



Prabhav Industries Limited

To,

BSE Limited  
Department of Corporate Services,  
Ground Floor, P. J. Towers,  
Dalal Street, Fort, Mumbai - 400 001.

**Ref: Prabhav Industries Limited (Scrip Code: BSE 531855)**

**Sub:-Regulation 34 under SEBI Listing Regulations 2015 (LODR) - Annual Report for the FY 2016-17.**

Dear Sir/Madam,

We are enclosing herewith Copy of Annual Report for the financial year 2016-17.

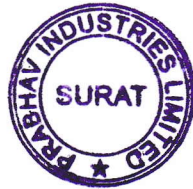
Kindly take the same on record.

Thanking You,

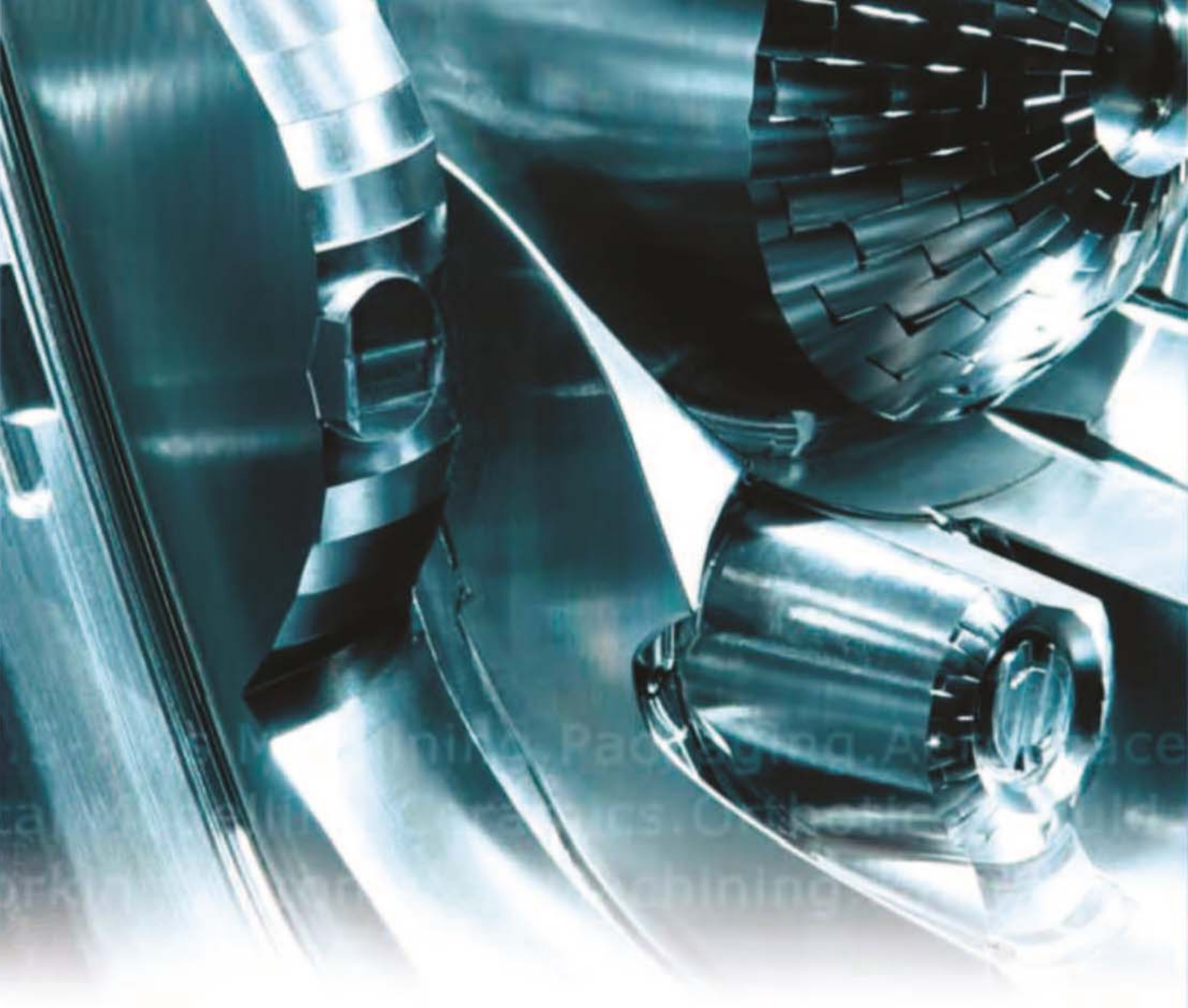
For Prabhav Industries Limited

*E. ANTONY*

Antony Isabu Esak  
(Managing Director)  
DIN:- 0683754



Encl: as above



# ***PRABHAV INDUSTRIES LIMITED***

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***Annual Report 2016-17***



**PRABHAV INDUSTRIES LIMITED  
ANNUAL REPORT 2016-2017**

Corporate Information

Board of Directors:

Antony Isabu Esak (DIN: 06837547)	Managing Director
Shivsharan Narayanappa Yulidra (DIN : 06945632)	Non Executive Independent Director
Geeta Rajendra Varma (DIN : 07019589)	Non Executive Independent Director
Akash Samadhan Suradkar (DIN: 07698189)	Executive Director(Appointment on 10/01/2017)
Gautam Kalu Mohite (DIN: 07703344)	Non Executive Independent Director (Appointment on 10/01/2017)
Pravin Luka Patil (DIN: 07704586)	Non Executive Independent Director (Appointment on 10/01/2017)
Chandrakant Shankar Gaikwad (DIN: 02636812)	Cessation of Appointment on 10/01/2017
Ami Jigar Motta (DIN: 02824823)	Cessation of Appointment on 10/01/2017
Nilesh Shivram Mestry (DIN: 02968762)	Cessation of Appointment on 10/01/2017
Jayesh Raichandbhai Thakkar (DIN: 01631093)	Cessation of Appointment on 05/07/2017

Bankers:

<b>Corporation Bank</b> , Bhandup Nahur Branch Mumbai <b>Kotak Mahindra Bank</b> , Mahim Branch, Mumbai.	<b>UCO Bank</b> , Mid Corporate Branch, Vadodara
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Statutory Auditors:

<b>Chirag C. Mehta &amp; Co.</b> Chartered Accountants 13, Gaurav Apartment CHS, Nahur Village Road, Sai Angan, Behind Ashok Nagar, Mulund (west) Mumbai -400080	<b>Registered Office:</b> Shop No 119, Model Township Recedency, saroli Kadodara Road, Surat, Gujarat-395010 Tel No.:0261-6514281
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Registrar and Transfer Agent:

<b>M/s. Skyline Financial Services Pvt. Ltd.</b> 4A9 Gundecha Onclave, Khairani Road, Sakinaka, Mumbai-400072, Tel : 022-62215779	<b>Stock Exchanges:</b> <b>Bombay Stock Exchange</b> <b>Ahmadabad Stock Exchange</b>
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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, 29<sup>th</sup> September 2017** 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. **ADOPTION OF ACCOUNTS FOR FY 2016 - 2017** : 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 **31<sup>st</sup>March 2017** along with the Reports of the Auditors' and Boards' thereon.
2. **APPOINTMENT OF M/S. CHIRAG C MEHTA & CO CHARTERED ACCOUNTANT AS THE STATUTORY AUDITORS OF THE COMPANY:** 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 REGULARIZE APPOINTMENT OF GAUTAM KALU MOHITE WHO WAS APPOINTED AS AN ADDITIONAL DIRECTOR AS AN INDEPENDENT DIRECTOR OF THE COMPANY:** To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :

**“RESOLVED THAT** pursuant to Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘Act’) and applicable regulations of SEBI(Listing Obligation and Disclosure Requirement) Regulations,2015 and other applicable laws, **Gautam Kalu Mohite (DIN 07703344)**, who was **appointed as an Additional Director on 10th January, 2017**, pursuant to the provisions of sub-section (1) of section 161 of the Companies Act, 2013 & the Articles of Association of the Company& who holds office up to the date of this Annual General Meeting & in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be & is hereby appointed as an **Independent Director** of the Company up to the conclusion of Annual General Meeting of the Company to be held in 2022, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the board of Directors of the company be and is hereby authorized to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**4.TO REGULARIZE APPOINTMENT OF PRAVIN LUKA PATIL WHO WAS APPOINTED AS AN ADDITIONAL DIRECTOR AS AN INDEPENDENT DIRECTOR OF THE COMPANY:** To consider and if thought fit, to pass with or without modification(s),the following resolution as an ordinary resolution :

**“RESOLVED THAT** pursuant to Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘Act’) and applicable regulations of SEBI(Listing Obligation and Disclosure Requirement) Regulations,2015 and other applicable laws, **Pravin Luka Patil (DIN 07704586)**, who was appointed as an **Additional Director on 10<sup>th</sup> January, 2017**, pursuant to the provisions of sub-section (1) of section 161 of the Companies Act, 2013 & the Articles of Association of the Company& who holds office up to the date of this Annual General Meeting & in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be & is hereby **appointed as an Independent Director** of the Company up to the conclusion of Annual General Meeting of the Company to be held in 2022, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the board of Directors of the company be and is hereby authorised to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**5.TO REGULARIZE APPOINTMENT OF AKASH SAMADHAN SURADKAR WHO WAS APPOINTED AS AN ADDITIONAL DIRECTOR AS AN EXECUTIVE DIRECTOR OF THE COMPANY:** 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 149,152,160 and all other applicable provisions of the Companies Act,2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and applicable regulations of SEBI(Listing Obligation and Disclosure Requirement) Regulations,2015 and other applicable laws, **Akash Samadhan Suradkar (DIN 07698189), who was appointed as an additional director on 10<sup>th</sup> January, 2017** pursuant to section 161 of the Act and who holds office up to the date of the ensuring Annual General Meeting of the company be and is hereby appointed as an **Executive Director** of the company, whose period of the office will be liable to determination by retirement of Directors by rotation.

**RESOLVED FURTHER THAT** the board of Directors of the company be and is hereby authorised to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution

**For and on behalf of the Board  
Prabhav Industries Limited**

**SD/-  
Antony Isabu Esak  
Managing Director  
DIN: 0683754**

**SD/-  
Shivsharan Narayanappa Yulidra  
Executive Director  
DIN: 06945632**

**Date: 31/08/2017  
Place: Surat**



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 **27<sup>th</sup> September, 2017 to 29<sup>th</sup> September, 2017** (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, Skyline Financial Services Pvt. Ltd.** 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 2017 is being sent to all the members who's 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 2017 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 Participants(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 Participants(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 2017 will also be available on the Company's website [www.prabhavind.com](http://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](mailto: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 **CS Rakesh Kapur, Scrutinizer, 305, 3rd Floor, Tower - 1/B, Dhiraj Enclave, Co-op Hsg Soc. Ltd., Khatau Mill Complex, Opp Bhor, Borivali East, Mumbai - 400 066. Tel.: 022-28855295, E-mail: [rakeshkapur15@gmail.com](mailto:rakeshkapur15@gmail.com)** so as to reach him on or before **Thursday September 28, 2017 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. 119, Modal Township Residency, Saroli, Kadodara Road, Surat - 395010, Gujarat**, or they may also address their request through E-mail to: **[prabhavindltd@gmail.com](mailto:prabhavindltd@gmail.com)**, **Tele:- 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 26<sup>th</sup> September, 2017** at 9.00 a.m. and will end on **Thursday 28<sup>th</sup> September, 2017** 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 22<sup>nd</sup> September, 2017**, 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.
22. 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 **22<sup>nd</sup> September, 2017**.

23. **CS Rakesh Kapur, Scrutinizer, 305, 3rd Floor, Tower - 1/B, Dhiraj Enclave, Co-op Hsg Soc. Ltd., Khatau Mill Complex, Opp Bhor, Borivali East, Mumbai - 400 066. Tel.: 022-28855295, E-mail: rakeshkapur15@gmail.com** as 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.
24. 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.
25. 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.
26. 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 **26<sup>th</sup> September, 2017 (9:00 am) and ends on 28<sup>th</sup> September, 2017 (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 **22<sup>nd</sup> September, 2017**, 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 [rakeshkapur15@gmail.com](mailto:rakeshkapur15@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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 22<sup>nd</sup> September, 2017.**

- 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. 22<sup>nd</sup> September, 2017**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Share Transfer Agent of the Company, i.e. **Skyline Financial Services Pvt. Ltd.** 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](http://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. **CS Rakesh Kapur, Scrutinizer, 305, 3rd Floor, Tower - 1/B, Dhiraj Enclave, Co-op Hsg Soc. Ltd., Khatau Mill Complex, Opp Bhor, Borivali East, Mumbai - 400 066. Tel.: 022-28855295, E-mail: rakeshkapur15@gmail.com** as 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 favour or against, if any, to the Chairman or a person



authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.prabhavind.com](http://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.

**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ITEM NO 3 & 4:** The Board of Directors of the Company appointed, pursuant to the provisions of sub-section (1) of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, **Gautam Kalu Mohite & Pravin Luka Patil**, as an Additional Independent Director of the Company with effect from 29<sup>th</sup> March, **2017**. In terms of the provisions of sub-section (1) of section 161 of Companies Act, 2013, Gautam Kalu Mohite & Pravin Luka Patil would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Gautam Kalu Mohite & Pravin Luka Patil for the office of Director of the Company. Gautam Kalu Mohite & Pravin Luka Patil are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has provided their consent to act as a Director. Gautam Kalu Mohite & Pravin Luka Patil possesses appropriate skills, experience and knowledge. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an Independent Director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company. The Company has received a declaration from Gautam Kalu Mohite & Pravin Luka Patil that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Listing Regulations. Gautam Kalu Mohite & Pravin Luka Patil possesses appropriate skills, experience and knowledge. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Gautam Kalu Mohite & Pravin Luka Patil as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Gautam Kalu Mohite & Pravin Luka Patil as Non- Executive Independent Directors, for a term of five years, for the approval by the shareholders of the Company. Copy of the draft letter for appointment of Gautam Kalu Mohite & Pravin Luka Patil as Non-Executive Independent Directors would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. They are not related to any Directors on the Board of the Company.

None of the Directors, KMP of the company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. The Board of directors recommend passing of the resolution set out in the Item no. 3 & 4 of this Notice.

<b>Gautam Kalu Mohite</b>	
Fathers' Name :	Kalu Laxman Mohite
Date of Birth :	4 <sup>th</sup> March 1966
First Appointment on Board	10/01/2017
Expertise in specific functional areas	Having expertise in the field of finance, banking, accounts & capital market.
Years of Experience :	More than 6 years
Directorship in Other Companies :	5
Name of other public limited Companies, where he is Director	Nil
Member/Chairman of the Committee on other Board :	Nil

<b>Pravin Luka Patil</b>	
Fathers' Name :	Luka Ramdas Patil
Date of Birth :	5 <sup>th</sup> July 1986
First Appointment on Board	10/01/2017
Expertise in specific functional areas	Content Creation, Digital Media, and advertisement.
Years of Experience :	More than 3 years
Directorship in Other Companies :	1
Name of other public limited Companies, where he is Director	Nil
Member/Chairman of the Committee on other Board :	Nil

**ITEM NO: 5:**

The Board of Directors of the Company appointed, pursuant to the provisions of sub-section (1) of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, **Akash Samadhan Suradkar**, as an Additional Executive Director of the Company with effect from 10<sup>th</sup> January, 2017. In terms of the provisions of sub-section (1) of section 161 of Companies Act, 2013, Akash Samadhan Suradkar would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Akash Samadhan Suradkar for the office of Director of the Company. Akash Samadhan Suradkar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has provided his consent to act as a

Director. Akash Samadhan Suradkar possesses appropriate skills, experience and knowledge. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Akash Samadhan Suradkar as an Executive & Non-Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Akash Samadhan Suradkar as an Executive Non-Independent Director, liable to retire by rotation, for the approval by the shareholders of the Company. Copy of the draft letter for appointment of Akash Samadhan Suradkar as an Executive Non- Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Akash Samadhan Suradkar does not hold by himself any equity shares in the Company nor he is related to any another Directors on the Board of the Company.

Except Akash Samadhan Suradkar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6. The Board of directors recommend passing of the resolution set out in the Item no. 6 of this Notice.

<b>Akash Samadhan Suradkar</b>	
Fathers' Name :	Samadhan Suradkar
Date of Birth :	1 <sup>st</sup> January 1994
First Appointment on Board	10/01/2017
Expertise in specific functional areas	Having experience in the field of capital market, banking, finance, media & real estate
Years of Experience :	More than 5 years
Qualification :	B.A.
Directorship in Other Companies :	2
Name of other public limited Companies, where he is Director	NIL
Member/Chairman of the Committee on other Board :	NIL

**Directors' 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, 2017**.

**FINANCIAL HIGHLIGHTS:**

<b>Particulars</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>
	Amount in Rs.	
Turnover	23,113,064	35,09,59,963
Other Income	443,979	3,96,833
Expenditure	22,961,628	34,91,78,344
Exceptional Items (Net)	0	0
Profit(Loss) Before Taxes	595,415	21,78,453
Taxes expenses		
Current Tax	1,00,000	4,00,000
Deferred Tax	0	0
Profit after Tax available for appropriation	495,415	17,78,453
Dividend	NIL	NIL
Balance carried forward to Balance Sheet	495,415	17,78,453

**Business performance and Segment Reporting:**

During the year under review, the Company has seen decline in its turnover to Rs. 231.13 Lacs compared to Rs. 3509.59 lacs of previous year. This has resulted into a Net profit of Rs. 4.95 Lacs as against Net Profit of Rs. 17.78 Lacs during the previous year 2015-16. 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 2016-17.

**Reserves:**

Out of the profits available for appropriation, no amount has been transferred to the General Reserve and the balance amount of Rs. 4.95 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, **Gautam Kalu Mohite** and **Pravin Luka Patil** have been appointed as additional directors and **Akash Samadhan Suradkar** as Executive Director on the board w.e.f. 10<sup>th</sup> January, 2017. Also, **Antony Isabu Esak** was appointed as the Managing Director of the Company with effect from 22<sup>nd</sup> June, 2016.

**Chandrakant Shankar Gaikwad**, **Ami Jigar Motta** and **Nilesh Shivram Mestry** have resigned on 10<sup>th</sup> January, 2017 as Director of the Company and **Jayesh Raichandbhai Thakkar** have resigned on 5<sup>th</sup> July, 2017 as Managing Director of the Company and the Board appreciates their valuable contribution to the Company during their 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, 2017 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 appointment of current auditors of the Company, **M/s. Chirag C Mehta & Co.**, Chartered Accountants, Mumbai, 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. 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 ratification of 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 Companies Act, 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 preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017.

- 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.
- 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 2016-17.

**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 2016-17 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.

**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, 2017** in prescribed form duly audited by **Rakesh Kapur, 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 2016-17. 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 **31<sup>st</sup> March, 2017** have been disclosed as per Schedule III to the Companies Act, 2013.

**Other Corporate Information:**

The company changed its registered office within local limits during the year under review.

**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 2016-17 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](http://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](http://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 **2016-17** 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.

**For and on behalf of the Board  
Prabhav Industries Limited**

**SD/-  
Antony Isabu Esak  
Managing Director  
DIN: 0683754**

**SD/-  
Shivsharan Narayanappa Yulidra  
Director  
DIN: 06945632**

**Date: 31/08/2017  
Place: Surat**

**Prabhav Industries Limited (CIN: L45200GJ1995PLC028373)**

**Annual Report 2016 -2017**

**Annexure  
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 31/03/2017**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L45200GJ1995PLC028373
ii	Registration Date	08/12/1995
iii	Name of the Company	<b>PRABHAV INDUSTRIES LIMITED</b>
iv	Category of the Company	Public Company
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	Shop No 119, Model Township Recondency, Saroli, Kadodara Road.
	Town / City :	Surat
	State :	GUJARAT - 395010
	Country Name :	India
	Telephone (with STD Code) :	0261-6514281
	Fax Number :	
	Email Address :	<a href="mailto:prabhavind@gmail.com">prabhavind@gmail.com</a>
	Website, if any:	<a href="http://www.prabhavind.com">www.prabhavind.com</a>
vi	Whether listed company	Yes

**Prabhav Industries Limited (CIN: L45200GJ1995PLC028373)**

**Annual Report 2016 -2017**

vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	<b>Skyline Financial Services Pvt. Ltd.</b>
	Address :	4A9, Gundecha Onclave, Khairani Road, Sakinaka, Mumbai
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400072
	Telephone :	022-62215779/022-28511022
	Fax Number :	0265- 2356791
Email Address :	admin@skylinerta.com	

**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	-	-	-	-	-







**Prabhav Industries Limited (CIN: L45200GJ1995PLC028373)**

**Annual Report 2016 -2017**

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2016				No. of shares held at the end of the year 31.03.2017				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	11423603	12662500	24086103	52.26	11572134	12664500	24236634	52.59	0.33
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital up to Rs. 1 lakh	3500957	339250	3840207	8.33	11,97,473	3,60,750	15,58,223	3.38	(4.95)
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	13354587	1900000	15254587	33.10	1,59,54,810	1900000	1,78,54,810	38.74	5.64
(c) Others Clearing Members	710274	0	710274	1.54	103336	0	103336	0.22	(1.32)
(d) HUF	1656887	0	1656887	3.59	1790855	0	1790855	3.89	0.3
NRI (i) Repatri	108012	0	108012	0.23	112012	0	112012	0.23	0.00
(ii) Non-Repatri	8230	0	8230	0.02	8430	0	8430	0.02	0.00

**Prabhav Industries Limited (CIN: L45200GJ1995PLC028373)**

**Annual Report 2016 -2017**

<b>Sub-Total(B)(2):</b>	30762550	14901750	45664300	99.08	30739050	14925250	45664300	99.08	0.00
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	30762550	14901750	45664300	99.08	30739050	14925250	45664300	99.08	0.00
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	31187350	14901750	46089100	100.00	31163850	14925250	46089100	100.00	-

*ii Shareholding of Promoters*

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2016		Transaction During the Year		Cumulative Shareholding at the end of the year 31.03.2017	
		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	0.49	01.04.2016		225300	0.49
	At the end of the year			31.03.2017		225300	0.49
2	Jagdish Thakkar	160000	0.35	01.04.2016		160000	0.35
	At the end of the year			31.03.2017		160000	0.35
3	Artiben Jayeshbhai Thakkar	30000	0.07	01.04.2016		30000	0.07
	At the end of the year			31.03.2017		30000	0.07
4	Pacific Finstock Limited	9500	0.02	01.04.2016		9500	0.02
	At the end of the year			31.03.2017		9500	0.02

**Prabhav Industries Limited (CIN: L45200GJ1995PLC028373)**

**Annual Report 2016 -2017**

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

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% 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	0.49	-	225300	0.49	-	-
2	Jagdish R Thakkar	160000	0.35	-	160000	0.35	-	-
3	Artiben Jayeshbhai Thakkar	30000	0.07	-	30000	0.07	-	-
4	Pacific Finstock Limited	9500	0.02		9500	0.02		
	<b>Total</b>	<b>424800</b>	<b>0.92</b>		<b>426800</b>	<b>0.92</b>		

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*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 01.04.2016		Transaction During the Year			Cumulative Shareholding at the end of the year 31.03.2017	
		No. of shares at the beginning (01.04.2016)/ end of the year 31.03.2017	% 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	2475894	5.37					
				09.08.2016	400000	Sale	2075894	4.50
				10.08.2016	600000	Sale	1475894	3.20
				11.08.2016	291941	Sale	1183953	2.57
				11.08.2016	116000	Sale	1067953	2.32
				12.08.2016	116000	Sale	951953	2.07
				13.08.2016	373636	Sale	578317	1.25
				22.09.2016	300000	Sale	278317	0.60
				27.09.2016	50972	Sale	227345	0.49
	At The End Of The Year						227345	0.49
2	Vaiggio Entertainment Pvt Ltd	1975000	4.28				1975000	4.28
	At The End Of The Year						1975000	4.28
3	Adila Traders Pvt Ltd	1850000	4.01				1850000	4.01

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	At The End Of The Year						1850000	4.01
4	Amazing Suppliers Pvt Ltd	1825000	3.96				1825000	3.96
	At The End Of The Year						1825000	3.96
5	Sonal Style Pvt Ltd	1812500	3.93				1812500	3.93
	At The End Of The Year						1812500	3.93
6	Indivar Traders Pvt Ltd	1800000	3.91				1800000	3.91
	At The End Of The Year						1800000	3.91
7	Gateway Textile Traders Pvt Ltd	1800000	3.91				1800000	3.91
	At The End Of The Year						1800000	3.91
8	Religare Finvest Ltd	1629169	3.53				1629169	3.53
	At The End Of The Year						1629169	3.53
9	Bonanza Fashion Merchants Pvt Ltd	1600000	3.47				1600000	3.47
	At The End Of The Year						1600000	3.47
10	Manali Lunkad	1500000	3.25				1500000	3.25
	At The End Of The Year						1500000	3.25

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**V. Shareholding of Directors and Key Managerial Personnel:**

SI No.	Name	Shareholding at the beginning and end of the year( 1/4/2016 to 31/03/2017)		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%	01/04/2016				
		2,25,300	0.49%	31/03/2017			2,25,300	0.49%

**VI. INDEBTEDNESS**

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
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.
<b>Total (i+ii+iii)</b>	<b>N.A.</b>	<b>14,61,13,758</b>	<b>N.A.</b>	<b>14,61,13,758</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	N.A.	55,60,000	N.A.	55,60,000
Reduction	N.A.	(72,69,800)	N.A.	(72,69,800)
<b>Net Change</b>	<b>N.A.</b>	<b>(17,09,800)</b>	<b>N.A.</b>	<b>(17,09,800)</b>
<b>Indebtedness at the end of the financial year</b>				



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i) Principal Amount	N.A.	14,44,03,958	N.A.	14,44,03,958
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.
<b>Total (i+ii+iii)</b>	<b>N.A.</b>	<b>14,44,03,958</b>	<b>N.A.</b>	<b>14,44,03,958</b>

**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 Raichand bhai Thakkar(MD)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000	<b>9,00,000</b>
	(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)	9,00,000	<b>9,00,000</b>
	Ceiling as per the Act	60,00,000	<b>60,00,000</b>

**B. Remuneration to other directors:**

The company has not given any remuneration to any director of the company during the year under review.

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

The company has not given any remuneration to any director of the company during the year under review.

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**For and on behalf of the Board  
Prabhav Industries Limited**

**SD/-  
Antony Isabu Esak  
Managing Director  
DIN: 0683754**

**SD/-  
Shivsharan Narayanappa Yulidra  
Director  
DIN: 06945632**

**Date: 31/08/2017  
Place: Surat**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

*FORTHE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017*

*[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, 2017** 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 31<sup>st</sup> March, 2017** 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, 1999 and 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.
- **Gautam Kalu Mohite** and **Pravin Luka Patil** have been appointed as additional directors and **Akash Samadhan Suradkar** as Executive Director on the board w.e.f. 10<sup>th</sup> January, 2017.
- **Chandrakant Shankar Gaikwad**, **Ami Jigar Motta** and **Nilesh Shivram Mestry** have resigned on 10<sup>th</sup> January, 2017 as Director of the Company and **Jayesh Raichandbhai Thakkar** has resigned on 5<sup>th</sup> July, 2017 as Managing Director of the Company.
- 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/-

(Rakesh Kapur)

Practicing Company Secretaries

C P No. 12085

FCS: 3863

Date: 31<sup>st</sup> August, 2017

Place: Mumbai

**Annexure –A to Secretarial Audit Report**

To,  
The Members,  
**Prabhav Industries Limited**

Our Secretarial Audit Report dated 31<sup>st</sup> August, 2017 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/-**  
**(Rakesh Kapur)**  
**Practicing Company Secretaries**  
**C P No. 12085**  
**FCS: 3863**

**Date: 31<sup>st</sup> August, 2017**  
**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 2016-17 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](http://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 andtimeliness 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 makes 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 be having.
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 the 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](http://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 **31<sup>th</sup> March, 2017** 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 31<sup>st</sup> March, 2017**, 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 **Pravin Luka Patil** 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.prabhavind.com](http://www.prabhavind.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 Raichand Thakkar**, 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 2016-17, 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 2016-17 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](http://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, 1 is Executive Director and 2 are 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 2016-17, Five Board Meetings were held on the following dates:

1. 30<sup>th</sup> May, 2016.
2. 22<sup>nd</sup> June, 2016.
3. 6<sup>th</sup> August, 2016.
4. 11<sup>th</sup> November, 2016.
5. 10<sup>th</sup> February, 2017.

**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 31<sup>st</sup> March, 2017, 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	Antony Isabu Esak- Managing Director	5	Yes	0	0	0
2	Shivsharan Narayanappa Yulidra - Independent Director	5	Yes	0	0	0
3	Geeta Rajendra Varma - Independent Director	5	Yes	0	0	0
4	Akash Samadhan Suradkar - Executive	1	No	0	0	0

Sr. No	Name of the Director, Designation	Attendance of Board Meetings	Attendance at previous AGM	No. of other Directorships (*)	Number of other Board Committee positions (@)	
	Director appointed on 10/01/2017					
5	Gautam Kalu Mohite - Independent Director appointed on 10/01/2017	1	No	2	0	0
6	Pravin Luka Patil - Independent Director appointed on 10/01/2017	1	No	0	0	0
7	Chandrakant Shankar Gaikwad - resigned on 10/01/2017	4	Yes	0	0	0
8	Ami Jigar Motta - resigned on 10/01/2017	4	Yes	1	0	0
9	Nilesh Shivram Mestry- resigned on 10/01/2017	4	Yes	0	0	0
10	Jayesh Raichandbhai Thakkar- resigned on 05/07/2017	5	Yes	5	0	0

Notes:

(\*) Includes directorships held in public limited Companies only. Directorships held in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 are excluded.

(@) includes only positions held in Audit Committee and Shareholders' / Investor Grievance Committee of the Board of Directors



### 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 three Independent Directors and one Executive 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 **31<sup>st</sup> March, 2017** is given below:

Sr. No.	Name of the Director	Designation	Category
1.	Akash Samadhan	Member	Executive Director

Sr. No.	Name of the Director	Designation	Category
	Suradkar		
2.	Geeta Rajendra Varma	Member	Independent Director
3.	Pravin Luka Patil	Member	Independent Director
4.	Shivsharan Narayanappa Yulidra	Chairman	Independent Director

During the year and as per the requirement of the Act, four Audit Committee Meetings were held:

30<sup>th</sup> May, 2016,

06<sup>th</sup> August, 2016,

11<sup>th</sup> November, 2016 and

10<sup>th</sup> February, 2017.

## **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 2016-2017. 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.
5. 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
Akash Samadhan Suradkar	Chairman	Executive Director
Geeta Rajendra Varma	Member	Independent Director
Pravin Luka Patil	Member	Independent Director
Shivsharan Narayanappa Yulidra	Member	Independent Director
Akash Samadhan Suradkar	Member	Executive Director

**1.2 STAKEHOLDERS RELATIONSHIP COMMITTEE:****Stakeholders Relationship Committee****Terms of the Committee:**

1. 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 thereto.
2. To ensure expeditious share transfer process.
3. To evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company.
4. To provide guidance and make recommendations to improve investors service level to the investors.
5. 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:

<b>Name :</b>	Antony Isabu Esak (Managing Director)
<b>Address:</b>	Office No. 119, Modal Township Residency, Saroli, Kadodara Road, Surat - 395010, Gujarat
	E-mail: prabhavindltd@gmail.com

**Composition:**

The Committee comprises of Geeta Rajendra Varma, Independent Director as Chairman, Akash Samadhan Suradkar, Executive Director and Pravin Luka Patil and Shivsharan Narayanappa Yulidra, Independent Directors 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.

- 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:**  
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 31<sup>st</sup> March, 2017. The Board has approved a policy for related party transactions which has been uploaded on the Company website.
- ii. The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- iii. The Company has adopted the Code of Ethics and Business principles for the members of Board and senior management personnel.
- iv. 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.
- v. The Company is in compliance with all mandatory requirements of Listing Regulations.
- vi. 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.
- vii. 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 **31<sup>st</sup> March, 2017** 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:****Annual General Meetings:**

The details of the AGM held for the past three years were as under:-

Year	Date	No. of Special Resolutions Passed	Address
2013-14	23th September, 2014	NIL	902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara- 390005 (Gujarat)
2014-15	25th September, 2015	NIL	902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara- 390005 (Gujarat)
2015-16	30th September, 2016	NIL	Shop No 119, Model Township Recedency, Saroli, Kadodara Road, Surat, Gujarat-395010

**Extra Ordinary General Meetings:**

The Company did not hold any Extra-Ordinary General Meeting during the year 2016-17. The Company obtained approval from the members of the Company through Postal Ballot during the year under review for the following business:

- Appointment of New Statutory Auditors of the Company to fill the Casual vacancy viz. M/S. Chirag C Mehta and Company in place of M/S. Sheetal Samriya and Associates.
- Shifting of Registered Office of the Company from the city limit of Vadodara to the City Limit of Surat under the same state of Gujarat under the same ROC.
- Appointment of Mr. Antony Isabu Esak as the New Managing Director of the Company w.e.f 22<sup>nd</sup> June, 2016.

The Company has obtained approval from the shareholders for the above mentioned business as on resolution passed on 11<sup>th</sup> August, 2016 through Postal Ballot Procedure.

**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 in 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 Gujarati (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.

**General Shareholder Information:**

**Annual General Meeting:**

Date: 29<sup>th</sup> September, 2017

Time: 12:00 P.M.

Venue: Office No. 119, Model Township Residency, Saroli, Kadodara Road, Surat -395010,  
Gujarat

**Financial Calendar (Tentative):**

Financial Year	: 01 <sup>st</sup> April, 2017 - 31 <sup>st</sup> March, 2018
First quarter result	: 05 <sup>th</sup> August, 2017
Half-yearly results	: 14 <sup>th</sup> November, 2017
Third quarter results	: 14 <sup>th</sup> February, 2018
Annual results	: End of May, 2018
Annual General Meeting	: September, 2018

**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-16	1.68	1.59	4,433
May-16	1.70	1.55	55,477
Jun-16	1.52	1.35	9,426
Jul-16	1.35	1.28	31,282
Aug-16	1.35	1.14	20,74,311
Sep-16	1.43	1.33	5,05,292
Oct-16	1.69	1.43	44,765
Nov-16	1.91	1.72	86,088
Dec-16	1.92	1.87	2,03,907
Jan-17	1.84	1.75	38,306
Feb-17	1.93	1.82	9,876
Mar-17	1.86	1.56	3,57,974

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

**Registrar & Transfer Agents (R&T):** M/s. Skyline Financial Services Pvt. Ltd.

4A9, Gundecha Onclave, Khairani Road,  
Sakinaka, Mumbai-400072

**Distribution of shareholding as on 31st March 2017:**

Range of Holding	No. of shareholding	% to total shareholders	No. of shares	% to total shares
1-500	1118	38.59	279881	0.61
501-1000	540	18.64	492210	1.07
1001-2000	350	12.08	591521	1.28
2001-3000	160	5.52	426127	0.92
3001-4000	74	2.55	273225	0.59
4001-5000	128	4.42	622615	1.35
5001-10000	199	6.87	1571589	3.41
10001 & above	328	11.32	41831932	90.76
<b>TOTAL</b>	<b>2897</b>	<b>100</b>	<b>46089100</b>	<b>100</b>

**Shareholding Pattern as on 31st March 2017:**

Category	No. of shares held	% of total shares
<b>Promoters</b>	424800	0.92
<b>Institutional Investors</b>		
<b>Non-Institutions</b>		
a) <b>Bodies Corporate</b>	24236634	52.59
b) <b>Individuals/HUF</b>	21203888	46.01
<b>NRI/OCBs (other than promoters)</b>	120442	0.26
<b>Clearing members</b>	103336	0.22
<b>TOTAL</b>	<b>46089100</b>	<b>100.00</b>

**Break up of shares in physical and Demat Segment as on 31st March 2017**

Segment	No. of shares held	% to total shares
<b>Physical</b>	14925250	32.38
<b>Demat</b>	31163850	67.62
<b>TOTAL</b>	<b>46089100</b>	<b>100.00</b>

**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 3<sup>rd</sup> 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**

Office No. 119, Modal Township Residency,  
Saroli, Kadodara Road, surat - 395010, Gujarat

Tel.: 0261-6514281

Email: [prabhavind@gmail.com](mailto:prabhavind@gmail.com)

**For and on behalf of the Board  
Prabhav Industries Limited**

**SD/-**

**Antony Isabu Esak**

**Managing Director**

**DIN: 0683754**

**SD/-**

**Shivsharan Narayanappa Yulidra**

**Executive Director**

**DIN: 06945632**

**Date: 31/08/2017**

**Place: Surat**

**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 31<sup>st</sup> March, 2017 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 thereof, 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,**  
**(FRN: 132696W)**

**Chirag C Mehta**  
**Proprietor**  
**(Mem. no. 122852)**

**Date: 30/05/2017**  
**Place: Mumbai**

**CERTIFICATE ON FINANCIAL STATEMENTS**

To,  
The Members,  
**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 2016-17** 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 and on behalf of the Board**  
**Prabhav Industries Limited**

**SD/-**  
**Antony Isabu Esak**  
**Managing Director**  
**DIN: 06837547**

**SD/-**  
**Shivsharan Narayanappa Yulidra**  
**Executive Director**  
**DIN: 06945632**

**Date: 31/08/2017**  
**Place: Surat**



## **Independent Auditors' 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, 2017, 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 relevant rules issued there under.

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.

### **AUDITORS' 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 there under.

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, 2017, its profit, its Cash Flow 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 relevant rules issued there under.

- e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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. Refer Note 32 to the 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.
  - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Note as defined in the Notification S.O. 3407(e) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management.

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

**Chirag C. Mehta**  
**Proprietor**  
**Membership No.122852**

**Place: Surat**  
**Dated: 30/05/2017**

### **Annexure A to the Auditors' 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, 2017. 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) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provision of Clause (v) of paragraph 3 of the Order is not applicable to the Company.
- 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 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, 2017 for a period of more than six months from the date they became payable.
- c) As at 31st March, 2017, 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. 17.69 Lacs	A.Y. 2007-08	Appeal to the Commissioner of Income-tax (A)
Income Tax Act, 1961	Income Tax	Rs. 0.90 Lacs	A.Y. 2009-10	Appeal to the Commissioner of Income-tax (A)
Income Tax Act, 1961	Income Tax	Rs. 455.13 Lacs	A.Y. 2010-11	Appeal to the Commissioner of Income-tax (A)
Income Tax Act, 1961	Income Tax	Rs. 329.96 Lacs	A.Y. 2011-12	Appeal to the Commissioner of Income-tax (A)
Income Tax Act, 1961	Income Tax	Rs. 426.78 Lacs	A.Y. 2012-13	Appeal to the Commissioner of Income-tax (A)
Income Tax Act, 1961	Income Tax	Rs. 275.69 Lacs	A.Y. 2013-14	Appeal to the Commissioner of Income-tax (A)

- viii) According to the information and explanations given to us and based on the records of the company examined by us, the company does 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 paid/provided managerial remuneration in accordance with the provisions of section 197 read with schedule V to the Companies Act, 2013.
- 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) In our opinion and according to information and information provided to us, 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**

**Chirag C. Mehta**  
**Proprietor**  
**Membership No.122852**

**Place: Surat**  
**Dated: 30/05/2017**

## **Annexure B to the Auditors' Report**

### **Report on the Internal Financial Controls over financial reporting 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, 2017 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**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, 2017, 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**

**Chirag C. Mehta**  
**Proprietor**  
**Membership No.122852**

**Place: Surat**  
**Dated: 30/05/2017**

## Prabhav Industries Limited

(CIN No. L45200GJ1995PLC028373)

### BALANCE SHEET AS AT MARCH 31, 2017

(Amount in ₹)

Particular	Note No.	As at 31-03-17	As at 31-03-16
<b>EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
(a) Share capital	3	460,891,000	460,891,000
(b) Reserves and surplus	4	910,860,807	910,365,392
		<b>1,371,751,807</b>	<b>1,371,256,392</b>
<b>2) Non-current liabilities</b>			
(a) Long-term borrowings	5	144,403,959	146,113,759
(b) Deferred tax liabilities (Net)		1,508,168	1,508,168
(c) Other long term liabilities	6	19,121,231	20,062,147
(d) Other long term provisions	7	2,113,800	2,113,800
		<b>167,147,158</b>	<b>169,797,874</b>
<b>3) Current liabilities</b>			
(a) Trade payables	8	230,118,348	286,158,602
(b) Other current liabilities	9	5,022,786	2,647,679
(c) Short-term borrowing	10	-	472,518
(d) Other Short term provisions	11	500,000	400,000
		<b>235,641,134</b>	<b>289,678,800</b>
<b>TOTAL</b>		<b>1,774,540,099</b>	<b>1,830,733,066</b>
<b>ASSETS</b>			
<b>5) Non-current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible assets		708,557	951,851
(ii) Intangible assets		107,156	154,406
		<b>815,713</b>	<b>1,106,257</b>
(b) Non-current investments	13	40,176,289	386,917,051
(c) Long-term loans and advances	14	660,697,067	366,165,459
(d) Other non-current assets	15	717,244,040	647,879,903
		<b>1,418,117,395</b>	<b>1,400,962,413</b>
<b>6) Current Assets</b>			
(a) Inventories	16	47,830	47,830
(b) Trade receivables	17	340,398,131	419,787,947
(c) Cash and Bank Balances	18	1,140,249	385,693
(d) Short-term loans and advances	19	7,720,273	7,178,240
(e) Other Current Assets	20	6,300,508	1,264,687
		<b>355,606,991</b>	<b>428,664,397</b>
<b>TOTAL</b>		<b>1,774,540,099</b>	<b>1,830,733,066</b>

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**

SD/-  
**Antony Isabu Esak**  
**Director**  
**DIN : 06837547**

SD/-  
**Shivsharan Narayanappa Yulidra**  
**Director**  
**DIN : 06945632**

Surat, 30th May, 2017.

## Prabhav Industries Limited

(CIN No. L45200GJ1995PLC028373)

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2017				
				(Amount in ₹)
Particular	Note No.		Year ended 31-03-17	Year ended 31-03-16
<b>1) REVENUE</b>				
(a) Revenue from operations	21	23,113,064	<b>23,113,064</b>	350,959,963
(b) Other income	22		<b>443,979</b>	<b>396,833</b>
<b>Total Revenue</b>			<b>23,557,043</b>	<b>351,356,796</b>
<b>2) EXPENSE</b>				
(a) Cost of Material Consumed	23	-		-
(b) Purchases of stock-in-trade	24	20,156,257		319,140,618
(c) Changes in inventories of finished goods, WIP	25	-		26,949,570
(d) Employee benefits expense	26	957,000		1,133,700
(e) Finance costs	27	309,603		13,978
(f) Depreciation and amortization expense	12	290,542		363,290
(g) Other expenses	28	1,248,226	<b>22,961,628</b>	1,577,188
<b>Total Expenses</b>			<b>22,961,628</b>	<b>349,178,344</b>
<b>3) Profit before Exceptional Items and Tax</b>			<b>595,415</b>	<b>2,178,453</b>
4) Exceptional Items (Net)			-	-
<b>5) Profit before Tax</b>			<b>595,415</b>	<b>2,178,453</b>
<b>6) Tax Expenses:</b>				
(a) Current Tax			100,000	400,000
(c) Deferred Tax			-	-
<b>7) Profit After Tax</b>			<b>495,415</b>	<b>1,778,453</b>
<b>8) Nominal value per share</b>				
Basic value per share			0.01	0.04
Diluted Earning per share			0.01	0.04
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				
<b>For CHIRAG C MEHTA &amp; CO.</b>		<b>For and on behalf of the Board of Directors of</b>		
<b>Chartered Accountants</b>		<b>Prabhav Industries Limited</b>		
<b>FRN No: 132696W</b>				
SD/-		SD/-		SD/-
<b>Chirag C. Mehta</b>		<b>Antony Isabu Esak</b>		<b>Shivsharan Narayanappa Yulidra</b>
<b>(Proprietor)</b>		<b>Director</b>		<b>Director</b>
<b>Membership No.122852</b>		<b>DIN : 06837547</b>		<b>DIN : 06945632</b>
<b>Surat, 30th May, 2017.</b>				

## Prabhav Industries Limited

(CIN No. L45200GJ1995PLC028373)

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	(Amount in ₹)	
	As At 31-03-17	As At 31-03-16
<b>A. Cash Flow from Operating Activities :</b>		
<b>Profit before Tax</b>	<b>595,415</b>	<b>2,178,452</b>
Adjustments for:-		
Depreciation	290,542	363,290
Finance Cost	305,704	1,132
Interest Income	(456,679)	-
Profit/Loss on sale of Investment	-	(100,000)
Other Non Operating Income	12,700	(265,000)
<b>Operating Profit before Working Capital changes</b>	<b>747,682</b>	<b>2,177,874</b>
Adjustments for :		
Inventories	-	26,949,570
Trade receivables and Other Receivable	79,389,816	(260,641,225)
Trade payable and Other Payables	(56,040,254)	214,727,274
Increase/(Decrease) in Loans & Advances	(542,033)	(1,598,039)
Increase/(Decrease) in Other Assets	(74,399,958)	(10,647,158)
Increase/(Decrease) in Liability	1,434,191	2,071,483
Increase/(Decrease) in provisions	100,000	400,000
<b>Cash Generated from Operation</b>	(49,310,557)	(26,560,221)
Direct Tax Paid	(100,000)	(400,000)
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>(49,410,557)</b>	<b>(26,960,221)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Sale Proceeds from investments & fixed assets	346,740,762	15,504,949
Capital Gain	-	100,000
Interest received	456,679	-
Non Operating Income	(12,700)	265,000
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>347,184,741</b>	<b>15,869,949</b>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds / Repayment from Long Term Borrowing(Net)	(1,709,800)	(8,688,852)
Proceeds/ Repayment from Loans and Advances (Net)	(294,531,608)	25,959,480
Short term borrowings & Interest paid	(472,518)	(5,582,398)
Repayment of Advance application money	-	(350,000)
Finance Cost	(305,704)	(1,132)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(297,019,630)</b>	<b>11,337,098</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>754,556</b>	<b>246,827</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	88,156	51,706
Bank balances	297,536	87,160
	<b>385,693</b>	<b>138,866</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	28,436	88,156
Bank balances	1,111,813	297,536
	<b>1,140,249</b>	<b>385,693</b>
<b>Additional Information :</b>		
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		
This is Cash Flow Statement referred to in our report of even date		
<b>For CHIRAG C MEHTA &amp; CO.</b> Chartered Accountants FRN No: 132696W	<b>For and on behalf of the Board of Directors of</b> Prabhav Industries Limited	
SD/- Chirag C. Mehta (Proprietor) Membership No.122852	SD/- Antony Isabu Esak Director DIN : 06837547	SD/- Shivsharan Narayanappa Yulidra Director DIN : 06945632
Surat, 30th May, 2017.		

## **Prabhav Industries Limited**

### **Notes forming part of financial statements**

#### **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 is 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 are 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, 1956. 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**

- i. 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.
- ii. During the current financial year the company has disposed of substantial part of fixed assets of Manufacturing Division which has affected the going concern of the manufacturing Division and based on that management has not provided depreciation on fixed assets.

**Prabhav Industries Limited**  
**Notes forming part of financial statements**

iii. 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 realisable 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. Recoverable 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 forms 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 recognised 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

## **Prabhav Industries Limited**

### **Notes forming part of financial statements**

#### **(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 of non-receipt of confirmation from 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.



**Prabhav Industries Limited**  
Notes forming part of financial statements

**3 SHARE CAPITAL :**

	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
<b>AUTHORISED</b>		
5,50,00,000 Equity Shares of Rs.10/- each	550,000,000	550,000,000
<b>TOTAL</b>	<b>550,000,000</b>	<b>550,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
<b>Issued:</b>		
5,08,60,000 (P.Y. 5,08,60,000) Equity Shares of Rs. 10/- each issued	508,600,000	508,600,000
<b>Subscribed &amp; Paid up:</b>		
4,60,89,100 (P.Y. 5,07,60,500) Equity shares of Rs.10/- each	507,605,000	507,605,000
Less : Shares Forfieted	46,714,000	46,714,000
<b>TOTAL</b>	<b>460,891,000</b>	<b>460,891,000</b>

**Terms/rights attached to equity shares :**

3.1 The company has only one class of equity shares having a par value of ` 10/- per share. Each Holder of equity shares is entitled to vote per share. The company declares and of pays dividends in Indian rupees. The dividend proposed, if any, by the Board Directors is Meeting. During the year ended 31st March subject to the approval of the shareholders in the ensuing Annual General 2017, was ` . Nil (Previous Year ` . Nil) the amount of per share dividend recognised as distributions to equity shareholders

**3.2 Details of Share holders holding more than 5% of Shares are as under:-**

Name	As at 31 March,2017		As at 31 March,2016	
	% of Shareholding	No of Shares	% of Shareholding	No of Shares
Shriram Credit Company Limited	2475894	5.37%	2854269	6.19%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding share holding pattern as on 31/03/2017.

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

Particulars	As on 31-03-2017		As on 31-03-2016	
	Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	46,089,100	460,891,000	46,089,100	460,891,000
Add : Fresh issue during the year	0	0	0	0
<b>Outstanding at the end of the year</b>	<b>46,089,100</b>	<b>460,891,000</b>	<b>46,089,100</b>	<b>460,891,000</b>

**4 RESERVES AND SURPLUS :**

Particular	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
<b>Securities Premium Reserve</b>		
Opening at beginning	1,025,857,000	1,025,857,000
Addition during the year	-	-
Utilised during the year	-	-
<b>Closing at end</b>	<b>1,025,857,000</b>	<b>1,025,857,000</b>
<b>Surplus/(Deficit)</b>		
Opening at beginning	(115,491,608)	(117,270,060)
Addition during the year	495,415	1,778,453
<b>Closing at end</b>	<b>(114,996,193)</b>	<b>(115,491,608)</b>
<b>Grand Total</b>	<b>910,860,807</b>	<b>910,365,392</b>

**Prabhav Industries Limited**  
**Notes forming part of financial statements**

**5 LONG-TERM BORROWINGS :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
<b>Unsecured Term Loans</b>		
i) Loans and Advances from related parties		
From Directors	279,384	279,384
From Corporates	19,804,495	19,804,495
ii) Other Loans and Advances		
From Corporates	72,630,350	74,340,150
Others	51,689,730	51,689,730
<b>Total</b>	<b>144,403,959</b>	<b>146,113,759</b>

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

**6 OTHER LONG TERM LIABILITIES :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
Trade Payables	18,242,696	19,183,612
Others	878,535	878,535
<b>Total</b>	<b>19,121,231</b>	<b>20,062,147</b>

6.1 Other includes Brokerage Payable

**7 OTHER LONG TERM PROVISIONS :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
Sundry Expenses Payable	2,113,800	2,113,800
<b>Total</b>	<b>2,113,800</b>	<b>2,113,800</b>

**8 TRADE PAYABLES :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
Trade Payables*	230,118,348	286,158,602
<b>Total</b>	<b>230,118,348</b>	<b>286,158,602</b>

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 year end together with interest paid/payable under the Act have not been given.

**Prabhav Industries Limited**  
Notes forming part of financial statements

**9 OTHER CURRENT LIABILITIES :**

Particular	As At 31 March, 2017	As At 31 March, 2016
<b>Others</b>		
Expense Payable	1,695,479	1,565,255
Staturory Dues	3,327,307	1,082,424
<b>Total</b>	<b>5,022,786</b>	<b>2,647,679</b>

**10 SHORT-TERM BORROWINGS :**

Particular	As At 31 March, 2017	As At 31 March, 2016
<b>Secured</b>		
Working capital facilities from Banks	-	472,518
<b>Total</b>	<b>-</b>	<b>472,518</b>

**11 OTHER SHORT-TERM PROVISIONS :**

Particular	As At 31 March, 2017	As At 31 March, 2016
Provision for Income Tax	500,000	400,000
<b>Total</b>	<b>500,000</b>	<b>400,000</b>

**13 NON-CURRENT INVESTMENTS :**

Particular	As At 31 March, 2017	As At 31 March, 2016
<b>Trade Investments (Unquoted At Cost)</b>		
<b>Unquoted Equity Share</b>		
Fully Paid up Equity Shares	35,176,289	350,217,051
Partly Paid up Equity Shares	-	31,700,000
Share Application Money	5,000,000	5,000,000
<b>Sub-Total (A)</b>	<b>40,176,289</b>	<b>386,917,051</b>

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

**Prabhav Industries Limited**  
**Notes forming part of financial statements**

**14 LONG -TERM LOANS AND ADVANCES :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
<b>(Unsecured and Considered Good)</b>		
i) Loans and Advances from related parties		
To Corporates	39,104,481	38,394,981
Others	270,300	270,300
<b>Sub-Total (A)</b>	<b>39,374,781</b>	<b>38,665,281</b>
ii) Other Loans and Advances		
To Corporates	570,521,138	289,640,150
Others	50,801,148	37,860,028
<b>Sub-Total (B)</b>	<b>621,322,286</b>	<b>327,500,178</b>
<b>Total (A+B)</b>	<b>660,697,067</b>	<b>366,165,459</b>

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

**15 OTHER NON-CURRENT ASSETS :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
<b>(Unsecured and Considered Good)</b>		
Trade Receivables	713,315,231	643,951,094
Statutory Dues	3,928,809	3,928,809
<b>Total</b>	<b>717,244,040</b>	<b>647,879,903</b>

**16 INVENTORIES :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
<b>(Valued at lower of cost &amp; NRV whichever is less &amp; certified by management)</b>		
Finished Goods	47,830	47,830
<b>Total</b>	<b>47,830</b>	<b>47,830</b>

**17 TRADE RECEIVABLES :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
Outstanding for a period less than six months from the due date of payment Considered good	340,398,131	419,787,947
<b>Total</b>	<b>340,398,131</b>	<b>419,787,947</b>

**Prabhav Industries Limited**  
Notes forming part of financial statements

**18 CASH & BANK BALANCE :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand	28,436	88,156
<b>Balances with Bank</b>		
On current Accounts: (With Scheduled Bank)	1,111,813	297,536
<b>Total</b>	<b>1,140,249</b>	<b>385,693</b>

**19 SHORT TERM LOANS & ADVANCES :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
TDS / TCS Receivable	-	-
Others	7,720,273	7,178,240
<b>Total</b>	<b>7,720,273</b>	<b>7,178,240</b>

19.1 Others includes short term loans & advances

**20 OTHER CURRENT ASSETS :**

<b>Particular</b>	<b>As At 31 March, 2017</b>	<b>As At 31 March, 2016</b>
Statutory Dues	-	-
Others	6,300,508	1,264,687
<b>Total</b>	<b>6,300,508</b>	<b>1,264,687</b>

**21 REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>
Sales	23,113,064	352,242,223
Less: Excise Duty	-	1,282,260
<b>Total</b>	<b>23,113,064</b>	<b>350,959,963</b>

**22 OTHER INCOME**

<b>Particulars</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>
Interest Income	456,679	-
Miscellaneous Income	-	31,833
Net gain/loss on sale of investments	(12,700)	100,000
Other non-operating income (net of expenses directly attributable to such income incl Written off)	-	265,000
<b>Total</b>	<b>443,979</b>	<b>396,833</b>

**Prabhav Industries Limited**  
Notes forming part of financial statements

**23 COST OF MATERIAL CONSUMED**

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening Stock of Raw Materials	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**24 PURCHASE OF STOCK-IN-TRADE**

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Trading Purchase*	20,156,257	319,140,618
<b>Total</b>	<b>20,156,257</b>	<b>319,140,618</b>

24.1 Trading Purchase includes purchase Material for trading.

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

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<u>Opening Inventory</u>		
Finished Goods	-	26,951,800
Equity Shares	47,830	45,600
<b>Sub total (A)</b>	<b>47,830</b>	<b>26,997,400</b>
<u>Closing Inventory</u>		
Finished Goods	-	-
Equity Shares	47,830	47,830
<b>Sub total (B)</b>	<b>47,830</b>	<b>47,830</b>
<b>Total (A+B)</b>	<b>-</b>	<b>26,949,570</b>

**26 EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Salaries and incentives	957,000	1,133,700
<b>Total</b>	<b>957,000</b>	<b>1,133,700</b>

**27 FINANCE COST**

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Bank Interest	305,704	1,132
Bank Charges	3,899	12,846
<b>Total</b>	<b>309,603</b>	<b>13,978</b>

**Prabhav Industries Limited**  
**Notes forming part of financial statements**

**28 OTHER EXPENSES**

<b>Particulars</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>
<b><u>ADMINISTRATIVE EXPENSES</u></b>		
Advertisement Expenses	-	18,310
Audit Fees	50,000	56,590
Building Maintenance Charges	-	9,432
Conveyance & Vehicle running Expense	24,193	101,225
Listing Fees	536,018	466,123
Electricity Expenses	12,339	34,375
Internet Charges	-	3,470
Legal & Professional Fees	82,004	304,716
Office & Miscellaneous Expenses	447,252	419,174
Postage and Courier Expenses	-	2,553
Printing & Stationery Expenses	8,938	25,367
Rent, Rates & Taxes	51,000	30,000
Telephone Expenses	20,278	59,806
Other Administrative Expense	16,204	5,346
<b>Sub Total (B)</b>	<b>1,248,226</b>	<b>1,536,487</b>
<b><u>OTHER EXPENSES</u></b>		
Preliminary & Shares Issued Expenses W-off.	-	40,701
Insurance Expenses	-	-
<b>Sub Total (C)</b>	<b>-</b>	<b>40,701</b>
<b>Total (A+B+C)</b>	<b>1,248,226</b>	<b>1,577,188</b>

**29 EARNINGS PER EQUITY SHARES**

<b>Particulars</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>
<b>Basic Earnings per Share</b>		
Profit/(Loss) attributable to Equity shareholders	495,415	1,778,453
Weighted average number of equity shares	46,089,100	46,089,100
<b>Basic Earnings Per Share</b>	<b>0.01</b>	<b>0.04</b>
<b>Face value per Share</b>	10	10
<b>Dilutive Earnings per Share</b>		
Profit after adjusting interest on potential equity shares	495,415	1,778,453
Weighted average number of equity share after considering potential equity shares	46,089,100	46,089,100
<b>Dilutive Earnings per Share</b>	<b>0.01</b>	<b>0.04</b>

**Prabhav Industries Limited**  
Notes forming part of financial statements

**30 DETAILS OF PAYMENT TO AUDITORS**

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>As Auditor</b>		
Statutory , Tax Audit Fees & other Matters	50,000	56,180
<b>Total</b>	<b>50,000</b>	<b>56,180</b>

**31 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.

**32 RELATED PARTY DISCLOSURE**

**a) Related Parties and their relationship**

Sr. No.	Name of the Related Party	Relation
<b>A</b>	<b>Associates companies</b>	
1	Pavitra Corporation	Companies / Firms in which Directores / 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>B</b>	<b>Key management Personnel</b>	
1	Mr. Jayesh Raichandbhai Thakkar	Director (Regined on 10th January' 2017)
2	Mr. Chandrakant Shankar Gaikwad	
3	Mrs. Ami Jigar Motta	
4	Mr. Nilesh Shivram Mestry	
6	Mr. Antony Isabu Esak	
7	Mr. Shivsharan Narayanappa Yulidra	
8	Mrs. Geeta Rajendra Varma	
9	Mr. Pravin Luka Patil	
10	Mr. Akash Samadhan Suradkar	
11	Mr. Gautam Kalu Mohite	

**33 CONTINGENT LIABILITIES / ASSETS**

Contingent Liabilities

- (a) Claims against company not acknowledged as debt Rs. 1506.97 Lacs (refer note no 34.2)  
(b) Other commitments / Guarantees etc. Rs. NIL

**33.1** "Claims against the Company not acknowledged as debts for the year ended March 31, 2017 included demand from the Indian income tax authorities for payment of tax Rs. 1506.97 Lacs. Demands included addition u/s 68 of the Income tax Act, 1961 The matter is pending before Commissioner of Income Tax – Appeals. The company is contesting the demand and the Management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have any adverse effect on the Company's financial position and results of operations."

**33.2** Consequent to the search and seizure proceedings u/s 132 of the Income Tax Act, 1961, assessment of income for the assessment years 2007-08 to 2013-14 , have taken place under section 143(3)/153A/153C of the Income Tax Act, 1961. As a result a total demand of Rs. 1506.97 Lacs has arisen & outstanding. Aggrieved by the orders so passed, the company has filed appeals before the Commissioner of Income Tax (Appeals) in the respective assessment years. Considering the nature of additions made and recent judicial pronouncements, there are good chances that the additions shall be deleted in the appellate proceedings and therefore no provision in this respect has been made in respect of outstanding demand.



**Prabhav Industries Limited**  
Notes forming part of financial statements

**12 Fixed Assets :**

Amount in ₹

a) Tangible Assets	Building	Plant & Machinery	Other Plant & Machinery	Electrical Installation	Furniture & Fixtures	Office Equipments	Computers	Vehicle	Auto level meter	Total
Gross Block as at 01.04.2016	-	-	-	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	-	-	-	-	-	-	-	-	-	-
<b>Gross Block as at 31.03.2017</b>	-	-	-	<b>12,888</b>	<b>284,513</b>	<b>110,535</b>	<b>790,793</b>	<b>1,633,311</b>	-	<b>2,832,040</b>
Accumulated Depreciation as at 01.04.2016	-	-	-	9,797	189,629	68,524	790,793	821,446	-	1,880,191
Depreciation during the year	-	-	-	1,224	27,029	21,002	-	194,037	-	243,292
Depreciation on assets written off during the year	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at 31.03.2017</b>	-	-	-	<b>11,021</b>	<b>216,658</b>	<b>89,526</b>	<b>790,793</b>	<b>1,015,483</b>	-	<b>2,123,483</b>
<b>Net Block as at 31.03.2017</b>	-	-	-	<b>1,867</b>	<b>67,855</b>	<b>21,009</b>	-	<b>617,828</b>	-	<b>708,557</b>
<b>Net Block as at 31.03.2016</b>	-	-	-	<b>3,091</b>	<b>94,884</b>	<b>42,011</b>	-	<b>811,865</b>	-	<b>951,851</b>

b) Intangible Assets	Software	Total
Gross Block as at 01.04.2016	945,000	945,000
Addition during the year	-	-
Deduction during the year	-	-
Revaluation / Impairments during the year	-	-
<b>Gross Block as at 31.03.2017</b>	<b>945,000</b>	<b>945,000</b>
Accumulated Depreciation as at 01.04.2016	790,594	790,594
Depreciation during the year	47,250	47,250
Depreciation on assets written off during the year	-	-
<b>Accumulated Depreciation as at 31.03.2017</b>	<b>837,844</b>	<b>837,844</b>
<b>Net Block as at 31.03.2017</b>	<b>107,156</b>	<b>107,156</b>
<b>Net Block as at 31.03.2016</b>	<b>154,406</b>	<b>154,406</b>

**Prabhav Industries Limited**  
**Notes forming part of financial statements**

- 34 Balances in the accounts of debtors, creditors and con-tracts 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.
- 35 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.
- 36 Details of Specified Bank Notes (SBN) held and Transacted during the Period 08/11/2016 to 30/12/2016 is as under.

Particulars	SBNs	Other Deno- mination notes	Total
<b>Closing Cash in Hand as on 08.11.2016</b>	<b>0</b>	<b>31679</b>	<b>31679</b>
(+) Permitted receipts	0	0	0
(-) Permitted payments	0	24083	24083
(-) Amount deposited in Banks	0	0	0
<b>Closing Cash in Hand as on 30.12.2016</b>	<b>0</b>	<b>7596</b>	<b>7596</b>

- 37 Previous year's figures have been regrouped / rearranged wherever deemed necessary.

As per our attached report of 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**

**SD/-**  
**Antony Isabu Esak**  
**Director**  
**DIN : 06837547**

**SD/-**  
**Shivsharan Narayanappa Yulidra**  
**Director**  
**DIN : 06945632**

**Surat, 30th May, 2017.**

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

Name and Address of the Member	Registered Folio No.	Client ID & DP ID No.	Number of Shares held

I hereby record my presence at Annual General Meeting of **Prabhav Industries Limited** held on **Friday, 29<sup>th</sup> September, 2017 at 12:00 P.M. at Office No. 119, Model Township Residency, Saroli, Kadodara Road, Surat - 395010, Gujarat**

Signature of the Member or the Proxy Attending the Meeting

If Member, please sign here	If Proxy, please sign here

Note: members are requested to bring their copies of Notice to the meeting as the same will not be circulated at the meeting.

**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)]*

<b>Name of the Member(s):</b>	
<b>Registered address:</b>	
<b>E-mail Id:</b>	
<b>Folio No./Client Id &amp; DP. Id:</b>	

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

<b>1</b>	<b>Name:</b>	<b>Address:</b>
	<b>Email ID:</b>	<b>Signature:</b>
<b>2</b>	<b>Name:</b>	<b>Address:</b>
	<b>Email ID:</b>	<b>Signature:</b>
<b>3</b>	<b>Name:</b>	<b>Address:</b>
	<b>Email ID:</b>	<b>Signature:</b>

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, 29<sup>th</sup> September, 2017 at 12:00 P.M. at Office No. 119, Model Township Residency, Saroli, Kadodara Road, Surat- 395010, Gujarat** and at any adjournment thereof in respect of such resolutions as are indicated below:

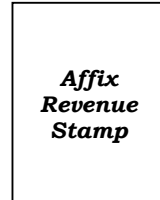
Sr. No	Description.	No.of shares held	FOR	AGAINST
1	Adoption of financial statement for the year ended on <b>31 March, 2017.</b>			
2	Appointment of <b>Chirag C. Mehta &amp; Co.</b> as Auditors of the Company			
3	Regularize appointment of <b>Gautam Kalu Mohite</b> who was appointed as an additional director as an independent director of the company			
4	Regularize appointment of <b>Pravin Luka Patil</b> who was appointed as an			

	additional director as an independent director of the company			
5	Regularize appointment of <b>Akash Samadhan Suradkar</b> who was appointed as an additional director as an Executive director of the company			

Signed this .....day of September, 2017

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.

**Polling Paper**

*[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. 119, Model Township Residency, Saroli, Kadodara Road, Surat- 395010, Gujarat

**Poling 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 <b>31 March, 2017</b> .			
2.	Appointment of <b>Chirag C. Mehta &amp; Co.</b> as Auditors of the Company.			
3.	Re- appointment of <b>Chandrakant Shankar Gaikwad</b> who retires by rotation as Executive Director			
4.	Regularize appointment of <b>Gautam Kalu Mohite</b> who was appointed as an additional director as an independent director of the company			
5.	Regularize appointment of <b>Pravin Luka Patil</b> who was appointed as an additional director as an independent director of the company			

6.	Regularize appointment of <b>Akash Samadhan Suradkar</b> who was appointed as an additional director as an Executive director of the company			
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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 **28<sup>th</sup> September, 2017** at 5.30 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, **Rakesh Kapur**, a Practicing Company Secretary, at **305, 3rd Floor, Tower - 1/B, Dhiraj Enclave, Co-op Hsg Soc. Ltd., Khatau Mill Complex, Opp Bhor, Borivali East, Mumbai - 400 066.**, 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 5.30 p.m. on **Thursday, 28<sup>th</sup> September, 2017**. 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 favour 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](http://www.evoting.nsdl.com) can also send your queries/ grievances relating to remote e-voting to the e-mail ID:-[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- o. The period for remote e-voting starts **on Tuesday, 26<sup>th</sup> September, 2017 at 9.00 a.m. and ends on Thursday, 28<sup>th</sup> September, 2017 at 6.00 p.m.**

**Prabhav Industries Limited**

(CIN: L45200GJ1995PLC028373)

Shop No 119, Model Township Recedency, saroli Kadodara Road, Surat, Gujarat-395010

Tel No.: 0261-6514281

Email: [prabhavindltd@gmail.com](mailto:prabhavindltd@gmail.com)

[www.prabhavind.com](http://www.prabhavind.com)