delay in the repayment of fixed deposit is explained earlier in this Report. With regard to point (vii) (a) and (viii) to Annexure A, the delay has been on account of lack of adequate liquidity. However, the Company is taking required steps to discharge the statutory dues at the earliest. With regard to point 5(a), (b), (c), (d) and (e) to Annexure B, the Company is taking steps to incorporate appropriate checks and balances of required level in the internal control system to address weaknesses identified by the Auditors.

The Statement on Impact of Audit Qualifications as stipulated in Regulation 33(3)(d) of SEBI LODR Regulations is enclosed hereto as Annexure - B

COST AUDITORS

Pursuant to provisions of Section 148 of the Act, the Board of Directors on the recommendation of the Audit Committee, reappointed M/s. Ketki D. Visariya & Co., Cost Accountant, as Cost Auditor of the Company for the financial year 2016-17 at a remuneration of ₹2,00,000/-. A resolution for ratification by shareholders of said remuneration payable to Cost Auditors is included in the AGM notice.

INTERNAL FINANCIAL CONTROLS

Proper systems for internal financial control have been put in place and periodic reviews are held by Audit Committee to check the efficacy and relevance of the system. 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.

Internal Auditors, M/s. Chokshi & Chokshi LLP, Chartered Accountants, submit their report to Audit Committee on an on-going basis as per pre-decided scope to check the weakness, if any, in the internal control system including the internal financial control. Audit Committee also reviews the site audits conducted by M/s. Samir Lakhani & Associates, Site Auditors of the Company in respect of various on-going projects of the Company.

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 Mr. Dinesh Kumar Deora, Company Secretaries in Whole

Time Practice to conduct Secretarial Audit of the Company for the financial year 2015-16. The report of the Secretarial Auditor is annexed to this report as **Annexure - C**.

Secretarial Auditors have observed that the Company has generally not adhered with procedures laid down in Secretarial Standard-1 issued by the Institute of Company Secretaries of India. It is submitted that the Secretarial Standards have been notified with effect from 1st July, 2015. The Company has taken steps to ensure compliance with Secretarial Standards. Secretarial Auditors have also observed the non-filing of MGT-14 with Registrar of Companies. The lapse has been due to lack of functional supervision caused by intermittent vacancy in the office of Company Secretary. Corrective steps are being taken to rectify the non-compliance. The details with regard to observation on delays in the repayment of fixed deposit are given earlier under 'Fixed Deposit'.

Your Company has re-appointed Dinesh Kumar Deora, Practicing Company Secretary, as Secretarial Auditors of the Company for the financial year 2016-17.

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) of the Companies (Accounts) Rules, 2014 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.

In terms of Section 136 (1) of the Act, the Annual Report is being sent to all the shareholders of the Company excluding the aforesaid disclosure. Any member interested in obtaining such disclosure may write to the Company Secretary at the Registered Office of the Company. The disclosure is available for inspection by the members at the Registered Office and Corporate Office of the Company during business hours on all working days upto the date of the ensuing Annual General Meeting.

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 the Act. The CSR policy of the Company is available on the website of the Company www.pratibhagroup.com. The Annual Report on CSR activities is set out as Annexure - E to this Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2015-16, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, in the ordinary course of business and at arm's length basis.

Your Directors draw attention of the members to Note 33 to the financial statements which sets out related party disclosures as required under Accounting Standard - 18 as prescribed by Institute of Chartered Accountants of India.

Since all the related party transactions are carried out at arm's length basis and 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.

The Company had not entered into any material contract / arrangement / transaction with related parties.

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.12 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 27th May, 2016 to assess the effectiveness of the Board and its Committees during FY2016. 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 – F**.

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 formulated 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, on the following link viz., http://www.pratibhagroup.com/pratibha_new/pages/PDFs/WHISTLE_BLOWER_POLICY_PIL_.pdf.

EMPLOYEE RELATIONSHIP

The Company enjoyed very cordial and fruitful relations with the employees during the year under review and your Directors wishes to place on record its sincere appreciation of the efforts put in by the Company's workers, staff and executives for achieving excellent 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 shareholder of the Company.

For and on behalf of the Board of Directors

Ajit Kulkarni
Managing Director
DIN: 00220578

S. P. Deshpande
Whole Time Director
DIN: 06507698

Date: 27th May, 2016

Place: Mumbai

Annexure A to Directors' Report

Form No. MGT-9 - EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[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	19 th 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 any.	LINK INTIME INDIA PRIVATE LIMITED C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078. 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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Construction	42101, 42204	98.89

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, 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, 6 th Lane, Kollupitiya, Colombo – 3, Sri Lanka	Foreign Company	Step Down Subsidiary	100	2 (87)
5	Bhopal Sanchi Highways Private Limited, B-85, 1 st 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 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	4,74,47,512	-	4,74,47,512	46.95	4,74,47,512	-	4,74,47,512	46.95	-
Sub Total (A)(1)	4,74,47,512	-	4,74,47,512	46.95	4,74,47,512	-	4,74,47,512	46.95	-
2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	4,74,47,512	-	4,74,47,512	46.95	4,74,47,512	-	4,74,47,512	46.95	-
B. Public shareholding									
1) Institutions									
a) Mutual Funds	61,67,084	-	61,67,084	6.10	61,67,084	-	61,67,084	6.10	-
b) Banks / FI	2,71,481	-	2,71,481	0.27	2,59,707	-	2,59,707	0.26	(0.01)
c) FIs	1,10,23,720	-	1,10,23,720	10.91	99,31,377	-	99,31,377	9.83	(1.08)
Sub Total (B) (1)	1,74,62,285	-	1,74,62,285	17.28	1,63,58,168	-	1,63,58,168	16.19	(1.09)
2) Non-institutions									
a) Bodies Corp.									
i) Indian	1,22,83,994	-	1,22,83,994	12.16	85,09,328	-	85,09,328	8.42	(3.74)
ii) Overseas	54,34,783	-	54,34,783	5.38	54,34,783	-	54,34,783	5.38	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1,34,88,263	30	1,34,88,293	13.35	1,69,54,837	30	1,69,54,867	16.78	3.43
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	39,15,308	-	39,15,308	3.87	34,23,369	-	34,23,369	3.39	(0.48)
c) Others (specify)									
i) Non Resident Indians (Repat)	3,76,831	-	3,76,831	0.37	7,83,601	-	7,83,601	0.78	0.41
ii) Non Resident Indians (Non Repat)	1,11,528	-	1,11,528	0.11	2,69,960	-	2,69,960	0.27	0.16
iii) Clearing Member	5,34,358	-	5,34,358	0.53	10,68,102	-	10,68,102	1.06	0.53
iv) Foreign National	500	-	500	-	-	-	-	-	-
v) Trusts	-	-	-	-	3,770	-	3,770	-	-
vi) Hindu Undivided Family (HUF)	-	-	-	-	8,01,932	-	8,01,932	0.79	0.79
Sub Total (B)(2)	3,61,45,565	30	3,61,45,595	35.77	3,72,49,682	30	3,72,49,712	36.87	1.09
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	5,36,07,850	30	5,36,07,880	53.05	5,36,07,850	30	5,36,07,880	53.05	-
Total (A)+(B)	10,10,55,362	30	10,10,55,392	100.00	10,10,55,362	30	10,10,55,392	100.0	-
C. Shares held by custodians and against which Depository Receipts have been issued									
Sub Total (C)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	10,10,55,362	30	10,10,55,392	100.00	10,10,55,362	30	10,10,55,392	100.00	-

ii) Shareholding of Promoters

SI 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	Mrs. Usha B. Kulkarni	1,40,44,750	13.90	-	1,40,97,250	13.95	-	0.05
2	Mr. Ajit B. Kulkarni	1,63,16,554	16.15	-	1,63,16,554	16.15	-	-
3	Ajit B. Kulkarni-HUF	43,17,750	4.27	-	43,17,750	4.27	-	-
4	Mr. Ramdas B. Kulkarni	17,52,500	1.73	-	17,00,000	1.68	-	(0.05)
5	Ms. Radha B. Kulkarni	2,500	0.00	-	2,500	0.00	-	-
6	Ms. Samidha A. Kulkarni	2,500	0.00s	-	2,500	0.00	-	-
7	Mr. Ravi A. Kulkarni	10,00,000	0.99	-	10,00,000	0.99	-	-
8	Ms. Sunanda D. Kulkarni	1,00,00,000	9.90	-	1,00,00,000	9.90	-	-
9	Mr. Anand A. Kulkarni	6,250	0.01	-	6,250	0.01	-	-
10	Mr. Manohar D. Kulkarni	4,700	0.00	-	4,700	0.00	-	-
11	Mr. Shyam R. Kulkarni	8	0.00	-	8	0.00	-	-
	Total	4,74,47,512	46.95	-	4,74,47,512	46.95	-	-

(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	Mrs. Usha B. Kulkarni				
	At the beginning of the year	1,40,44,750	13.90	1,40,44,750	13.90
	19-06-2015 (transfer inter se promoters)	27,000	0.02	1,40,71,750	13.92
	10-07-2015 (transfer inter se promoters)	25,500	0.03	1,40,97,250	13.95
	At the end of the year	1,40,71,750	13.95	14071750	13.95
2	Mr. Ramdas Bhagwan Kulkarni	17,52,500	1.73	17,52,500	1.73
	19-06-2015 (transfer inter se promoters)	(27,000)	(0.02)	17,25,500	1.71
	10-07-2015 (transfer inter se promoters)	(25,500)	(0.03)	17,00,000	1.68
	At the end of the year	17,00,000	1.68	17,00,000	1.68

(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	WARHOL LIMITED				
	At the beginning of the year	97,75,324	9.67	97,75,324	9.67
	No change during the year	-	-	97,75,324	9.67
	At the end of the year	97,75,324	9.67	97,75,324	9.67
2	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE REGULAR SAVINGS FUND-EQUITY OPTION				
	At the beginning of the year	60,00,000	5.94	60,00,000	5.94
	No change during the year	-	-	60,00,000	5.94
	At the end of the year	60,00,000	5.94	60,00,000	5.94
3	VAN DYCK				
	At the beginning of the year	54,34,783	5.38	54,34,783	5.38
	No change during the year	-	-	54,34,783	5.38
	At the end of the year	54,34,783	5.38	54,34,783	5.38
4	MR. AKASH BHANSHALI				
	At the beginning of the year	-	-	-	-
	18-03-2016 (Transfer)	15,27,371	1.51	15,27,371	1.51
	At the end of the year	15,27,371	1.51	15,27,371	1.51
5	AADI FINANCIAL ADVISORS LLP				
	At the beginning of the year	13,90,780	1.38	13,90,780	1.38
	31-03-2016 (Transfer)	(1,29,634)	(0.13)	12,61,146	1.25
	At the end of the year	12,61,146	1.25	12,61,146	1.25
6	SANATAN FINANCIAL ADVISORY SERVICES PRIVATE LIMITED				
	At the beginning of the year	2,44,000	0.24	2,44,000	0.24
	19-02-2016 (Transfer)	8,59,000	0.85	11,03,000	1.09
	11-03-2016 (Transfer)	1,31,000	0.13	12,34,000	1.22
	18-03-2016 (Transfer)	(1,31,000)	(0.13)	11,03,000	1.09
	At the end of the year	11,03,000	1.09	11,03,000	1.09
7	IIFL NATIONAL DEVELOPMENT AGENDA FUND				
	At the beginning of the year	8,70,400	0.86	8,70,400	0.86
	No change during the year	-	-	8,70,400	0.86
	At the end of the year	8,70,400	0.86	8,70,400	0.86
8	ANAND RATHI SHARE AND STOCK BROKERS LTD				
	At the beginning of the year	2,98,478	0.30	2,98,478	0.30
	03-04-2015 (Transfer)	1,487	0.00	2,99,965	0.30
	10-04-2015 (Transfer)	(5,204)	(0.01)	2,94,761	0.29
	17-04-2015 (Transfer)	(1,152)	0.00	2,93,609	0.29
	24-04-2015 (Transfer)	13,857	0.01	3,07,466	0.30
	01-05-2015 (Transfer)	(456)	0.00	3,07,010	0.30
	08-05-2015 (Transfer)	3,142	0.00	3,10,152	0.31
	15-05-2015 (Transfer)	(1,427)	0.00	3,08,725	0.31
	22-05-2015 (Transfer)	(530)	0.00	3,08,195	0.31
	29-05-2015 (Transfer)	1,917	0.00	3,10,112	0.31
	05-06-2015 (Transfer)	4,005	0.00	3,14,117	0.31
	12-06-2015 (Transfer)	383	0.00	3,14,500	0.31
	19-06-2015 (Transfer)	(3,523)	0.00	3,10,977	0.31
	26-06-2015 (Transfer)	6,064	0.01	3,17,041	0.31
	30-06-2015 (Transfer)	(3,581)	0.00	3,13,460	0.31
	03-07-2015 (Transfer)	(110)	0.00	3,13,350	0.31
	10-07-2015 (Transfer)	200	0.00	3,13,550	0.31
17-07-2015 (Transfer)	(2,029)	0.00	3,11,521	0.31	
24-07-2015 (Transfer)	2,152	0.00	3,13,673	0.31	

	31-07-2015 (Transfer)	4,234	0.00	3,17,907	0.31
	07-08-2015 (Transfer)	(10,102)	(0.01)	3,07,805	0.30
	14-08-2015 (Transfer)	5,146	0.01	3,12,951	0.31
	21-08-2015 (Transfer)	12,287	0.01	3,25,238	0.32
	28-08-2015 (Transfer)	13,399	0.01	3,38,637	0.34
	04-09-2015 (Transfer)	7,428	0.01	3,46,065	0.34
	11-09-2015 (Transfer)	5,191	0.01	3,51,256	0.35
	18-09-2015 (Transfer)	5,423	0.01	3,56,679	0.35
	25-09-2015 (Transfer)	6,440	0.01	3,63,119	0.36
	30-09-2015 (Transfer)	(20,724)	(0.02)	3,42,395	0.34
	09-10-2015 (Transfer)	(5,818)	(0.01)	3,36,577	0.33
	16-10-2015 (Transfer)	(12,017)	(0.01)	3,24,560	0.32
	23-10-2015 (Transfer)	2,419	0.00	3,26,979	0.32
	30-10-2015 (Transfer)	(3,509)	0.00	3,23,470	0.32
	06-11-2015 (Transfer)	(2,730)	0.00	3,20,740	0.32
	13-11-2015 (Transfer)	(2,941)	0.00	3,17,799	0.31
	20-11-2015 (Transfer)	530	0.00	3,18,329	0.32
	27-11-2015 (Transfer)	849	0.00	3,19,178	0.32
	04-12-2015 (Transfer)	11	0.00	3,19,189	0.32
	11-12-2015 (Transfer)	(1,245)	0.00	3,17,944	0.31
	18-12-2015 (Transfer)	658	0.00	3,18,602	0.32
	25-12-2015 (Transfer)	6,302	0.01	3,24,904	0.32
	31-12-2015 (Transfer)	3,257	0.00	3,28,161	0.32
	01-01-2016 (Transfer)	1,150	0.00	3,29,311	0.33
	08-01-2016 (Transfer)	(5,919)	(0.01)	3,23,392	0.32
	15-01-2016 (Transfer)	(6,292)	(0.01)	3,17,100	0.31
	22-01-2016 (Transfer)	14,070	0.01	3,31,170	0.33
	29-01-2016 (Transfer)	(14,461)	(0.01)	3,16,709	0.31
	05-02-2016 (Transfer)	8,882	0.01	3,25,591	0.32
	12-02-2016 (Transfer)	57,787	0.06	3,83,378	0.38
	19-02-2016 (Transfer)	(5,735)	(0.01)	3,77,643	0.37
	26-02-2016 (Transfer)	(1,660)	0.00	3,75,983	0.37
	04-03-2016 (Transfer)	2,986	0.00	3,78,969	0.38
	11-03-2016 (Transfer)	1,369	0.00	3,80,338	0.38
	18-03-2016 (Transfer)	3,444	0.00	3,83,782	0.38
	25-03-2016 (Transfer)	(4,981)	(0.01)	3,78,801	0.37
	31-03-2016 (Transfer)	3,69,514	0.37	7,48,315	0.74
	At the end of the year	7,48,315	0.74	7,48,315	0.74
9	CD EQUIFINANCE PRIVATE LIMITED				
	At the beginning of the year	5,05,025	0.50	5,05,025	0.50
	No change during the year	-	-	5,05,025	0.50
	AT THE END OF THE YEAR	5,05,025	0.50	5,05,025	0.50
10	TJ STOCK BROKING SERVICES (P) LTD				
	At the beginning of the year	1,00,000	0.10	1,00,000	0.10
	18-09-2015 (Transfer)	2,50,000	0.25	3,50,000	0.35
	At the end of the year	3,50,000	0.35	3,50,000	0.35
11	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.				
	At the beginning of the year	25,35,000	2.51	25,35,000	2.51
	08-05-2015 (Transfer)	(1,08,993)	(0.11)	24,26,007	2.40
	15-05-2015 (Transfer)	(4,09,000)	(0.40)	20,17,007	2.00
	22-05-2015 (Transfer)	(63,237)	(0.06)	19,53,770	1.93
	04-09-2015 (Transfer)	(66,770)	(0.07)	18,87,000	1.87
	11-09-2015 (Transfer)	(7,27,000)	(0.72)	11,60,000	1.15
	18-09-2015 (Transfer)	(4,30,000)	(0.43)	7,30,000	0.72
	25-09-2015 (Transfer)	(7,30,000)	(0.72)	-	-
	At the end of the year	-	-	-	-

12	JAI-VIJAY RESOURCES PVT LTD				
	At the beginning of the year	15,27,371	1.51	15,27,371	1.51
	18-03-2016 (Transfer)	(15,27,371)	(1.51)	-	-
	At the end of the year	-	-	-	-
13	MR. VINAYAK BHAGWAN KULKARNI				
	At the beginning of the year	12,69,631	1.26	12,69,631	1.26
	22-05-2015 (Transfer)	(1,36,780)	(0.14)	11,32,851	1.12
	29-05-2015 (Transfer)	(48,380)	(0.05)	10,84,471	1.07
	05-06-2015 (Transfer)	(25,000)	(0.02)	10,59,471	1.05
	23-10-2015 (Transfer)	(1,09,618)	(0.11)	9,49,853	0.94
	30-10-2015 (Transfer)	(2,25,924)	(0.22)	7,23,929	0.72
	06-11-2015 (Transfer)	(2,22,702)	(0.22)	5,01,227	0.50
	13-11-2015 (Transfer)	(6,139)	(0.01)	4,95,088	0.49
	20-11-2015 (Transfer)	(3,93,177)	(0.39)	1,01,911	0.10
	27-11-2015 (Transfer)	(84,911)	(0.08)	17,000	0.02
	04-12-2015 (Transfer)	(17,000)	(0.02)	-	-
	At the end of the year	-	-	-	-
14	IIFL ASSET REVIVAL FUND				
	At the beginning of the year	11,00,000	1.09	11,00,000	1.09
	05-02-2016 (Transfer)	(16,813)	(0.02)	10,83,187	1.07
	12-02-2016 (Transfer)	(1,66,100)	(0.16)	9,17,087	0.91
	19-02-2016 (Transfer)	(67,087)	(0.07)	8,50,000	0.84
	26-02-2016 (Transfer)	(3,70,000)	(0.37)	4,80,000	0.48
	04-03-2016 (Transfer)	(1,49,134)	(0.15)	3,30,866	0.33
	11-03-2016 (Transfer)	(2,80,866)	(0.28)	50,000	0.05
	18-03-2016 (Transfer)	(50,000)	(0.05)	-	-
	At the end of the year	-	-	-	-
15	MR. ATUL GOEL				
	At the beginning of the year	7,60,000	0.75	7,60,000	0.75
	24-07-2015 (Transfer)	(7,60,000)	(0.75)	-	-
	At end of the year	-	-	-	-

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 beginning of the year and 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	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Ajit B. Kulkarni (Managing Director)				
	At the beginning of the year	16,316,554	16.15	16,316,554	16.15
	No change during the year	-	-	16,316,554	16.15
	At the end of the year	16,316,554	16.15	16,316,554	16.15
2	Mrs. Usha B. Kulkarni (Chairperson)				
	At the beginning of the year	14,044,750	13.90	14,044,750	13.90
	19-06-2015 (Transfer)	27,000	0.02	1,40,71,750	13.92
	10-07-2015 (Transfer)	25,500	0.03	1,40,97,250	13.95
	At the end of the year	1,40,97,250	13.95	1,40,97,250	13.95
3	Mr. Ravi A. Kulkarni (Dy. Managing Director)				
	At the beginning of the year	1,000,000	0.99	1,000,000	0.99
	No change during the year	-	-	1,000,000	0.99
	At the end of the year	1,000,000	0.99	1,000,000	0.99

4	Mr. Sharad P. Deshpande (Whole Time Director)				
	At the beginning of the year	-	-	-	-
	No change during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Mr. Awinash Arondekar (Non-Executive Director)				
	At the beginning of the year	-	-	-	-
	No change during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Mr. Shrikant T. Gadre (Non-Executive Director)				
	At the beginning of the year	-	-	-	-
	No change during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Dr. Sunder Lall Dhingra (Non-Executive Director)				
	At the beginning of the year	-	-	-	-
	No change during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Mr. V. Sivakumaran (Non-Executive Director)				
	At the beginning of the year	-	-	-	-
	No change during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Mr. Vilas B. Parulekar (Non-Executive Director)				
	At the beginning of the year	-	-	-	-
	No change during the year	-	-	-	-
	At the end of the year	-	-	-	-
1	Mr. Yogen Lal (Chief Executive Officer)				
	At the beginning of the year	-	-	-	-
	No change during the year	-	-	-	-
	At the end of the year	-	-	-	-
2	Mr. Pankaj S. Chourasia (Ceased to be Company Secretary on 19th October, 2015)				
	At the beginning of the year	110	0.00	110	0.00
	No change upto the date of resignation	110	0.00	110	0.00
	At the date of resignation	110	0.00	110	0.00
3	Mr. K. H. Sethuraman Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	No change during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Mr. Mayur C. Barvadiya (Appointed as Company Secretary w.e.f 07 th November, 2015)				
	At the beginning of the year	40	0.00	40	0.00
	No change during the year	-	-	40	0.00
	At the end of the year	40	0.00	40	0.00



V. INDEBTEDNESS

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

(₹. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,21,374.90	-	3,523.70	1,24,898.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	179.93	179.93
Total (i+ii+iii)	1,21,374.90	-	3,703.63	1,25,078.53
Change in Indebtedness during the financial year				
• Addition	33,357.80	-	-	33,357.80
• (Reduction)	-	-	(466.59)	(466.59)
Net Change	33,357.80	-	(466.59)	32,891.21
Indebtedness at the end of the financial year				
i) Principal Amount	1,54,732.70	-	2,852.60	1,57,585.30
ii) Interest due but not paid	-	-	276.34	276.34
iii) Interest accrued but not due	-	-	108.10	108.10
Total (i + ii + iii)	1,54,732.70	-	3,237.04	1,57,969.74

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Amount in ₹.

Sr. No.	Particulars of Remuneration	Mr. Ajit B. Kulkarni	Mrs. Usha B. Kulkarni	Mr. Ravi A. Kulkarni	Mr. Sharad P. Deshpande	Total Amount
		MD	WTD	WTD	WTD	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,00,00,000	36,00,000	50,42,280	54,99,996	4,41,42,276
	(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	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	TOTAL (A)	3,00,00,000	36,00,000	50,42,280	54,99,996	4,41,42,276
	Ceiling as per the Act	₹8,27,40,577.79/- i.e. 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013				

B. Remuneration to other directors:

Amount in ₹

Se. No.	Particulars of Remuneration	Mr. Awinash Arondekar	Mr. Shrikant T. Gadre	Dr. Sunder Lall Dhingra	Mr. V. Sivakumaran	Mr. Vilas B. Parulekar	Total Amount
1.	Independent Directors						
	Fee for attending board / committee meetings	1,20,000	1,10,000	40,000	50,000	60,000	3,80,000
2.	Commission	-	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-	-
	Total (1)	1,20,000	1,10,000	40,000	50,000	60,000	3,80,000
	Other Non-Executive Directors	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total (2)	-	-	-	-	-	-
	TOTAL (B)=(1+2)	1,20,000	1,10,000	40,000	50,000	60,000	3,80,000
	Total Managerial Remuneration	₹4,45,22,276/- (Total A and Total B)					
	Overall Ceiling as per the Act	₹9,10,14,636 i.e. 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013					

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

Amount in ₹.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Yogel Lal CEO	K. H. Sethuraman CFO	Pankaj Chorasiya* Company Secretary	Mayur C Barvadiya** Company Secretary	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,17,12,372	65,63,436	18,23,510	9,21,322	2,10,20,640
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	TOTAL	1,17,12,372	65,63,436	18,23,510	9,21,322	2,10,20,640

*Ceased to be Company Secretary on 19th October, 2015**Appointed as Company Secretary w.e.f 7th November, 2015

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure B to Directors' Report

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results for 31st March, 2016

(₹. in lacs)

I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	2,96,991.79	2,96,991.79
	2	Total Expenditure	2,63,147.92	2,63,147.92
	3	Net Profit/(Loss)	5,278.46	5,278.46
	4	Earning Per Share (Amount in ₹)	5.22	5.22
	5	Total Assets	4,87,977.57	4,87,977.57
	6	Total Liabilities	4,08,763.91	4,08,763.91
	7	Net Worth	79,213.66	79,213.66
	8	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable
II	<p>Audit Qualification:</p> <p>a. Details of Audit Qualification:</p> <ol style="list-style-type: none"> As per point no. 03 of the Audit Report, the Management has not provided us with the detailed working of construction work in Progress (WIP) and cost to completion. In absence of these details, the consequential impact, if any, on the statement is not ascertainable. As per point no. 04 of the Audit Report, Income from Operations includes revenue from sale of construction materials and it is a separate reportable segment under AS-17 – Segment reporting. However, management has not presented segment reporting as per the AS-17 as it does not recognise it as a separate segment. <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: Appeared for the first time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The audit qualification is not quantifiable.</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the Auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Nil</p> <p>(ii) If Management is unable to estimate the impact, reasons for the same:</p> <p>Management's Note on audit qualification no. 1:</p> <p>The Company is executing mega projects In water segment including micro tunnelling for sewerage project and urban infra projects (underground metro). These projects are being monitored on a regular basis by appointment of Lenders Independent Engineer (LIE) / Project Management Team. The WIP is determined on the basis of completion of work which is regularly determined by LIE / Project Management Team. These reports present fair view on WIP at sites. The cost incurred towards WIP is already considered in the expenses, thus WIP reporting will not have impact on profitability of the organisation.</p> <p>Management's Note on audit qualification no. 2:</p> <p>In the opinion of the Management, sale of construction material is part of main segment i.e. EPC and doesn't constitute a separate segment, hence segment reporting in not presented. Thus, this will not have any impact on profitability of the organisation.</p> <p>(iii) Auditors' Comments on (i) or (ii) above: In absence of requisite details, we cannot comment on Management reply</p>			

Note: The Auditors' Report referred hereinabove is the Audit Report as submitted to the Stock Exchanges.

Ajit B. Kulkarni
Managing Director

K. H. Sethuraman
Chief Financial Officer

Shrikant T. Gadre
Chairman of Audit
Committee

For Jayesh Sanghrajka & Co LLP
Chartered Accountants
ICAI Firm Registration
No.104184W/W100075

Ashish Sheth
Designated Partner

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results for 31st March, 2016

(₹. in lacs)

I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	4,38,485.70	4,38,485.70
	2	Total Expenditure	3,95,488.56	3,95,488.56
	3	Net Profit/(Loss)	3,015.70	3,015.70
	4	Earning Per Share (Amount in ₹)	2.98	2.98
	5	Total Assets	6,97,062.69	6,97,062.69
	6	Total Liabilities	6,25,519.39	6,25,519.39
	7	Net Worth	71,543.31	71,543.31
	8	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable
II	Audit Qualification: a. Details of Audit Qualification: 1. As per point no. 03 of the Audit Report, the Management has not provided us with the detailed working of construction work in Progress (WIP) and cost to completion. In absence of these details, the consequential impact, if any, on the statement is not ascertainable. 2. As per point no. 04 of the Audit Report, Income from Operations includes revenue from sale of construction materials and it is a separate reportable segment under AS-17 – Segment reporting. However, management has not presented segment reporting as per the AS-17 as it does not recognise it as a separate segment. b. Type of Audit Qualification: Qualified Opinion c. Frequency of qualification: Appeared first time d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The audit qualification is not quantifiable. e. For Audit Qualification(s) where the impact is not quantified by the Auditor: (i) Management's estimation on the impact of audit qualification: Nil (ii) If Management is unable to estimate the impact, reasons for the same: Management's Note on audit qualification no. 1: The Company is executing mega projects In Water segment including micro tunnelling for sewerage project and urban infra projects (underground metro). These projects are being monitored on a regular basis by appointment of Lenders Independent Engineer (LIE) / Project Management Team. The WIP is determined on the basis of completion of work which is regularly determined by LIE / Project Management Team. These reports present fair view on WIP at sites. The cost incurred towards WIP is already considered in the expenses, thus WIP reporting will not have impact on profitability of the organisation. Management's Note on audit qualification no. 2: In the opinion of the Management, sale of construction material is part of main segment i.e. EPC and doesn't constitute a separate segment, hence segment reporting is not presented. Thus, this will not have any impact on profitability of the organisation. (iii) Auditors' Comments on (i) or (ii) above: In absence of requisite details, we can not comment on Management reply			

Note: The Auditors' Report referred hereinabove is the Audit Report as submitted to the Stock Exchanges.

Ajit B. Kulkarni
Managing Director

K. H. Sethuraman
Chief Financial Officer

Shrikant T. Gadre
Chairman of Audit
Committee

For Jayesh Sanghrajka & Co LLP
Chartered Accountants
ICAI Firm Registration
No.104184W/W100075

Ashish Sheth
Designated Partner



Annexure C to Directors' Report

Form No. MR-3

Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2016

To,
The Members,
Pratibha Industries Limited
Shrikant Chambers, Phase II, 5th Floor,
Sion Trombay Road, Next to R.K. Studio,
Chembur, Mumbai - 400071

Dear Sirs,

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not 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 and the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements / Listing (Obligation and Disclosure Requirement) Regulations, 2015, entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

1. *The Company has generally not adhered with procedures laid down in Secretarial Standard - 1 issued by Institute of Company Secretaries of India.*
2. *In some instances Company has not filed e-form MGT-14 with Registrar of Companies.*
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, there are delays in repayment of Matured Deposits accepted by the Company prior to commencement of Companies Act, 2013("Act") and Interest due thereon

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non - Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Dinesh Kumar Deora
Practising Company Secretary

FCS NO. 5683
C P NO. 4119

Place: Mumbai
Date: 27th May, 2016

Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.

Annexure - I to Secretarial Audit Report

To
The Members,
Pratibha Industries Limited
Shrikant Chambers, Phase II, 5th Floor,
Sion Trombay Road, Next to R.K. Studio,
Chembur, Mumbai - 400071

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

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation 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 and regulations, standards is the responsibility of the management. My 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.
7. The Company has declared vide its letter dated May 25, 2016 that there were no matured deposits and interest due and payable thereon as on March 31, 2015 which were matured and claimed but not paid.

Dinesh Kumar Deora
Practising Company Secretary
FCS NO. 5683
C P NO. 4119

Place: Mumbai
Date: 27th May, 2016

Annexure D to the Directors' Report

(A) Conservation of energy-

- I. **The steps taken or impact on conservation of energy:** The Company has a policy in place to ensure optimum use of energies. Due to strict policy for use of lights and other utilities, only on need basis, the Company has saved significant amount out of these expenses.
- II. **The steps taken by the Company for utilising alternate sources of energy:** The Company has extensively used LEDs for reducing the consumption of energy on lightings.
- III. **The capital investment on energy conservation equipment:** The Company as a matter of practice procures equipment, instruments, machines etc (which consumes energy) which are energy efficient. During the year under review, no significant amount has been invested on any particular equipment for conservation of energy since there was no scope for such investment.

(B) Technology absorption-

- I. **The efforts made towards technology absorption:** Not Applicable since the company is engaged in construction activities.
- II. **The benefits derived like product improvement, cost reduction, product development or import substitution:** The Company is an Engineering, Procurement and Construction (EPC) company. Usage of better technological equipment has resulted in improved efficiency and savings of cost.
- III. **In case of imported technology -** Not Applicable
- IV. **The expenditure incurred on Research and Development:** Nil

(C) Foreign exchange earnings and Outgo-

The particulars relating to earnings and expenditure in foreign currency are furnished in Notes No. 38 and 39 to standalone financial statements.

Annexure E to Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES

No.	Particulars	Details
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	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%20Policy.pdf
2.	The Composition of the CSR Committee	1. Mr. Awinash M. Arondekar, Chairman (Independent Director) 2. Mrs. Usha B. Kulkarni, Member (Promoter Director) 3. Mr. Ajit B. Kulkarni, Member (Promoter Director)
3.	Average net profit of the Company for last three financial years	₹8,409.31 lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹168.19 lacs
5.	Details of CSR spent during the financial year	a. Total amount to be spent for the financial year: ₹168.19 lacs b. Amount unspent: ₹121.19 lacs c. Manner in which the amount spent during the year: The Company has donated ₹47 lacs to the eligible trust engaged in public health services like hospitals, dispensaries etc.
6.	Reason for not spending full amount	Due to liquidity issue resulting from mismatch of cash flows
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.

Ajit B. Kulkarni
Managing Director
DIN: 00220578

Awinash M. Arondekar
Chairman - CSR Committee
DIN: 00025527

Place: Mumbai

Date: 27th May, 2016

Annexure F to Directors' Report

Corporate Governance Report

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 provisions pertaining to Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

BOARD OF DIRECTORS

Composition of the Board

The Board, at present consists of nine Directors. Out of these, 5 Directors are Non-Executive and Independent Director. 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, 2016 was as follows:

Sr. No.	Name of the Director	Designation	Category
1	Mrs. Usha B. Kulkarni	Chairperson	Promoter & Executive
2	Mr. Ajit B. Kulkarni	Managing Director	Promoter & Executive
3	Mr. Ravi A. Kulkarni	Dy. Managing Director	Promoter & Executive
4	Mr. Sharad Deshpande	Whole Time Director	Executive & Professional
5	Mr. Awinash M. Arondekar	Director	Independent & Non-Executive
6	Mr. Shrikant T. Gadre	Director	Independent & Non-Executive
7	Mr. Vilas B. Parulekar	Director	Independent & Non-Executive
8	Mr. S. L. Dhingra	Director	Independent & Non-Executive
9	Mr. V. Sivakumaran	Director	Independent & Non-Executive

Note: Mrs. Usha B. Kulkarni, Mr. Ajit B. Kulkrani and Mr. Ravi. A. Kulkarni are inter se related to each other.

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 alongwith 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 members. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are taken up for discussion with the unanimous approval of Directors.

Four Board meetings were held during the year under review, i.e. on 29th May, 2015, 13th August, 2015, 7th November, 2015 and 12th February, 2016. The gap between the two meetings did not exceed 120 days. The attendance of Directors in these Board meetings, attendance at last Annual General Meeting (AGM), directorships in public companies and committee memberships/chairmanships are as follows:

Sr. No.	Name of the Director	Attendance		No. of Directorships and Committee Memberships/ Chairmanships		
		Board Meeting	AGM	Directorships*	Committee Memberships**	Committee Chairmanships**
1	Mrs. Usha B. Kulkarni	3	No	2	-	-
2	Mr. Ajit B. Kulkarni	2	Yes	4	3	-
3	Mr. Ravi A. Kulkarni	2	Yes	4	-	-
4	Mr. Sharad P. Deshpande	4	Yes	2	-	-
5	Mr. Awinash M. Arondekar	4	Yes	4	4	3
6	Mr. Shrikant T. Gadre	4	Yes	3	4	3
7	Mr. V. B. Parulekar	4	No	1	-	-
8	Dr. S. L. Dhingra	2	No	1	-	-
9	Mr. V. Sivakumaran	3	Yes	1	-	-

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

** Chairmanships/Memberships of Audit Committees and Stakeholders Relationship Committees of all 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 conducts familiarization programmes for Directors to give insights in the working and business operations of the Company. Details of familiarization programmes held by Non-Executive Directors are hosted on the website of the Company i.e. http://www.pratibhagroup.com/pratibha_new/pages/PDFs/familiarization-for-programme-for-ids.pdf.

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 in conformation with the provisions of Regulation 18 of SEBI LODR Regulations read with Section 177 of the Companies Act, 2013. The Audit Committee consists of two Independent Directors and one Executive Director. The composition of the Audit Committee is as under:

Sr. No	Name of the Member	Designation	Category
1	Mr. Shrikant T. Gadre	Chairman	Independent Director
2	Mr. Awinash. M. Arondekar	Member	Independent Director
3	Mr. Ajit B. Kulkarni	Member	Promoter & Executive Director

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: 29th May, 2015, 13th August, 2015, 7th November, 2015 and 12th February, 2016.

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

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. Terms of reference of Audit Committee inter alia included the following:

- 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 Members	Designation	Nature of Directorship
1	Mr. Shrikant T. Gadre	Chairman	Independent Director
2	Mr. Awinash M. Arondekar	Member	Independent Director
3	Mr. Vilas B. Parulekar	Member	Independent Director

During the year under review, one meeting of the Nomination & Remuneration Committee was held on 29th May, 2015 and was 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 which inter alia include the following:

- 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 objective to ensure 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 the 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 31st March, 2016, 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.

Mr. Ajit B. Kulkarni has been appointed as Managing Director vide Resolution passed by the shareholders through Postal Ballot concluded on 14th September, 2014. He is eligible for performance incentives, perquisites and other benefits as specified in the postal ballot notice dated 14th August, 2014. The copy of the said postal ballot notice is available on the website of the Company.

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.

Non-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 Director
2	Mr. Shrikant T. Gadre	Member	Independent Director
3	Mr. Ajit B. Kulkarni	Member	Promoter and Executive Director

As on 31st March, 2016, no request for transfer of shares and for dematerialization/ rematerialisation of shares was pending for approval. There were no major complaints from the investors.

Complaints received and redressed during the financial year 2015-16:

pending at beginning of year	Received during the Year	Resolved during the year	pending at end of year
0	8	8	0

Sr. No.	Nature of Complaint	Number of Complaints
1	Non Receipt of Dividend	6
2	Non Receipt of Annual Report	2
3	Other matters	0
	Total	8

The above does not include the complaints received from fixed deposit holders. The complaints received from fixed deposit holders are addressed through M/s Karvy Computershare Private Limited, Registrar for the purpose of fixed deposits.

Mr. Mayur C. Barvadiya, Company Secretary and Compliance Officer, is nominated to supervise the Investor Grievance Redressal. He is 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 Director
2	Mrs. Usha B. Kulkarni	Member	Promoter and Executive Director
3	Mr. Ajit B. Kulkarni	Member	Promoter and Executive Director

During the financial year ended 31st March, 2016, the Committee met once on 29th May, 2015, where all members were present.

The role of the CSR Committee is as follows:

- Formulating and recommending to the Board the CSR policy and activities to be undertaken by the Company;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Reviewing the performance of the Company in area of CSR;
- 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, 2016, the Committee comprised of Mrs. Usha B. Kulkarni as the Chairperson and Mr. Ajit B. Kulkarni and Mr. Sharad P. Deshpande as other 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. 33 forming part of the Annual Report.

Compliance with Regulations

There are no 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 has complied with all the requirements of the Listing Agreement with Stock Exchange as well as Regulations and Guidelines prescribed by SEBI.

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 Section IX of the Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other matters related to internal controls in the prescribed format for the year ended 31st March, 2016. 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, 2015.	7	1,750
2	Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	0	0
3	Number of shareholders to whom shares were transferred from the suspense account during the year.	0	0
4	Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016.	7	1,750

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

The Company has credited ₹48,866/- in FY 2015-16 to the Investor Education and Protection Fund (IEPF) in respect of dividends declared in the year 2007-08 which remained unclaimed / unpaid over a period of seven years, pursuant to the provisions of Section 205C of the Company Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. ₹1,65,276/- being the amount remained unclaimed / unpaid in respect of dividend declared in respect financial year 2008-09 is being transferred to IEPF.

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	2009-10	30.06.2010	₹3.00 (i.e. 30%)*	06.08.2017
2	2010-11 - Interim	07.02.2011	₹0.20 (i.e. 10%)**	16.03.2018
3	2010-11 - Final	21.07.2011	₹0.40 (i.e. 20%)**	27.08.2018
4	2011-12	12.07.2012	₹0.60 (i.e. 30%)**	18.08.2019
5	2012-13	30.09.2013	₹0.60 (i.e. 30%)**	31.10.2020
6	2013-14	30.09.2014	₹0.20 (i.e. 10%)**	31.10.2021
7	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 Senior Management

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 Senior Management and the compliance of the same is affirmed by them annually.

A declaration signed by Managing Director regarding compliance by Directors and Senior Management with Code of Conduct is attached herewith as **Annexure II**

Compliance Certificate

Certificate from Mr. Mohd. Akram, Practising 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
2014-15	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –40007 30th September, 2015	30 th September, 2015	3:00 P. M	0
2013-14	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –40007 30th September, 2015	30 th September, 2014	3:00 P. M.	6
2012-13	The Bombay Presidency Golf Club Limited, Dr. C. G. Road, Chembur, Mumbai –40007 30th September, 2015	30 th September, 2013	3:00 P. M.	1

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).
- All the disclosures made to Stock Exchanges and news releases are also disclosed on the website of the Company i.e. www.pratibhagroup.com
- During the year under review, no presentations were made to any institutional investors or analysts.

GENERAL SHAREHOLDER INFORMATION

1. 21st Annual General Meeting:

- Date** : Thursday, 29th day of September, 2016
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 26th August, 2016.

2. Financial Calendar (tentative)

- Financial Year** : 01st April 2016 to 31st March 2017
First Quarter Results : 2nd Week of August, 2016
Second Quarter Results : 2nd Week of November, 2016
Third Quarter Results : 2nd week of February, 2017
Last Quarter and Annual Audited Results: 4th week of May, 2017

3. Dividend payment Date

No Dividend has been recommended by the Board for the financial year 2015-16.

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 2016-17, as applicable, have been paid by the Company to BSE and NSE.

6. ISIN of Equity Shares – INE308H01022

7. **Book Closure period:** Thursday, 22nd September, 2016 to Thursday, 29th September, 2016 (both days inclusive).

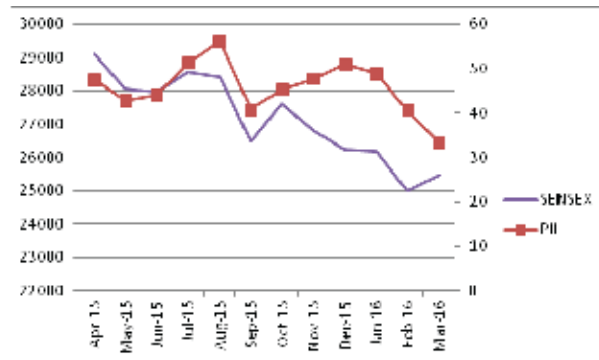
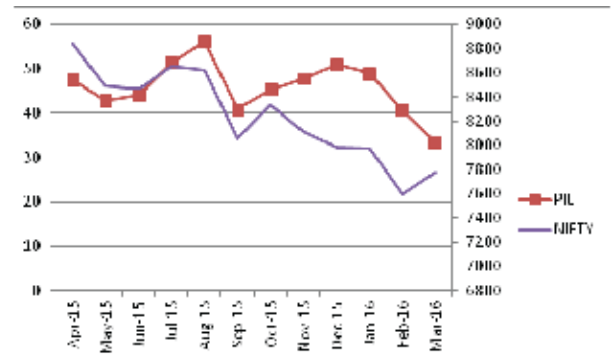
Note: Book Closure dates are updated after approval of Board at its meeting held on 26th August, 2016.

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, 2016 are as under:

Month	Bombay Stock exchange		National Stock exchange	
	Share price		Share price	
	high (₹)	low (₹)	high (₹)	low (₹)
April-15	47.70	38.50	47.75	38.30
May-15	42.80	35.60	42.80	35.45
June-15	44.20	35.10	44.25	35.00
July-15	51.30	38.65	51.25	38.40
August-15	56.25	36.00	56.40	36.00
September-15	40.95	32.95	40.90	36.90
October-15	45.30	36.75	45.30	36.75
November-15	47.75	37.00	47.80	37.10
December-15	50.95	39.00	51.00	39.35
January-16	48.95	35.70	48.90	35.80
February-16	40.60	28.40	41.85	28.40
March-16	33.45	28.55	33.15	29.15

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, 2016

Distribution of Shares	no. of Shareholders	% of Shareholders	no. of Shares	% of Shares
Upto 500	22,937	78.37	41,07,332	4.07
501 to 1000	3,047	10.41	25,89,681	2.56
1001 to 2000	1,455	4.97	22,71,404	2.25
2001 to 3000	558	1.91	14,54,691	1.44
3001 to 4000	258	0.88	9,37,771	0.93
4001 to 5000	265	0.91	12,83,351	1.27
5001 to 10000	399	1.36	29,62,923	2.93
10001 above	349	1.19	8,54,48,239	84.55
Grand total	25,268	100.00	101,055,392	100.00

13. Shareholding pattern as on 31st March, 2016

Shareholders	no. of Shares held	% to total shares held
Promoters and Persons acting in Concert	4,74,47,512	46.95
Other Corporate Bodies	85,09,328	8.42
Mutual Fund/ FI / Banks	64,26,791	6.36
FIs	99,31,377	9.83
NRI / Foreign Nationals	10,53,561	1.04
Foreign Company	54,34,783	5.38
Public	2,03,78,236	20.17
Hindu Undivided Family	8,01,932	0.79
Trusts	3,770	0.00
Clearing Members	10,68,102	1.06
Total	10,10,55,392	100.00

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, 2016. Only 30 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

Mr. Mayank Padiya

Asst. Manager (Corporate Secretarial & Legal)
14th Floor, Universal Majestic,
P. L. Lokhande Marg,
Off Ghatkopar Mankhurd Link Road,
Govandi (W), Mumbai – 400 043, Maharashtra;
Tel: 91- 22- 3955 9999 Fax 91- 22- 3955 9900
E-mail: investor.relations@pratibhagroup.com (for securities),
fd@pratibhagroup.com (for fixed deposit)



Annexure I to Corporate Governance Report

CEO / 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, 2016 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, 2015 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

Place: Mumbai
Date: 27th May, 2016

Ajit B. Kulkarni K. H. Sethuraman
Managing 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, 2016.

Place: Mumbai
Date: 27th May, 2016

Ajit B. Kulkarni
Managing Director
DIN: 00220578



Annexure III to the Corporate Governance Report

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Pratibha Industries Limited

We have examined the compliance of conditions of corporate governance by Pratibha Industries Limited, for the year ended on 31st March, 2016, as stipulated under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated said SEBI Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further 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.

Place: Mumbai
Date: 27th May, 2016

Mohd Akram
Company Secretary
C. P. No.: 9411

Independent Auditors' 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, 2016, 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.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, except with regard to the matters set out below in Basis of Qualified Opinion, where we have not been able to perform audit in conformity with relevant auditing standards in the absence of sufficient appropriate evidence. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained, except with regard to the matters set out below in Basis of Qualified Opinion, is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

1. *The management has not provided us with the detailed working of Construction Work in Progress (WIP), Cost to Completion and consequent profitability/ and or losses on projects which are pending execution. In absence of these details, it is not possible for us to ascertain whether the WIP has been valued and stated correctly or not. The consequential impact, if any, on the standalone financial statements is therefore not ascertainable.*
2. *Construction and allied revenue includes revenue from sale of construction materials and it is reportable segment under AS 17 Segment Reporting. The company has not made segment reporting which is non-compliance of the AS. However, Management is of the opinion that the same is not a separate segment and is part of main segment i.e. Engineering Procurement & Construction.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects, which are not quantifiable, of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Refer Note No. 1.E which states that the management has taken estimated useful life of assets belonging to Construction Equipment category, which is different from the useful life indicated in Schedule II to the Companies Act, 2013, 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, manufacturers warranties and maintenance support.
- b) Refer Note No. 34 which states that the management based on internal verification could not identify any major part 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 component accounting.
- c) Refer Note No. 43 which states that the Company's aggregate exposure of Rs. 9,047.40 Lakhs consisting of investment in the equity share capital and interest free advances granted to its wholly owned subsidiary companies, whose net worth is fully eroded. While investments are carried at cost, advances are considered good and recoverable. Based on certain estimates and other factors including their business plan and growth prospects, management considers the decline in the value of investments as temporary in nature and believes that the Loans & Advances are good and recoverable.
- d) Reference is invited to Note No. 45 to the Standalone financial statements, which states that certain balances of Trade Receivables, Trade Payables and Loan & Advances are subject to confirmation and consequent adjustments, if required.

Our opinion is not modified in respect of these matters.

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. we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books.
- 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. the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e. except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- f. the matters described under the Basis for Qualified Opinion paragraph, Emphasis of Matter paragraph read further with para i a, 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 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- h. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified 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 :
- i. As detailed in Note No. 31 to the Standalone Financial Statements, the Company has disclosed the impact of pending litigations on its standalone financial position.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For **Jayesh Sanghrajka & Co LLP**,
Chartered Accountants
ICAI Firm Regn. No.: 104184W/W100075

Ashish Sheth
Designated Partner
Membership No.: 107162

Place: Mumbai
Date: 27th May, 2016

Annexure "A" to the Independent Auditors' 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, 2016. 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, in case of certain assets, situation is not mentioned 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 1 under Basis for Qualified 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 not 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 and 186 of the Companies Act, 2013 have been complied with.
- 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 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, order has been passed by Company Law Board under section 74 (2) of the Companies Act 2013. *As per the requirement of the order and section 74 (3) of the Act, the company has failed to repay deposits amounting to Rs. 1,538.65 Lakhs and interest thereon amounting to Rs. 157.15 Lakhs within the stipulated time.* 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, Cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases.*

According to the information and explanations given to us, undisputed amounts payable in respect thereof, which were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable are as follows:

Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date
Service Tax	550.23	Upto March 15	Till 31/03/2015
Service Tax	333.13	April-June 2015	Till 06/07/2016
Value Added Tax	2.74	Mar-15	31/03/2015
Tax Deducted At Source	663.87	Apr15-Aug15	Till 07/09/2015
Provident Fund	65.48	Upto March 15	Till 31/03/2015
Provident Fund	152.60	Apr15-Aug15	Till 15/09/2015
Professional Tax	4.93	Upto March 15	Till 31/03/2015
Professional Tax	16.29	Apr15-Aug15	Till 15/09/2015
Maharashtra Labour Welfare Fund	0.44	Jun-15	30/06/2015
Property Tax	4.48	2012-13	31/12/2012
Property Tax	24.63	2013-14	31/12/2013
Property Tax	24.63	2014-15	31/12/2014

- 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 Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Value Added Tax	1,077.91	2005-06 to 2009-10	Joint Commissioner (Appeal), Mumbai
Value Added Tax	195.27	2011-12	Asst Commercial Tax Officer, Goa
Value Added Tax	691.62	April 2012-March 2015	Asst Commissioner, Deptt of Trade & Taxes Delhi
Income Tax	1,699.46	1999-00 to 2007-08	ITAT, Mumbai
Income Tax	6,761.48	2008-09 to 2012-13	DCIT central circle 3(1), Mumbai
Income Tax	6,813.34	2007-08 to 2010-11	CIT (A) – 51, Mumbai
Service Tax	36.87	2007-10	CESTAT, Kolkata
Service Tax	99.66	2009-10	CESTAT, Dadar
Excise Duty	24.27	2005-07	CESTAT, Kolkata
Custom Duty	37.00	2014-15	Central Investigation Unit, 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 Instalment	Total Amount of Defaults in Lakhs	Range of Delay
Axis Bank	14	99.93	2 to 63
Bank of Baroda	19	541.16	11 to 89
Export Import Bank Of India	2	2,900.00	55 to 62
State Bank of Bikaner & Jaipur	1	1,500.00	23
Yes Bank	1	0.71	2
BMW Financial Services	10	11.10	1 to 23
HDB Financial Services	23	189.51	13 to 56
Magma Fincorp Ltd.	19	570.09	21 to 59
Reliance Capital Finance	6	129.20	13 to 47
SREI Equipment Finance	11	123.79	20 to 52
Tata Capital Financial Services Limited	6	916.85	25 to 56
Shriram Equipment Finance Co. Ltd.	32	296.75	25 to 57

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	Amount of Defaults in Lakhs	Period of defaults (in Days)
Tata Capital Financial Services Limited	83.35	26
Shriram Equipment Finance Co. Ltd.	9.95	11
Shriram Equipment Finance Co. Ltd.	6.60	11

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, the managerial remuneration has been paid in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- xii. According to the information and explanation given to us, the company is not the 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;
- xi. 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 Jayesh Sanghrajka & Co LLP.
Chartered Accountants
ICAI Firm Regn. No.: 104184W/W100075

Place: Mumbai
Date: 27th May, 2016

Ashish Sheth
Designated Partner
Membership No.: 107162

Annexure "B" to the Independent Auditors' 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 2016]

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, 2016 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 qualified audit 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 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. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016:

- a) *The Company did not have an appropriate internal control system for authorisation of online payment from Banks. There is no multilayer authorisation process for online payments. This could potentially result in the inappropriate / unauthorized access to online banking system resulting in fraudulent transactions.*
- b) *The Company did not have an appropriate internal control system for printing of cheque. The system allows to make changes in the name of payee manually. This could potentially result in unauthorized payment resulting in fraudulent transactions.*
- c) *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.*
- d) *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.*
- e) *The Company did not have an appropriate internal control system for reviewing computation and booking of Work in Progress (WIP) in accounts. This could potentially result in inaccurate WIP disclosed in the books of accounts.*

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.

6. Qualified Opinion

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, 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, 2016 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 Jayesh Sanghrajka & Co LLP.

Chartered Accountants
ICAI Firm Regn. No.: 104184W/W100075

Ashish Sheth

Designated Partner
Membership No.: 107162

Place: Mumbai
Date: 27th May, 2016



Balance Sheet as at 31st March, 2016

Particulars	Notes	(₹ in Lakhs)	
		31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	2,021.11	2,021.11
(b) Reserves and Surplus	3	77,192.56	71,914.10
		<u>79,213.66</u>	<u>73,935.21</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	42,996.54	57,329.70
(b) Deferred tax liabilities	5	6,402.41	5,279.04
(c) Other Long term liabilities	6	60.00	-
		<u>49,458.94</u>	<u>62,608.74</u>
(3) Current Liabilities			
(a) Short-term borrowings	7	111,750.41	67,568.89
(b) Trade payables	8	89,774.71	62,615.92
(c) Other current liabilities	9	154,539.79	120,804.03
(d) Short-term provisions	10	3,240.06	2,400.21
		<u>359,304.96</u>	<u>253,389.05</u>
Total Liabilities		<u><u>487,977.57</u></u>	<u><u>389,933.00</u></u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		84,211.26	88,302.95
(ii) Intangible assets		210.27	443.57
		<u>84,421.53</u>	<u>88,746.52</u>
(b) Non-current investments	12	3,465.04	812.06
(c) Long term loans and advances	13	13,235.72	10,070.06
(d) Other Non Current Assets	14	5,520.78	3,738.05
		<u>106,643.06</u>	<u>103,366.69</u>
(2) Current assets			
(a) Current investments	-	-	-
(b) Inventories	15	172,924.70	96,150.36
(c) Trade receivables	16	84,944.17	84,525.60
(d) Cash and cash equivalents	17	22,004.28	19,297.55
(e) Short-term loans and advances	18	95,277.69	80,435.56
(f) Other current assets	19	6,183.66	6,157.23
		<u>381,334.51</u>	<u>286,566.31</u>
Total Assets		<u><u>487,977.57</u></u>	<u><u>389,933.00</u></u>

Significant Accounting Policies 1
The accompanying Notes are an integral part of Financial Statements

As per our Report of even date
For **Jayesh Sanghrajka & Co. LLP**
Chartered Accountants
ICAI Firm Regn No.: 104184W/W100075

For and on behalf of the Board

Ajit B. Kulkarni
Managing Director
DIN: 00220578

S. P. Deshpande
Whole time Director
DIN: 06507698

Ashish Sheth
Designated Partner
Membership No.: 107162

Mayur Barvadiya
Company Secretary

K. H. Sethuraman
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2016

Statement of Profit and Loss for the Year ended 31st March, 2016

Particulars	Notes	(₹ in Lakhs)	
		31.03.2016	31.03.2015
Revenue from operations	20	296,991.79	240,496.58
Less: Excise Duty		-	(1.66)
		<u>296,991.79</u>	<u>240,494.92</u>
Other Income	21	1,882.94	2,112.38
Total		<u>298,874.72</u>	<u>242,607.30</u>
Expenses:			
Cost of Material consumed	22	267,099.04	171,242.42
Purchases of Traded Goods		-	7,116.40
Construction & Operating Expenses	23	31,995.89	32,372.69
Change In Inventories	24	(76,930.71)	(33,328.29)
Employee Benefit expenses	25	6,787.39	8,366.89
Financial costs	26	26,329.38	18,814.57
Depreciation and Amortization expense	27	5,375.83	5,599.06
Other expenses	28	28,607.92	21,532.67
Prior period expenses	29	212.57	-
Total		<u>289,477.30</u>	<u>231,716.41</u>
Profit Before Tax and Exceptional Items		9,397.43	10,890.90
Exceptional Items		-	1,586.45
Profit Before Tax		<u>9,397.43</u>	<u>9,304.45</u>
Tax expense:			
(1) Current tax		2,995.60	2,021.86
(2) Deferred tax		1,123.37	960.16
Prior Period Items			
Short/(excess) Provision of Prior years Tax		-	81.52
Profit / (Loss) for the year		<u>5,278.46</u>	<u>6,240.91</u>
Earning per equity share:	30		
(1) Basic		5.22	6.18
(2) Diluted EPS		5.22	6.18

Significant Accounting Policies

1

The accompanying Notes are an integral part of Financial Statements

As per our Report of even date
For **Jayesh Sanghrajka & Co. LLP**
Chartered Accountants
ICAI Firm Regn No.: 104184W/W100075

For and on behalf of the Board

Ajit B. Kulkarni
Managing Director
DIN: 00220578

S. P. Deshpande
Whole time Director
DIN: 06507698

Ashish Sheth
Designated Partner
Membership No.: 107162

Mayur Barvadiya
Company Secretary

K. H. Sethuraman
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2016



Cash Flow Statement for the Year Ended 31st March 2016

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	9,397.43	10,890.90
Adjustment for:		
Depreciation & Amortization	5,375.83	5,599.06
(Profit)/Loss on Sale of Assets	200.00	(25.45)
Finance Charges	25,976.87	18,505.40
Sundry Balance write back	(632.94)	(35.62)
Unrealised Foreign Exchange Gain	(40.10)	(284.14)
Loss / (Profit) from JV	4,638.92	856.03
Dividend Received	(0.50)	(0.55)
Operating Profit before working Capital Changes	44,915.51	35,505.62
Adjustment for:		
Inventories	(76,774.33)	(28,226.88)
Trade Receivables	(532.87)	(19,782.69)
Other Assets	(17,888.51)	(4,730.71)
Trade Payables	27,750.21	13,186.96
Other Liabilities	14,548.67	3,302.26
	(7,981.32)	(745.45)
Less: Direct Taxes Paid	-	-
Net cash used in Operating Activities (a)	(7,981.32)	(745.45)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets (net)	(1,250.84)	(4,002.69)
Sale of/ (Additions to) Investments (net)	(15,924.56)	(5,563.00)
Dividend Received	0.50	0.55
Net cash used in investing activities (b)	(17,174.90)	(9,565.14)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(201.97)	(202.11)
Corporate Dividend Tax paid	-	(34.35)
Proceeds from Long Term Borrowings (Net)	(14,283.86)	4,453.28
Changes in Current Maturity of Long Term Borrowings	17,294.20	(5,098.34)
Proceeds from Short Term Borrowings (Net)	44,181.52	33,739.02
Finance Charges paid (Net)	(25,976.87)	(18,505.40)
Net cash from Financing Activities (c)	21,013.02	14,352.10
NET INCREASE IN CASH AND CASH EQUIVALENTS (a+ b + c)	(4,143.34)	4,041.51
Opening Cash and Cash Equivalents	5,477.09	1,435.58
Closing Cash and Cash Equivalents	1,333.75	5,477.09

Notes:

- The above statement has been prepared in indirect method as described in AS-3 issued by ICAI.
- Cash and Cash Equivalent

Cash and Cash Equivalent	(₹ in Lakhs)	
	31.03.2016	31.03.2015
Cash in hand	86.01	75.45
Balance with Banks	1,255.84	5,409.60
Less: Unpaid Dividend Balance	(8.10)	(7.97)
Total	1,333.75	5,477.09

The accompanying Notes are an integral part of Financial Statements

As per our Report of even date
For **Jayesh Sanghrajka & Co. LLP**
Chartered Accountants
ICAI Firm Regn No.: 104184W/W100075

For and on behalf of the Board

Ajit B. Kulkarni
Managing Director
DIN: 00220578

S. P. Deshpande
Whole time Director
DIN: 06507698

Ashish Sheth
Designated Partner
Membership No.: 107162

Mayur Barvadiya
Company Secretary

K. H. Sethuraman
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2016

Notes Forming Part of Standalone Financial Statement

Note 1: Significant accounting policies

Company Overview

Pratibha Industries Limited ('the Company') is one of a fastest growing Infrastructure Company in 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

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

B. 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.

C. 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.

D. Fixed Assets

Tangible Assets are stated at cost net of recoverable taxes, less accumulated depreciation. All costs including finance costs, exchange differences, arising in respect of foreign currency loans or other liabilities incurred, and expenses incidental to acquisition and installation attributable to fixed assets till the date of readiness of their use are capitalized. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization /

depletion. All costs, including finance costs, exchange differences and expenses incidental to acquisition and installation attributable to the intangible assets are capitalized.

E. Depreciation & Amortization

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, manufacturers warranties and maintenance support.

Computer software is amortized over a period of five years.

F. Foreign Currency Transactions:

Indian Operation

- Foreign exchange transactions are recorded at the prevailing rate on the date of the transaction.
- Monetary items are restated at the exchange rate prevailing on the date of balance sheet.
- Non-monetary items are stated at historical cost.
- Gains or losses arising out of remittance / conversion at the year-end are credited / debited to the profit and loss account for the year.
- Gains & losses in respect of foreign exchange contracts are recognized as income or expenses over the life of the contract.

Foreign Operation

- Income and expenses other than depreciation costs are translated at the rate prevailing on the date of transaction.
- Monetary assets and liabilities are restated at the rate prevailing on the date of balance sheet.
- Fixed Assets are translated at exchange rates on the date of transaction and depreciation on fixed asset is translated at the exchange rate used for translating underlying fixed asset.
- Gains or losses arising out of remittance / conversion at the year-end are credited / debited to the profit and loss account for the year.

G. Investments

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

H. Inventories

Cost of inventories comprise of all cost of purchase,

Notes Forming Part of Standalone Financial Statement

cost of conversion and other cost incurred in bringing them to their respective present location and condition. 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.

I. Revenue Recognition

- a) Construction Contract Sales:

The Company follows the percentage completion method, on the basis of 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 the 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.

- b) Claim for Extra Work and Escalation:

The Company's claim for extra work and escalation in rates relating to execution of contracts are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

- c) Revenues from construction/project related activity and contracts executed in Joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interest 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.

- d) Sales recognition:

1. Sales are accounted net of excise duty, Sales Tax, Discount, Returns and Rejections. Sales are recognized on dispatch of material from the warehouse of the company.
2. Scrap Sales are accounted net of excise duty, Sales Tax, Discount, Returns and Rejections. Scrap Sales are recognized on dispatch of material from the warehouse of the company.

- e) 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..

- f) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is accrued at applicable interest rate.

- g) Other incomes are accounted on accrual basis except Dividend, which recognized when right to receive is established.

J. Service Tax & Sales Tax on Works Contracts

Service Tax and Works Contract tax are accounted for provisionally as per the computation made and the final adjustment for the same would be done as and when the demand from concerned authorities is made on the company.

K. Employee Benefits

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. Actuarial gains and losses are recognized immediately in the profit and loss account. The Company has taken comprehensive policy from the Life Insurance Corporation of India for its Gratuity liability.

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.

L. Provision for Current & Deferred Taxes

Tax expenses comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961. Deferred income taxes reflects the impact of current year time differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the

Notes Forming Part of Standalone Financial Statement

balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off.

Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

M. 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.

N. 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 Short term Loans and Advances.
- 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 Short Term Loans and Advances, if the amount is recoverable within operating cycle and in other case, under the head Balance with statutory/ Government Authorities under Long Term Loans & Advances.

- c) All the charges related to Letter of Credit and Bill discounting are directly attributable to the purchases for specific projects and hence they are included under "Construction and Operating expenses" in Profit and Loss Account.

O. 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. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

P. Leases

Lease arrangements, where the risk and rewards incidental to the ownership of asset substantially vests with the lessor are recognized as operating lease. Lease payments under operating leases are recognized as an expense in the Profit and Loss Account. Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

Q. Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax 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.



Notes Forming Part of Standalone Financial Statement

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
2 - Share Capital		
AUTHORIZED CAPITAL		
20,00,26,000 (P.Y. 20,00,26,000) Equity Shares of ₹2/- Each	4,000.52	4,000.52
	<u>4,000.52</u>	<u>4,000.52</u>
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
10,10,55,392 (P.Y. 10,10,55,392) Equity shares of ₹2/- Each fully paid up	2,021.11	2,021.11
Total	2,021.11	2,021.11

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

Equity Shares

Particulars	31.03.2016		31.03.2015	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Number of Shares at the beginning	101,055,392	2,021.11	101,055,392	2,021.11
Changes during the period	-	-	-	-
Number of Shares at the end	101,055,392	2,021.11	101,055,392	2,021.11

2.2 Terms/Rights attached to equity shares

Equity shares are having a par value of ₹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.

2.3 Details of shareholders holding more than 5% shares in the Company

Particulars	31.03.2016		31.03.2015	
	No. of shares	%	No. of shares	%
Equity shares of ₹2 each fully paid				
Ajit B Kulkarni	16,316,554	16.15%	16,316,554	16.15%
Usha B Kulkarni	14,097,250	13.95%	14,044,750	13.90%
Sunanda Datta Kulkarni	10,000,000	9.90%	10,000,000	9.90%
Warhol Limited	9,775,324	9.67%	9,775,324	9.67%
Reliance Capital Trustee Co Ltd A/c Reliance regular Saving Fund- Equity Option	6,000,000	5.94%	6,000,000	5.94%
Van Dyck	5,434,783	5.38%	5,434,783	5.38%

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.

2.4 Company has neither issued any bonus shares nor any shares (apart from conversion of Compulsorily Convertible Participatory Preference Shares during FY 2013-14) pursuant to contract without payment being received in cash during preceding five years. It has also not bought back any shares during these years.

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
3 - Reserves and Surplus		
Securities Premium Reserve		
Balance as per last financial statement	23,930.38	23,930.38
(A)	<u>23,930.38</u>	<u>23,930.38</u>
General Reserve		
Balance as per last financial statement	4,392.00	4,392.00
(B)	<u>4,392.00</u>	<u>4,392.00</u>

Notes Forming Part of Standalone Financial Statement

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	43,591.72	37,845.67
Profit for the year	5,278.46	6,240.91
Less: Fixed Asset written off as per Schedule II of the Companies Act 2013	-	(251.36)
	48,870.18	43,835.21
Less: Appropriations		
- Proposed Dividend	-	(202.11)
- Corporate Dividend Tax	-	(41.38)
(C)	48,870.18	43,591.72
Total (A)+(B)+(C)	77,192.56	71,914.10
4 - Long-Term Borrowings		
Term Loan		
- Foreign Currency Loan from Banks	732.00	2,714.50
- Rupee Loan from Banks	42,264.54	50,695.31
- From Financial Institutions	-	2,820.35
Fixed Deposit from Public	-	1,099.55
Total	42,996.54	57,329.70
The above amount includes		
Secured Borrowings	42,996.54	56,230.16
Unsecured Borrowings	-	1,099.55
Secured by Personal Guarantee by Promoters/ Directors	42,996.54	56,230.16
4.1. 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.		
4.2. Rupee Loans from banks are repayable in 3 to 5 years at interest rates ranging from 12% p.a. to 13.75% 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.		
4.3. 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.		
4.4. 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.		
4.5. Period and amount of continuing default in repayment of loans as on 31.03.2016:-		
Name	Amount of default	Period of default (in days)
Tata Capital Financial Services Limited	83.35	26
Shriram Equipment Finance Co. Ltd.	9.95	11
Shriram Equipment Finance Co. Ltd.	6.60	11
5 - Deferred Tax Liabilities		
Deferred Tax Liability		
- On account of Depreciation difference	6,402.41	5,279.04
Deferred Tax Asset	-	-
Total	6,402.41	5,279.04
6 - Other Long Term Liabilities		
Security Deposits	60.00	-
Total	60.00	-
7 - Short-Term Borrowings		
Loan Repayable on Demand		
- Rupee Loan from Banks	111,736.16	65,144.74
Fixed Deposit from Public	14.25	2,424.15
Total	111,750.41	67,568.89



Notes Forming Part of Standalone Financial Statement

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
The above amount includes		
Secured Borrowings	111,736.16	65,144.74
Unsecured Borrowings	14.25	2,424.15
Secured by personal guarantee by promoters / directors	111,736.16	65,144.74

7.1. Rupee loan is taken from various banks at interest rates ranging from 11.50% to 13.75% 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 iv) Personal guarantees of Promoter-Directors of the company

7.2. Fixed Deposit from Public are repayable within an year from the date of deposit at an interest rate of 11.50% p.a. & 11.75% p.a. These deposits are unsecured in nature.

8 - Trade Payables

Micro Small & Medium Enterprises	-	-
Other Trade Payables	89,774.71	62,615.92
Total	89,774.71	62,615.92

*The above amount include creditors under Letter of Credit and Bill of Exchange amounting to ₹1,21,967.41 Lakhs (P.Y. ₹44,133.34 Lakhs)

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

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	-	-

9 - Other Current Liabilities

Current maturities of long-term borrowings	79,942.28	62,648.08
Withholding & other taxes payable	5,559.57	5,305.97
Unclaimed Dividend	8.10	7.97
Security Deposits	6,335.20	5,542.00
Mobilisation & other contract Advances	36,605.21	23,734.24
Interest accrued but not due.	108.10	179.93
Interest due but not paid	276.34	-
Creditors for Capital expenses	8,789.47	9,355.87
Advances From Related Parties.#	14,603.23	12,444.56
Other Payables*	2,312.28	1,585.41
Total	154,539.79	120,804.03

Refer note number 33

* Primarily Includes various expenses payable

10 - Short-Term Provisions

Provision for Gratuity	197.09	128.87
Provision for Income Tax	2,995.60	2,021.86
Proposed Dividend	-	202.11
Corporate Dividend Tax Payable	41.38	41.38
Provision for Wealth Tax	5.99	5.99
Total	3,240.06	2,400.21

Notes Forming Part of Standalone Financial Statement

Sr. No		11 Fixed Assets		Gross Block				Depreciation			Net Block	
		Particulars	01.04.2015	Additions	Deduction/ Adjustments	31.03.2016	01.04.2015	Additions	Deduction	Transferred to retained earnings	31.03.2016	As on 31.03.2016
I	Tangible Assets											
1	Land	630.37	-	-	630.37	-	-	-	-	-	630.37	630.37
2	Building	5,923.09	-	-	5,923.09	1,111.90	190.37	-	-	1,302.28	4,620.81	4,811.18
3	Plant and Equipment	78,198.72	1,081.10	493.68	78,786.13	8,385.96	4,053.23	194.86	-	12,244.33	66,541.81	69,812.76
4	Furniture & Fixtures	1,896.89	-	-	1,896.89	608.18	206.02	-	-	814.20	1,082.69	1,288.71
5	Vehicles	2,182.47	256.38	18.39	2,420.47	1,159.16	255.86	17.47	-	1,397.55	1,022.91	1,023.31
6	Office Equipment	393.08	-	-	393.08	252.24	65.20	-	-	317.44	75.64	140.84
7	Computer	804.27	12.57	-	816.84	641.46	91.57	-	-	733.03	83.81	162.81
8	Electrical Installation	732.15	-	-	732.15	299.90	80.77	-	-	380.67	351.49	432.25
9	Office Premises	10,712.58	-	-	10,712.58	711.86	198.98	-	-	910.84	9,801.74	10,000.72
(A)		101,473.62	1,350.05	512.07	102,311.60	13,170.67	5,142.00	212.34	-	18,100.34	84,211.26	88,302.95
	Previous Year	102,929.66	14,675.24	16,131.27	101,473.62	11,459.47	5,321.16	3,861.32	251.36	13,170.67	88,302.95	91,470.18
II	Intangible Assets											
1	Computer Software	1,354.71	0.53	-	1,355.24	911.15	233.83	-	-	1,144.98	210.27	443.57
(B)		1,354.71	0.53	-	1,355.24	911.15	233.83	-	-	1,144.98	210.27	443.57
	Previous Year	1,318.31	36.40	-	1,354.71	633.24	277.90	-	-	911.15	443.57	685.07
	Total [A + B]	102,828.34	1,350.58	512.07	103,666.84	14,081.82	5,375.83	212.34	-	19,245.31	84,421.53	88,746.52
	Previous Year	104,247.97	14,711.64	16,131.27	102,828.34	12,092.72	5,599.06	3,861.32	251.36	14,081.82	88,746.52	92,155.25

11.1 The borrowing cost capitalized during the year ended 31st March 2016 was ₹ Nil [Previous Year ₹ 772.41 Lakhs].

11.2 During the year under consideration, none of the asset has been revalued or impaired.



Notes Forming Part of Standalone Financial Statement

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
12 - Non-current Investments		
Non Trade Investments		
Unquoted		
In equity shares - Fully paid up		
2,660 (2660) Abhyudaya Co Op. Bank Ltd	0.27	0.27
100,100 (100,100) Janakalyan Sahakari Bank Ltd	10.01	10.01
5 (5) the Greater Bombay Co-op. Bank Ltd.	-	-
100 (100) Baramati Tollways Pvt. Ltd.	0.01	0.01
In equity shares of Subsidiaries - Fully paid up		
4,00,000 (4,00,000) Muktangam 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	3,000.65	347.68
Quoted		
Investment in Gold Coins	0.44	0.44
Total	3,465.04	812.06
Aggregate value of		
Quoted Investments	0.44	0.44
Market Value - Quoted Investments	2.86	2.77
Unquoted Investments	3,464.60	811.63
13 - Long Term Loans and Advances		
Capital Advances	4,260.87	979.64
Security Deposits	734.90	747.08
Balance with Statutory/ Government Authorities	8,239.94	8,343.34
Total	13,235.72	10,070.06
14 - Other Non Current Assets		
Term Deposits with maturity more than 12 months	5,520.78	3,738.05
Total	5,520.78	3,738.05
14.1 - For details on margin money refer note 17.1		
15 - Inventories		
Raw Material	6,342.87	6,499.25
Construction Work-In-Progress	166,581.83	89,632.74
Finished Goods	-	18.37
Total	172,924.70	96,150.36
16 - Trade Receivables		
Outstanding for more than six months	46,064.09	10,103.71
Others	38,880.08	74,421.90
Total	84,944.17	84,525.60
<i>All above receivables are Unsecured and Considered Good</i>		

Notes Forming Part of Standalone Financial Statement

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
17 - Cash and Cash Equivalents		
<u>Cash & Cash Equivalent</u>		
Balances with banks:		
- In current accounts	1,255.84	5,409.60
Cash on hand	86.01	75.45
<u>Others</u>		
- In Term Deposits	20,662.44	13,812.49
Total	22,004.28	19,297.55
Balances with bank in unpaid dividend accounts	8.10	7.97
Balances with bank held as margin money deposit against guarantees / Letter of Credit	25,012.98	16,405.76
Balances with bank held as collateral securities	991.23	936.58
Balances with bank held as investment in liquid assets for Public deposits maturity.	179.00	178.21
17.1 Bank balances in Current accounts and Term Deposit (including with maturity more than 12 months # Note 14) as on March 31, 2016 and March 31, 2015 include restricted balances of ₹26,183.21 Lakhs and ₹17,528.51 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.		
17.2 The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice.		
18 - Short-term Loans and Advances		
Retention & Security Deposits.	24,829.64	15,929.71
Loans & Advances to related parties#	50,637.64	53,386.58
<u>Other Loans & Advances</u>		
- Loans & Advances to Employees	36.89	35.64
- Advances to suppliers	14,031.02	2,901.50
- Mobilisation Advance	1,074.90	1,446.91
- Other Advances	27.86	59.92
- Balance with statutory/ Government Authorities	4,639.73	6,675.30
Total	95,277.69	80,435.56
All above are Unsecured and Considered Good		
# Refer note number 33		
19 - Other Current Assets		
Interest Accrued But Not Due	245.78	466.87
Prepaid Expenses	3,608.63	1,971.93
Other assets	2,329.25	3,718.43
Total	6,183.66	6,157.23
20 - Revenue from Operations		
Construction and allied revenue	295,545.23	226,876.84
Other Operating Revenue		
- Sale of Scrap	324.93	471.05
- Others	1,121.63	13,148.69
Total	296,991.79	240,496.58

Notes Forming Part of Standalone Financial Statement

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
21 - Other Income		
Profit on sale of Fixed Assets	-	25.45
Dividend	0.50	0.55
Other Income	149.71	303.94
Interest income	1,732.72	1,782.44
Total	1,882.94	2,112.38
22 - Cost of Material consumed		
Raw Material Stock at the beginning of the period	6,499.25	11,600.66
Add :- Purchases during the year	266,942.65	166,141.02
	<u>273,441.90</u>	<u>177,741.67</u>
Less: Raw Material Stock at the end of the period	6,342.87	6,499.25
Total	267,099.04	171,242.42
23 - Construction & Operating Expenses		
Consumption of Stores & Spares	3,273.24	5,099.78
Sub-contract & Labour Charges	23,915.65	22,834.68
Repairs & Maintenance - Machinery	51.80	46.22
Equipment Hire Charges	2,350.51	2,461.66
Power & Fuel Charges	223.37	392.56
Freight Inwards	174.96	308.82
Custom & Excise Duty	545.65	123.69
Site Mobilisation Expenses	4.12	10.70
Other Expenses	1,456.58	1,094.58
Total	31,995.89	32,372.69
24 - Change in Inventories		
Inventory at the end of the period		
- Construction Work-In-Progress	166,581.83	89,632.74
- Finished goods	-	18.37
	<u>166,581.83</u>	<u>89,651.11</u>
Inventory at the beginning of the period		
- Construction Work-In-Progress.	89,632.74	56,304.45
- Finished goods.	18.37	18.37
	<u>89,651.11</u>	<u>56,322.82</u>
Total	(76,930.71)	(33,328.29)
25 - Employee Benefit Expenses		
Contribution to PF & other fund	295.56	163.75
Directors Remuneration	441.42	703.00
Salaries & Wages	5,830.76	7,168.48
Staff Welfare Expenses	151.43	224.69
Gratuity Expenses	68.21	106.97
Total	6,787.39	8,366.89

25.1 The following table set out the status of the Gratuity Plan as required under AS-15 for Indian Operations

Notes Forming Part of Standalone Financial Statement

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
Reconciliation of opening and closing balance of present value of the defined benefit obligation and plan assets:		
Obligation at the beginning	314.29	234.03
Interest Cost	25.11	21.74
Service Cost	51.49	46.15
Actuarial (Gain)/Loss	6.15	56.24
Benefit Paid	(17.05)	(43.87)
Obligation at the period end	380.00	314.29

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	185.43	212.13
Expected return on plan assets	14.82	18.46
Actuarial Gain / (Losses)	(0.27)	(1.29)
Contribution	-	-
Benefit paid	(17.05)	(43.87)
Fair Value of plan asset at the end of the year	182.92	185.43

Reconciliation of present value of obligation and fair value of plan asset:

Fair Value of plan asset at the end of the year	182.92	185.43
Present Value of defined obligation at the end of the period.	380.00	314.29
Liability recognized in the balance sheet	197.08	128.86

Actuarial Assumptions:

Discount Rate (p.a.)	7.80%	7.99%
Estimated rate of return on plan assets (p.a.)	7.80%	7.99%
Mortality Table	IALM 2006-08	IALM 2006-08
Rate of escalation in salary (p.a.)	6.00%	6.00%

Gratuity Cost for the period:

Service cost	51.49	46.15
Interest cost	10.30	3.29
Expected return on plan assets	-	-
Actuarial (gain)/loss	6.42	57.53
Expense recognized in Profit and Loss Account	68.21	106.97

26 - Financial Costs

Interest Expense	23,346.77	16,085.26
Other Borrowing cost	2,630.09	2,420.14
Foreign Exchange Fluctuation Loss / (gain)	352.51	309.17
Total	26,329.38	18,814.57

27 - Depreciation and Amortization Expense

Depreciation	5,142.00	5,321.16
Amortization	233.83	277.90
Total	5,375.83	5,599.06



Notes Forming Part of Standalone Financial Statement

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
28 - Other Expenses		
Advertising & Business Promotion Expenses	182.38	144.12
Auditors Remuneration	52.75	105.98
Commission & Brokerage Expenses	0.78	0.39
Computer & Software Expenses	71.94	169.77
Directors Sitting Fees & Commission	3.80	15.00
Donation	53.64	11.79
Electricity Charges	202.35	230.96
General Expenses	186.88	288.75
Insurance Charges	493.50	672.95
Legal Fees & Professional Charges	1,118.84	1,458.70
Loss on Sale of Fixed Asset	200.00	-
Postage & Courier Charges	16.01	25.12
Printing & Stationery	36.01	47.35
Rates & Taxes	17,524.28	14,799.18
Rent	481.96	557.10
Repairs & Maintenance - Office	407.63	443.10
Security Service Charges	396.32	457.84
Liquidated Damages	1,371.52	-
Travelling & Visa Expenses	502.62	407.84
Telephone & Internet Expenses	112.65	96.23
Vehicle Expenses	323.66	419.78
Share of Loss from JV	4,638.92	856.03
Foreign Exchange Fluctuation	229.47	324.69
Total	28,607.92	21,532.67
28.1 - Payment to Auditors		
As Auditors		
- Audit Fee	20.00	20.00
- Tax Audit Fee	7.50	7.50
In Other Capacity		
- Taxation matters	12.50	61.10
- Other Services	12.75	17.38
Total	52.75	105.98
29 - Prior period expenses		
Property Tax (Prior)	212.57	-
Total	212.57	-
30 - Earning Per Share		
Net Profit/(Loss) for calculation of basic EPS (A)	5,278.46	6,240.91
Less: Effect on Profit/Loss on dilution of equity shares	-	-
Net profit/(loss) for calculation of diluted EPS (B)	5,278.46	6,240.91
Weighted average number of equity shares in calculating Basic EPS (C)	1,010.55	1,010.55
Adjustment for dilution of equity shares	-	-
Weighted average number of equity shares in calculating diluted EPS (D)	1,010.55	1,010.55
Earnings Per Share		
(1) Basic (A/C)	5.22	6.18
(2) Diluted (B/D)	5.22	6.18

Notes Forming Part of Standalone Financial Statement

31 - Contingent Liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March 2016	As at 31 st March 2015
i. Unutilized Letters of Credit with Bankers	1,537.47	6,141.95
ii. Bank Guarantee	2,00,562.82	1,91,022.50
iii. Corporate Guarantee	80,376.17	82,134.00
iv. Estimated amounts of contract remaining to be executed on Capital Account and not provided for	15,340.68	8,553.36
v. Cases in the court, which in the opinion of the management, require no provision of liability than what is recorded in accounts.	1,61,431.52	1,61,247.96
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.	136.53	136.53
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.	1,964.80	885.55
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.*	15,274.28	9,560.73
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.	37.00	Nil

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

31.2 The company has received show cause notices from service tax department demanding aggregate penalty of ₹1897.14 Lakh. Management is of the opinion that no liability will arise against these matters.

31.3 The Company has received show cause notice from Central Investigation Unit & Director General of Foreign Trade demanding interest and penalty amounting to ₹571.90 Lakh. Reply against the same is given. Management is of the opinion that no liability will arise against these matters.

31.4 In case of interstate sales from Maharashtra in the FY 2012-13 and 2014-15, certain C forms are yet to be collected from customers. In absence of the forms, additional liability to the extent of ₹298.40 Lakhs under the CST Act can arise. However, Management is of the opinion that all pending C forms shall be collected and produced in assessment proceedings and no liability will arise.

32 - Disclosure pursuant to Accounting Standard – 7 “Construction Contracts”

In terms of the disclosure required to be made under the Accounting Standard 7 for “Construction Contracts” as notified in the Rule 7 of the Companies (Accounts) Rules, 2014, the amounts considered in the financial statements up to the balance sheet date are as follows:

Particulars	(₹ in Lakhs)	
	2015-16	2014-15
Contract Revenue recognized as revenue during the year	77,841.21	1,24,364.12
Aggregate amount of Contract Cost incurred and recognized profits, less losses.	7,48,651.78	7,33,593.94
Advances received, net recoveries from progressive bills	36,605.21	23,734.24
Gross amount due from customers for contract works	54,142.57	72,085.91
Retention Money	24,829.64	15,929.71

Notes Forming Part of Standalone Financial Statement

33 - Related Party Disclosure

As per the accounting standard 18 prescribed by Rule 7 of the Companies (Accounts) Rules, 2014, details of related parties & transactions with them are given below:

No.	Name of Related Party	Relationship
1	Prime Infrapark Pvt. Ltd	Subsidiary Companies
2	Muktangan Developers Pvt. Ltd.	
3	Pratibha Holding (Singapore) Pte. Ltd	
4	Pratibha Infra Lanka (Private) Ltd (Wholly owned subsidiary of Pratibha Holding (Singapore) Pte Limited)	
5	Bhopal Sanchi Highways Pvt. Ltd.	
6	Saudi Pratibha Industries Limited	Associates
7	Pratibha Shareholding Private Limited	Enterprises over which Key Managerial Personnel 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	Petron Pratibha JV	Joint Ventures
13	Pratibha JV	
14	Pratibha Ostu Stettin JV	
15	Pratibha Rohit JV	
16	Patel Pratibha JV	
17	Pratibha Unity JV	
18	MEIL Saisudhir Pratibha JV	
19	Pratibha China State JV	
20	Unity Pratibha Multimedia JV	
21	Niraj Pratibha JV	
22	Unity Pratibha Consortium	
23	ITD Pratibha Consortium	
24	Pratibha GIN KJI Consortium	
25	Pratibha SMS JV	
26	Pratibha Al Ambia JV	
27	Pratibha Aparna JV	
28	Pratibha Membrane Filters JV	
29	Pratibha Mosinzhstroi Consortium	
30	Pratibha CRFG JV	
31	Pratibha GECPL JV	
32	Pratibha Pipes & Structural Consortium	
33	Gammon Pratibha JV	
34	FEMC Pratibha JV	
35	KBL PIL Consortium	
36	Pratibha Jain Irrigation Navana JV	
37	Pratibha Yogiraj JV	
38	Pratibha Industries Limited Yogiraj JV	
39	Mrs. Usha B. Kulkarni	Key Managerial Personnel
40	Mr. Ajit B. Kulkarni	
41	Mr. Ravi A. Kulkarni	
42	Mr. Sharad P. Deshpande	
43	Mr. Yogen Lal	
44	Mr. Shyam Kulkarni	Relatives of Key Managerial Personnel
45	Mr. Anand Kulkarni	

Notes Forming Part of Standalone Financial Statement

Disclosure of related party transactions:

Particulars	Subsidiaries	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	(₹ in Lakhs)	
					Associate / Affiliates	
Sales & Services	NIL	7,028.58	NIL	NIL	NIL	NIL
	<i>NIL</i>	<i>5,297.23</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
Interest & Other Incomes	NIL	1,121.63	NIL	NIL	NIL	NIL
	<i>NIL</i>	<i>13,150.91</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
Purchase of Goods / Payment for other services	NIL	NIL	169.41	NIL	NIL	NIL
	<i>NIL</i>	<i>NIL</i>	<i>157.20</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
Remuneration	NIL	NIL	558.55	32.26	NIL	NIL
	<i>NIL</i>	<i>NIL</i>	<i>820.13</i>	<i>21.24</i>	<i>NIL</i>	<i>NIL</i>
Loan/Advance/ Security Deposit given/(received)	1,648.03	64,332.25	(71.80)	NIL	NIL	21.18
	<i>3,188.95</i>	<i>43,546.19</i>	<i>40.00</i>	<i>NIL</i>	<i>NIL</i>	<i>27.88</i>
Guarantee given/(received) *	NIL	22,678.42	NIL	NIL	NIL	NIL
	<i>NIL</i>	<i>14,114.58</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
Investment made	NIL	7,300.00	NIL	NIL	NIL	NIL
	<i>NIL</i>	<i>1,208.40</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>

Note: Previous year's figures are given in *italic*

Out of the above, transaction with related parties in excess of 10% of the total related party transactions are as under:

Particulars	(₹ in Lakhs)	
	2015-16	2014-15
Joint Ventures		
i) Sales & Service		
Pratibha China State JV	3,335.75	3,756.42
Pratibha AI Ambia JV	724.87	1,032.85
Pratibha Ostu Stettin JV	2,308.41	-
ii) Interest & Other Income Received		
Pratibha Mosinzhstroi Consortium	-	2,111.14
FEMC Pratibha JV	1,095.40	10,985.45
iii) Loan/Advance/ Security Deposit given/(received)		
Pratibha CRFG JV	-	9,566.46
Pratibha Mosinzhstroi Consortium	21,461.21	13,577.45
FEMC Pratibha JV	38,631.95	22,415.91
iv) Guarantees Given		
FEMC Pratibha JV	-	9,194.50
Pratibha Mosinzhstroi Consortium	8,556.02	-
Pratibha AI Ambia JV	4,799.96	-
Pratibha Yogiraj JV	6,668.58	1,550.51
MEIL Saisudhir Pratibha JV	-	2,399.98
v) Investment		
Pratibha Mosinzhstroi Consortium	7,300.00	1,200.00
Associate /Affiliates		
i) Loan/Advance/ Security Deposit given/(received)		
Saudi Pratibha Industries LLC	21.18	29.88

Notes Forming Part of Standalone Financial Statement

Particulars	(₹ in Lakhs)	
	2015-16	2014-15
KMP		
i) Purchase of Goods / Payment for other services		
Mr. Ajit B. Kulkarni	166.41	154.80
ii) Remuneration		
Mr. Ajit B. Kulkarni	300.00	480.00
Mrs. Usha B. Kulkarni	-	126.00
Mr. Yogen Lal	117.12	117.13
iii) Loan/Advance/ Security Deposit given/(received)		
Mr. Ajit B. Kulkarni	(71.80)	40.00
Relatives of KMP		
i) Remuneration		
Mr. Shyam Kulkarni	18.33	15.74
Mr. Anand Kulkarni	13.94	5.49
Subsidiaries		
i) Loan/Advance/ Security Deposit given/(received)		
Prime Infrapark Pvt. Ltd.	991.04	2,660.59
Bhopal Sanchi Highways Pvt. Ltd.	647.67	500.88

34 - 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 component accounting.

35 - 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.

36 - Disclosure as per amendment to clause 32 of the Listing Agreement

Sr. No.	Particulars	(₹ in Lakhs)			
		Outstanding Balance		Maximum Balance during the year	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
1	Loans and Advances in the nature of Loans to Subsidiaries				
	Prime Infrapark Pvt. Ltd.	8,608.56	7,647.85	9,637.52	7,647.85
	Muktangan Developers Pvt. Ltd.	1,248.58	1,239.26	1,248.84	1,239.26
	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.	2,075.15	1,427.48	2,183.01	1,427.48
2	Loans and Advances in the nature of Loans to associates				
	Saudi Pratibha Industries Limited	159.84	134.61	159.84	135.71
3	Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-	-	-

Notes Forming Part of Standalone Financial Statement

37 - Financial Reporting of Interest in Joint Ventures

The investments in joint venture are governed by the AS-27 "Financial Reporting of Interest 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:

(₹ in Lakhs)					
NAME	%	ASSETS	LIABILITIES	INCOME	EXPENSES
Patel Pratibha JV	100%	613.48	532.93	223.57	220.75
Pratibha JV	95%	66.06	8.77	-	0.11
Pratibha SMS JV	100%	2,585.77	2,683.60	323.03	704.85
Unity Pratibha Consortium	100%	845.52	214.61	0.59	5.37
Niraj Pratibha JV	50%	2,531.15	5,997.71	4.01	270.55
Pratibha Ostu Stettin JV	50%	1,077.37	1,408.53	1,370.52	1,879.26
Pratibha Rohit JV	80%	50.90	90.42	-	0.11
Pratibha CRFG JV	100%	18,845.39	19,879.89	749.04	969.39
ITD Pratibha Consortium	100%	66.29	62.52	-	0.12
Petron Pratibha JV	100%	0.10	-	-	-
Pratibha Al Ambia JV	100%	13,511.94	13,531.00	-	2,170.06
Pratibha Aparna JV	100%	4,482.69	5,285.95	701.67	1,516.36
Pratibha China State JV	60%	4,726.80	4,617.21	2,026.12	2,027.02
Pratibha Membrane Filters JV	51%	1,049.13	80.50	2.25	70.71
Pratibha GECPL JV	100%	1,788.46	2,643.97	(206.88)	1,138.55
Pratibha Mosinzstroi Consortium	100%	88,126.22	79,763.82	2,609.34	2,672.88
Pratibha Unity JV	50%	14.25	14.25	-	132.85
Unity Pratibha Multimedia JV	100%	191.58	20.26	-	0.19
Pratibha Pipes & Structural Consortium	40%	2.48	1.82	-	(0.02)
FEMC Pratibha JV	100%	3,17,731.17	3,18,765.92	92,118.39	92,824.86
Pratibha Yogiraj JV	99.99%	17,684.37	17,571.27	19,372.83	19,350.21
Pratibha Industries Limited Yogiraj JV	99.99%	24,519.63	24,335.16	23,943.04	23,929.32
KBL PIL Consortium*	50%	49.42	1,175.31	34.06	(3.01)
Pratibha GIN KJI Consortium*	74%	1,605.45	484.33	179.23	421.25
MEIL Saisudhir Pratibha JV*	25%	2,516.44	470.68	574.61	726.76
Gammon Pratibha JV *	49%	420.36	2,443.36	306.09	159.03

*Joint Ventures are in the nature of jointly controlled operations.

As per Para 1, of AS 27, "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.

38 - Earning in Foreign Exchange

(₹ in Lakhs)		
Particulars	2015-16	2014-15
Consultancy Fees	87.28	360.30
Overseas Revenue*	Nil	4,460.11
Total	87.28	4,820.41

*Includes Contract and Trading Revenue

39 - Expenditure in Foreign Currency

(₹ in Lakhs)		
Particulars	2015-16	2014-15
On Foreign Travel	215.88	123.27
On Professional Fees / Consultancy Charges	52.13	131.64
On Interest & Bank Commission Charges	282.55	859.98
On Fees & Subscription	Nil	68.92
On Import of Capital Goods	455.17	5,798.35
On Import of Material & Stores	4,300.68	160.70
On Overseas Expenses*	401.91	5,047.92
Total	5,708.33	12,190.78

*Includes Overseas Admin, Contract and Trading Expenses



Notes Forming Part of Standalone Financial Statement

- 40 - During the year, the company has not remitted dividend in foreign currency (P.Y. NIL)
- 41 - As on 31st March 2016, there is no Mark-to-Market loss on account of derivative forward exchange contract.
- 42 - **Segment Information**
The Company is operating in a single segment viz. Engineering, Procurement and Construction (EPC). Further, in opinion of the management, sale of construction materials is not a separate reportable segment but it is part of main segment i.e. EPC. Hence, Segment reporting is not applicable to the company.
- 43 - The Company's aggregate exposure of ₹90,47,40,016/- consisting of investment in the equity share capital and interest free advances granted to its wholly owned subsidiary companies, Prime Infrapark Pvt Ltd & Pratibha Holding (Singapore) Pte. Ltd, whose net worth is fully eroded, While investments are carried at cost, advances are considered good and recoverable. Based on certain estimates and other factors including their business plan and growth prospects, management considers the decline in the value of investments as temporary in nature and believes that the Loans & Advances are good and recoverable.
- 44 - Other Information under Part II of Schedule III of the Companies Act, 2013 are not applicable and hence not disclosed.
- 45 - 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.
- 46 - The company has spent ₹47 lakhs on CSR activities as required under section 135 of Companies Act, 2013 during the year.
- 47 - The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

For **Jayesh Sanghrajka & Co. LLP**
Chartered Accountants
ICAI Firm Regn No.: 104184W/W100075

Ashish Sheth
Designated Partner
Membership No.: 107162

Place: Mumbai
Date: 27th May, 2016

For and on behalf of the Board

Ajit B. Kulkarni
Managing Director
DIN: 00220578

Mayur Barvadiya
Company Secretary

S. P. Deshpande
Whole time Director
DIN: 06507698

K. H. Sethuraman
Chief Financial Officer

Independent Auditors' Report on Consolidated Financial Statement

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, 2016, 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. While conducting the 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.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, except with regard to the matters set out below in Basis of Qualified Opinion, where we have not been able to perform audit in conformity with relevant auditing standards in the absence of sufficient appropriate evidence. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

1. *The management of Holding Company has not provided us with the detailed working of Construction Work in Progress (WIP), cost to completion and consequent profitability/ and or losses on projects which are pending execution. In absence of these details, it is not possible for us to ascertain whether the WIP has been valued and stated correctly or not. The consequential impact, if any, on the Consolidated financial statements is therefore not ascertainable.*

2. *Construction and allied revenue includes revenue from sale of construction materials and it is reportable segment under AS 17 Segment Reporting. The company has not made segment reporting which is non-compliance of the AS. However, Management is of the opinion that the same is not a separate segment and is part of main segment i.e. Engineering Procurement & Construction.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors, on the financial statements / consolidated financial statements of the subsidiaries, associates and JCEs noted in paragraph No. a & b in the "Other Matter" paragraph, except for the possible effects, which are not quantifiable, of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Group as at 31st March 2016 and its profit and its cash flows for the year ended on that date:

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- a) Refer Note No. 1.D which states that the management has taken estimated useful life of assets belonging to Construction Equipment category, which is different from the useful life indicated in Schedule II to the Companies Act, 2013, 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, manufacturers warranties and maintenance support.
- b) Reference is invited to Note No. 14 and as reported in the audit report of the subsidiary company M/s Bhopal Sanchi Highways Pvt. Ltd which is not audited by us, regarding termination of road construction project awarded to the subsidiary company by NHAI. The subsidiary company has a claim for compensation in respect of the same which the subsidiary company is certain of recovering hence no provision in respect of the same has been made. The matter is under arbitration. Pending settlement of the same, the subsidiary company is of the view that the going concern status is not impaired.
- c) Refer Note No. 32 which states that the management based on internal verification could not identify any major part 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 component accounting.
- d) Reference is invited to Note No. 38 to the Consolidated financial statements, which states that certain balances of Trade Receivables, Trade Payables and Loan & Advances are subject to confirmation and consequent adjustments, if required.

Our opinion is not modified in respect of this matter.

Other Matter

- a) The accounts of the Company for the year ended March 31, 2016 includes assets aggregating to Rs. 5,10,430.86 Lakhs, liabilities aggregating to Rs. 5,07,430.06 Lakhs, income aggregating to Rs. 1,45,244.61 Lakhs, and expenditure aggregating to Rs. 1,49,883.51 Lakhs relating to Company's share in twenty two unincorporated joint ventures and one Subsidiary company whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management. Our opinion & report in terms of sub-sections (3) and (11) of Section 143 of the Act, on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these JCEs, is based solely on the reports of the other auditors.
- b) The accounts of the Company for the year ended March 31, 2016 includes assets aggregating to Rs. 45.38 Lakhs, liabilities aggregating to Rs. 63.09 Lakhs, income aggregating to Rs. 0.43 Lakhs, and expenditure aggregating to Rs. 7.73 Lakhs relating to Company's share in one Subsidiary company whose financial statements / financial information have not been audited by us. This financial statements / financial information are unaudited and prepared by Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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. we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit the aforesaid consolidated financial statements.

- b. except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account, as required by law, have been kept by the Group so far as appears from our examination of books of Holding Company and on the basis of report of other Auditors.
- 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. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- e. except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph, in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- f. the matters described under the Basis for Qualified Opinion paragraph, Emphasis of Matter paragraph, Other Matter paragraph and para 5, 6 & 7 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, 2016, 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 other directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- h. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified 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:
 - i. As detailed in Note No. 31 to the Consolidated Financial Statements, the Company has disclosed the impact of pending litigations on its Consolidated financial position.
 - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For **Jayesh Sanghrajka & Co LLP**
Chartered Accountants
ICAI Firm Regn. No.: 104184W/W100075

Ashish Sheth
Designated Partner
Membership No.: 107162

Place: Mumbai
Date: 27th May, 2016

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 2016]

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 Company as of and for the year ended March 31, 2016, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 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 qualified audit opinion on the Group, 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. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016:

- a) *The Holding Company did not have an appropriate internal control system for authorisation of online payment from Banks. There is no multilayer authorisation process for online payments. This could potentially result in the inappropriate / unauthorized access to online banking system resulting in fraudulent transactions.*
- b) *The Holding Company did not have an appropriate internal control system for printing of cheque. The system allows to make changes in the name of payee manually. This could potentially result in unauthorized payment resulting in fraudulent transactions.*
- c) *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.*
- d) *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.*
- e) *The Holding Company did not have an appropriate internal control system for reviewing computation and booking of Work in Progress (WIP) in accounts. This could potentially result in inaccurate WIP disclosed in the books of accounts.*

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.

Qualified Opinion

In our opinion, except for 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 maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, 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, 2016 consolidated 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.

6. 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 in so far as it relates to one subsidiary company, is based on the corresponding reports of the auditors of such company incorporated in India.

For Jayesh Sanghrajka & Co LLP.
Chartered Accountants
ICAI Firm Regn. No.: 104184W/W100075

Place: Mumbai
Date: 27th May, 2016

Ashish Sheth
Designated Partner
Membership No.: 107162



Consolidated Balance Sheet as at 31st March, 2016

Particulars	Notes	(₹ in Lakhs)	
		31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	2,021.11	2,021.11
(b) Reserves and Surplus	3	69,522.20	66,506.52
		<u>71,543.31</u>	<u>68,527.62</u>
(2) Minority Interest			
		0.50	0.49
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	60,769.92	98,113.14
(b) Deferred tax liabilities	5	6,402.41	5,279.04
(c) Other Long term liabilities	6	894.20	731.28
		<u>68,066.53</u>	<u>104,123.45</u>
(4) Current Liabilities			
(a) Short-term borrowings	7	111,750.41	67,568.89
(b) Trade payables	8	235,254.93	148,781.94
(c) Other current liabilities	9	207,184.87	154,800.43
(d) Short-term provisions	10	3,262.15	2,413.55
		<u>557,452.36</u>	<u>373,564.82</u>
Total Liabilities		<u>697,062.69</u>	<u>546,216.38</u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		85,636.36	89,845.77
(ii) Intangible assets		17,037.06	17,468.70
(iii) Capital work-in-progress		791.71	782.22
		<u>103,465.13</u>	<u>108,096.69</u>
(b) Non-current investments	12	32.16	32.16
(c) Long term loans and advances	13	18,860.73	15,206.56
(d) Other Non Current Assets	14	15,576.86	12,241.83
		<u>137,934.88</u>	<u>135,577.25</u>
(2) Current assets			
(a) Current investments	-	-	-
(b) Inventories	15	336,011.75	237,460.37
(c) Trade receivables	16	81,143.93	76,129.55
(d) Cash and cash equivalents	17	23,631.51	20,740.81
(e) Short-term loans and advances	18	110,815.08	69,008.45
(f) Other current assets	19	7,525.55	7,299.97
		<u>559,127.82</u>	<u>410,639.14</u>
Total Assets		<u>697,062.69</u>	<u>546,216.38</u>

Significant Accounting Policies 1
The accompanying Notes are an integral part of Financial Statements

As per our Report of even date
For **Jayesh Sanghrajka & Co. LLP**
Chartered Accountants
ICAI Firm Regn No.: 104184W/W100075

For and on behalf of the Board

Ajit B. Kulkarni
Managing Director
DIN: 00220578

S. P. Deshpande
Whole time Director
DIN: 06507698

Ashish Sheth
Designated Partner
Membership No.: 107162

Mayur Barvadiya
Company Secretary

K. H. Sethuraman
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2016

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2016

Particulars	Notes	(₹ in Lakhs)	
		31.03.2016	31.03.2015
Revenue from operations	20	438,485.70	316,551.14
Less: Excise Duty		-	(1.66)
		<u>438,485.70</u>	<u>316,549.49</u>
Other Income	21	2,717.05	2,170.28
Total		<u>441,202.74</u>	<u>318,719.77</u>
Expenses:			
Cost of Material consumed	22	373,313.36	247,238.84
Purchases of stock-in-trade		-	7,116.40
Construction & Operating Expenses	23	66,702.08	71,992.22
Change In Inventories	24	(103,161.45)	(100,087.81)
Employee Benefit expenses	25	14,707.09	17,354.94
Financial costs	26	38,392.41	30,961.04
Depreciation and Amortization expense	27	5,691.89	5,917.17
Other expenses	28	37,320.53	28,978.07
Prior Period Expenses	29	915.05	185.00
Total		<u>433,880.97</u>	<u>309,655.88</u>
Profit Before Tax and Exceptional Items		7,321.77	9,063.89
Exceptional Items		-	1,586.45
Profit Before Tax		<u>7,321.77</u>	<u>7,477.44</u>
Tax expense:			
(1) Current tax		3,011.38	2,022.86
(2) Deferred tax		1,123.37	960.16
Prior Period Items			
Short/(excess) Provision of Prior years Tax		171.32	86.20
Minority Interest		0.01	-
Profit for the year		<u>3,015.69</u>	<u>4,408.23</u>
Earning per equity share:	30		
(1) Basic		2.98	4.36
(2) Diluted		2.98	4.36

Significant Accounting Policies

1

The accompanying Notes are an integral part of Financial Statements

As per our Report of even date
For **Jayesh Sanghrajka & Co. LLP**
Chartered Accountants
ICAI Firm Regn No.: 104184W/W100075

For and on behalf of the Board

Ajit B. Kulkarni
Managing Director
DIN: 00220578

S. P. Deshpande
Whole time Director
DIN: 06507698

Ashish Sheth
Designated Partner
Membership No.: 107162

Mayur Barvadiya
Company Secretary

K. H. Sethuraman
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2016



Consolidated Cash Flow Statement for the Year Ended 31st March, 2016

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	7,321.77	9,063.89
Adjustment for:		
Depreciation & Amortization	5,691.89	5,917.17
(Profit)/Loss on Sale of Assets	200.00	19.78
Finance Charges	38,039.90	30,651.87
Sundry Balance write back	(1,137.18)	(445.72)
Unrealised Foreign Exchange Gain	(29.88)	(284.14)
Dividend Received	(0.50)	(0.55)
Operating Profit before Working Capital Changes	50,086.01	44,922.30
Adjustment for:		
Inventories	(98,551.38)	(93,654.27)
Trade Receivables	(5,160.74)	(8,345.40)
Other Assets	(48,879.37)	(18,553.05)
Trade Payables	87,594.19	66,890.28
Other Liabilities	9,826.34	21,043.45
Minority Interest	0.01	0.00
	(5,084.94)	12,303.30
Less: Direct Taxes Paid	-	(16.35)
Net cash used in Operating Activities (a)	(5,084.94)	12,286.95
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets (net)	(1,260.33)	1,440.13
Sale of/ (Additions to) Investments (net)	(7,126.09)	(4,311.87)
Dividend Received	0.50	0.55
Net cash used in investing activities (b)	(8,385.92)	(2,871.19)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(201.97)	(202.11)
Corporate Dividend Tax paid	-	(34.35)
Proceeds from Long Term Borrowings (Net)	(37,293.92)	18,302.86
Changes in Current Maturity of Long Term Borrowings	40,589.63	(27,399.58)
Proceeds from Short Term Borrowings (Net)	44,181.52	33,681.19
Finance Charges paid (Net)	(38,039.90)	(30,651.87)
Net Cash from Financing Activities (c)	9,235.36	(6,303.86)
NET INCREASE IN CASH AND CASH EQUIVALENTS (a+ b + c)	(4,235.50)	3,111.90
Opening Cash and Cash Equivalents	6,413.70	3,301.79
Closing Cash and Cash Equivalents	2,178.20	6,413.70

Notes :

1. The above statement has been prepared in indirect method as described in AS-3 issued by ICAI.
2. Cash and Cash Equivalent

Cash and Cash Equivalent

Cash in hand	121.19	87.24
Balance with Banks	2,065.11	6,334.43
Less: Unpaid Dividend Balance	(8.10)	(7.97)
Total	2,178.20	6,413.70

The accompanying Notes are an integral part of Financial Statements

As per our Report of even date
For **Jayesh Sanghrajka & Co. LLP**
Chartered Accountants
ICAI Firm Regn No.: 104184W/W100075

For and on behalf of the Board

Ajit B. Kulkarni
Managing Director
DIN: 00220578

S. P. Deshpande
Whole time Director
DIN: 06507698

Ashish Sheth
Designated Partner
Membership No.: 107162

Mayur Barvadiya
Company Secretary

K. H. Sethuraman
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2016

Notes Forming Part of Consolidated Financial Statement

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

A. Basis of preparation of Consolidated Financial Statements:

The accompanying consolidated financial statements have been prepared in compliance with the requirement of Companies Act, 2013, guidelines issued by the Securities Exchange Board of India (SEBI), and Generally Accepted Accounting Principles (GAAP) in India under historical cost convention. GAAP comprise of mandatory accounting standards as specified by the Companies (Accounting Standard Rules), 2014 issued by the Central Government.

The preparation of financial statements in accordance with generally accepted accounting principles 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. Actual results could differ from these estimates. Any difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

B. 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 and its subsidiary companies (which are not in the nature of joint ventures) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses in accordance with Accounting Standard 21-“Consolidated Financial Statement”. The intra group balances and intra group transactions and un-realized 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 Accounting Standard 21.

In case of foreign subsidiaries, being non-integral foreign operations, 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 profit & loss account.

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 of consolidated subsidiaries 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 of consolidated subsidiaries 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 Accounting Standard 27-“Financial Reporting of Interest 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.

C. Fixed Assets:

Tangible Assets are stated at cost net of recoverable taxes, less accumulated depreciation. All costs including finance costs, exchange differences, arising in respect of foreign currency loans or other liabilities incurred, and expenses incidental to acquisition and installation attributable to fixed assets till the date of readiness of their use are capitalized. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Software is stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion. All costs, including finance costs, and expenses incidental to acquisition and installation attributable to the intangible assets are capitalized.

Lease Rental & Car Parking charges collection Right is stated at cost of acquisition less accumulated amortization. The Cost includes upfront payment made to Grantor and all other incidental expenses related to such acquisition. It also includes direct and indirect expenses on construction and allied infrastructure. These items are capitalized during the year on completion of constructions and commencement of right.

Capital Work-In-Progress is stated at amount expended upto the date of Balance Sheet including preoperative expenditure.

Notes Forming Part of Consolidated Financial Statement

D. Depreciation/ Amortization:

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, manufacturers warranties and maintenance support.

Computer software is amortized over a period of five years.

Lease Rental & Car Parking charges collection Right is amortized over the period of concession, using revenue based amortization. Under this methodology, the carrying value is amortized in the proportion of actual lease revenue for the year to projected revenue for the balance lease period, to reflect the pattern in which the asset's economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of Lease collection rights is changed prospectively to reflect any changes in the estimates.

In respect of Joint Ventures & Consortiums, depreciation has been provided on written down value method at the rates and in the manner prescribed in the Income Act, 1961.

E. Revenue Recognition:

a) Construction Contract Sales:

The Company follows the percentage completion method, on the basis of 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 the 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.

b) Claim for Extra Work and Escalation:

The Company's claim for extra work and escalation in rates relating to execution of contracts are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

c) Revenues from construction/project related activity and contracts executed in Joint ventures under work-sharing arrangement [being jointly controlled

operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interest 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..

d) Sales recognition:

1. Sales are accounted net of excise duty, Sales Tax, Discount, Returns and Rejections. Sales are recognized on dispatch of material from the warehouse of the company.

2. Scrap Sales are accounted net of excise duty, Sales Tax, Discount, Returns and Rejections. Scrap Sales are recognized on dispatch of material from the warehouse of the company.

e) 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 Short Term Loans and Advances, if the amount is recoverable within operating cycle and in other case, under the head Balance with statutory/ Government Authorities under Long Term Loans & Advances

f) Input Cenvat Credit not utilized against current year's Cenvat liability is available 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 recoverable from Tax department under Short term Loans and Advances.

g) Profit/ Loss on sale of asset is recognized on transfer of title from the company and is determined as the difference between the sale price and carrying value of the asset.

h) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is accrued at applicable interest rate.

i) Other incomes are accounted on accrual basis except Dividend, which recognized when right to receive is established.

j) Lease rentals are recognized on accrual basis net of rebate, discounts and service tax. Car parking charges are recognized on accrual basis.

F. 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 Statement

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
2 - Share Capital		
AUTHORIZED CAPITAL		
20,00,26,000 (P.Y. 20,00,26,000) Equity Shares of ₹2/- Each	4,000.52	4,000.52
	<u>4,000.52</u>	<u>4,000.52</u>
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
10,10,55,392 (P.Y. 10,10,55,392) Equity shares of ₹2/- Each fully paid up	2,021.11	2,021.11
Total	2,021.11	2,021.11
3 - Reserves & Surplus		
Securities Premium Reserve		
Balance as per last financial statement	23,930.38	23,930.38
	<u>(A) 23,930.38</u>	<u>23,930.38</u>
General Reserve		
Balance as per last financial statement	4,392.00	4,392.00
	<u>(B) 4,392.00</u>	<u>4,392.00</u>
Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	38,184.14	34,270.76
Profit for the year	3,015.69	4,408.23
Less: Fixed Asset written off as per Schedule II of The Companies Act 2013	-	(251.36)
	<u>41,199.82</u>	<u>38,427.63</u>
Less: Appropriations		
- Proposed Dividend	-	(202.11)
- Corporate Dividend Tax	-	(41.38)
	<u>(C) 41,199.82</u>	<u>38,184.14</u>
Total (A)+(B)+(C)	69,522.20	66,506.52
4 - Long Term Borrowings		
Term Loan		
- Foreign Currency Loan from Banks	732.00	2,714.50
- Rupee Loan from Banks	45,110.45	87,888.64
- From Financial Institutions	13,574.91	4,898.32
Fixed Deposit from Public	-	1,099.55
Loans & Advances From Related Parties	1,352.57	1,512.14
Total	60,769.92	98,113.14
The above amount includes		
Secured Borrowings	59,417.35	95,501.46
Unsecured Borrowings	1,352.57	2,611.69
Secured by Personal Guarantee by Promoters/ Directors	59,417.35	95,501.46
4.1. 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.		
4.2. Rupee Loans from banks are repayable in 3 to 5 years at interest rates ranging from 11.45% p.a. to 13.75% 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.		
4.3. 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.		
4.4. 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.		
4.5. Period and amount of continuing default in repayment of loans as on 31.03.2016:-		
Name	Amount of default	Period of default (in days)
Tata Capital Financial Services Limited	83.35	26
Shriram Equipment Finance Co. Ltd.	9.95	11
Shriram Equipment Finance Co. Ltd.	6.60	11

Notes Forming Part of Consolidated Financial Statement

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
5 - Deferred Tax Liabilities		
Deferred Tax Liability		
- On account of Depreciation difference	6,402.41	5,279.04
Deferred Tax Asset	-	-
Total	6,402.41	5,279.04
6 - Other Long Term Liabilities		
Security Deposits (Liabilities)	894.20	731.28
Total	894.20	731.28
7 - Short Term Borrowings		
Loan Repayable on Demand		
- Rupee Loan from Banks.	111,736.16	65,144.74
Fixed Deposit from Public.	14.25	2,424.15
Total	111,750.41	67,568.89
The above amount includes		
Secured Borrowings	111,736.16	65,144.74
Unsecured Borrowings	14.25	2,424.15
Secured by personal guarantee by promoters / directors	111,736.16	65,144.74
7.1. Rupee loan taken from various banks at interest rates ranging from 11.50% p.a. to 13.75% p.a. These loans are secured against i) first charge by hypothecation of current assets (other than those specifically charged to other banks), namely stock of raw materials, work-in-progress and receivables, ii) First charge on the gross block (other than those specifically charged to other banks) iii) Project specific current assets and iv) Personal guarantees of Promoter-Directors of the company		
7.2. Fixed Deposit from Public are repayable within a year from the date of deposit at an interest rate of 11.50% p.a. & 11.75% p.a. These deposits are unsecured in nature.		
8 - Trade Payable		
Micro Small & Medium Enterprises	-	0.64
Other Trade Payables	235,254.93	148,781.30
Total	235,254.93	148,781.94
* The above amount includes creditors under Letter of Credit and Bill of Exchange amounting to ₹1,39,607.68 Lakhs (P.Y. ₹53,037.16 Lakhs)		
8.1 - The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:		
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	-	-
9 - Other Current Liabilities		
Current maturities of long-term borrowings	103,237.72	62,648.08
Withholding & other taxes payable	6,506.02	9,894.78
Unclaimed Dividend	8.10	7.97
Security Deposits	11,883.92	9,858.58
Mobilisation & Other contract Advances	71,512.52	57,757.56
Interest accrued but not due.	351.17	179.93
Interest due but not paid	276.34	-
Creditors for Capital expenses	9,952.82	9,334.88
Advances From Related Parties.	139.04	68.97
Other Payables*	3,317.22	5,049.67
Total	207,184.87	154,800.43
*Primarily Includes various expenses payable		
10 - Short Term Provisions		
Provision for Gratuity	197.09	128.87
Provision for Income Tax	3,017.69	2,035.20
Proposed Dividend	-	202.11
Corporate Dividend Tax Payable	41.38	41.38
Provision for Wealth Tax	5.99	5.99
Total	3,262.15	2,413.55

Notes Forming Part of Consolidated Financial Statement

11 - Fixed Assets

(₹ in Lakhs)

Sr. No	Particulars	GROSS BLOCK			PROVISION FOR DEPRECIATION			NET BLOCK			
		01.04.2015	Additions	Deduction / Adjustments	31.03.2016	01.04.2015	Additions	Deduction/ Adjustments	31.03.2016	As on 31.03.2016	As on 31.03.2015
I	Tangible Assets										
1	Land	1,035.32	-	-	1,035.32	-	-	-	-	1,035.32	1,035.32
2	Building	5,923.09	-	-	5,923.09	190.37	-	1,302.28	-	4,620.81	4,811.18
3	Plant and Equipment	80,417.55	1,081.10	493.68	81,004.96	4,162.38	194.86	13,503.67	-	67,501.30	70,881.40
4	Furniture & Fixtures	1,925.43	-	-	1,925.43	207.50	-	830.39	-	1,095.05	1,302.55
5	Vehicles	2,249.15	256.38	18.39	2,487.14	261.94	17.47	1,424.67	-	1,062.47	1,068.94
6	Office Equipment	413.29	-	-	413.29	66.21	-	328.92	-	84.37	150.57
7	Computer	818.78	12.57	-	831.35	91.59	-	747.53	-	83.82	162.83
8	Electrical Installation	732.15	-	-	732.15	80.77	-	380.67	-	351.49	432.25
9	Office Premises	10,712.58	-	-	10,712.58	198.98	-	910.84	-	9,801.74	10,000.72
	TOTAL (A)	104,227.35	1,350.05	512.07	105,065.32	5,259.72	212.34	19,428.96	-	85,636.36	89,845.77
	Previous Year	105,886.59	14,675.24	16,334.48	104,227.35	5,461.92	3,986.81	14,381.57	251.36	89,845.77	93,231.49
II	Intangible Assets										
1	Computer Software	1,354.71	0.53	-	1,355.24	233.83	-	1,144.98	-	210.27	443.57
2	Lease Right	17,219.19	-	-	17,219.19	198.34	-	542.40	-	16,676.79	16,875.13
3	Goodwill on Consolidation	150.00	-	-	150.00	-	-	-	-	150.00	150.00
	TOTAL (B)	18,723.91	0.53	-	18,724.43	432.17	-	1,687.38	-	17,037.06	17,468.70
	Previous Year	18,687.51	36.40	-	18,723.91	455.25	-	1,255.21	-	17,468.70	17,887.55
	Total [A + B]	122,951.25	1,350.58	512.07	123,789.76	5,691.89	212.34	21,116.34	-	102,673.42	107,314.47
	Previous Year	124,574.10	14,711.64	16,334.48	122,951.25	5,917.17	3,986.81	15,636.78	251.36	107,314.47	111,119.04
III	Capital Work-in-progress										
										791.71	782.22

11.1 The borrowing cost capitalized during the year ended 31st March 2016 was ₹ Nil [Previous Year ₹772.41 Lakhs].

11.2 During the year under consideration, none of the asset has been revalued or impaired.



Notes Forming Part of Consolidated Financial Statement

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
12 - Non Current Investment		
Non Trade 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.	-	-
100 (100) Baramati Tollways Pvt. Ltd.	0.01	0.01
Investment in Associate Companies		
Saudi Pratibha Industries LLC	14.31	14.31
Quoted		
Investment in Gold Coins	0.44	0.44
Total	32.16	32.16
Aggregate value of		
Quoted Investments	0.44	0.44
Market Value - Quoted Investments	2.86	2.77
Unquoted Investments	31.72	31.72
13 - Long Term Loans and Advances		
Capital Advances	5,591.90	2,044.50
Security Deposits	996.73	947.08
Balance with statutory/ Government Authorities	12,272.09	12,214.99
Total	18,860.73	15,206.56
14 - Other Non Current Assets		
Term Deposits with maturity more than 12 months	6,418.67	3,738.05
Other Assets#	9,158.19	8,503.78
Total	15,576.86	12,241.83
<i># Other Assets includes ₹91.58 Cr. (PY. 85.04 Cr.) being claim on NHAI on termination of Concession agreement of Bhopal Sanchi Highways Pvt. Ltd.</i>		
<i>14.1. For details on margin money refer note 17.1</i>		
15 - Inventories		
Raw Material	11,030.05	15,640.12
Construction Work-In-Progress	324,981.70	221,801.88
Finished Goods	-	18.37
Total	336,011.75	237,460.37
16 - Trade Receivables		
Outstanding for more than six months	29,703.29	9,507.54
Others	51,440.64	66,622.01
Total	81,143.93	76,129.55
<i>All above receivables are Unsecured and Considered Good</i>		
17 - Cash & Bank Balance		
Cash & Cash Equivalent		
Balances with banks:		
- In current accounts	2,065.11	6,334.43
Cash on hand	121.19	87.24
Others		
- In Term Deposits	21,445.21	14,319.15
Total	23,631.51	20,740.81

Notes Forming Part of Consolidated Financial Statement

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
Balances with bank in unpaid dividend accounts	8.10	7.97
Balances with bank held as margin money deposit against guarantees / Letter of Credit	26,693.64	16,912.41
Balances with bank held as collateral securities	991.23	936.58
Balances with bank held as investment in liquid assets for Public deposits maturity.	179.00	178.21

17.1 Bank balances in Current accounts and Term Deposit (including with maturity more than 12 months # Note 14) as on March 31, 2016 and March 31, 2015 include restricted balances of ₹27,863.88 Lakhs and ₹18,035.16 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.

17.2 The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice.

18 - Short Terms Loans and Advances

Retention & Security Deposits	51,144.29	34,582.34
Loans & Advances to related parties	6,839.45	7,082.64
<u>Other Loans & Advances</u>		
- Loans & Advances to Employees	118.90	111.19
- Advances to suppliers	33,660.44	6,145.70
- Mobilisation Advance	1,263.65	1,732.32
- Other Advances	285.78	510.79
- Balance with statutory/ Government Authorities	17,502.58	18,843.47
Total	110,815.08	69,008.45

All above are Unsecured and Considered Good

19 - Other Current Assets

Interest Accrued But Not Due	348.63	558.48
Prepaid Expenses	4,431.19	2,999.91
Other assets	2,745.74	3,741.58
Total	7,525.55	7,299.97

20 - Revenue From Operation

Construction and allied revenue	435,516.18	313,906.88
Other Operating Revenue		
- Sale of Scrap	705.04	772.24
- Rental Income	2,264.48	1,872.02
	2,969.51	2,644.26
Total	438,485.70	316,551.14

21- Other Income

Dividend	0.50	0.55
Other Income	757.36	340.28
Interest income	1,959.19	1,829.45
Total	2,717.05	2,170.28

22 - Cost of Material Consumed

Raw Material Stock at the beginning of the period	15,640.12	22,073.65
Add:- Purchases during the year	368,703.29	240,805.31
	384,343.41	262,878.96
Less: Raw Material Stock at the end of the period	11,030.05	15,640.12
Total	373,313.36	247,238.84

Notes Forming Part of Consolidated Financial Statement

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
23 - Construction & Operating Expenses		
Consumption of Stores & Spares	3,764.82	5,255.99
Sub-contract & Labour Charges	48,670.24	51,174.92
Repairs & Maintenance - Machinery	46.50	1,743.32
Equipment Hire Charges	7,893.41	6,893.59
Power & Fuel Charges	242.53	428.06
Freight Inwards	446.90	792.55
Custom & Excise Duty	681.77	1,368.58
Site Mobilisation Expenses	4.55	13.31
Other Expenses	4,951.35	4,321.89
Total	66,702.08	71,992.22
24 - Change in Inventories		
Inventory at the end of the period		
- Construction Work-In-Progress	324,981.70	221,801.88
- Finished goods	-	18.37
	<u>324,981.70</u>	<u>221,820.25</u>
Inventory at the beginning of the period		
- Construction Work-In-Progress.	221,801.88	121,714.07
- Finished goods.	18.37	18.37
	<u>221,820.25</u>	<u>121,732.44</u>
Total	(103,161.45)	(100,087.81)
25 - Employee Benefit Expenses		
Contribution to PF & other fund	423.35	290.23
Directors Remuneration	441.42	703.00
Salaries & Wages	13,535.64	15,892.13
Staff Welfare Expenses	238.46	362.61
Gratuity Expenses	68.21	106.97
Total	14,707.09	17,354.94
26 - Financial Costs		
Interest Expense	34,066.27	27,268.69
Other Borrowing cost	3,973.63	3,383.18
Foreign Exchange Fluctuation Loss / (gain)	352.51	309.17
Total	38,392.41	30,961.04
27 - Depreciation & Amortised Cost		
Depreciation	5,259.72	5,461.92
Amortization	432.17	455.25
Total	5,691.89	5,917.17

Notes Forming Part of Consolidated Financial Statement

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
28 - Other Expenses		
Advertising & Business Promotion Expenses	186.70	147.83
Auditors Remuneration	64.53	109.70
Commission & Brokerage Expenses	25.61	23.81
Computer & Software Expenses	98.97	201.42
Directors Sitting Fees & Commission	4.10	15.00
Donation	55.80	13.57
Electricity Charges	785.23	765.85
General Expenses	200.82	313.77
Insurance Charges	884.39	1,141.25
Legal Fees & Professional Charges	2,578.23	3,184.23
Loss on Sale of Fixed Asset	200.00	19.78
Postage & Courier Charges	18.81	28.75
Printing & Stationery	61.23	70.60
Rates & Taxes	26,276.15	18,114.11
Rent	962.84	1,022.80
Repairs & Maintenance - Office	634.27	542.09
Security Service Charges	1,241.03	1,440.32
Liquidated Damages	1,371.52	-
Travelling & Visa Expenses	530.13	471.50
Telephone & Internet Expenses	169.56	173.31
Vehicle Expenses	742.64	867.42
Foreign Exchange Fluctuation	227.97	310.97
Total	37,320.53	28,978.07
29 - Prior Period Expenses		
Property Tax (Prior)	915.05	-
Lease Rent	-	185.00
Total	915.05	185.00
30 - Earning Per Share		
Net Profit/(Loss) for calculation of basic EPS (A)	3,015.69	4,408.23
Less: Effect on Profit/Loss on dilution of equity shares	-	-
Net profit/(loss) for calculation of diluted EPS (B)	3,015.69	4,408.23
Weighted average number of equity shares in calculating Basic EPS (C)	1,010.55	1,010.55
Adjustment for dilution of equity shares	-	-
Weighted average number of equity shares in calculating diluted EPS (D)	1,010.55	1,010.55
Earnings Per Share		
(1) Basic (A/C)	2.98	4.36
(2) Diluted (B/D)	2.98	4.36

Notes Forming Part of Consolidated Financial Statement

31 - Contingent Liability:

Particulars	(₹ in Lakhs)	
	31.03.2016	31.03.2015
a) Unutilized Letters of Credit with Bankers		
• In respect of joint ventures	262.68	2,034.23
• In respect of others	1,537.47	6,141.95
b) Bank Guarantee		
• In respect of joint ventures	5,090.63	9,668.32
• In respect of others	2,01,607.82	1,92,067.50
c) Corporate Guarantee		
• In respect of joint ventures	-	-
• In respect of others	487.70	7,236.00
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	15,340.68	8,557.83
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	1,568.33	1,156.83
• In respect of others	1,61,431.52	1,61,247.96
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	136.53	136.53
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	389.56	296.10
• In respect of others	1,964.80	885.55
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	1,512.42	1,677.34
• In respect of others	15,274.28	9,560.73
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	37.00	-

Notes Forming Part of Consolidated Financial Statement

- 31.1 The management is of the opinion that claims for performance guarantee will not arise related to the projects executed previously.
- 31.2 The company and a JV have received show cause notices from service tax department demanding penalty of ₹1,897.14 Lakhs & ₹994.12 Lakhs respectively. Management is of the opinion that no liability will arise against these matters.
- 31.3 The Company has received show cause notice from Central Investigation Unit & Director General of Foreign Trade demanding interest and penalty amounting to ₹571.90 Lakh. Reply against the same is given. Management is of the opinion that no liability will arise against these matters.
- 31.4 In case of interstate sales of FY 2012-13 and 2014-15, certain C forms are yet to be collected for customers. In absence of the forms, additional liability to the extent of ₹298.40 Lakhs under the CST Act can arise. However, Management is of the opinion that all pending C forms shall be collected and produced in assessment proceedings and no liability will arise.

32 - 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 component accounting.

33 - Segment Reporting:

The Company is operating in a single segment viz. Engineering, Procurement and Construction (EPC). Further, in opinion of the management, sale of construction materials is not a separate reportable segment but it is part of main segment i.e. EPC. Hence, Segment reporting is not applicable to the company.

34 - 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%
Bhopal Sanchi Highways P. Ltd.	India	51%

35 - Interests in Joint Ventures considered in the consolidated financial statements are:

Name of the Joint Venture	Country of Incorporation	%
Patel Pratibha JV	India	100%
Pratibha JV	India	95%
Pratibha SMS JV	India	100%
Unity Pratibha Consortium	India	100%
Niraj Pratibha JV	India	50%
Pratibha Ostu Stettin JV	India	50%
Pratibha Rohit JV	India	80%
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 China State JV	India	60%
Pratibha Membrane Filters JV	India	51%
Pratibha GECPL JV	India	100%
Pratibha Mosinzhstroi Consortium	India	100%



Notes Forming Part of Consolidated Financial Statement

Pratibha Unity JV	India	50%
Unity Pratibha Multimedia JV	India	100%
Pratibha Pipes & Structural Consortium	India	40%
FEMC Pratibha JV	India	100%
Pratibha Yogiraj JV	India	99.99%
Pratibha Industries Limited Yogiraj JV	India	99.99%

- 36** - 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, 2016.
- 37** - 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.
- 38** - 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
- 39** - The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

For **Jayesh Sanghrajka & Co. LLP**
Chartered Accountants
ICAI FRN.: 104184W/W100075

Ashish Sheth
Designated Partner
Membership No.: 107162
Place: Mumbai
Date: 27th May, 2016

For and on behalf of the Board

Ajit B. Kulkarni
Managing Director
DIN: 00220578

Mayur Barvadiya
Company Secretary

S. P. Deshpande
Whole time Director
DIN: 06507698

K. H. Sethuraman
Chief Financial Officer

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	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	01-04-2015 to 31.03.2016	India	INR	100.00	(75031.19)	18,256.39	18,256.39	-	2,311.38	(2255.22)	-	(2255.22)	-	100%
2.	Bhopal Sanchi Highways P. Ltd.	01-04-2015 to 31.03.2016	India	INR	1.00	(0.35)	9,802.72	9,802.72	-	0.03	0.02	0.005	0.02	-	51%
3.	Muktangan Developers Pvt. Ltd.	01-04-2015 to 31.03.2016	India	INR	40.00	0.29	1,302.31	1,302.31	7.13	-	(28,689)	-	-	-	100%
4.	Pratibha Holding (Singapore) Pte Ltd	01-04-2015 to 31.03.2016	Singapore	INR	93.47	(28.07)	89.19	89.19	87.66	-	(6.79)	-	(6.79)	-	100%
				USD	1.90	-0.57	1.81	1.81	1.78	-	-0.14	-	-0.14	-	100%
5.	Pratibha Infra Lanka (Private) Ltd	01-04-2015 to 31.03.2016	Sri Lanka	INR	87.66	(83.09)	43.88	43.88	-	-	(0.48)	-	(0.48)	-	100%
				LKR	194.26	-184.14	97.24	97.24	-	-	-1.06	-	-1.06	-	100%

Note:

1. Pratibha Infra Lanka (Private) Ltd is yet to commence its operation.
2. No Subsidiaries were liquidated or sold during the year.

Sr. No.	Name of the Associates / Joint Venture	Latest Audited Balance Sheet Date	Shares of Associate/ Joint Venture held by the Company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to shareholding as per latest audited balance sheet	Profit / Loss for the year	
			No.	Amount of Investment in associates / Joint venture				Extend of Holding %	Considered in Consolidation
1	Saudi Pratibha Industries Limited	31 st December, 2013	490,000	69.67	49%	Associate company has not been active in the business since its inception and therefore it will have virtually negligible impact on consolidated accounts.	65.15	Nil	Nil

Note: No joint ventures/associate companies were liquidated or sold during the year.

For and on behalf of the Board

Ajit B Kulkarni
Managing Director
DIN - 00220578

S P Deshpande
Whole time Director
DIN - 06507698

K. H. Sethuraman
Chief Financial Officer

Mayur Barvadiya
Company Secretary

Place: Mumbai

Date: 27th May, 2016

Notice

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Pratibha Industries Limited will be held on Thursday, 29th September, 2016 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:

1. To consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sharad Prabhakar Deshpande (DIN: 06507698), who retires by rotation and being eligible has offered himself for re-appointment.
3. **Appointment of 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 139 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. Jayesh Sanghrajka & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 104184W/W1000075) be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration

as may be determined by the Board of Directors of the Company on recommendation of its Audit Committee.”

SPECIAL BUSINESS

4. 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 2016-17, amounting to ₹2,00,000 (Rupees Two Lakhs Only) and service tax as applicable 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.”

Registered Office:

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

Date : 26th August, 2016
Place : Mumbai

By the Order of the Board of Directors
For Pratibha Industries Limited

Rajesh Hegde
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. Brief resume of the Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* are provided at the end of this Notice.
5. 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.
6. 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.
7. 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.

8. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, 22nd September, 2016 to Thursday, 29th September, 2016 (both days inclusive) for the purpose of AGM.
9. 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.
10. 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.
11. 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.

12. 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 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting facility. 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 through the e-voting platform of Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper will also be made available at the AGM venue and the members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right at the AGM venue through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The process and manner for remote e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (a) The remote e-voting period begins on Monday, 26th September, 2016 (9:00 a.m.) and ends on Wednesday, 28th September, 2016 (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 22nd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (b) The shareholders should log on to the e-voting website: www.evotingindia.com.
- (c) Click on 'SHAREHOLDERS'.
- (d) Now Enter your 'USER ID'
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (e) Next enter the Image Verification as displayed and Click on 'LOGIN'.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address slip / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (d).

- (h) After entering these details appropriately, click on 'SUBMIT' tab.
- (i) Members holding shares in physical form will then directly reach the COMPANY SELECTION SCREEN. However, members holding shares in demat

form will now reach 'PASSWORD CREATION' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (k) Click on the EVSN of the Company 'PRATIBHA INDUSTRIES LIMITED' to vote.
 - (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (q) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (r) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 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.
- VI. 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.
 - VII. 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.
 - VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2016.
 - IX. 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 shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - X. A person who becomes member after dispatch of Annual Report, may follow the same procedure for e-voting as mentioned above or write to rajesh.hegde@pratibhagroup.com
 - XI. 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.
 - XII. Mr. Dinesh Kumar Deora, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - XIII. 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.
 - XIV. The Scrutinizer 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.
 - XV. The Results declared alongwith the report of the Scrutinizer will 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 Stock Exchanges.

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. 4

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 2016-17.

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 - 2016-17	2,00,000/- and service tax applicable 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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.4 mentioned in the Notice for approval by the Shareholders.

Registered Office:

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

By the Order of the Board of Directors
For Pratibha Industries Limited

Date : 26th August, 2016
Place : Mumbai

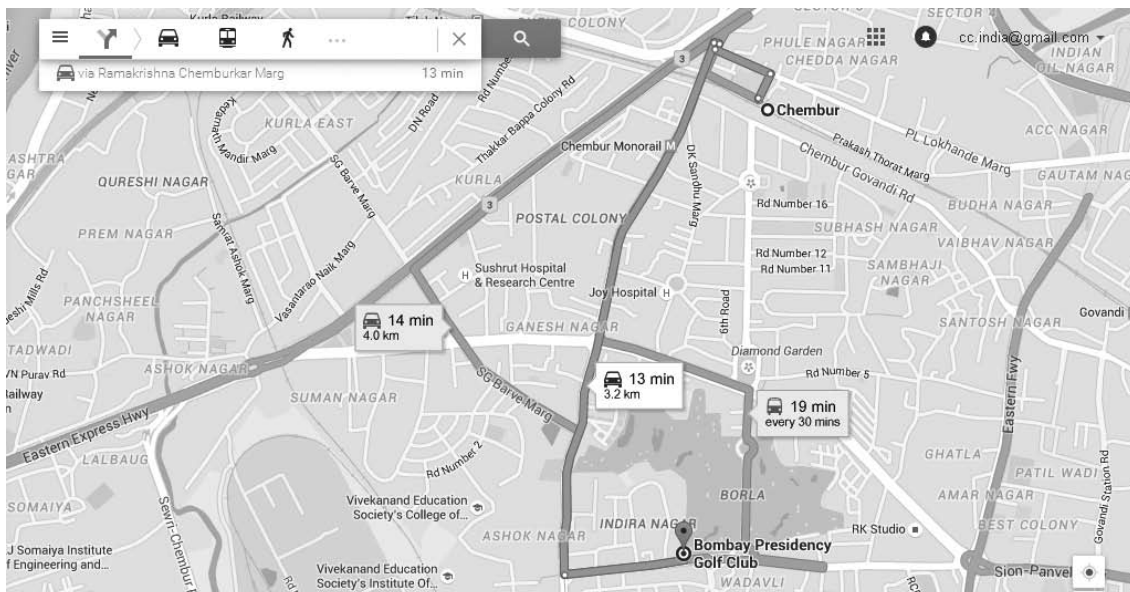
Rajesh Hegde
Company Secretary

Details of the Director seeking re-appointment at the forthcoming Annual General Meeting:

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

Name of Director	Mr. Sharad P. Deshpande
Date of Birth	20 th August 1951
Date of appointment	25 th February, 2013
DIN	06507698
Educational Qualification	B.E. (Civil)
Areas of Expertise and Experience	He has more than 40 years of experience in various Civil Engineering Construction of large magnitude in High Raise Building, Road, Pipeline Projects and Industrial Structure etc. and planning, project development, execution, research & development of large projects. He is responsible for planning & execution of projects, team building and Liaising with business partners and clients.
Remuneration paid in 2015-16	₹54,99,996/-
Relationship with other Directors/Manager/ KMP	Not Related
No. of Meetings of the Board attended During the F.Y. 2015-16	All Board Meetings held during the F.Y. 2015-16
Companies in which he holds directorship	Prime Infrapark Private Limited
Membership Chairmanship of Board Committees	None
Shareholding in the Company	Nil

Route Map to the AGM Venue





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: 14th Floor, Universal Majestic, P. L. Lokhande Marg, Off. Ghatkopar Mankhurd Link Road, Behind RBK International School, Govandi (W), Mumbai – 400 043.

Tel.: +91-22-3955-9999 Fax: +91-22-3955-9900 Email: info@pratibhagroup.com URL: www.pratibhagroup.com

ATTENDANCE SLIP

DP ID _____

(To be presented at the entrance)

Folio No./Client Id _____

I/We hereby record my/our presence 21st ANNUAL GENERAL MEETING of the Company at The Bombay Presidency Golf Club Ltd., Dr. C. G. Road, Chembur, Mumbai - 400 071 on Thursday, 29th September, 2016 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: 14th Floor, Universal Majestic, P. L. Lokhande Marg, Off. Ghatkopar Mankhurd Link Road, Behind RBK International School, Govandi (W), Mumbai – 400 043.

Tel.: +91-22-3955-9999 Fax: +91-22-3955-9900 Email: info@pratibhagroup.com URL: www.pratibhagroup.com

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(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 21st Annual General Meeting of the Company, to be held on Thursday, 29th September, 2016 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 31 st March, 2016, the reports of the Board of Directors and Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2.	Re-appointment of Mr. Sharad P. Deshpande.	<input type="checkbox"/>	<input type="checkbox"/>
3.	Appointment of Auditors.	<input type="checkbox"/>	<input type="checkbox"/>
4.	Ratification of remuneration of the cost auditors.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this..... day of..... 2016

Signature of Member(s):

Signature of Proxy holder:



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.

PROJECTS

100 MLD WTP
At HUDA
Hariyana



RCC Water Tanks at Hariyana





PRATIBHA INDUSTRIES LIMITED

Universal Majestic, 14th Floor, P. L. Lokhande Marg, Ghatkopar Mankhurd Link Road,
Opp. RBK International School, Govandi, Mumbai - 400 043, Maharashtra, India.

Tel. : +91 - 22 - 39559999 (Board). Fax: +91 - 22 - 39559900. E-mail: info@pratibhagroup.com