

PIL/4th Quarter.result/2016-17

30th May, 2016

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.
BSE Code: 532718

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E) , Mumbai – 400 051.
NSE Code: PRATIBHA

Sub. : Audit Report for the year ended 31st March, 2016

Dear Sir,

With reference to captioned subject, we wish to inform you that the Board of Directors of the Company in their meeting held on Friday, 27th May 2016, have, inter alia, considered and approved the Audit Report on Standalone and Consolidated Financial Results for the quarter and Year ended March 31, 2016 along with Form-B for modified opinion. A copy of the Audit Report along with Form-B is attached herewith.

Kindly take the same on record and oblige.

Thanking you,

Yours truly,
For Pratibha Industries Limited


Sharad P. Deshpande
Whole Time Director



Encl.: as above

Pratibha Industries Limited

CIN: L45200MH1995PLC090760

Head Office : 14th Floor, Universal Majestic, Behind RBK School, Ghatkopar Mankhurd Link Road, Off Eastern Express Highway, Govandi, Mumbai – 400043, Maharashtra, INDIA
Regd. Office : Shrikant Chambers, 5th Floor, Phase II, Next to R.K.Studio, Sion Trombay Road, Chembur, Mumbai – 400071, Maharashtra, INDIA.

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



JAYESH SANGHRAJKA & CO.LLP.

CHARTERED ACCOUNTANTS

Independent Auditors' report on the Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

To,
The Board of Directors
PRATIBHA INDUSTRIES LIMITED

1. We have audited the accompanying statement of standalone financial results of **PRATIBHA INDUSTRIES LIMITED**, ("the Company"), for the year ended March 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements, which is in accordance with the Accounting Standards prescribed under section 133 of the Companies Act, 2013, as applicable, except as mentioned in the paragraph 3 & 4, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

2. We conducted our audit of the Statement 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 paragraph 3 & 4, where we have not been able to perform audit in conformity with relevant auditing standards in the absence of sufficient appropriate audit evidence. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.

We believe that the audit evidence we have obtained, except with regard to the matters set out below in paragraph 3 & 4, is sufficient and appropriate to provide a basis for our qualified audit opinion.

3. 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.
4. 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 AS 17 as it does not recognize it as separate segment.

Batgach
& Affiliates

A Network Approved by ICAI

405-407, Hind Rajasthan Centre, D.S. Phalke Rd, Dadar (C. Rly.), Mumbai 400014, Maharashtra
E: jayesh@jsandco.in / T: 40774600 (18 Lines) Website: www.jsandco.in / www.batgach.com
Branches at Kanjurmarg & Vashi





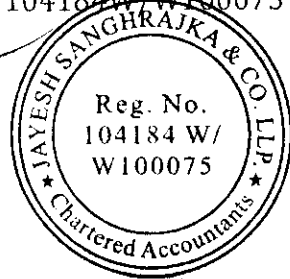
JAYESH SANGHRAJKA & CO.LLP.

CHARTERED ACCOUNTANTS

5. 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 paragraph 3 & 4, the statement;
- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - b. give a true and fair view in conformity with the accounting principles generally accepted in India of the standalone net profit and other financial information of the Company for the year ended March 31, 2016
6. Attention is invited to Note No. 4 of the accompanying Statement regarding the Company's aggregate investments in two subsidiary companies and loans and advances due from these subsidiary companies amounting to Rs. 90,47,40,016/- as at March 31, 2016. The networth of these Subsidiary companies has been fully eroded. However based on certain estimates and other factors including their business plan and growth prospects, as described in the said note, management considers the decline in the value of investments as temporary in nature and believes that the Loans & Advances are good and recoverable. Our opinion is not qualified in respect of this matter.
5. The Statement includes the results for the Quarter ended March 31, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year which were subject to limited review by us.

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


Ashish Sheth
Designated Partner
M. No.: 107162



Place: Mumbai
Date: 27th May 2016

FORM B

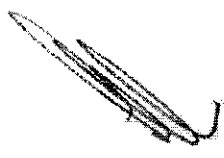
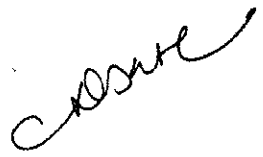
(Audit Report with modified Opinion)

Pursuant to Regulation 33 (4) of SEBI

(Listing Obligation and Disclosure Requirements) Regulations, 2015

1.	Name of the Company	Pratibha Industries Limited
2.	Annual Financial Statements for the year ended	Standalone Financial Statements for the year ended on 31 st March, 2016
3.	Type of Audit observation	Qualified
	• <u>Qualified Opinion:</u> 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. Management Note: 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.	
	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. Management Note: 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.	
	• <u>Emphasis of Matter:</u> Attention is invited to Note No. 4 of the accompanying Statement regarding the Company's aggregate investments in two subsidiary companies and loans and	

	advances due from these subsidiary companies amounting to Rs. 90,47,40,016/- as at March 31, 2016. The net worth of these Subsidiary companies has been fully eroded. Management Note: Based on certain estimates and other factors including the business plan and growth prospects of the subsidiaries, the decline in the value of investments is temporary in nature and management believes that the Loans & Advances are good and recoverable.	
4	Frequency of Qualification	First time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	As stated above.
	Additional comments from the board/audit committee chair:	No

5.	TO be signed by-	
	CEO/ Managing Director	Mr. Ajit B. Kulkarni (Managing Director) 
	CFO	Mr. K.H. Sethuraman 
	Auditor of the Company	For, Jayesh Sanghrajka & Co. LLP Chartered Accountants (Firm Regn NO. 104184W/W100075)  Ashish Sheth M. No. 107162
	Audit Committee Chairman	Mr. Shrikant T. Gadre 



JAYESH SANGHRAJKA & CO. LLP.

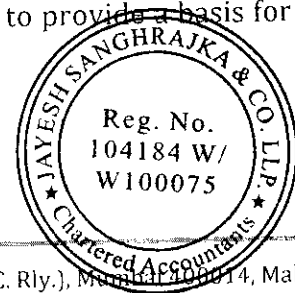
CHARTERED ACCOUNTANTS

Independent Auditors' report on the Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

To,
The Board of Directors
PRATIBHA INDUSTRIES LIMITED

1. We have audited the accompanying statement of Consolidated financial results of PRATIBHA INDUSTRIES LIMITED, ("the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group"), for the year ended March 31, 2016 ("the Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the related Consolidated financial statements, which is in accordance with the Accounting Standards prescribed under section 133 of the Companies Act, 2013, as applicable, except as mentioned in the paragraph 3 & 4, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit of the Statement 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 paragraph 3, where we have not been able to perform audit in conformity with relevant auditing standards in the absence of sufficient appropriate audit evidence. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.

We believe that the audit evidence we have obtained, except with regard to the matters set out below in paragraph 3 & 4, is sufficient and appropriate to provide a basis for our qualified audit opinion.



Batgach
& Affiliates

A Network Approved by ICAI

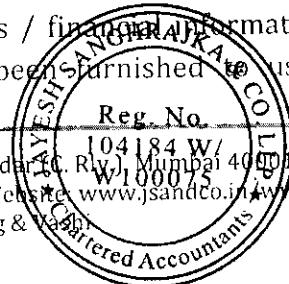
405-407, Hind Rajasthan Centre, D.S. Phalke Rd, Dadar (C. Rly.), Mumbai 400014, Maharashtra
E: jayesh@jsandco.in / T: 40774600 (18 Lines) Website: www.jsandco.in/www.batgach.com
Branches at Kanjurmarg & Vashi



JAYESH SANGHRAJKA & CO.LLP.

CHARTERED ACCOUNTANTS

3. 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.
4. 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 AS 17 as it does not recognize it as separate segment.
5. 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 paragraph 3 & 4 and based on consideration of reports of the other auditors referred to in Other Matters Paragraph, the statement;
 - a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - b. give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated net profit and other financial information of the Group for the year ended March 31, 2016
6. Attention is invited to Note No. 4 of the accompanies Statement regarding the Company's aggregate investments in two subsidiary companies and loans and advances due from these subsidiary companies amounting to Rs. 90,47,40,016/- as at March 31, 2016. The networth of these Subsidiary companies has been fully eroded. However based on certain estimates and other factors including their business plan and growth prospects, as described in the said note, management considers the decline in the value of investments as temporary in nature and believes that the Loans & Advances are good and recoverable. Our opinion is not qualified in respect of this matter.
7. The accounts of the Company for the year ended March 31, 2016 includes assets aggregating to Rs. 5104,30,86,336/-, liabilities aggregating to Rs. 5074,30,05,795/-, income aggregating to Rs. 1452,44,61,018/-, and expenditure aggregating to Rs. 1498,83,51,466/- 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





JAYESH SANGHRAJKA & CO.LLP.

CHARTERED ACCOUNTANTS

Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and Subsidiary company, is based solely on the reports of the other auditors.

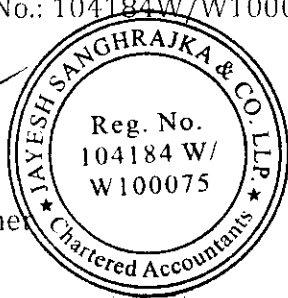
8. The accounts of the Company for the year ended March 31, 2016 includes assets aggregating to Rs. 45,37,894/-, liabilities aggregating to Rs. 63,09,012/-, income aggregating to Rs. 43,414/-, and expenditure aggregating to Rs. 7,73,207/- relating to Company's share in one Subsidiary company whose financial statements / financial information have not been audited by us. This financial statements / financial information is unaudited and prepared by Management. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this Subsidiary company, is based solely on Financial Statement / Financial information provided to us by the Management. According to the information and explanations given to us by the Management, this financial statement is not material to the Group.

Our opinion on the Statement is not modified in respect of the matters in paragraph 7 & 8 with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

9. The Statement includes the results for the Quarter ended March 31, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year which were subject to limited review by us.

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

Ashish Sheth
Designated Partner
M. No.: 107162



Place: Mumbai
Date: 27th May 2016

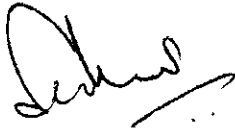
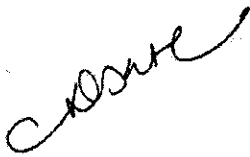
Batgach
& Affiliates
A Network Approved by ICAI

405-407, Hind Rajasthan Centre, D.S. Phalke Rd, Dadar (C. Rly.), Mumbai 400014, Maharashtra
✉: jayesh@jsandco.in / ☎ : 40774600 (18 Lines) Website: www.jsandco.in/www.batgach.com
Branches at Kanjurmarg & Vashi

FORM B
(Audit Report with modified Opinion)
Pursuant to Regulation 33 (4) of SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2015

1.	Name of the Company	Pratibha Industries Limited
2.	Annual Financial Statements for the year ended	Consolidated Financial Statements for the year ended on 31 st March, 2016
3.	Type of Audit observation	Qualified
	• <u>Qualified Opinion:</u> 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. Management Note: 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.	
	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. Management Note: 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.	
	• <u>Emphasis of Matter:</u> Attention is invited to Note No. 4 of the accompanying Statement regarding the	

	Company's aggregate investments in two subsidiary companies and loans and advances due from these subsidiary companies amounting to Rs. 90,47,40,016/- as at March 31, 2016. The net worth of these Subsidiary companies has been fully eroded. Management Note: Based on certain estimates and other factors including the business plan and growth prospects of the subsidiaries, the decline in the value of investments is temporary in nature and management believes that the Loans & Advances are good and recoverable.	
	Frequency of Qualification	First time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	As stated above.
	Additional comments from the board/audit committee chair:	No

5.	TO be signed by-	
	CEO/ Managing Director	Mr. Ajit B. Kulkarni (Managing Director) 
	CFO	Mr. K.H. Sethuraman 
	Auditor of the Company	For, Jayesh Sanghrajka & Co. LLP Chartered Accountants (Firm Regn NO. 104184W/W100075)  Ashish Sheth M. No. 107162
	Audit Committee Chairman	Mr. Shrikant T. Gadre 