

PRABHAV INDUSTRIES LIMITED
ANNUAL REPORT 2015 -2016

Corporate Information

Board of Directors :

Antony Isabu Esak (DIN: 06837547) (appointed on 8/6/2015)	: Managing Director
Chandrakant Gaikwad (DIN: 02636812)	: Executive Director
Ami Jigar Motta (DIN: 02824823)	: Non Executive Independent Director
NileshShivram Mestry (DIN: 02968762)	: Non Executive Independent Director
Shivsharan Narayanappa Yulidra (DIN : 06945632)(appointed on 8/6/2015)	: Non Executive Independent Director
Geeta Rajendra Varma (DIN : 07019589) (appointed on 8/6/2015)	: Non Executive Independent Director

Bankers:

Bank of India , Sayajigunj, Vadodara	Bank of Baroda , Sayajigunj, Vadodara.
Axis Bank , New Marine Lines Branch, Mumbai.	UCO Bank , Mid Corporate Branch, Vadodara
HDFC Bank - Raopura Branch, Vadodara.	Indian Bank , Mandavi Branch, Mumbai.

Statutory Auditors:

Chirag C. Mehta & Co. Chartered Accountants 13, Gaurav Apartment CHS, Nahur Village Road, Sai Angan, Behind Ashok Nagar, Mulund (west) Mumbai -80	Registered Office Office No. 204, Times Square, Opp. Landmark Empire, Surat Kadodra Road, Surat - 395001 Gujarat. Tel No.: 0261-6514281
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Registrar and Transfer Agent

M/s. Link Intime India Pvt. Ltd B- 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank Near Radhakrishna Char Rasta Akota, Vadodara- 390 020	Stock Exchanges Bombay Stock Exchange Ahmadabad Stock Exchange
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NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of **PRABHAV INDUSTRIES LIMITED** will be held on **Friday, 30th September 2016** at 12:00 P.M.at its Registered Office situated at Office No. 119, Modal Township Residency, Saroli, Kadodara Road, Surat – 395010, Gujarat to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements including Audited **Balance Sheet**, Statement of Profit and Loss account and Cash Flow Statement for the year ended **March 31, 2016** along with the Reports of the Auditors' and Boards' thereon.
2. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard 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 (1) and applicable provisions, if any, of the Companies Act, 2013 and rules, circulars, notifications made/issued there under, including any amendments, modification, variation or re-enactment thereof, the appointment of **M/s. Chirag C Mehta & Co.**, Chartered Accountant, Mumbai, bearing Firm Membership No. 132696W as the Statutory Auditors of the Company, who holds the office for a term of Five Years, from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of their appointment at every Annual General Meeting) and to fix their remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them to be in the best interest of the Company including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

3. To appoint a Director in place of **Chandrakant Shankar Gaikwad**, who retires by rotation and, being eligible, offers him for reappointment.

Date: 12/08/2016
Place: Surat

For and on behalf of the Board
Prabhav Industries Limited

SD/-
Antony Isabu Esak
Managing Director
DIN: 06837547

SD/-
Chandrakant Gaikwad
Executive Director
DIN: 02636812

NOTES:

1. A Member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf and such proxy need not be a member of the Company. A person can act as a proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of Total Paid-up Share Capital of the Company. Any Member holding more than 10% of Total Paid-up Share Capital of the Company may appoint a single person as proxy and in such case, the said person shall not act as proxy for any other person or member. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Corporate Members are requested to send to the registered office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
4. Members are requested to bring their admission slip along with copy of the report and accounts to Annual General Meeting.
5. All Documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday /Sunday & Public Holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. The **Register of Members** and the Share Transfer Books of the Company will remain closed from **29th September, 2016 to 30th September, 2016** (Both Days Inclusive) for the purpose of the Annual General Meeting.
7. Members are requested to notify immediately any changes, if any, in their registered addresses at an early date to the Registrar and Share Transfer Agent, quoting their folio numbers/client ID/ DP ID in all correspondence, so as to enable the Company to address any future communication at their correct address.
8. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
9. Members desirous of seeking any information concerning the Accounts of the Company are requested to address the queries in writing to the Company at least seven days prior to the Annual General Meetings of that the requested information can be made available at the time of the meeting.
10. Members holding shares in physical forms are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease in portfolio management. Member can contact the Company or the Company's **Registrar and Transfer Agent, Link In-time India Private Limited**, for assistance in this regard. Members are requested to note that the Company's shares are under compulsory demat trading for all investors. Members are, therefore, requested to de-materialize their shareholding to avoid inconvenience.

11. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be titled to vote.
12. Members who hold shares in physical form can nominate a person in respect of all the shares held by the Members jointly. Members holding shares in single name are advised, in their own interest to avail of the nomination facility by filling form 2B. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination with their Depository Participant for recording nomination in respect of the shares.
13. The Ministry of Corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken "Green Initiative in Corporate Governance" and allowed Companies to share documents with its shareholders through an electronic mode. Electronic copy of the Annual Report for 2016 is being sent to all the members whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode. Members holding shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
14. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository participants and in respect of old shares held in physical form with the Company's Registrar & Share Transfer Agent. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar & Share Transfer Agent.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports & other communications through electronic mode to those members whose email IDs are registered with the Company/ Depository Participant(s). As per provisions of Section 20 of the Companies Act, 2013 read with Rules there under, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office/home address or by such electronic mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his/her Depository Participant(s) /Company Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. For members who have

not registered their email address with the Company, the service of documents will be affected by other modes of services as provided in Section 20 of the Companies Act, 2013 read with the relevant Rules there under. Printed copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Ballot Paper and Proxy Form is being sent to all members in the permitted mode.

16. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website **www.prabhavind.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's designated **email id: prabhavindltd@gmail.com**
17. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
18. In terms of relevant provisions of **SEBI (LODR) 2015**, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to **S. K. Pandey**, Scrutinizer, Raja Bahadur Building, 1st Floor, 45 Tamarind Lane, M.P. Shetty Marg, Fort, Mumbai – 400001, Tel.: 022-66390257, Fax : 022-66390257, Email: **pandeysk2004@yahoo.co.in** so as to reach him on or before Thursday September 29, 2016 by 5.30 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
19. Members can request for a Ballot Form at **Prabhav Industries Limited** at Office No. 204, Times Square, Opp. Landmark Empire, Surat Kadodra Road, Surat – 395001, Gujarat, or they may also address their request through E-mail to: prabhavindltd@gmail.com, Contact No. 0265-2361100/2362200.
20. E-voting: In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

21. The **E-voting period** for all items of business contained in this Notice shall commence from **Tuesday 27th September, 2016** at 9.00 a.m. and will end on **Thursday 29th September, 2016** at 6.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the **cutoff date of 23rd September, 2016**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on **23rdSeptember, 2016**.

22. **S.K. Pandey**, Practicing Company Secretaries (Membership No. ACS 8546) and failing which **Sajeda Patel** or **Pooja Jobanputra** an Independent Professional has been appointed as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
23. The Scrutinizer shall immediately after the conclusion of voting at the meeting, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting and after scrutinizing such votes received shall make a Scrutinizer's report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.
24. The Results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.
25. Voting through electronic means;
- 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 by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **27th September, 2016 (9:00 am) and ends on 29th September, 2016 (6:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **23rd September, 2016**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Prabhav Industries Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pandeyask2004@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) To Sl. No. (xii) Above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. 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 23rd September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the **cut-off date i.e. 23rd September, 2016**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Share Transfer Agent of the Company, i.e. **Link Intime India Private Limited**.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- XIII. **S.K. Pandey**, Practicing Company Secretaries (Membership No. ACS 8546) and failing which **Sajeda Patel** or **Pooja Jobanputra** an Independent Professional has been appointed as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
- XIV. 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.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 favor 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.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company **www.prabhavind.com** and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING

Name of Director :	CHANDRAKANT SHANKAR GAIKWAD
Date of Birth :	10/04/1982
Date of initial appointment :	03/03/2010
Qualifications :	B.com
Experience :	17 years
Names of other Companies in which Directorship is held (Public Companies) :	NIL
No. of Shares held :	NIL

Director's Report

To,
The Members,
Prabhav Industries Limited

Your Directors have pleasure in presenting the Report on the business and operations of the Company together with the Audited Accounts for the year ended **31st March, 2016**.

FINANCIAL HIGHLIGHTS:

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Amt. in Rupees)	
Turnover	35,09,59,963	32,304,998
Other Income	3,96,833	2,810,300
Expenditure	34,91,78,344	39,461,289
Exceptional Items (Net)	0	-56,385,720
Profit(Loss) Before Taxes	21,78,452	-60,731,710
Taxes expenses		
Current Tax	4,00,000	0
Deferred Tax	0	0
Profit after Tax available for appropriation	17,78,452	-60,731,710
Dividend	NIL	NIL
Balance carried forward to Balance Sheet	17,78,452	-60,731,710

Business performance and Segment Reporting:

During the year under review, the Company has seen jumped in its turnover to Rs.3509.60 Lacs compared to Rs. 323.05 lacs of previous year. This has resulted into a Net profit of Rs. 17.78 Lacs as against Net Loss of Rs. 607.31 Lacs during the previous year 2014-15. The Company is into business of infrastructure development which as per Accounting Standard 17 is considered the only reportable business.

Management Discussion and Analysis Report:

To avoid duplication between the Directors Report and the Management Discussion and Analysis Report for the year, we present below a composite summary of performance of the various business & functions of the Company.

Industry Overview:

The trend in slowdown in global growth continued during the year. India was the fastest growing large economy with a stable currency that performed better than the most emerging market currencies. If the industry players manage to restructure their operations as per the new realities, success will not be very hard to find now. India growth story remained reasonably positive due to stable domestic consumption, lower commodity & energy prices & hence improving macroeconomic parameters.

However there are some negative factors like drought, rising Non-Performing Assets (NPA) of Banks & low credit growth. The Company is into business of development of commercial, residential and infrastructure projects. The new Government policies as well as, certain High Court rulings have made many infrastructure projects unviable and there is considerable delay as many restrictions have been imposed by the High Court. The infrastructure sector is badly hit because of regulatory, legal & financial hurdle.

Business Overview:

The Company is into business of development of commercial, residential and infrastructure projects.

The Company is exploring various options to improve margins of the Company, by having tight control on expenses & exploring various business activities. The Company has decided to take work on sub-contract basis, as the Capital & cost will be minimal& loss can also be eliminated because of any change in Government regulations. This will impact the profit margin, but at least the Company can sustain in the long run. The Company is also exploring low cost housing projects in Gujarat, which is easily saleable in the present scenario. Despite various adverse factors we firmly believe that Indian economic will grow and hence the growth of construction & infrastructure sector presents us with exciting opportunities like India's long-term growth story remains intact notwithstanding declining growth in the past year or two. This presents vast opportunities for us to grow our businesses in the medium to long term, though short-term pain remains a possibility. We further believe the policy liberalization and forward-looking regulatory changes will help markets grow in size. The Company has turnaround this year and it expect to keep this momentum. The growth in the sector is very good and Management expects better results in forth coming year.

Adequacy of Internal Control:

The Company has robust internal control systems in place which are commensurate with the size and nature of the business. The internal controls are aligned with statutory requirements and designed to safeguard the assets of the Company. The internal control systems are complemented by various Management Information System (MIS) reports covering all areas. Increased attention is given to auto generation of MIS reports as against manual reports to take care of possible human errors or alteration of data. The Management reviews and strengthens the controls periodically.

Human Resource Development:

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. With the philosophy of inclusive growth, the Company has redefined its performance management system. The new system focuses on progression of individual employees together with organizational goals. Under the new system increased thrust will be on job rotation and multi-skilling.

Manpower:

The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them.

Segment-Wise Performance:

The Company is into single reportable segment only.

Compliance:

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes.

Cautionary Statement:

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate intend, will, expect and other similar expressions are intended to identify "Forward Looking Statements". The company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Actual results could differ materially from those expressed or implied.

Dividend:

The Board of Directors does not recommend any Dividend for the year under review

Share Capital:

The Company has not changed the capital structure during 2015-16.

Reserves:

Out of the profits available for appropriation, no amount has been transferred to the General Reserve and the balance amount of Rs. 17.78 lacs has been carried forward to profit & loss account.

Acceptance of Fixed Deposits:

The Company has not accepted any Fixed Deposits from general public with in the purview of Section 73, of the Companies Act, 2013, read with the Companies (Acceptance of Deposit) Rule, 2014, during the year under review.

Subsidiaries, Joint Ventures and Associates Companies:

The Company does not have any subsidiaries, joint venture & associates Company.

Particulars of Contract or Arrangement with Related Party:

There is no transaction with Related Party which requires disclosure under Section 134(3) (h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014. There being no material related party transactions as defined under Regulation 23 of the SEBI (LODR) Regulations, 2015, there are no details to be disclosed in Form AOC – 2 in that regard. The policy on materiality of related party transactions and also on dealing with related party transactions as approved by the Board may be accessed on the Company website. All related party transactions which were entered into during the year were on arm's length basis and were in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material related party transactions under Regulation 23 of the SEBI (LODR) Regulations, 2015. There is no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company. Pursuant to Regulation 26(5) of the SEBI (LODR) Regulations, 2015, senior personnel made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company & same was nil.

Loans, Investment and Guarantees by the Company:

There is no loan given, investment made, guarantee given or security provided by the Company to any entity under Section 186 of the Companies Act, 2013. Particulars of Investment made/loan given under section 186 of the Companies Act, 2013 are provided in the financial statement.

Internal Financial Controls:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observations has been received from the Auditor of the Company for inefficiency or inadequacy of such controls.

Disclosures under Section 134(3) (I) of the Companies Act, 2013:

No material changes and commitments which could affect the Company financial position have occurred between the end of the financial year of the Company and the date of this report, except as disclosed elsewhere in this report.

Directors:

In accordance with the provisions of the Act and the Articles of Association of the Company, **Chandrakant Shankar Gaikwad** Director of the company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment. Your Directors recommend his re-appointment for your approval.

Antony Isabu Esak; Shivsharan N Yulidra & Geeta R Verma were appointed as Directors of the Company on 8th June, 2015. Bhavesh J Desai has resigned on 26th October, 2015 as Director of the Company and Board appreciate his valuable contribution to the Company during his tenure.

Directors Remuneration Policy:

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration policy, providing criteria for determining qualifications, positive attributes, independence of a Director and a policy on remuneration for Directors, key managerial personnel and other employees. The detailed Remuneration policy is placed on the Company's website.

Consolidated Financial Statement:

The audited consolidated financial statement of the Company prepared in accordance with relevant Accounting Standards (AS) issued by the Institute of Chartered Accountants of India forms part of this Annual Report. The Compliance Officer will make these documents available upon receipt of a request from any member of the Company interested in obtaining the same. These documents will also be available for inspection at the Registered Office of your Company during working hours up to the date of the Annual General Meeting.

Number of Meeting of Board of Directors:

The Board of Directors have met 5 times and Independent Directors once during the year ended 31st March, 2016 in accordance with the provisions of the Companies Act, 2013 and rules made there under. All the Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

Declarations by Independent Director:

Pursuant to the provisions of Sub-Section (7) of Section 149 of the Companies Act 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfil the criteria of independence as specified in Section 149(6) of the Companies Act 2013.

Statutory Auditors:

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made there under, the current auditors of the Company, **M/s. Chirag C Mehta & Co.**, Chartered Accountants, Mumbai, were appointed as Auditor of the Company during May, 2016 to hold office up to the conclusion of the forthcoming Annual General Meeting of the Company. It is propose to appoint them for a period of 5 years from 2016 until the conclusion of Annual General Meeting to be held in 2016, subject to approval of the members and their ratification at every Annual General Meeting. The Company has received a certificate from the said Statutory Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed. Necessary resolution for appointment of the said Auditor is included in this Notice.

Auditors Report:

The observations and comments furnished by the Auditors in their report read together with the notes to Accounts are self-explanatory and hence do not call for any further comments under Section 134 of the CompaniesAct,2013.

Directors Responsibility Statement:

In accordance with the requirement of Section 134 of the Companies Act, 2013, the Board of Directors of the Company confirms:

- i. In the pre parathion of the annual accounts for the financial year ended 31st March, 2016 the applicable accountings standards have been followed along with proper explanation relating to material departure.
- ii. That 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 the year ended 31st March, 2016.
- iii. That the Directors have taken sufficient and proper care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting material fraud and other irregularities.
- iv. That the Directors have prepared the Annual Accounts on a going concern basis.
- v. There are no material changes & commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate & the date of the report.

Directors Responsibility Statement:

- vi. There are proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vii. That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- viii. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

Annual Evaluation by the Board of Its Own Performance, Its Committees and Individual Directors:

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual Directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company. Information on the manner in which the annual evaluation has been made by the Board of its own performance and that of its Committee and individual Directors is given in the Corporate Governance Report.

Details of Committee of Directors:

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship/Grievance Committee of Directors, number of meetings held of each Committee during the financial year 2015-16 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of the report. The recommendation by the Audit Committee as and when made to Board has been accepted by it.

Risk Management:

During the year, Management of the Company evaluated the existing Risk Management Policy of the Company to make it more focused in identifying and prioritizing the risks, role of various executives in monitoring & mitigation of risk and reporting process. Its aim is to enhance shareholders value and provide an optimum risk-reward trade-off. The Risk Management Policy has been reviewed and found adequate to the requirements of the Company, and approved by the Board. The Management evaluated various risks and that there is no element of risk identified that may threaten the existence of the Company.

Secretarial Audit Report:

A Secretarial Audit Report for the year ended **31st March, 2016** in prescribed form duly audited by **S K Pandey Practicing Company** Secretary CS, Mumbai is annexed herewith and forming part of the report.

Extract of Annual Return:

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of annual return is annexed herewith and forming part of the report. (Annexure – I).

Corporate Governance:

Pursuant to the SEBI (LODR) Regulations, 2015, a separate section on Corporate Governance forms part of the Annual Report. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2015-16. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report. The Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the SEBI (LODR), Regulations, 2015.

Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance is annexed to this Report.

Whistle Blower Mechanism:

The Company has put in place Whistle Blower Mechanism. The detailed mechanism is given in Corporate Governance Report forming part of this report.

Corporate Social Responsibility:

The Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility Committee is not applicable to the Company as the Net Profit of the Company is below the threshold limit prescribed by the Companies Act, 2013.

Managing Director's Certificate:

A Certificate from the Managing Director in respect of the Financial Statements forms part of the Annual Report.

Conservation Of Energy, Technology Absorptions and Foreign Exchange Earnings and Outgo:

The information relating to the conservation of energy, technology absorption foreign exchange earnings and outgo under provisions of 134 of the Companies Act, 2013 is not applicable to the Company, considering the nature of its business activities. Further the Company has not earned nor spends foreign exchange during the year under review.

Significant and Material Orders Passed By the Regulators or Courts:

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in future.

Presentation of Financial Statements:

The financial statements of the Company for the year ended **31st March, 2016** have been disclosed as per Schedule III to the Companies Act, 2013.

Statutory Disclosures:

A copy of audited financial statements of the said Companies will be made available to the members of the Company, seeking such information at any point of time. A cash flow statement for the year 2015-2016 is attached to the Balance Sheet. Pursuant to the legislation 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013' introduced by the Government of India, the Company has a policy on Prevention of Sexual Harassment at workplace. There was no case reported during the year under review under the said policy.

Details as required under the provisions of section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, are placed on the Company's website, i.e. www.prabhavind.com as an Annexure to the Director Report. Details as required under the provisions of section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, are placed on the Company's website, i.e. www.prabhavind.com as an Annexure to the Director Report. A physical copy of the same will be made available to any shareholders on request. A cash flow statement for the year **2015-16** is attached with the Balance-Sheet.

Acknowledgement:

The Directors take this opportunity to thank the Financial Institutions, Banks, Business Associates, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company and look forward to their continued support in future.

The Company thanks all of the employees for their contribution to the Company's performance. The Company applaud all the employees for their superior levels of competence, dedication and commitment to your Company.

Date: 12/08/2016

Place: Surat

For and on behalf of the Board

Prabhav Industries Limited

SD/-

Antony Isabu Esak
Managing Director
DIN: 06837547

SD/-

Chandrakant Gaikwad
Executive Director
DIN: 02636812

FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2015

I REGISTRATION & OTHER DETAILS:

i	CIN	L45200GJ1995PLC028373
ii	Registration Date	8-Dec-95
iii	Name of the Company	PRABHAV INDUSTRIES LIMITED
iv	Category of the Company	Public Company
v	Address of the Registered office & contact details	
	Address :	Office No. 204, Times Square, Opp. Landmark Empire, Surat Kadodra Road,
	Town / City :	SURAT
	State :	GUJARAT – 390001
	Country Name :	India
	Telephone (with STD Code) :	0261-6514281
	Fax Number :	–
	Email Address :	prabhavindltd@gmail.com
	Website, if any:	www.prabhavind.com
vi	Whether listed company	Yes

vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	M/s. Link Intime India Private Limited
	Address :	B- 102 & 103, Shangrila Complex,1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota
	Town / City :	Vadodara
	State :	Gujarat
	Pin Code:	390005
	Telephone :	0265-2356573/ 2356794
	Fax Number :	0265- 2356791
Email Address :	vadodara@linkintime.co.in	

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

1

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Business of infrastructure developments	41001	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled	NA
--	----

Sr. No.	Name and Address of Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1	-	-	-	-	-

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 01.04.2015				No. of shares held at the end of the year 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	415300	-	415300	0.9011	415300	-	415300	0.9011	NIL
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt. (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	9500	-	9500	0.0206	9500	-	9500	0.0206	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1):	424800	-	424800	0.9217	424800	-	424800	0.9217	NIL
(2) Foreign									
(a) NRIs/ Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-

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(c) Bodies Corp.									
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter	424800		424800	0.9217	424800		424800	0.9217	NIL
(A)=(A)(1)+(A)(2)		-				-			
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt. (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1):	-	-	-	-	-	-	-	-	-

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Category of Shareholders	No. of shares held at the beginning of the year 01.04.2015				No. of shares held at the end of the year 31.03.2016				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	3990487	12662500	16652987	36.1322	11423603	12662500	24086103	52.2599	16.1277
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital up to Rs. 1 lakh	1687247	339600	2026847	4.3977	3500957	339250	3840207	8.3321	3.9344
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	7255339	19613615	26868954	58.2978	13354587	1900000	15254587	33.0980	(25.1998)
(c) Others Clearing Members	6500	-	6500	0.0141	710274	0.00	710274	1.5411	1.5270
(d) HUF	-	-	-	-	1656887	-	1656887	3.5950	3.5950
(i) Repatri	106012		106012	0.2300	108012	-	108012	0.2344	0.0044
(ii) Non-Repatri	3000		3000	0.0065	8230	0.00	8230	0.0179	0.0114
Sub-Total(B)(2):	13048585	32615715	45664300	99.0783	30762550	14901750	45664300	99.0783	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	13048585	32615715	45664300	99.0783	30762550	14901750	45664300	99.0783	NIL
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13473385	32615715	46089100	100.00	31187350	14901750	46089100	100.00	-

ii Shareholding of Promoters

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2015		Transaction During the Year		Cumulative Shareholding at the end of the year 31.03.2016	
		No. of shares held	% of total Shares of the Company	Date of Transaction	Increase/ Decrease in shareholding	No. of shares held	% of total Shares of the Company
1	Jayeshbhai Raichandbhai Thakkar	225300	0.4888			225300	0.4888
	At the end of the year					225300	0.4888
2	Jagdish Thakkar	160000	0.3472			160000	0.3472
	Transfer			01.05.2015	2000	162000	0.3515
	Transfer			05.06.2015	2000	164000	0.3558
	Transfer			19.06.2015	-2000	162000	0.3515
	Transfer			18.12.2015	-2000	160000	0.3472
	Transfer			31.12.2015	2000	162000	0.3515
	Transfer			19.02.2016	-2000	160000	0.3472
	Transfer			04.03.2016	2000	162000	0.3515
	At the end of the year					162000	0.3515
3	Artiben Jayeshbhai Thakkar	30000	0.0651			30000	0.0651
	At the end of the year					3000	0.0651
4	Pacific Finstock Limited	9500	0.0206			9500	0.0206
	At the end of the year					9500	0.0206

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% 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	Jayeshbhai Raichandbhai Thakkar	225300	0.4888	-	225300	0.4888	-	-
2	Jagdish R Thakkar	160000	0.3472	-	162000	0.3472	-	-
3	Artiben Jayeshbhai Thakkar	30000	0.0651	-	30000	0.0651	-	-
4	Pacific Finstock Limited	9500	0.0206		9500	0.0206		
	Total	424800	0.9217		426800	0.9217		

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

Sr. No.	Top 10 shareholders	Shareholding at the beginning of the year 01.04.2015		Transaction During the Year			Cumulative Shareholding at the end of the year 31.03.2016	
		No. of shares at the beginning (01.04.2015) / end of the year 31.03.2016	% of total Shares of the Company	Date of Transaction	Increase/ Decrease in shareholding	Reason	No. of shares	% of total Shares of the Company
1	Shriram Credit Company Limited	0	0					
				01.05.2015	2854269		2854269	6.1929
				25.09.2015	70172		2924441	6.3452
				31.12.2015	(128000)		2796441	6.0675
				01.01.2016	(320547)		2475894	5.3720
	At The End Of The Year						2475894	5.3720
2	Vaiggio Entertainment Pvt Ltd	1975000	4.2852				1975000	4.2852
	At The End Of The Year						1975000	4.2852
3	Adila Traders Pvt Ltd	1850000	4.0140				1850000	4.0140
	At The End Of The Year						1850000	4.0140

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4	Amazing Suppliers Pvt Ltd	1825000	3.9597				1825000	3.9597
	At The End Of The Year						1825000	3.9597
5	Sonal Style Pvt Ltd	1812500	3.9326				1812500	3.9326
	At The End Of The Year						1812500	3.9326
6	Indivar Traders Pvt Ltd	1800000	3.9055				1800000	3.9055
	At The End Of The Year						1800000	3.9055
7	Gateway Textile Traders Pvt Ltd	1800000	3.9055				1800000	3.9055
	At The End Of The Year						1800000	3.9055
8	ReligareFinvest Ltd	1629169	3.5348				1629169	3.5348
	At The End Of The Year						1629169	3.5348
9	Manali Lunkad	1500000	3.2546				1500000	3.2546
	At The End Of The Year						1500000	3.2546
10	Fullerton Securities And Wealth Advisors Limited	719600	1.5613				719600	1.5613
	At The End Of The Year						719600	1.5613

v. Shareholding of Directors and Key Managerial Personnel:

SI No.	Name	Shareholding at the beginning and end of the year(1/4/2015 to 31/03/2016)		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% Total shares of the Company				No. of Shares	% Total shares of the Company
1	Jayesh Raichandbhai Thakkar	2,25,300	0.49%	01/04/2014				
		2,25,300	0.49%	31/03/2015			2,25,300	0.49%

V INDEBTEDNESS

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	N.A.	15,48,02,610	N.A.	15,48,02,610
ii) Interest due but not paid	N.A.	N.A.	N.A.	N.A.
iii) Interest accrued but not due	N.A.	N.A.	N.A.	N.A.
Total (i+ii+iii)	N.A.	15,48,02,610	N.A.	15,48,02,610
Change in Indebtedness during the financial year				
Addition	N.A.	21,10,000	N.A.	21,10,000
Reduction	N.A.	(1,08,16,352)	N.A.	(1,08,16,352)
Net Change	N.A.	(87,06,352)	N.A.	(87,06,352)
Indebtedness at the end of the financial year				
i) Principal Amount	N.A.	14,61,13,758	N.A.	14,61,13,758
ii) Interest due but not paid	N.A.	N.A.	N.A.	N.A.
iii) Interest accrued but not due	N.A.	N.A.	N.A.	N.A.
Total (i+ii+iii)	N.A.	14,61,13,758	N.A.	14,61,13,758

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Jayesh Raichandbhai Thakkar(MD)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,10,000	2,10,000
	(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)	2,10,000	2,10,000
	Ceiling as per the Act	60,00,000	60,00,000

B. Remuneration to other directors:

	Particulars of Remuneration	Name of Directors				Total Amount
		Ami Jigar Motta	Nilesh Shivram Mestry	Shivsharan Narayanappa Yulidra	Geeta Rajendra Varma	
1	Independent Directors					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors	Antony Isabu Esak				
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD :

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	Not Applicable		-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Date: 12/08/2016

Place: Surat

For and on behalf of the Board

Prabhav Industries Limited

SD/-

Antony Isabu Esak
Managing Director
DIN: 06837547

SD/-

Chandrakant Gaikwad
Executive Director
DIN: 02636812

Form No. MR-3

SECRETARIAL AUDIT REPORT

FORTHE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

To,

The Members,

Prabhav Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Prabhav Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me areas on able basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Prabhav Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, here by report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016** has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, except to those mentioned below 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 Prabhav **Industries Limited** ("the Company") for the **financial year ended on 31st March, 2016** according to the provisions of:

- (i) The Companies Act, 2013(the Act)and the rules made there under;
- (ii) The Securities Contracts(Regulation) Act, 1956 ('SCRA')and the rules made there under;
- (iii)The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; Foreign Exchange Management Act,1999and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**
- (iv) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act,1992 ('SEBI Act');
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations,2011; **Not Applicable**
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992; **Not Applicable**
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009; **Not Applicable**

- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable to the Company during the Audit Period;**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable to the Company during the Audit Period;**
- vi. 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; **Not Applicable**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and - **Not Applicable to the Company during the Audit Period;**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable to the Company during the Audit Period;**

The management has identified and confirmed the following laws as specifically applicable to the Company & they have complied with most of the Rules & Regulations specified in the Acts, mentioned below:

- a) Chapter V of the Finance Act, 1994 (service Tax)
- b) Sales Tax

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited;

During the period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement etc. mentioned hereinabove;

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in the Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

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. There was no change in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings 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.

- Since Minutes books is not updated, hence we cannot comment whether majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

- **The Company did not have Company Secretary during the year. However the management is taking the necessary steps for regularizing the same.**
- **The Company has filed certain Forms with ROC with delay fees during the year.**

SD/-

(S. K. Pandey)

Practicing Company Secretaries

C P No. 5484

Date: 12thAugust, 2016

Place: Mumbai

Annexure –A to Secretarial Audit Report

To,

The Members,

Prabhav Industries Limited

Our Secretarial Audit Report dated 11 August 2016 is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

SD/-

(S. K. Pandey)

Practicing Company Secretaries

C P No. 5484

Date: 12thAugust, 2016

Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance states compliance as per requirements of the Companies Act, 2013, SEBI (LODR), Regulations, 2015, as applicable to the Company. Given below are the Company's Corporate Governance policies and practices for 2015-16 and the Company has complied with all the statutory and regulatory requirements as stipulated in the applicable laws.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were man-dated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

2. BOARD OF DIRECTORS:

The Company is managed by well- qualified professionals. All directors are suitably qualified, experienced and competent .The members of the Board of Directors are persons with considerable experience and expertise in Audit, Accounts, Finance, Administration and Marketing. The Company is benefitted by the experience and skills of the Board of Directors. The Independent Directors have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the company which could have potential conflict of interest with the company at large. The Company has a Code of Conduct for Directors and Senior Management personnel. The code is available on the official website of the www.prabhavind.com.

Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Directors have separate and independent access to officers of the Company. . In addition to items, which are required to be placed before the Board for its noting and/or approval, information is provided on various significant items. At the meeting of the Independent Directors held during the year, they have expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Orderly succession to Board and Senior Management

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

Code of Conduct

Regulations 17(5) of the SEBI (LODR) Regulations, 2015, requires listed Companies to lay down a Code of Conduct for its Directors and Senior Management, incorporating duties of a Directors as laid down in the Companies Act, 2013. The Board has adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on Company's website.

Maximum tenure of Independent Directors

The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (LODR) Regulations, 2015.

Formal Letter of Appointment to Independent Directors

The Company issues a formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. As per Regulation 46(2) of the SEBI (LODR) Regulation, 2015, the terms and conditions of appointment of Independent Directors are placed on the Company's website.

Directors' Interest in the Company

Sometime, the Company does enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weight age to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

Responsibilities & Functions of Board of Directors

The Board of Directors of the listed entity shall have the following responsibilities:

(i) Disclosure of information:

(1) Members of Board of Directors and key managerial personnel shall disclose to the Board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.

(2) The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(ii) Key functions of the Board of Directors-

(1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

(2) Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.

(3) Selecting, compensating, monitoring and, when necessary, replacing key managerial Personnel and overseeing succession planning.

- (4) Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
- (5) Ensuring a transparent nomination process of the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of Directors.
- (6) Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and a business in related party transactions.
- (7) Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (8) Overseeing the process of disclosure and communications.
- (9) Monitoring and reviewing Board of Director's evaluation framework.

iii) Other responsibilities:

1. The Board of Directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
2. The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
3. Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
4. The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up to date.
5. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
6. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
7. The Board of Directors shall exercise objective independent judgment on corporate affairs.
8. The Board of Directors shall consider assigning a sufficient number of non-executive members of the Board of Directors capable of exercising independent judgment to tasks where there is a potential for conflict of interest.
9. The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the listed entity to excessive risk.
10. The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.

11. When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.
12. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
13. In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
14. The Board of Directors and senior management shall facilitate the independent Directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual directors. Manner in which such formal annual evaluation was made by the Board is given below:

- Performance evaluation criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting. The criteria are placed on the Company's website www.prabhavind.com

Under law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise. Details on the evaluation carried out by the independent directors at their meeting held on **30th March, 2016** have been furnished in a separate Para elsewhere in this Report.

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of business;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;

- availability of time and other commitments for proper performance of duties; personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Independent Directors Meeting:

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of SEBI Listing Regulations, 2015, the independent directors held their separate meeting **on 30th March, 2016**, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

- i. reviews the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- iv. review the responsibility of independent directors with regard to internal financial controls.

All independent directors were present at the meeting. The independent director's present elected **Nilesh S Mestry** as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

Remuneration of Directors

Pecuniary transactions with non-executive directors

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. The register of contracts is maintained by the Company pursuant to section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee corporate governance framework of the Company.

As stated earlier, the Remuneration Policy, inter alia, disclosing criteria of making payments to directors, key managerial personnel and employees is placed on www.sanguinemedialtd.com

Non-executive directors

Non-executive directors are paid sitting fees and commission as earlier stated in this Report.

Managing Director

During the year under review, the Company paid remuneration to Jayesh Thakkar, Managing Director of the Company as provided in detail in an annexure to the Directors' Report in section VI (A) of Form MGT-9, i.e. extract of the Annual Return

Managing Director is entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which form part of the perquisites allowed to him. No pension is paid by the Company.

Details of Remuneration to directors

The Company has no stock option plans for the directors and hence, it does not form part of the remuneration package payable to any executive and/or non-executive director. During the year under review, none of the directors was paid any performance-linked incentive.

In 2015-16, the Company did not advance any loans to any of the non-executive directors, and/or Managing Director. Details of remuneration paid/payable to directors during 2015-16 are provided in an annexure to the Directors' Report in section VI (B) of Form MGT-9, i.e. extract of the Annual Return.

Compliances regarding Insider Trading

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. These regulations have been substituted by SEBI with a new set of Regulations, which have come into effect from 15 May 2015. Accordingly, the Board has approved and adopted,

- a. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- b. Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

The said codes are being adhered to the Code referred to in (a) above is placed on the Company's website www.prabhavind.com

Familiarization of Independent Directors

The details of familiarization programme for Independent Directors have been disclosed on website of the Company. In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy. The details of Directors' induction and familiarization are available on the Company's website.

Composition of Board

The Board of Directors of the Company is composed of committed persons with considerable experience in various fields. The Board is properly constituted as per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on the date of this report, the Board Strength consists of in all 7 directors. Out of them, 4 are non-executive Independent directors, 2 are Non-Executive Non-Independent Director and 1 is Managing Director. All Independent Non-Executive Directors comply with the legal requirements of being "Independent".

Further none of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Also necessary disclosures regarding Committee positions in other public Companies have been made to the Company by the Directors at regular intervals. The number of Directorships, Committee Membership/Chairmanship of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings of the Board of Director

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from the other Board business. The Board meetings are pre-scheduled & Agenda is circulated well in advance to facilitate the Directors to ensure meaningful participation in the meetings. However in case of special and urgent business need the Committee of Board of Directors met at a short notice and its minutes is noted and confirmed in the subsequent Board meeting. The Agenda for the Board/Committee meetings cover items set out as per guidelines in Listing Regulations & it includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. During the Financial Year 2015-16, Five Board Meetings were held on the following dates:

1. 29th May, 2015.
2. 13th August, 2015.
3. 31st August, 2015.
4. 6th November, 2015.
5. 13th February, 2016

Details of the Board of Directors and External Directorships

Particulars of the Board's Composition, Directors' Attendance at Board Meetings and at the previous Annual General Meeting, number of other Directorships and Board-Committee memberships held as on 31March2016, are given below.

Sr. No.	Name of the Director, Designation and Category	Attendance of Board Meetings	Attendance at previous AGM	No. of other Directorships(*)	Number of other Board Committee positions (@)	
					As Chairman	As Member
1	Jayesh R Thakkar – Managing Director till 22/6/2016	4	Yes	4	None	4
2	Chandrakant Gaikwad – Non-Independent Director	5	Yes	-	None	4
3	Ami Motta – Independent Director	4	No	1	1	1
4	Nilesh S Mestry – Independent Director	5	Yes	1	1	1
5	Geeta R Verma – Independent Director appointed on 8/6/2015	3	No	-	None	None
6	Shivsharan N Ulidra – Independent Director appointed on 8/6/2015	3	No	-	None	None
7	Antony IsabuEsak – Present Managing Director from 22/6/2016 originally appointed on 8/6/2015.	4	Yes	-	None	None
8	Bhavesh J Desai – Whole-Time Director resigned on 26/10/2015.	3	Yes	-	None	None

3. COMMITTEES OF THE BOARD:

The Board Committee plays a crucial role in the governance structure of the Company and has been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committee are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings.

The Board has constituted following Committees of Directors:

- ❖ Audit Committee,
- ❖ Nomination and Remuneration Committee, and
- ❖ Stakeholder's Relationship Committee,

Audit Committee

The Audit Committee consists of two Independent Directors and the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise. The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of **Prabhav Industries Limited.**, (the "Company") in fulfilling its oversight responsibilities with respect to;

- (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others,
- (b) the Company's compliances with legal and regulatory requirements,
- (c) the Company's independent auditors' qualification and independence,
- (d) the audit of the Company's financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

Terms of Reference:

The role and terms of reference of Audit Committee covers areas mentioned under Listing Regulations and Companies Act, 2013, besides other terms as may be referred by the Board of Directors. All the Members of Audit Committee are qualified and having insight to interpret and understand financial statements.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions;

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
2. To review and examine with management the quarterly financial results before submission to the Board;

3. To review and examine with the management the annual financial statement and Auditor Report thereon before submission to the Board for approval, with particular reference to – matters to be included in the directors responsibility statement to be included in the board report; changes, if any, in accounting policies and practices and reasons for the same; major accounting entries involving estimates based on the exercise of judgment by management; significant adjustments made in the financial statements arising out of audit findings; compliance with listing and other legal requirements relating to financial statements; disclosure of any related part transactions; modified opinion in the draft audit report;
4. To review management discussion and analysis of financial condition and results of operations;
5. To recommend the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services rendered by the Auditors;
6. To review with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
7. To approve or any subsequent modification/disclosure of any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
8. To approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
9. To review and monitor the Auditor independence and performance, and effectiveness of audit process;
10. To review the performance of statutory and internal auditors, adequacy of the Internal Control System;
11. To discuss with statutory auditors before the audit commences about the nature & scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To recommend appointment, removal, remunerations and terms of appointment of Internal Auditor of the Company;
13. To scrutinize inter-corporate loans and investments made by the Company;
14. To review the adequacy of the Internal Audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage & frequency of internal audit, discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
15. To evaluate internal financial controls and risk management systems;
16. To do the valuation of undertakings or assets of the Company, wherever it is necessary.

17. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 18. To review the functioning of the Whistle blower mechanism.
 19. To review the Company's financial and risk management policies.
 20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, creditors & shareholders (in case of non-payment of declared dividends).
 21. To review the statement of uses/application of funds raised through an issue (public issue; rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and making appropriate recommendations to the Board to take steps in the matter.
 22. To carry out any other function as mentioned in the terms of reference of the audit committee.
 23. To review management letters/ letters of internal control weakness issued by the Statutory Auditors.
 24. To review Statement of deviations in terms of Regulation 32(1) & 32(7); including report of monitoring agency, if applicable.
- The periodic review ensures that all areas within the scope of the Committee are reviewed.

Constitution of the Committee:

The Constitution of the Audit Committee is in conformity with the Listing Regulations. The Chairman of the Audit Committee is an Independent Director and is financially literate and has accounting related financial management expertise. The Composition of the Committee, together with the details of the attendance of each member as at **31st March, 2016** is given below:

Sr. No.	Name of the Director	Designation	Meetings Attended	Category
1.	Antony Isabu Esak	Member	3	Managing Director – present (During 2015-16 he was Independent Director)
2.	Nilesh S Mestry	Chairman	4	Independent Director
3.	Ami Jigar Motta	Member	4	Independent Director
4.	Jayesh R Thakkar	Member	4	Managing Director till 22/6/2016.
5.	Shivsharan N Yulidra	Member	3	Independent Director – appointed on 8/6/2015)

During the year and as per the requirement of the Act, four Audit Committee Meetings were held 29thMay, 2015, 13th August, 2015, 6thNovember, 2015 and, 13thFebruary, 2016.

1.1 NOMINATION AND REMUNERATION COMMITTEE:

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

Terms of the Committee

The Committee was renamed as Nomination & Remuneration Committee and the terms of reference of the said committee has been revised in order to align with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time. However, none of the Directors has been given any remuneration during the year under review. The Committee has devised a policy on Board Diversity. The objective of the policy is to ensure that the Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.

No Stock option has been allotted to any of the Directors during the financial year 2015-2016. The terms of reference of Committee broadly includes identifying & selection of candidates for appointment as Directors/Independent Director based on certain laid down criteria; performing all such functions as are required to be performed by the Committee with regard to such matters as specified under SEBI (LODR) Regulations, 2015 and requirements of section 178 of the Companies Act, 2013. It 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. While reviewing the Company's remuneration policies and deciding on the remuneration, the Board and the Committee considers the performance of the Company, the current trends in the industry, the qualifications of the appointee, their experience, past performance, responsibilities shouldered by them, the statutory provisions and other relevant factors.

The Committee also ensures that the level & composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully. The Committee also ensures that the relationship of remuneration to performance is clear and meets appropriate performance benchmark. The Committee also ensures that the remuneration to directors, key managerial personnel & senior management involves a balance between fixed & incentive pay reflecting short & long term performance objectives appropriate to the working of the Company & its goals.

Role of Committee shall, inter-alia, include the following:

1. To determine/recommend the criteria for determining appointment, qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remunerations of directors, Key Managerial personal and other employees.
2. To formulate the criteria for evaluation of performance of independent directors and the board of directors.
3. To devise a policy on desired age and diversity of board of directors.
4. 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 recommend to the board of directors their appointment and removal.

- To review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, etc.

Following Directors comprises in Nomination and Remuneration Committee

Name	Designation	Category Of Director
Ami Jigar Motta	Chairman	Independent Director
Bhavesh J Desai (resigned on 26/10/2015)	Member	Independent Director
Antony IsabuEsak (appointed on 8/6/2015)	Member	Independent Director - present Managing Director
GeetaVerma (appointed on 8/6/2015)	Member	Independent Director
Jayesh R Thakkar	Member	Erstwhile Managing Director

1.2 STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee

Terms of the Committee:

- To consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of dividends, transmission, split, consolidation of share certificates and matters related there to.
- To ensure expeditious share transfer process.
- To evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company.
- To provide guidance and make recommendations to improve investors service level to the investors.
- Attending to complaints of Investor routed by SEBI/Stock Exchanges/ RBI.

Details of Pending Investor Grievances and Compliance Officer:

There were no investor grievances pending for Redressal at the end of the financial year and all the queries from the stakeholders were attended to promptly. Further there were no pending transfers for the year under review.

Further the details of the Compliance Officer designated for handling of the Investor grievances is provided as under:

Name :	Antony Isabu Esak (Managing Director)
Address:	204, Times Square, Opp. Landmark Empire, SuratKadodra Road, Surat - 395001 (Gujarat). Tel No.: 0261 - 6514281 E-mail: prabhavindLtd@gmail.com

Composition:

The Committee comprises of Shivsharan N Yulidra, Independent Director as Chairman, Chandrakant Gaikwad, Executive Director and Geeta R Verma, Independent Director as Members of Shareholders Grievance Committee.

Responsibilities of Compliance Officer

The compliance officer of the listed entity shall be responsible for-

- a) Ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.
- b) Co-ordination with and reporting to the Board, recognized stock Exchange and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.

Responsibilities of Compliance Officer

- c) Ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.
- d) Monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors.

3. Subsidiary Company: - *The Company does not have any subsidiary companies.*

4. Disclosures:

- i. Materially significant Related Party Transactions:
- ii. The Company has no material significant related party transactions that may have a potential conflict with the interest of the Company. The details of transactions between the Company and the related parties are given under Notes to the Financial Statement for the year ended 31st March, 2016. The Board has approved a policy for related party transactions which has been uploaded on the Company website.
- iii. The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- iv. The Company has adopted the Code of Ethics and Business principles for the members of Board and senior management personnel.
- v. The Company has adopted a 'Code of Conduct for Prevention of Insider Trading ("the Code") in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and its subsequent amendment. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. Further, we affirm that no personnel have been denied access to the Audit Committee. Employees can report to the Management concerned regarding unethical behavior, act or suspected fraud or violation of

- the Company's Code of Conduct Policy.
- vi. The Company is in compliance with all mandatory requirements of Listing Regulations.
 - vii. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
 - viii. The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges/SEBI or any other statutory authority on any matter related to Capital market.

Preventing Conflict of Interest

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by Board Members and the Management Committee. The Board has adopted the Code of Conduct for the members of the Board and Senior Management team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. The members of the Board and the Management Committee also submit on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board. The members of the Board inform the Company of any change in their directorship(s), chairmanship(s)/ membership(s) of the Committees, in accordance with the requirements of the Companies Act, 2013 and Listing Regulations. Transactions with any of the entities referred above are placed before the Board for approval. Details of all Related Party Transactions are placed before the Audit Committee on quarterly basis.

Affirmation and Disclosure

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on **31st March, 2016** and a declaration to that effect signed by the Executive Director and CEO is attached and forms part of this Report. The members of the Management Committee have made disclosure to the Board of Directors relating to transactions with potential conflict of interest with the Company; however there were no material, financial or commercial transaction between the Company and the Independent Directors.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Director neither participated in the discussion nor voted on such matter.

Commodity price risk or foreign exchange risk and hedging activities

Since the Company is into trading activities in Indian Currency only, hence there is neither Foreign Exchange risk nor any hedging activities nor there commodity price risk.

Whistle Blower Policy

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The Whistle Blower policy/vigil mechanism provides a mechanism for the Directors/employees to report violations, without fear of victimization, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. which are detrimental to the organization's interest.

The mechanism protects whistle blower from any kind of discrimination, harassment, victimization or any other unfair employment practice. It provides a mechanism for employees to approach the Chairman of Audit Committee. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee. The Whistle Blower Policy of the Company is available on its website.

The statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and the same is annexed to this Report.

1. General Body Meetings:

The Annual General Meetings of the Company were held at 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara- 390005 (Gujarat) where the Registered Office of the Company is situated. The details of the AGM held for the past three years were as under:-

	2012-13	2013-14	2014-15
Date	28 th September 2013	23 th September 2014	25 th September 2015
Time	11:00 A.M.	11:00 A.M.	12:30 A.M.
No. of Special Resolutions Passed	Nil	Nil	Nil

The Company did not hold any Extra-Ordinary General Meeting between 2014-15 & 2015-16 nor did it hold any Postal Ballot during last 2 years.

a. Details of non-compliance during the last three years:

The Company has complied with the necessary requirements and no major penalties were enforced on the Company by Stock Exchanges/SEBI or any other statutory authority on any matter related to capital markets during the last three years except nominal amount of penalty imposed by Bombay Stock Exchange for delay reporting.

5. Means of Communication:

The Quarterly, Half-Yearly and Annual Financial Results of the Company are forwarded to the Bombay Stock Exchange immediately upon its approval by the Board of Directors and are simultaneously published in leading newspapers in English and Chennai (regional language). The financial statement of the Company is unqualified.

In accordance with the Listing Agreement requirements, data pertaining to Shareholding Pattern, Quarterly Financial Results and Other Details are forwarded to the Stock Exchange. During the year under review, no presentation was made to the institutional investors or analysts

2. General Shareholder Information:**Annual General Meeting:**

Date: 30th September, 2016

Time: 12:00 P.M

Venue: Office No. 119, Modal Township Residency,
Saroli, Kadodara Road, Surat – 395010, Gujarat

Financial Calendar for 2016-17 to approve quarterly / annual financial results:

Unaudited results for the quarter ending on 30th June 2016	06/08/2016
Unaudited results for the quarter ending on 30th September 2016	14/11/2016
Unaudited results for the quarter ending on 30th December 2016	14/02/2017
Audited results for the quarter ending on 31st March 2017	End of May 2017

Listing on Stock Exchanges: Bombay Stock Exchange Ltd, Ahmedabad Stock Exchange Ltd

Corporate Identity Number (CIN): The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L45200GJ1995PLC028373**.

Stock Code at BSE: 531855

ISIN: INE538J01012

Stock Market Data:

Month	High	Low	Number of Shares
Apr-15	1.28	0.89	1,30,002
May-15	1.2	0.95	8,680
Jun-15	1.15	0.95	24,329
Jul-15	1.35	1.14	4,11,105
Aug-15	1.74	1.27	3,51,319
Sep-15	1.61	0.93	1,58,032
Oct-15	1.37	1.08	7,22,894
Nov-15	2.11	1.39	8,54,658
Dec-15	2.34	1.48	9,87,122
Jan-16	1.67	1.55	7,811
Feb-16	1.64	1.61	280
Mar-16	1.62	1.62	300

Outstanding GDRs/ ADRs: The Company has not issued any GDRs/ADRs.

Registrar & Transfer Agents (R&T):

M/s. Link Intime India Pvt. Ltd.
 B- 102 & 103, Shangrila Complex,
 1st Floor, Opp. HDFC Bank,
 Near Radhakrishna Char Rasta,
 Akota, Vadodara- 390 020

Distribution of shareholding as on 31st March 2016:

Range of Holding	No. of shareholding	% to total shareholders	No. of shares	% to total shares
1-500	1133	38.34	284679	0.62
501-1000	546	18.48	499098	1.08
1001-2000	368	12.45	621382	1.35
2001-3000	165	05.58	443427	0.96
3001-4000	77	02.60	283271	0.62
4001-5000	139	04.71	677039	1.47
5001-10000	205	06.94	1618912	3.51
10001 & above	322	10.90	41661292	90.39
TOTAL	2955	100.00	46089100	100.00

Shareholding Pattern as on 31st March 2016:

Category	No. of shares held	% of total shares
Promoters	424800	0.92
Institutional Investors		
Non-Institutions		
a) Bodies Corporate	24086103	52.26
b) Individuals	20751681	45.03
NRI/OCBs (other than promoters)	116242	0.25
Clearing members	710274	1.54
TOTAL	46089100	100.00

Break up of shares in physical and Demat Segment as on 31st March 2016

Segment	No. of shares held	% to total shares
Physical	14901750	32.33
Demat	31187350	67.67
TOTAL	46089100	100

i) Share Transfer System:

The Share transfer is processed by the Registrar & Share Transfer Agent and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgement.

ii) SEBI Complaints Redress System (SCORES)

SEBI vide circular dated 3rd June, 2011 introduced SCORES, i.e., SEBI Complaints Redress System the system of processing of investors complaints in a centralized web based complaints redress portal known as 'SCORES'. The salient features of this system are: centralized database of all Complaints, online upload Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of action taken on the complaints and its current status.

The Company is registered with SEBI under the SCORES system.

Reconciliation of Share Capital Audit

A practicing Company Secretary carries out reconciliation of share capital audit, on half-yearly basis to reconcile the total admitted capital with NSDL & CDSL and total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

ii) Audit Qualifications

There are no Audit qualifications in the Company's financial statement for the year under review.

Non Mandatory Requirements

i) The Board

At present, there is no separate office in the Company for use of Chairman.

ii) Shareholders Rights

Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company.

iii) Audit Qualifications

There is no audit qualification. Every endeavour is made to make the financial statements without qualification.

iv) Separate posts of Chairman and Chief Executive Officer

The Company does not have any Chairman. A separate person is Executive Director of the Company.

v) Reporting of Internal Auditors

Reports of Internal Auditors are placed before the Audit Committee for its review.

Address for Correspondence:

Prabhav Industries Limited

204, Times Square, Opp. Landmark
Empire, Surat Kadodra Road, Surat – 395001.
Tel.: 0261-6514281
Fax:
Email: prabhavindltd@gmail.com

Date: 12/08/2016

Place: Surat

For and on behalf of the Board

Prabhav Industries Limited

SD/-

Antony Isabu Esak
Managing Director
DIN: 06837547

SD/-

Chandrakant Gaikwad
Executive Director
DIN: 02636812

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Prabhav Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Prabhav Industries Limited** for the year ended on 31st March, 2016 as stipulated in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub – regulation (1) of regulation 46 and Para C, D, and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, adopted by the Company for ensuring the compliance of the conditions of corporate governance. 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 knowledge and belief and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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.

For **Chirag C. Mehta & Co.**
Chartered Accountants,
(Firm Registration No: 132696W)

Date: 30/05/2016
Place: Mumbai

SD/-
Chirag C Mehta
Proprietor
(Membership no. 122852)

CERTIFICATE ON FINANCIAL STATEMENTS

To,
TheMembers,
Prabhav Industries Limited

We have hereby certified that:

1. We have reviewed the financial statements and the cash flow statements of **Prabhav Industries Limited** for the **financial year 2015-16** and to the best of our knowledge and belief, we state that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in internal control over financing reporting during the year;
 - b. significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - c. That there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

For, **Prabhav Industries Limited**

SD/-
Antony Isabu Esak
Managing Director
DIN: 06837547

SD/-
Chandrakant Gaikwad
Executive Director
DIN: 02636812

Date: 12/08/2016

Place: Surat

Independent Auditor's Report

To the Members of

PRABHAV INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Prabhav Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the cash flow statement for the year 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 stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2016, its profit for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
 - c. 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;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is

disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the adequacy of internal financial controls over the financial reporting of the Company and the Operating effectiveness of such controls, refer to our separate report in "**Annexure-B**", and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company has no material foreseeable losses on long-term contracts including derivative contracts as required under the applicable law or accounting standards
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company.

For CHIRAG C MEHTA & CO.
Chartered Accountants
FRN No: 132696W

SD/-
Chirag C. Mehta
Proprietor
Membership No. 122852

Place :Vadodara
Dated: 30/05/2016

Annexure A to the Auditor's Report

The annexure required under CARO, 2016 referred to in our report to the members of **Prabhav Industries Limited** ("the company") for the year ended March 31, 2016. We report that:

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, some of the fixed assets were physically verified during the year by the Management as per programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According, to the information and explanation given to us and on the basis of examination of records of the Company, No immovable properties are held by the Company.
- ii) The inventory, except goods-in-transit, has been physically verified by the management during the year and the discrepancies noticed on such verification between the physical stock and the book records were not material. In our opinion, the frequency of such verification is reasonable.
- iii) During the year the company has not granted any Loans, secured or Unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, with respect to loans and investment made.
- v) The company has not accepted any deposits from the public within the meaning of section 73 of the Act and the rules framed the under.
- vi) As informed to us, the Central Government has not prescribed maintenance of cost records under subsection (1) of Section 148 of the Act in respect of the business of the company.
- vii) a) According to information and explanations given to us and on the basis of our examination of the records of the company, the company has been generally regular in depositing its undisputed statutory dues such as Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax and any other

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material statutory dues whichever is applicable to the company with the appropriate authorities during the year. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, service tax, and any other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

b) As at 31st March, 2016, the following are the particulars of dues on account of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess matters that have not been deposited on account of dispute:

Name of the Statute	Nature of the dues	Unpaid Amount (Rs. in Lac)	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Income Tax	Rs.20.44 Lacs	A.Y. 2007-08	Appeal to the Commissioner of Income-tax (Appeals) Ahmedabad
Income Tax Act, 1961	Income Tax	Rs.5.06 Lacs	A.Y. 2009.10	Appeal to the Commissioner of Income-tax (Appeals) Ahmedabad
Income Tax Act, 1961	Income Tax	Rs.455.12 Lacs	A.Y. 2010-11	Appeal to the Commissioner of Income-tax (Appeals) Ahmedabad
Income Tax Act, 1961	Income Tax	Rs.32.99 Lacs	A.Y. 2011-12	Appeal to the Commissioner of Income-tax (Appeals) Ahmedabad
Income Tax Act, 1961	Income Tax	Rs.632.85 Lacs	A.Y. 2012-13	Appeal to the Commissioner of Income-tax (Appeals) Ahmedabad
Income Tax Act, 1961	Income Tax	Rs.275.69 Lacs	A.Y. 2013-14	Appeal to the Commissioner of Income-tax (Appeals) Ahmedabad

- viii) According to the information and explanations given to us and based on the records of the company examined by us, the company does not have any borrowing from any financial institutions or bank and does not issue any debentures as at the balance sheet date. Accordingly clause (viii) of paragraph 3 of the Order is not applicable.
- ix) The company has generally applied the amount raised by it by way of term loans, debt instruments for the purpose for which those loans were obtained, other than temporary deployment pending application of those funds. The company did not raise money by way of initial public offer or further public offer during the year.
- x) According to the information and explanation given to us, no material fraud on or by company has been noticed or reported during the year.

- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided managerial remuneration. Accordingly, clause (xi) of paragraph 3 of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CHIRAG C MEHTA & CO.
Chartered Accountants
FRN No: 132696W

SD/-
Chirag C. Mehta
Proprietor
Membership No. 122852

Place :Vadodara
Dated: 30/05/2016

Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Prabhav Industries Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgment, 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 audit opinion on the Company's internal financial controls system over financial reporting.

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.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent 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.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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.

For CHIRAG C MEHTA & CO.
Chartered Accountants
FRN No: 132696W

SD/-
Chirag C. Mehta
Proprietor
Membership No. 122852

Place : Vadodara
Dated: 30/05/2016

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in Rupees)

Particulars	Note No	As at 31/03/2016	As at 31/03/2015
EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share capital	3	460,891,000	460,891,000
(b) Reserves and surplus	4	910,365,392	908,586,940
2) Share application money pending allotment		-	3,50,000
3) Non-current liabilities			
(a) Long-term borrowings	5	146,113,759	154,802,611
(b) Deferred tax liabilities (Net)		1,508,168	1,508,168
(c) Other long term liabilities	6	20,062,147	20,047,108
(d) Other long term provisions	7	2,113,800	2,113,800
4) Current liabilities			
(a) Trade payables	8	286,158,602	71,431,328
(b) Other current liabilities	9	2,647,679	591,235
(c) Short-term borrowing	10	472,518	6,054,916
(d) Other Short term provisions	11	400,000	-
TOTAL		1,83,07,33,066	1,62,63,77,107
ASSETS			
5) Non-current Assets			
(a) Fixed Assets	12		
(i) Tangible assets		951,851	1,267,891
(ii) Intangible assets		154,406	201,656
(b) Non-current investments	13	386,917,051	402,422,000
(c) Long-term loans and advances	14	366,165,459	392,124,939
(d) Other non-current assets	15	647,879,904	638,188,045
6) Current Assets			
(a) Inventories	16	47,830	26,997,400
(b) Trade receivables	17	419,787,947	159,146,722
(c) Cash and Bank Balances	18	385,693	138,866
(d) Short-term loans and advances	19	7,437,423	5,839,384
(e) Other Current Assets	20	1,005,504	50,205
TOTAL		1,83,07,33,066	1,62,63,77,107

Summary of significant accounting policies

The Notes are an integral part of financial statements

This is the Balance sheet referred to in our report even date

For CHIRAG C MEHTA & CO.

Chartered Accountants

FRN No: 132696W

For and on behalf of the Board of Directors of

Prabhav Industries Limited

SD/-

Chirag C. Mehta

(Proprietor)

Membership No.122852

Vadodara, 30th May, 2016

SD/-

Jayesh Thakkar

Managing Director

DIN : 01631093

SD/-

Antony Isabu Esak

Director

DIN : 06837547

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2016

(Amount in Rupees)

Particulars	Sch.no	Year Ended 31/03/2016	Year Ended 31/03/2015
1) REVENUE			
(a) Revenue from operations (Net of Excise Duty)	21	350,959,963	32,304,998
(b) Other income	22	396,833	2,810,300
Total Revenue		351,356,796	35,115,298
2) EXPENSE			
(a) Cost of Material Consumed	23	-	6,267,321
(b) Purchases of stock-in-trade	24	319,140,618	44,871,042
(c) Changes in inventories of finished goods, WIP	25	26,949,570	(17,937,418)
(d) Employee benefits expense	26	1,133,700	1,030,034
(e) Finance costs	27	13,978	2,916,224
(f) Depreciation and amortization expense	12	363,290	-
(g) Other expenses	28	1,577,188	2,314,086
Total Expenses		349,178,344	39,461,289
3) Profit before Exceptional Items and Tax		2,178,452	(4,345,990)
4) Exceptional Items (Net)		-	(56,385,720)
5) Profit before Tax		2,178,452	(60,731,710)
6) Tax Expenses:			
(a) Current Tax		400,000	-
7) Profit After Tax		1,778,452	(60,731,710)
8) Nominal value per share			
Basic value per share		0.04	(1.32)
Diluted earnings per share		0.04	(1.32)

Summary of significant accounting policies

The Notes are an integral part of financial statements

This is the Profit and Loss Statement referred to in our report even date

For Chirag C Mehta & Co.

Chartered Accountants

FRN No: 132696W

SD/-

Chirag C. Mehta

(Proprietor)

Membership No.122852

Mumbai, 30th May, 2016.

For and on behalf of the Board of Directors of

Prabhav Industries Limited

SD/-

SD/-

Jayesh Thakkar

Managing director

DIN : 01631093

Antony Isabu Esak

Director

DIN: 06837547

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rupees)

Particular	Year ended 3/31/2016	Year ended 3/31/2015
A. Cash Flow from Operating Activities :		
Profit before Tax	2,178,452	(4,345,990)
Adjustments for:-		
Depreciation	363,290	-
Finance Cost	1,132	2,817,457
Interest Income	-	(2,590,969)
Profit/Loss on sale of Investment	(100,000)	-
Other Non Operating Income	(265,000)	(183,386)
Operating Profit before Working Capital changes	2,177,874	(4,302,888)
Adjustments for :		
Inventories	26,949,570	(11,670,097)
Trade receivables and Other Receivable	(260,641,225)	(156,269,130)
Trade payable and Other Payables	214,727,274	57,128,395
Increase/(Decrease) in Loans & Advances	(1,598,039)	(2,723,513)
Increase/(Decrease) in Other Assets	(10,647,158)	80,382,508
Increase/(Decrease) in Liability	2,071,483	(68,792,514)
Increase/(Decrease) in provisions	400,000	(100,600)
Cash Generated from Operation	(26,560,221)	(106,347,840)
Direct Tax Paid	(400,000)	-
Net Cash inflow from/ (outflow) from Operating activities	(26,960,221)	(106,347,840)
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	-	-
Sale Proceeds from investments & fixed assets	15,504,949	168,632,441
Capital Gain	100,000	-
Interest received	-	2,590,969
Dividend received	265,000	183,386
Net Cash inflow from/ (outflow) from Investing activities	15,869,949	171,406,796

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Rupees)

C. Cash Flow from Financing Activities :		
Proceeds / Repayment from Long Term Borrowing(Net)	(8,688,852)	20,823,241
Proceeds/ Repayment from Loans and Advances (Net)	25,959,480	(65,345,061)
Short term borrowings & Interest paid	(5,582,398)	(17,666,650)
Repayment of Advance application money	(350,000)	-
Finance Cost	(1,132)	(2,817,457)
Net Cash inflow from/ (outflow) from Financing activities	11,337,098	(65,005,927)
Net increase / (decrease) in cash and cash equivalents	246,827	53,029
Opening Cash and Cash Equivalents		
Cash in hand	51,706	67,680
Bank balances	87,160	18,157
	138,866	85,837
Closing Cash and Cash Equivalents		
Cash in hand	88,156	51,706
Bank balances	297,536	87,160
	385,693	138,866

Additional information:

1. The Above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statement (AS-3)' issued by the Companies Accounting Standard Rules, 2006
2. Figures in bracket represent outflows.
3. Previous year figures have been recast/restated where necessary
4. This is Cash Flow Statement referred to in our report of even date

This is Cash Flow Statement referred to in our report of even date

For Chirag C Mehta & Co.

Chartered Accountants

FRN No: 132696W

SD/-

Chirag C. Mehta

(Proprietor)

Membership No.122852

Mumbai, 30th May, 2016.

For and on behalf of the Board of Directors of

Prabhav Industries Limited

SD/-

Jayesh Thakkar

Managing director

DIN : 01631093

SD/-

Antony Isabu
Esak

Director

DIN: 06837547

**SCHEDULES ANNEX TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2016 AND TO
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2016**

1. General Information

Prabhav Industries Limited is Public Limited Company bearing (CIN No. L45200GJ1995PLC028373) incorporated on 8th December' 1995 having registered office at Vadodara Gujarat (India). The Company present business activities are infrastructure projects and taking work on contract basis for construction activities.

2. Basis of preparation and presentation of financial statements

(a) Accounting Convention

The account of the Company are prepared under the Historical Cost Convention on the Accrual Basis of Accounting in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and in compliance with the mandatory Accounting Standard notified under the Companies (Accounting Standards) Rule, 2006, as amended, and with the relevant provisions of the Companies Act, 2013. The Financial Statement is presented in Indian Rupees rounded off to the nearest rupees.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of fixed assets and intangible assets, impairments of assets, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized in the period in which such results are known /materialized. Effect of material changes is disclosed in the notes to the financial statements.

The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 2013. Based on the nature of products and the time between the acquisitions of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

(b) Tangible Assets, Depreciation

1. Tangible assets are stated at Cost less Accumulated Depreciation, Impairment loss, if any, ascertained as per the Accounting standard 28 (Impairment of Assets). Cost comprises the Purchase price and any such costs attributable for the purpose of bringing the assets to its working condition for its intended use.
2. Tangible Assets below Rs. 10,000/- are fully depreciated in the year of acquisition.

(c) Investment

Investments of long term-nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current Investments are stated at lower of cost or market value.

(d) Inventory

1. Finished and Semi-finished Products produced and purchased by the company are carried at Cost and net realizable value, whichever is lower

Cost of Inventory is generally ascertained on the 'Weighted average' basis.

Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Packing Material is considered as finished goods. Consumable stores are written off in the year of Purchase.

(e) Employee Benefits

Provision for Gratuity, Leave Encashment and bonus has not been made as none of the employee have completed the minimum qualified period of services.

(f) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of each Cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Re-coverable amount is higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to the assets. Cash flows used to determine value in use are derived from annual budgets and strategic plan of the cash generating units.

(g) Revenue Recognition

Sale are recognized on when substantial risks and rewards of ownership in the goods are transferred to the buyer i.e. delivery as per terms of sale.

(h) Other income

Miscellaneous Income and income on sale of investments are accounted on accrual basis.

(i) Foreign currency Transactions

Transactions in Foreign Currency and Non-Monetary Assets are accounted for at the Exchange Rate prevailing on the date of transaction. All monetary items denominated in Foreign Currency are converted at the Year-End Exchange Rate. The Exchange differences arising on such conversion and on settlement of the transactions are recognized as expenses in the year in which they arise.

(j) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961.

Deferred Tax Assets are recognized for all the timing difference, subject to the consideration of prudence in respect of deferred tax assets.

Deferred Tax Assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

(k) Cash and Cash Equivalent

Cash & Cash Equivalent for the purpose of cash flow statement comprises of cash at bank and in hand and short term investments/bank deposits with an original maturity of three months or less.

(l) Provisions

A Provision is recognized when company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(m) Trade Receivables

In respect of receivable for Sundry Debtors (Incl. Receivable on sale of Investments) of Rs. 4197.88 Lacs and Other Trade receivable, the amount of Bad & Doubtful Debts are not ascertainable on account on non-receipt of confirmation form the party.

(n) In respect of loan and advances, the amount of bad and doubtful debts is not ascertainable on account of non-receipt of confirmation from the party.

(o) In the opinion of the Directors, Current Assets, Loans & Advances have values at which they are stated in the Balance sheet, if realized in the ordinary course of business. The provision for depreciation and all known liabilities is adequate.

(p) Sundry Creditors, Unsecured loans, other liabilities, loans and advances, sundry debtors and other current assets are subject to confirmation.

(q) Micro Small & Medium Enterprise: The Company is in the process of compiling the relevant information. Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by us.

(r) In the opinion of the management, the Provident Fund and ESI act are not applicable, hence no provision have been made for the same.

3 SHARE CAPITAL :

Particular	As At 31 March, 2016	As At 31 March, 2015
AUTHORISED 5,50,00,000 (P.Y. 5,50,00,000) Equity Shares of Rs.10/- each	550,000,000	550,000,000
TOTAL	550,000,000	550,000,000
ISSUED, SUBSCRIBED & PAID-UP		
Issued: 5,08,60,000 (P.Y. 5,08,60,000) Equity Shares of Rs. 10/- each issued	508,600,000	508,600,000
Subscribed & Paid up: 4,60,89,100 (P.Y. 5,07,60,500) Equity shares of Rs.10/- each	507,605,000	507,605,000
Less : Shares Forfeited	46,714,000	46,714,000
TOTAL	460,891,000	460,891,000

Terms/rights attached to equity shares:

3.1 The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to vote per share. The company has not declared dividends during the year under review or last year and dividend if any, subject to approval of the shareholders of the Company, is proposed then the same will be paid in Indian rupees.

3.2 Details of Shareholders holding more than 5% of Shares are as under:-

Name	As at 31 March,2016		As at 31 March,2015	
	% of Shareholding	No of Shares	% of Shareholding	No of Shares
Shriram Credit Company Ltd	2475894	5.37%	2854269	6.19%

3.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As on 31-03-2016		As on 31-03-2015	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	46089100	46,08,91,000	46089100	46,08,91,000
Add : Fresh issue during the year	0	0	0	0
Outstanding at the end of the year	46089100	46,08,91,000	46089100	46,08,91,000

4 RESERVES AND SURPLUS:

Particular	As At 31 March, 2016	As At 31 March, 2015
Securities Premium Reserve		
Opening at beginning	1,025,857,000	1,025,857,000
Addition/utilized during the year	-	-
Closing at end	1,025,857,000	1,025,857,000
Surplus/(Deficit)		
Opening at beginning	(117,270,060)	(56,538,350)
Addition during the year	1,778,452	(60,731,710)
Closing at end	(115,491,608)	(117,270,060)
Grand Total	910,365,392	908,586,940

5 LONG-TERM BORROWINGS:

Particular	As At 31 March, 2016	As At 31 March, 2015
Unsecured Term Loans		
i) Loans and Advances from related parties		
From Directors	279,384	279,384
From Corporates	19,804,495	19,104,495
ii) Other Loans and Advances		
From Corporates	74,340,150	83,729,002
Others	51,689,730	51,689,730
Total	146,113,759	154,802,611

5.1 All the Unsecured loans are without any repayment schedule but are payable on demand.

6 OTHER LONG TERM LIABILITIES:

Particular	As At 31 March, 2016	As At 31 March, 2015
Trade Payables	19,183,612	19,168,573
Others	878,535	878,535
Total	20,062,147	20,047,108

6.1 Other includes Brokerage Payable

7 OTHER LONG TERM PROVISIONS:

Particular	As At 31 March, 2016	As At 31 March, 2015
Sundry Expense Payable	2,113,800	2,113,800
Total	2,113,800	2,113,800

8 TRADE PAYABLES:

Particular	As At 31 March, 2016	As At 31 March, 2015
Trade payables*	286,158,602	71,431,328
Total	286,158,602	71,431,328

8.1 Trade payables are for goods purchased and services taken during the normal course of business.

8.2 The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the yearend together with interest paid/payable under the Act has not been given.

9 OTHER CURRENT LIABILITIES:

Particular	As At 31 March, 2016	As At 31 March, 2015
Others		
Expense Payable	1,565,255	-
Statutory Dues	1,082,424	591,235
Total	2,647,679	591,235

10 SHORT-TERM BORROWINGS:

Particular	As At 31 March, 2016	As At 31 March, 2015
Secured		
Working capital facilities from Banks	472,518	6,037,416
Unsecured		
Loans From related parties	-	17,500
Grand Total	472,518	6,054,916

11 OTHER SHORT-TERM PROVISIONS:

Particular	As At 31 March, 2016	As At 31 March, 2015
Provision for Income Tax	400,000	-
Total	400,000	-

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12 Fixed Assets :

a	Tangible Assets	Buildin g	Plant & Machiner y	Other Plant & Machiner y	Electric al Installat ion	Furnitu re & Fixturer s	Office Equip ments	Compu ters	Vehicle	Auto level meter	Total
	Gross Block as at 01.04.2015	-	-	-	12,888	284,513	110,535	790,793	1,633,311	-	2,832,040
	Addition during the year	-	-	-	-	-	-	-	-	-	-
	Deduction during the year	-	-	-	-	-	-	-	-	-	-
	Revaluation / Impairments during the year	-	-	-	-	-	-	-	-	-	-
	Gross Block as at 31.03.2016	-	-	-	12,888	284,513	110,535	790,793	1,633,311	-	2,832,040
	Accumulated Depreciation as at 01.04.2015	-	-	-	8,573	162,600	47,522	718,045	627,409	-	1,564,149
	Depreciation during the year	-	-	-	1,224	27,029	21,002	72,748	194,037	-	316,040
	Depreciation on assets written off during the year	-	-	-	-	-	-	-	-	-	-
	Accumulated Depreciation as at 31.03.2016	-	-	-	9,797	189,629	68,524	790,793	821,446	-	1,880,189
	Net Block as at 31.03.2016	-	-	-	3,091	94,884	42,011	-	811,865	-	951,851
	Net Block as at 31.03.2015	-	-	-	4,315	121,913	63,013	72,748	1,005,902	-	1,267,891

B	Intangible Assets	Software	Total
	Gross Block as at 01.04.2015	945,000	945,000
	Addition during the year	-	-
	Deduction during the year	-	-
	Revaluation / Impairments during the year	-	-
	Gross Block as at 31.03.2016	945,000	945,000
	Accumulated Depreciation as at 01.04.2015	743,344	743,344
	Depreciation during the year	47,250	47,250
	Depreciation on assets written off during the year	-	-
	Accumulated Depreciation as at 31.03.2016	790,594	790,594
	Net Block as at 31.03.2016	154,406	154,406

13 NON-CURRENT INVESTMENTS:

Particular	As At 31 March, 2016	As At 31 March, 2015
Trade Investments (Unquoted At Cost)		
Other Investment		
Fully Paid up Equity shares	350,217,051	365,722,000
Partly Paid up Equity Shares	31,700,000	31,700,000
Share Application Money	5,000,000	5,000,000
Total	386,917,051	402,422,000

13.1 During the current year Company has sold investment of Rs. 155.05 Lacs (Previous Year Rs. 1579.15 Lacs)

14 LONG -TERM LOANS AND ADVANCES:

Particular	As At 31 March, 2016	As At 31 March, 2015
(Unsecured and Considered Good)		
i) Loans and Advances from related parties		
To Corporates	38,394,981	37,596,618
Others	270,300	270,300
Sub-Total (A)	38,665,281	37,866,918
ii) Other Loans and Advances		
To Corporates	286,330,150	274,342,743
Others	41,170,028	79,915,278
Sub-Total (B)	327,500,178	354,258,021
Total (A+B)	366,165,459	392,124,939

14.1 Other includes balances with statutory Authority, electricity deposits & lease rent deposits & others.

15 OTHER NON-CURRENT ASSETS:

	As At 31 March, 2016	As At 31 March, 2015
(Unsecured and Considered Good)		
Trade Receivables	643,951,094	634,259,235
Statutory Dues	3,928,809	3,928,809
Total	647,879,904	638,188,045

16 INVENTORIES:

Particular	As At 31 March, 2016	As At 31 March, 2015
(Valued at lower of cost & NRV whichever is less & certified by management)		
Finished Goods	47,830	26,997,400
Total	47,830	26,997,400

17 TRADE RECEIVABLES :

Particular	As At 31 March, 2016	As At 31 March, 2015
Outstanding for a period less than six months from the due date of payment Considered good	419,787,947	159,146,722
Total	419,787,947	159,146,722

18 CASH & BANK BALANCE:

Particular	As At 31 March, 2016	As At 31 March, 2015
Cash & Cash Equivalents		
Cash on Hand	88,156	51,706.26
Balances with Bank		
On current Accounts: (With Scheduled Bank)	297,536	87,160
Total	385,693	138,866

19 SHORT TERM LOANS & ADVANCES:

Particular	As At 31 March, 2016	As At 31 March, 2015
TDS / TCS Receivable	259,183	259,183
Others	7,178,240	5,580,201
Total	7,437,423	5,839,384

19.1 Others includes short term loans & advances

20 OTHER CURRENT ASSETS:

Particular	As At 31 March, 2016	As At 31 March, 2015
Others	1,005,504	50,205
Total	1,005,504	50,205

21 REVENUE FROM OPERATIONS

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Sale	350,959,963	33,587,258
Less: Excise Duty	-	1,282,260
Total	350,959,963	32,304,998

22 OTHER INCOME

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest Income	-	2,590,969
Miscellaneous Income	31,833	35,945
Net gain/loss on sale of investments	100,000	-
Other non-operating income (net of expenses directly attributable to such income including Written off)	265,000	183,386
Total	396,833	2,810,300

23 COST OF MATERIAL CONSUMED

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Opening Stock of Raw Materials	-	6,267,321
Add: Purchases of Raw Materials	-	-
Less: Closing Stock of Raw Materials	-	-
Total	-	6,267,321

24 PURCHASE OF STOCK-IN-TRADE

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Trading Purchase	319,140,618	44,871,042
Total	319,140,618	44,871,042

25 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Opening Inventory		
Finished Goods	26,951,800	9,014,382
Equity Shares	45,600	45,600
Subtotal (A)	26,997,400	9,059,982
Closing Inventory		
Finished Goods	-	26,951,800
Equity Shares	47,830	45,600
Subtotal (B)	47,830	26,997,400
Total (A+B)	26,949,570	(17,937,418)

26 EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Director's Remuneration	210,000	360,000
Salaries and incentives	923,700	446,420
Security Expenses	-	223,614
Total	1,133,700	1,030,034

27 FINANCE COST

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Bank Interest	1,132	2,817,457
Bank Charges	12,846	98,767
Total	13,978	2,916,224

28 OTHER EXPENSES

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
MANUFACTURING EXPENSES		
Power & Fuel Charges	-	296,497
Other Direct Charges	-	112,885
Sub Total (A)	-	409,382
ADMINISTRATIVE EXPENSES		
Advertisement Expenses	18,310	60,090
Audit Fees	56,590	56,180
Building Maintenance Charges	9,432	-
Conveyance & Vehicle running Expense	101,225	262,756
Listing Fees	466,123	224,720
Electricity Expenses	34,375	94,684
Internet Charges	3,470	5,299
Legal & Professional Fees	304,716	100,104
Office & Miscellaneous Expenses	419,174	5,680
Postage and Courier Expenses	2,553	7,333
Printing & Stationery Expenses	25,367	42,988
Rent, Rates & Taxes	30,000	71,989
Repairs & Maintenance	-	7,029
Telephone Expenses	59,806	122,739
Travelling Expenses	-	8,350
Other Administrative Expense	5,346	212,486
Sub Total (B)	1,536,487	1,282,427
OTHER EXPENSES		
Preliminary & Shares Issued Expenses W-off.	40,701	557,008
Insurance Expenses	-	65,269
Sub Total (C)	40,701	622,277
Total (A+B+C)	1,577,188	2,314,086

29 EARNINGS PER EQUITY SHARES

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	1,778,452	(60,731,710)
Weighted average number of equity shares	46,089,100	46,089,100
Basic Earnings Per Share	0.04	(1.32)
Face value per Share	10	10
Dilutive Earnings per Share		
Profit after adjusting interest on preference equity shares	1,778,452	(60,731,710)
Weighted average number of equity share after considering potential equity shares	46,089,100	46,089,100
Dilutive Earnings per Share	0.04	(1.32)

30 MANAGERIAL REMUNERATION:

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Directors' Remuneration	210,000	360,000
Total	2,10,000	360,000

31 DETAILS OF PAYMENT TO AUDITORS

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
As Auditor		
Statutory , Tax Audit Fees & other Matters	56,590	56,180
Total	56,590	56,180

32 SEGMENT REPORTING:

The Company has only one segment of activity of dealing in infrastructure activities & construction activities during the period, hence segment wise reporting as defined in accounting standard 17 is not applicable.

33 RELATED PARTY DISCLOSURE**a) Related Parties and their relationship**

Sr. No.	Name of the Related Party	Relation
A	Associates companies	
1	Pavitra Corporation	Companies / Firms in which Directors / Relative of Director are interested
2	Natural Expo Agro Industries Ltd	
3	Pacific Finstock Ltd.	
4	Pacific Securities Limited	
5	Kavit Industries Limited	
6	Ranger Software Tech Pvt. Ltd.	
7	Kavit Logistics	
B	Key management Personnel	
1	Jayesh Raichandbhai Thakkar	Director
2	Chandrakant Shankar Gaikwad	Director
3	Ami Jigar Motta	Director
4	Nilesh Shivram Mestry	Director
5	Bhavesh J Desai	Director (Regined on 26 th Oct' 2015)
6	Antony Isabu Esak	Director (Appointed as on 8th June 2015)
7	Shivsharan Narayanappa Yulidra	Director (Appointed as on 8th June 2015)
8	Geeta Rajendra Varma	Director (Appointed as on 8th June 2015)
C	Artiben J Thakkar	Relative of the Director

34 CONTINGENT LIABILITIES / ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence on non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existences in the financial statements.

Contingent assets are not recognized in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, assets and related income are recognized in the period in which the change occurs.

- 35** Balances in the accounts of debtors, creditors and contracts and contractors, certain Bank Accounts are taken subject to confirmation and reconciliation and only upon such confirmation and reconciliation, the entries for discounts, claims and writing off sundry balances etc. will be recorded in the books.

- 36 In the absence of detailed information from Small Scale and Ancillary Undertaking, included under the head Sundry Creditors dues there from are not ascertained as on the date of Balance Sheet.
- 37 Previous year's figures have been regrouped / rearranged wherever deemed necessary.

For Chirag C Mehta & Co.

Chartered Accountants

FRN No: 132696W

SD/-

Chirag C. Mehta

(Proprietor)

Membership No.122852

Mumbai, 30th May, 2016.

For and on behalf of the Board of Directors of

Prabhav Industries Limited

SD/-

Jayesh Thakkar

Managing director

DIN : 01631093

SD/-

Antony Isabu Esak

Director

DIN: 06837547

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at Annual General Meeting of Prabhav Industries Limited will be held on **Friday, 30th September 2016 at 12:00 P.M. at Office No. 119, Modal Township Residency, Saroli, Kadodara Road, Surat - 395010, Gujarat**

DP ID	Client ID	Folio No.	No. of Shares held

Full Name of Shareholder (In block letters)

Signature

Full Name of Shareholder (In block letters)

Signature

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Form No. MGT-11
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:	
E-mail Id:	
Folio No. /Client Id & DP. Id:	

I/We..... being a member/members holding.....shares of **Prabhav Industries Limited** hereby appoint:

1	Name:	Address:
	Email ID:	Signature:
2	Name:	Address:
	Email ID:	Signature:
3	Name:	Address:
	Email ID:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held **Friday, 30th September 2016 at 12:00 P.M. at Office No. 119, Modal Township Residency, Saroli, Kadodara Road, Surat - 395010, Gujarat** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No	Description.	No.of shares held	FOR	AGAINST
1	Adoption of financial statement for the year ended on 31 March, 2016.			
2	Appointment of Chirag C. Mehta & Co. As Auditors of the Company			
3	Re- appointment of Chandrakant Shankar Gaikwad who retires by rotation as Executive Director			

Signed thisday of September, 2016

**Affix
Revenue
Stamp**

Signature(s) of the Shareholder(s).....

Signature of Proxy Holder.....

Notes: 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.

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Polling Paper
Ballot Form

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of Company: **PRABHAV INDUSTRIES LIMITED**

Registered Office: Office No. 204, Times Square, Opp. Landmark Empire, Surat Kadodra Road, Surat – 395001 Gujarat.

Ballot Form

- 1 Name of the First Named Shareholder :
(In block letters)
- 2 Name of the Joint Holder(s) if any :
- 3 Registered address of the sole/first named :
Shareholder
- 4 Registered Folio No./ DP No./ Client ID No. :
- 5 Class of shares & No. of shares held :

I/We hereby exercise my/our vote in respect of **Resolutions** enumerated below by recording my assent or dissent to the said resolutions in the following manner::

Item No.	Items	No. of shares	I/We assent to the Resolution	I/We dissent to the Resolution
Ordinary Resolution				
1.	Adoption of financial statement for the year ended on 31 March, 2016 .			
2.	Appointment of Chirag C. Mehta & Co. As Auditors of the Company.			
3.	Re- appointment of Chandrakant Shankar Gaikwad who retires by rotation as Executive Director			

Place:

Date:

Signature of the Shareholder

Note:

1. Please read carefully the instructions overleaf before exercising your vote.
2. If you opt to cast your vote by remote e-voting, there is no need to fill up and sign this form.
3. Please note that the last date for receipt of Postal Ballot Forms by the Scrutinizer is **29th September, 2016** at 5.00 P.M.

INSTRUCTIONS

1. General Instructions:

- a. There will be one Ballot Form/remote e-voting for every Client ID No./Folio No., irrespective of the number of joint holders.
- b. Members have option to vote either through Ballot Form or through remote e-voting. If a member has opted for Physical Ballot, then he/she should not vote by remote e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and remote e-voting, then vote cast through remote e-voting shall prevail and vote cast through Physical Postal Ballot shall be considered as invalid.
- c. Voting in the ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.
- d. The Scrutinizer's decision on the validity of a Ballot/remote e-voting shall be final and binding.

2. Instructions for voting physically by Postal Ballot Form:

- a. A member desirous of exercising his/her Vote by Ballot may complete this Ballot Form and send it to the Scrutinizer, **S.K.Pandey**, a Practicing Company Secretary, at Raja Bahadur Building, 1st Floor 45 Tamarind Lane, M.P.Shetty Marg, Fort, Mumbai – 400 001, in the attached self addressed envelope. Postage will be borne and paid by the Company. Further, any envelopes containing postal ballot, if deposited in person or sent by courier at the expense of the Registered Member(s) will also be accepted.
- b. The self-addressed postage pre-paid envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
- c. This Form must be completed and signed by the Member, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- d. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- e. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- f. Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- g. Duly completed Ballot Form should reach the Scrutinizer not later than the close of working hours by 5.00 p.m. on **Thursday, 29th September, 2016**. All Ballot Forms received after this date will be strictly treated as if no reply has been received from the Member.
- h. A Member may request for a duplicate Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.2 (g) above.
- i. Members are requested not to send any other paper along with the Ballot Form. They are also requested not to write anything in the Ballot Form except giving their assent or dissent and putting their signature. If any such other paper is sent, the same will be destroyed by the Scrutinizer.
- j. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
- k. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website within two (2) days of passing of the resolutions at the AGM of the Company and shall be communicated to the Stock Exchange, where its securities are listed.

3. Process for Members opting for Remote E-Voting:

- l. In case of members receiving the Ballot Form by Post:
User ID and initial password is provided at the bottom of the Ballot Form.
- m. If you are already registered with NSDL for remote e-voting then you can use existing user ID and password for Login to cast your vote.
- n. In case of any queries, remote e-voting user manual for shareholders available at the Downloads section on NSDL remote e-voting website: www.evoting.nsdl.com can also send your queries/ grievances relating to remote e-voting to the e-mail ID: -evoting@nsdl.co.in.
- o. The period for remote e-voting starts on **Tuesday, 27th September, 2016 at 9.00 a.m. and ends on Thursday, 29th September, 2016 at 5.00 p.m.**