



PRABHAV INDUSTRIES LIMITED

Annual Report 2018-19



**PRABHAV INDUSTRIES LIMITED
ANNUAL REPORT 2018-2019**

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
Gautam Kalu Mohite (DIN: 07703344)	Non Executive Independent Director
Pravin Luka Patil (DIN: 07704586)	Non Executive Independent Director

Bankers:

Corporation Bank , Bhandup Nahur Branch Mumbai	UCO Bank , Mid Corporate Branch, Vadodara
Kotak Mahindra Bank , Mahim Branch, Mumbai.	The Maharashtra State Co-operative Bank: Mulund Branch

Statutory Auditors:

M/s Mohandas & Co., Chartered Accountants Firm Membership number :-106529W , PAN :-AAPPS1965B Address:-Office No.10, Krishna Cottage, Dattapada Road No.2, Borivali (East) Mumbai-400066 Tel no:-9892697299, Email:- ca.bmshetty@gmail.com	Registered Office: Shop No 119, Model Township Recedency, saroli Kadodara Road, Surat, Gujarat-395010 Tel No.:0261-6514281
---	---

Registrar and Transfer Agent:

M/s. Skyline Financial Services Pvt. Ltd. 4A9 Gundecha Onclave, Khairani Road, Sakinaka, Mumbai-400072, Tel : 022-62215779	Stock Exchanges: Bombay Stock Exchange Ahmadabad Stock Exchange
---	--

Contents sequence

Sr. No.	Particulars
1	Notice
2	Directors' Report
3	Secretarial Audit Report - MR3
4	Report on Corporate Governance
5	Certificate on Corporate Governance
6	Certificate on Financial Statements
7	Independent Auditors' Report
8	Annexure to Auditors' Report
9	Balance Sheet
10	Profit & Loss Account
11	Statement of Change in Equity
12	Cash Flow Statement
13	Notes to Financial Statements
14	Attendance Slip
15	Proxy Form
16	Polling Paper – Ballot form

NOTICE

NOTICE is hereby given that the **Annual General Meeting** of **Prabhav Industries Limited** will be held at **10th Floor, Titaanium Business Hub, Surat-Khajod Road, Bhimrad, Surat - 395-007 Gujaraton Saturday, 28th September, 2019 at 02:00 p.m.** to transact the following businesses:

ORDINARY BUSINESS

1. **To Adopt Accounts for the period ended 31st March 2019:**

To receive, consider and adopt the **Audited Balance Sheet as at 31st March 2019**, the Statement of Profit and Loss for the year ended and the Reports of the Board of Directors and the Auditors thereon.

2. **To Reappoint Mr. Antony Isabu Esak who retires by rotation:**

To appoint a Director in place of Mr. Antony Isabu Esak (DIN: 06837547) who retires by rotation and, being eligible, offers himself for re-appointment.

**By Order of the Board
For Prabhav Industries Limited**

**Date: 14/08/2019
Place: Surat**

SD/-

**Antony Isabu Esak
Managing Director
DIN: 06837547**

NOTES:

1. The Company's Statutory Auditors, M/s Mohandas & Co., Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Extra Ordinary General Meeting ("EGM") of the Members held on March 31, 2019 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent EGM held after the EGM held on March 31, 2019. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

2. 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, duly stamped.
3. 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.
4. 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.
5. Members are requested to bring their admission slip along with copy of the report and accounts to Annual General Meeting.
6. Relevant documents referred to in the accompanying Notice & Explanatory Statement would be available for inspection by the members at the Registered Office of the

Annual Report 2018-19

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.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, **23rd September, 2019** to Saturday, **28th September, 2019** (Both Days Inclusive) for the purpose of the Annual General Meeting.
8. 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.
9. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
10. Members desirous of seeking any information concerning the Accounts or operations of the Company is requested to address their queries in writing to the Company at least seven days prior to the Annual General Meeting so that the requested information can be made available at the time of the meeting.
11. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company/ Skyline has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
12. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
13. Members holding shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio. 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.
14. 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 2019 is being sent to all the members who's Email IDs are registered with the Company/Depository Participants(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 2019 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.

15. Members may also note that **the Notice of the Annual General Meeting** and the **Annual Report for 2019** will also be available on the Company's **website www.prabhavind.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's designated **email id: prabhavind@gmail.com**
16. 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.
17. 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.
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 **Mr. Chirag Jain, Scrutinizer, Office No. 10, Krishna Cottage CHS, Dattapada Road No. 2, Borivali East, Mumbai- 400066 Tel.: 9892846438, E-mail:**

chiragkchhabra@gmail.com so as to reach him on or before Friday, **September 27, 2019 by 5.00 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 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.
20. Members can request for a Ballot Form at **Shop No 119, Model Township Recedency, Saroli, Kadodara Road, Surat- 395010** or they may also address their request through E-mail to: prabhavind@gmail.com , **Contact No. 022-69453333.**
21. 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**).
22. The **E-voting period** for all items of business contained in this Notice shall commence from **Wednesday, 25th September, 2019 at 11:00 a.m. and will end on, Friday, 27th September, 2019 at 5:00 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 21st September, 2019**, may cast their vote electronically. The e-voting module shall be disabled by **NSDL** for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on **21st September, 2019**.
23. **Chirag Jain**, Practicing Company Secretaries (CP No. 13687) an Independent Professional has been appointed as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
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 **Wednesday, 25th September, 2019 (11.00 a.m.) and ends on, Friday, 27th September, 2019 (05.00 p.m.)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 21st September, 2019**, 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 chiragkchhabra@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

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

- (ii) Please follow all steps from Sl. No. (ii) To Sl. No. (xii) Above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 21st September, 2019**.
- 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. 21st September, 2019**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Share Transfer Agent of the Company, i.e. Skyline Financial Services Private Limited.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. **CS Chirag Jain**, Practicing Company Secretaries (CP No. 12085) an Independent Professional has been appointed as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer,

Annual Report 2018-19

by use of "Ballot Paper " for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company website 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.

**By Order of the Board
For Prabhav Industries Limited**

**Date: 14/08/2019
Place: Surat**

SD/-

**Antony Isabu Esak
Managing Director
DIN: 06837547**

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 102(1) of the Companies Act, 2013:

Notes on directors seeking appointment/re-appointment as required under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into with Stock Exchanges:

ITEM NO. 2

Details of Director seeking reappointment at Annual General Meeting:

Name of the Director	Mr. Antony Isabu Esak
Date of Appointment	08 th June, 2015
Directorships held in other Public Limited Companies	Nil
Shareholding held in the company	Nil
Disclosure of relationship between directors inter-se	None

Date: 14/08/2019

Place: Surat

**By Order of the Board
For Prabhav Industries Limited**

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

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, 2019**.

FINANCIAL HIGHLIGHTS:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	Amount in Rs.	
Turnover	8,641,010	56,247,000
Other Income	82,300	787,565
Expenditure	9,607,015	56,641,754
Exceptional Items (Net)	0	0
Profit(Loss) Before Taxes	(883,705)	392,811
Taxes expenses		
Current Tax	0	118,500
Deferred Tax	0	0
Profit after Tax available for appropriation	(883,705)	274,311
Dividend	NIL	NIL
Balance carried forward to Balance Sheet	(883,705)	274,311

Business performance and Segment Reporting:

During the year under review, the Company has seen down its turnover to Rs.86.41 Lacs compared to Rs. 562.47 lacs of previous year. This has resulted into a Net loss of Rs. 8.84 Lacs as against Net Profit of Rs. 2.74 Lacs during the previous year 2018-19. 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 2018-19.

Reserves:

Out of the profits available for appropriation, no amount has been transferred to the General Reserve and the balance amount of Rs. 8.84 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:

There is no changes in the board of director of the Company during the year under review.

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 4 times and Independent Directors once during the year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made there under. All the Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

Declarations by Independent Director:

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

Statutory Auditors:

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made there under, the current auditors of the Company, M/s. Mohandas & Co., Chartered Accountants, Mumbai, who has been appointed as in the extra ordinary general meeting held on 31st March, 2019, who is eligible to hold the office for a period of five years up to

2024. The Company has received a certificate from the Auditor that, he is not disqualified for re-appointment within the meaning of Section 141 of the Companies Act, 2013 and his appointment, if made would be within the limits specified in Section 139 of the said Act.

Necessary Resolution for ratification of appointment of said Auditor is included in the Notice of AGM for seeking approvals of the Members.

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 31st March, 2019 the applicable accountings standards have been followed along with proper explanation relating to material departure.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended 31st March, 2019.
- 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 2018-19.

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 2018-19 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, 2019 in prescribed form duly audited by M/s. JCA & Co. 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 2018-19. 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 M a n a g i n g Director in respect of the Financial Statements forms part of the Annual Report.

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

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

Significant and Material Orders Passed By the Regulators or Courts:

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

Presentation of Financial Statements:

The financial statements of the Company for the year ended **31st March, 2019** 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 2018-19 is attached to the Balance Sheet. Pursuant to the legislation 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013' introduced by the Government of India, the Company has a policy on Prevention of Sexual Harassment at workplace. There was no case reported during the year under review under the said policy.

Details as required under the provisions of section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, are placed on the Company's website, i.e. www.prabhavind.com as an Annexure to the Director Report. Details as required under the provisions of section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, are placed on the Company's website, i.e. www.prabhavind.com as an Annexure to the Director Report. A physical copy of the same will be made available to any shareholders on request. A cash flow statement for the year **2018-19** 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: 14/08/2019

Place: Surat

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 31/03/2019

I REGISTRATION & OTHER DETAILS:

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

Annual Report 2018-19

vii	Name and Address of Registrar & Transfer Agents (RTA):-
	Name of RTA: Skyline Financial Services Pvt. Ltd.
	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	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Annual Report 2018-19

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2018				No. of shares held at the end of the year 31.03.2019				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	10034664	12664500	22699164	49.25	10297556	12664500	22962056	49.82	0.57
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual Shareholders holding nominal share capital up to Rs. 1 lakh	3397926	337250	3735176	8.10	3399383	337250	3736633	8.11	0.01
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	15346993	1923500	17270493	37.47	15046382	1923500	16969882	36.82	-0.65
(c) Others Clearing Members	0	0	0	0	0	0	0	0	
(d) HUF	1792260	0	1792260	3.89	1828421	0	1828421	3.97	0.08
(e) NRI (i) Repatri	0	0	0	0	0	0	0	0	0
(ii) Non-Repatri	0	0	0	0	0	0	0	0	0
(iii) Other NRI	125607	0	125607	0.27	125707	0	125707	0.27	0.00

Annual Report 2018-19

(f) NBFs Registered with RBI	39600	0	39600	0.09	39600	0	39600	0.09	0
(g) Clearing Members/House	0	0	0	0	1	0	1	0.00	0
Sub-Total(B)(2):	30737050	14925250	45662300	99.07	30737050	14925250	45662300	99.07	0.00
Total Public Shareholding (B) = (B)(1) + (B)(2)	30737050	14925250	45662300	99.07	30737050	14925250	45662300	99.07	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	31163850	14925250	46089100	100.00	31163850	14925250	46089100	100.00	0

ii Shareholding of Promoters

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2018		Transaction During the Year		Cumulative Shareholding at the end of the year 31.03.2019	
		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	01.04.2018	--	225300	0.49
	At the end of the year			31.03.2019	--	225300	0.49
2	Jagdish Thakkar	162000	0.35	01.04.2018	--	162000	0.35
	At the end of the year			31.03.2019	--	162000	0.35
3	Artiben Jayeshbhai Thakkar	30000	0.07	01.04.2018	--	30000	0.07
	At the end of the year			31.03.2019	--	30000	0.07
4	Pacific Finstock Limited	9500	0.02	01.04.2018	--	9500	0.02
	At the end of the year			31.03.2019	--	9500	0.02

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

Sr.N o.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019			% change in share holding during the year
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	% of shares Pledged/encum bered to total shares	
1	Jayeshbhai Raichandbhai Thakkar	225300	0.49	225300	0.49	-	-
2	Jagdish R Thakkar	160000	0.35	162000	0.35	-	-
3	Artiben Jayeshbhai Thakkar	30000	0.07	30000	0.07	-	-
4	Pacific Finstock Ltd.	9500	0.02	9500	0.02	-	-
	Total	424800	0.92	426800	0.92	-	-

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 01.04.2018		Transaction During the Year			Cumulative Shareholding at the end of the year 31.03.2019	
		No. of shares at the beginning (01.04.2018) / end of the year 31.03.2019	% of total Shares of the Company	Date of Transaction	Increase/ Decrease in shareholding	Reason	No. of shares	% of total Shares of the Company
1	Vaiggio Entertainment Pvt Ltd	1975000	4.28					
	At The End Of The Year						1975000	4.28
2	Adila Traders Pvt Ltd	1850000	4.01					
	At The End Of The Year						1850000	4.01
3	Amazing Suppliers Pvt Ltd	1850000	3.96					
	At The End Of The Year						1850000	3.96
4	Sonal Style Pvt Ltd	1812500	3.93					
	At The End Of The Year						1812500	3.93
5	Indivar Traders PVT	1800000	3.91					

Annual Report 2018-19

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning and end of the year(1/4/2018 to 31/03/2019)		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
-	-	-	-	-	-	-	-	-

VI. INDEBTEDNESS

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	1508.53	0	1508.53
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1508.53	0	1508.53
Change in Indebtedness during the financial year				
Addition	0	0	0	0

Annual Report 2018-19

Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	1508.53	0	1508.53
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1508.53	0	1508.53

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	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0
	(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	-	-

Annual Report 2018-19

	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					

Annual Report 2018-19

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board
Prabhav Industries Limited

SD/- SD/-

Antony Isabu Esak
Managing Director
DIN: 0683754

Shivsharan Narayanappa Yulidra
Director
DIN: 06945632

Date: 14/08/2019
Place: Surat

Annual Report 2018-19

Form No. MR-3

SECRETARIAL AUDIT REPORT

FORTHE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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, 2019** has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, except to those mentioned below in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained **Prabhav Industries Limited** ("the Company") for the **financial year ended on 31st March, 2019** 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');

Annual Report 2018-19

- 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) Goods Service Tax Act,

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.

Annual Report 2018-19

- 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.**

**M/s JCA & Co.
Company Secretaries**

Sd/-

**Chirag Jain
Partner
Mem No.30850
C P No.: 13687**

**Date: 14/08/2019
Place: Mumbai**

Annexure – A to Secretarial Audit Report

To,
The Members,
Prabhav Industries Limited

Our Secretarial Audit Report dated 14th August, 2019 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.

M/s JCA & Co.
Company Secretaries

Sd/-

Chirag Jain
Partner
Mem No.30850
C P No.: 13687

Date: 14/08/2019
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 2018-19 and the Company has complied with all the statutory and regulatory requirements as stipulated in the applicable laws.

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.

BOARD OF DIRECTORS:

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

INFORMATION SUPPLIED TO THE BOARD

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

ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT

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

CODE OF CONDUCT

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

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

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

FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

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

DIRECTORS' INTEREST IN THE COMPANY

Sometime, the Company does enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weight age to them. Directors regularly 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-**

Annual Report 2018-19

- (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.

Annual Report 2018-19

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

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

Annual Report 2018-19

independent directors at their meeting held on **31th March, 2019** 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 31st March, 2019**, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

- ii. reviews the performance of non-independent directors and the Board as a whole;
- iii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iv. 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
- v. 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

Annual Report 2018-19

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

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 **Mr. Antony Isabu Esak**, 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.

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 2018-19, 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 2018-19 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

Annual Report 2018-19

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

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

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

Familiarization of Independent Directors

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

Composition of Board

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

As on the date of this report, the Board Strength consists of in all 6 directors. Out of them, 4 are non-executive Independent directors, 1 is Executive Director and 1 is Managing Director. All Independent Non-Executive Directors comply with the legal requirements of being "Independent".

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

Annual Report 2018-19

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 2018-19, Seven Board Meetings were held on the following dates:

1. 29/05/2018
2. 13/08/2018
3. 03/09/2018
4. 12/11/2018
5. 02/01/2019
6. 14/02/2019
7. 07/03/2019

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 31st March, 2019, 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	7	Yes	0	0	0
2	Shivsharan Narayanappa Yulidra – Independent Director	7	Yes	0	1	2
3	Geeta Rajendra Varma –	7	Yes	0	1	2

Annual Report 2018-19

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 (@)	
	Independent Director					
4	Akash Samadhan Suradkar – Executive Director	7	No	0	1	2
5	Gautam Kalu Mohite – Independent Director	7	No	2	0	0
6	Pravin Luka Patil – Independent Director	1	No	0	0	3

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

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;

Annual Report 2018-19

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).

Annual Report 2018-19

21. To review the statement of uses/application of funds raised through an issue (public issue; rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and making appropriate recommendations to the Board to take steps in the matter.
22. To carry out any other function as mentioned in the terms of reference of the audit committee.
23. To review management letters/ letters of internal control weakness issued by the Statutory Auditors.
24. To review Statement of deviations in terms of Regulation 32(1) & 32(7); including report of monitoring agency, if applicable.

The periodic review ensures that all areas within the scope of the Committee are reviewed.

Constitution of the Committee:

The Constitution of the Audit Committee is in conformity with the Listing Regulations. The Chairman of the Audit Committee is an Independent Director and is financially literate and has accounting related financial management expertise. The Composition of the Committee, together with the details of the attendance of each member as at **31st March, 2019** is given below:

Sr. No.	Name of the Director	Designation	Category
1.	Akash Samadhan Suradkar	Member	Executive Director
2.	Geeta Rajendra Varma	Member	Independent Director
3.	Gautam Kalu Mohite	Member	Independent Director
4.	Shivsharan Narayanappa Yulidra	Chairman	Independent Director

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

29/05/2018

13/08/2018

12/11/2019

02/01/2019

14/12/2019

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 2018-2019. 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.

Annual Report 2018-19

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
Gautam Kalu Mohite	Member	Independent Director
Shivsharan Narayanappa Yulidra	Member	Independent 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:

Name :	Antony Isabu Esak (Managing Director)
Address:	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, Gautam Kalu Mohite, Independent Director, Shivsharan Narayanappa Yulsidra, Independent Director and Akash Samadhan Suradkar, Executive Director as Members of Shareholders Grievance Committee.

Responsibilities of Compliance Officer

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

- a) Ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.
- b) Co-ordination with and reporting to the Board, recognized stock Exchange and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.
- 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 31st March, 2019. 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.

Annual Report 2018-19

- 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 **31st March, 2019** 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:-

Annual Report 2018-19

Year	Date	No. of Special Resolutions Passed	Address
2015-16	30th September, 2016	NIL	Shop No 119, Model Township Recedency, Saroli, Kadodara Road, Surat, Gujarat-395010
2016-17	29th September, 2017	NIL	Shop No 119, Model Township Recedency, Saroli, Kadodara Road, Surat, Gujarat-395010
2017-18	28th September, 2018	5	Shop No 119, Model Township Recedency, Saroli, Kadodara Road, Surat, Gujarat-395010

Extra Ordinary General Meetings:

During the year 2018-19, the Company was held 3 Extra- Ordinary General Meeting as on 28th January, 2019, 11th March, 2019 and 31st March, 2019 for the following business:

- **28th January, 2019:**
Adoption of Accounts and Director's Report and Secretarial Audit Report for the period ended 31st March, 2018.
- **31st March, 2019:**
Appointed M/s Mohandas & Co., Chartered Accountants, Chartered Accountants, Mumbai as Statutory Auditors of the Company to fill casual vacancy caused by the resignation of M/s. Mukesh M Chokshi & Co., Chartered Accountants, Mumbai.

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.

Annual Report 2018-19

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: 28th September, 2019

Time: 02:00 P.M.

Venue: 10th Floor, Titanium Business Hub, Surat-Khajod Road, Bhimrad, Surat - 395007

Financial Calendar (Tentative):

Financial Year	: 01 st April, 2019 - 31 st March, 2020
First quarter result	: 14 th August, 2019
Half-yearly results	: 14 th November, 2019
Third quarter results	: 14 th February, 2020
Annual results	: End of May, 2020
Annual General Meeting	: September, 2020

Listing on Stock Exchanges:

Bombay 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-18	1.21	1.19	427
May-18	1.19	1.17	208
Jun-18	1.15	1.11	106
Jul-18	1.10	1.10	10
Aug-18	1.10	1.10	420
Sep-18	1.10	1.05	1,300
Oct-18	1.02	0.56	16,002
Nov-18	0.60	0.49	1,49,694
Dec-18	0.49	0.49	69,867

Annual Report 2018-19

Jan-19	0.49	0.49	855
Feb-19	0.49	0.49	1
Mar-19	NA	NA	NA

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 2019:

Range of Holding (Rs.)	No. of shareholding	% to total shareholders	No. of shares holding amount (Rs.)	% to total shares
Up To 5,000	1139	39.02	2834680	0.62
5001 To 10,000	543	18.6	4937640	1.07
10001 To 20,000	353	12.09	5986660	1.3
20001 To 30,000	151	5.17	4020810	0.87
30001 To 40,000	78	2.67	2867340	0.62
40001 To 50,000	129	4.42	6269360	1.36
50001 To 1,00,000	201	6.89	15860540	3.44
1,00,000 and Above	325	11.13	418113970	90.72
TOTAL	2915	100	460891000	100

Shareholding Pattern as on 31st March 2019:

Category	No. of shares held	% of total shares
Promoters	426800	0.93
Institutional Investors		
Non-Institutions		
a) Bodies Corporate	22962056	49.82
b) Individuals/HUF	22534936	48.89
c) NBFCs registered with RBI	39600	0.09
NRI/OCBs (other than promoters)	125707	0.27
Clearing members	1	0
TOTAL	46089100	100.00

Break up of shares in physical and Demat Segment as on 31st March 2019

Segment	No. of shares held	% to total shares
Physical	14925250	32.38
De-mat	31163850	67.62
TOTAL	46089100	100.00

i) Share Transfer System:

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

ii) SEBI Complaints Redress System (SCORES)

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

The Company is registered with SEBI under the SCORES system.

Reconciliation of Share Capital Audit

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

ii) Audit Qualifications

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

Non Mandatory Requirements**i) The Board**

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

ii) Shareholders Rights

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

Annual Report 2018-19

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, urat – 395010, Gujarat

Tel.: 0261-6514281

Email: 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: 14/08/2019

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 31st March, 2019 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 MOHANDAS & CO
Chartered Accountants
F R No.: 106529W

Sd/-
CA Belle Mohandas Shetty
Proprietor
M No.: 031256

Date: 30/05/2019
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 2018-19** 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: 14/08/2019
Place: Surat

Independent Auditor's Report

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Prabhav Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Annual Report 2018-19

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Assessment of provisions for taxation, litigation and claims – As at 31st March 2019, Company had provisions in respect of possible or actual taxation disputes, litigation and claims</p> <p>These provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in the various jurisdictions.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> – Assessing the adequacy Company's tax provisions by reviewing correspondence with tax authorities; – Discussing significant litigation and claims with Company's management; – Reviewing previous judgments made by the relevant taxation authorities; and opinions given by company and – Assessing the reliability of Company's management's past estimates.

Information Other than the Financial Statements and

Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report on Corporate Governance, Shareholder information and Report of the Board of Directors & Management Discussion and Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

- The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

Annual Report 2018-19

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use

of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in

Annual Report 2018-19

our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit 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 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 including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representation received from Mr. Pravin Luka Patil who is a director of Company, as on 31st March, 2019, and taken on record by the Board of Directors, we report that he is disqualified from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

As far as other directors are concerned, on the basis of the written representations received from such directors, and taken on record by the Board of Directors, we report that none of the remaining directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its

Annual Report 2018-19

directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company has no material foreseeable losses on long-term contracts including derivative contracts as required under the applicable law or accounting standards
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MOHANDAS & CO.
Chartered Accountants
FRN No: 106529W

SD/-

CA. Belle Mohandas Shetty
Proprietor
Membership No. 031256

Place: Mumbai
Date: 30/05/2019

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Prabhav Industries Limited of even date)

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 31st March, 2019 in conjunction with our audit of the standalone Ind AS 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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

Annual Report 2018-19

selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, 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 31st March, 2019, based on the criteria for internal control over financial reporting established by the Company considering the

Annual Report 2018-19

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 MOHANDAS & CO.
Chartered Accountants
FRN No: 106529W

SD/-

CA. Belle Mohandas Shetty
Proprietor
Membership No. 031256

Place: Mumbai
Date: 30/05/2019

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i). (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed/ court orders approving schemes of arrangements/amalgamations and other documents provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii). As explained to us, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii). 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 Companies Act, 2013.
- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v). According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with Sections 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.

Annual Report 2018-19

- (vi). The maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products, we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii). According to the information and explanations given to us, in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

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

Annual Report 2018-19

				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). In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix). The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x). To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi). In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii). The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii). In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable Indian accounting standards.
- (xiv). During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv). In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons

Annual Report 2018-19

connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi). The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For MOHANDAS & CO.
Chartered Accountants
FRN No: 106529W**

SD/-

**CA. Belle Mohandas Shetty
Proprietor
Membership No. 031256**

**Place: Mumbai
Date: 30/05/2019**

Annual Report 2018-19

BALANCE SHEET AS AT 31ST MARCH, 2019

Particular	Notes	AS at	
		31st March' 2019	31st March' 2018
A ASSETS			
1 Non-Current Assets			
a) Property, Plant and Equipment	2	256,206	525,171
b) Financial Assets			
(i) Investments	3	40,176,289	40,176,289
(ii) Other Financial Assets	4	658,016,356	664,799,684
d) Other Non-current Assets	5	668,245,878	679,148,648
Total Non-Current Assets		1,366,694,729	1,384,649,792
2 Current Assets			
a) Inventories	6	0	0
b) Financial Assets			
(i) Trade Receivables	7	162,585,269	162,585,269
(ii) Cash & Bank Balance	8	312,724	301,308
(iii) Others Financial Assets	9	16,355,311	19,417,821
c) Other Current Assets			
Total Current Assets		179,253,304	182,304,398
Total Assets		1,545,948,033	1,566,954,190
B EQUITY & LIABILITIES			
1 Equity			
a) Equity Share Capital	10	460,891,000	460,891,000
b) Other Equity	11	910,251,413	911,135,118
Total Equity		1,371,142,413	1,372,026,118
3 Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	12	150,852,846	150,852,846
(ii) Other Financial Liabilities	13	4,779,796	4,577,796
b) Deferred Tax Liabilities (net)	14	1,508,168	1,508,168
c) Provision	15	2,113,800	2,113,800
Total Non-current Liabilities		159,254,610	159,052,610
Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	16	0	0
(ii) Trade Payables	17	14,563,962	34,905,209
b) Other Current Liabilities	18	368,548	351,753
c) Provisions	19	618,500	618,500
Total Current Liabilities		15,551,010	35,875,462
Total Equity and Liabilities		1,545,948,033	1,566,954,190

Significant Accounting Policies & Notes on Financial Statements 1 to 35

As per our report of even date attached
For MOHANDAS & CO.
Chartered Accountants
FRN No: 106529W

SD/-

CA. Belle Mohandas Shetty
(Proprietor)
Membership No. 031256

Place : Surat
Date : 30/05/2019

For and on Behalf of the Board of Directors of
PRABHAV INDUSTRIES LIMITED

SD/-

Antony Isabu Esak
Director
DIN NO. 06837547

SD/-

Shivsharan Narayanappa
Director
DIN No. 06945632

Annual Report 2018-19

Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note	(Amount in `)	
		Year Ended 31st March, 2019	Year Ended 31st March, 2018
Revenue from Operations			
I. Revenue from Sales	20	8,641,010	56,247,000
II. Other Revenue Income	21	82,300	787,565
III. Total Revenue from Operations		8,723,310	57,034,565
IV. Expenses:			
Purchase of Stock-in-Trade	22	8,122,510	54,297,750
Change in inventory of finished goods		0	47,830
Employee benefit expense	23	442,010	930,800
Financial costs	24	625	20,455
Depreciation and amortization expense	25	268,965	290,542
Other expenses	26	772,905	1,054,377
Total Expenses		9,607,015	56,641,754
V. Profit before tax (III - IV)		(883,705)	392,811
VI. Tax expense:			
(1) Current tax		0	118,500
(2) Earlier Tax Expenses		0	0
XI. Profit(Loss) from the period from continuing operations		(883,705)	274,311
XII. Other comprehensive income:			
(i) Items that will not be reclassified to Statement of Profit and Loss		0	0
(ii) Items that will be reclassified to Statement of Profit and Loss		0	0
(iii) Items that will be reclassified to Statement of Profit and Loss		0	0
(iv) Income tax relating to items that will be reclassified to Statement of Profit and Loss		0	0
Total comprehensive income for the year		0	0
VII. Profit/(Loss) for the period (V - VI)		(883,705)	274,311
VIII. Earning per equity share:			
(1) Basic	27	(0.002)	0.001
(2) Diluted		(0.002)	0.001

Significant Accounting Policies & Notes on Financial Statements - 1 to 35

As per our report of even date attached
For MOHANDAS & CO.
Chartered Accountants
FRN No: 106529W

SD/-

CA. Belle Mohandas Shetty
(Proprietor)
Membership No. 031256

Place : Surat
Date : 30/05/2019

For and on Behalf of the Board of Directors of
PRABHAV INDUSTRIES LIMITED

SD/-

Antony Isabu Esak
Director
DIN NO. 06837547

SD/-

Shivsharan Narayanapp
Director
DIN No. 06945632

Annual Report 2018-19

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR THE ENDED 31ST MARCH 2019

A. EQUITY SHARE CAPITAL

Particulars	Balance at the beginning of the reporting period 1st April, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018	Change in equity share capital during the year 2018-19	Balance at the end of reporting period i.e. 31st March, 2019
1. Equity Share Capital	460,891,000	0	460,891,000	0	460,891,000

B. OTHER EQUITY

	Reserves & Surplus			Other Comprehensive Income	Total
	Capital Reserve Account	Security Premium Reserve Account	Retained Earnings Accounts (Profit & Loss A/c)		
As on 31 March 2018					
Balance at the beginning of the reporting period 1st April 2017	0	1,025,857,000	(114,996,193)	0	910,860,807
Total Comprehensive Income for the year	0	0	0	0	0
Transfer to / (from) Equity Warrants	0	0	0	0	0
Transfer to / (from) retained earnings	0	0	274,311	0	274,311
Balance at the end of the reporting period i.e. 31st March, 2018	0	1,025,857,000	(114,721,882)	0	911,135,118
As on 31 March 2019					
Balance at the beginning of the reporting period 1st April 2018	0	1,025,857,000	(114,721,882)	0	911,135,118
Total Comprehensive Income for the year	0	0	0	0	0
Transfer to / (from) Equity Warrants	0	0	0	0	0
Transfer to / (from) retained earnings	0	0	(883,705)	0	(883,705)
Balance at the end of the reporting period i.e. 31st March, 2019	0	1,025,857,000	(115,605,587)	0	910,251,413

Significant Accounting Policies & Notes on Financial Statements 1 to 35

As per our report of even date attached

For MOHANDAS & CO.
Chartered Accountants
FRN No: 106529W

SD/-

CA. Belle Mohandas Shetty
(Proprietor)
Membership No. 031256

Place : Surat
Date : 30/05/2019

For and on Behalf of the Board of Directors of
PRABHAV INDUSTRIES LIMITED

SD/-

Antony Isabu Esak
Director
DIN NO. 06837547

SD/-

Shivsharan Narayanappa Yulidra
Director
DIN No. 06945632

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	(Amount in `)		
	As at 31st March, 2019	As at 31st March, 2018	
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Net Profit before tax as per Statement of Profit & Loss	(883,705)	392,811	
Adjustments for :			
Depreciation	268,965	290,542	
Interest Income	0	(505,438)	
Finance Cost	625	20,455	
Net / Loss Gain on Investments	(45,500)	1,873	
Operating Profit before working capital changes	A	(659,615)	200,243
Adjustments for :			
(Increase)/Decrease in trade receivables	(0)	177,812,861	
(Increase)/Decrease in other assets	9,845,838	(9,499,657)	
(Increase)/Decrease in Non other assets	10,902,770	38,095,392	
(Increase)/Decrease in inventories	0	47,830	
Increase/(Decrease) in trade payables	(20,341,247)	(195,213,139)	
Increase/(Decrease) in other liabilities	218,795	(19,214,468)	
Increase/(Decrease) in provisions	0	118,500	
Cash generated from operations	626,156	(7,852,680)	
Net Income taxes (paid) / refunds	0	(118,500)	
Net cash from operating activities	B	626,156	(7,971,180)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
Sales / (Purchase) of Investment	0	0	
Purchase of property, plant, and equipment	0	0	
Profit on Sale of investment	45,500	(1,873)	
NET CASH FROM INVESTING ACTIVITIES	C	45,500	(1,873)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Interest Income	0	505,438	
Finance Cost	(625)	(20,455)	
Secured Trade Loan received / (Repaid)	0	0	
Unsecured Trade Loan received / (Repaid)	0	6,448,887	
NET CASH FROM FINANCING ACTIVITIES	D	(625)	6,933,870
Net Increase in Cash & Cash Equivalent	(A + B + C + D)	11,416	(838,940)
Opening Cash & Cash Equivalent	i	301,308	1,140,249
Closing Cash & Cash Equivalent	ii	312,724	301,308
Net Increase in Cash & Cash Equivalent (ii - i)		11,416	(838,940)

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

As per our report of even date attached
For MOHANDAS & CO.
Chartered Accountants
FRN No: 106529W

For and on Behalf of the Board of Directors of
PRABHAV INDUSTRIES LIMITED

SD/-

SD/-

SD/-

CA. Belle Mohandas Shetty
(Proprietor)
Membership No. 031256

Antony Isabu Esak
Director
DIN NO. 06837547

Shivsharan Narayanappa Yulidra
Director
DIN No. 06945632

Place : Surat
Date : 30/05/2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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.

A Significant Accounting Policies

a) Basis of Accounting

The accounts of the Company are prepared under the historical cost convention and are in accordance with the applicable accounting standards and accordingly accrual basis of accounting is followed for recognition of income and expenses except where otherwise stated and where the exact quantum is not ascertainable. Expenditure on issue of share capital, if any, is accounted when actually incurred.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements. Company's financial statements are presented in Indian Rupees, which is also its functional currency.

b) Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been (i) transferred to the buyer, recovery of consideration is probable , there is no continuing effective control or managerial involvement with the goods , and the amount of revenue can be measured reliable.

(ii) Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable , (iii) taking in to account contractually defined terms of payments and excluding taxes or duties collected on behalf of government if any

c) Fixed Assets

Fixed assets are stated at total capitalized costs relating and attributable directly or indirectly to acquisition and installation thereof as reduced by the accumulated depreciation thereon.

d) Depreciation/Amortization

Depreciation / Amortization on Fixed Assets, other than Freehold land is provided on pro-rata basis on Straight Line Method at the rate prescribed under schedule II to the Companies Act, 2013. However no depreciation charge during the year.

(i) Assets costing ` 5000/- or less are fully depreciated in the year of purchased.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

e) Inventories

Inventories are valued as follows:

- (i) Waste Materials, Damaged goods, Scrap: if any at net estimated realizable value.
- (ii) Finished Goods: at lower of cost or market value.

f) Investments

Investments that are intended to be held for more than a year, from the date of acquisition are classified as long term investment are carried at cost less any provision for permanent diminution in value. Investments other than long term investments are being current investments are valued at cost or fair market value whichever is lower.

g) Assets & Liabilities

The Assets and Liabilities are taken at the book value certified by the Directors.

h) Taxes on Income

(i) Current Tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.

(ii) Deferred Tax Provision: Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted on the Balance Sheet date.

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

i) Miscellaneous Expenditure

Preliminary expenses / shares and deferred revenue expenses etc. if any are amortized over a period of 5 years.

j) Use of Estimates

The Preparation of the Financial statements in conformity with the generally accepted accounting principles require the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

k) Previous year's figures

The Previous year's figures have been recast/restated, wherever necessary to confirm to current year classification.

Annual Report 2018-19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2 Fixed Assets:

(Amount in `)

Sr. No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.2018	Additions	Deduct.	As at 31.03.2019	As at 01.04.2018	For the Period	As at 31.03.2019	As on 31.03.2019	As on 31.03.2018
Tangible Assets										
1	Electrical Installation	12,888	0	0	12,888	12,245	643	12,888	0	643
2	Furniture & Fixtures	284,513	0	0	284,513	243,687	27,029	270,716	13,797	40,826
3	Office Equipments	110,535	0	0	110,535	110,528	7	110,535	0	7
4	Computers	790,793	0	0	790,793	0	0	0	0	0
5	Vehicle	1,633,311	0	0	1,633,311	1,209,520	194,037	1,403,557	229,754	423,791
Intangible Assets										
1	Software	945,000	0	0	945,000	885,094	47,250	932,344	12,656	59,906
Total		3,777,040	0	0	3,777,040	2,461,076	268,965	2,730,039	256,206	525,171
Previous Year		3,777,040	0	0	3,777,040	2,961,327	290,542	2,461,074	525,171	815,713

Annual Report 2018-19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

3 NON CURRENT INVESTMENTS

Particular	As at			
	31st March, 2019	31st March, 2018		
Trade Investment (Valued at cost unless stated otherwise)	No. of Shares / Debentures	Amount	No. of Shares / Debentures	Amount
Investment in Shares - Unquoted Share (As per list attached)		40,176,289		40,176,289
Total		40,176,289		40,176,289

4 OTHER FINANCIAL ASSETS

Particular	As at			
	31st March, 2019	31st March, 2018		
Other Loans & Advances				
To Corporate		585,649,409		594,180,367
To Others		72,366,947		70,619,317
(Unsecured but considered good)				
Total		658,016,356		664,799,684

5 OTHER NON CURRENT ASSETS

Particular	As at	
	31st March, 2019	31st March, 2018
Trade Receivable	664,322,082	675,224,852
Statutory Dues	3,923,796	3,923,796
Total	668,245,878	679,148,648

6 INVENTORY

Particular	As at	
	31st March, 2019	31st March, 2018
Stock in Hand	0	0
Total	0	0

7 TRADE RECEIVABLES

Particular	As at	
	31st March, 2019	31st March, 2018
(Unsecured but considered good)		
Outstanding Over six months	162,585,269	162,585,269
Others -Trades Receivable	0	0
Total	162,585,269	162,585,269

Annual Report 2018-19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

8 CASH & CASH EQUIVALENTS

Particular	As at	As at
	31st March, 2019	31st March, 2018
Cash on Hand	44,965	28,532
Bank balance with current accounts	267,759	272,776
Total	312,724	301,308

Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

9 OTHER FINANCIAL ASSETS

Particular	As at	As at
	31st March, 2019	31st March, 2018
ADVANCES		
Advance Income Tax/Tax deductions at Sources	6,400,628	6,341,548
Other Loans & Advances	9,954,683	13,076,273
Total	16,355,311	19,417,821

10 SHARE CAPITAL

Particular	As at	As at
	31st March, 2019	31st March, 2018
AUTHORISED SHARE CAPITAL		
5,50,00,000 (previous year 5,50,00,000) Equity Shares of ` 10/- each	550,000,000	550,000,000
	<u>550,000,000</u>	<u>550,000,000</u>

10.1 ISSUED, SUBSCRIBED AND PAID UP

ISSUED:

189754952 (previous year 189754952) equity shares of ` 10/- each fully paid up*

508,600,000 508,600,000

Subscribed & Paid up:

4,60,89,100 Equity Share o Rs. 10/- each
less : Share Forfeited

507,605,000 507,605,000
46,714,000 46,714,000

Total **460,891,000** **460,891,000**

10.2 Reconciliation of the shares / warrants outstanding

i. Equity shares

Particular	As at 31st March, 2019		As at 31st March, 2018	
	Number of Share	Amount in `	Number of Share	Amount in `
At the beginning of the period	46089100	460,891,000	46089100	460,891,000
Add: allotment during the year	0	0	0	0
Bonus Share Issued during the period	0	0	0	0
Outstanding at the end of the period	46089100	460,891,000	46089100	460,891,000

10.3 Terms/Rights attached to equity shares

i) The Company has only one class of share capital, i.e. equity shares having face value of Re.10/- per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by the shareholder.

Annual Report 2018-19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

10.4 Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholders	As at 31-03-2019		As at 31-03-2018	
	Number of shares	Shareholding %	Number of shares	Shareholding %
-	-	-	-	-

11 OTHER EQUITY

Particular	As at	
	31st March, 2019	31st March, 2018
A. Security Premium Account		
- Balance at beginning of the year	1,025,857,000	1,025,857,000
Add:- Additions during the Year	0	0
Balance at the end of the year	1,025,857,000	1,025,857,000
B. Statement of Profit & Loss A/c		
Balance brought forward from previous year	(114,721,882)	(114,996,193)
Add: Profit for the current year	(883,705)	274,311
Closing Balance	(115,605,587)	(114,721,882)
Total Reserves and Surplus (A+B+C)	910,251,413	911,135,118

12 BORROWINGS

Particular	As at	
	31st March, 2019	31st March, 2018
Unsecured Loans		
Loans & Advances (personal Guarantee of Directors)	16,698,000	16,698,000
from Corporate	82,943,002	82,943,002
Others	51,211,844	51,211,844
Total	150,852,846	150,852,846

13 OTHER FINANCIAL LIABILITIES

Particular	As at	
	31st March, 2019	31st March, 2018
Trade Payable	4,577,796	4,577,796
Others	202,000	0
Total	4,779,796	4,577,796

14 DEFERRED TAX LIABILITIES (NET)

Particular	As at	
	31st March, 2019	31st March, 2018
Deferred Tax Liabilities		
On account of difference in depreciation on Fixed Assets	1,508,168	1,508,168
Less : Deferred Tax Assets	0	0
Balance C/F	1,508,168	1,508,168

Annual Report 2018-19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

15 PROVISIONS

Particular	(Amount in `)	
	As at 31st March, 2019	As at 31st March, 2018
Provision for Expenses	2,113,800	2,113,800
Statutory Provisions	0	0
Total	2,113,800	2,113,800

16 BORROWINGS

Particular	As at	
	31st March, 2019	31st March, 2018
Secured Loans		
Working Capital Loan from Banks	0	0
Total	0	0

17 TRADE PAYABLE

Particular	As at	
	31st March, 2019	31st March, 2018
Trades payable for Goods and Services	14,563,962	34,905,209
Total	14,563,962	34,905,209

18 OTHER CURRENT LIABILITIES

Particular	As at	
	31st March, 2019	31st March, 2018
Other Payable		
Outstanding Expenses / Other payables	25,000	0
Statutory Dues	343,548	351,753
Total	368,548	351,753

19 PROVISIONS

Particular	(Amount in `)	
	As at 31st March, 2019	As at 31st March, 2018
Provision for Income Tax	618,500	618,500
Total	618,500	618,500

* The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

20 REVENUE FROM OPERATION

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Sales	8,641,010	56,247,000
Total	8,641,010	56,247,000

Annual Report 2018-19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

21 OTHER INCOME

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Income	0	505,438
Other Income	36,800	284,000
Income from sale of Investments	45,500	(1,873)
Total	82,300	787,565

22 COST OF MATERIAL CONSUMED

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Cost of Sales		
Inventory at the beginning of the year	0	0
Add: Net Purchases	8,122,510	54,297,750
	8,122,510	54,297,750
Less : Inventory at the end of the year	0	0
Total	8,122,510	54,297,750

23 EMPLOYEE BENEFIT EXPENSES

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Salary	442,010	930,800
Total	442,010	930,800

24 FINANCIAL COST

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Bank & Other Financial Charges	625	20,455
Total	625	20,455

25 DEPRECIATION AND AMORTIZATION EXPENSES

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Depreciation	268,965	290,542
Total	268,965	290,542

26 OTHER EXPENSES

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Advertisement Expenses	5,750	4,510
Audit Fees	25,000	25,000
Conveyance Charges	12,642	13,746
Listing Fees	492,324	580,080
Electricity Expenses	6,840	7,460
Legal & Professional Fees	0	11,143
Office & Miscellaneous Expenses	153,612	290,040
Postage and Courier Expenses	1,430	1,265
Printing & Stationery Expenses	4,381	3,478
Rent, Rates & Taxes	42,750	50,000
ROC Filing Charges	17,400	48,600
Telephone Expenses	6,876	13,655
Other Administrative Expense	3,900	5,400
Total	772,905	1,054,377

Annual Report 2018-19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

27 Earning Per Shares

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Net Profit After taxation	(883,705)	274,311
Weighted Average number of Equity Shares	46,089,100	46,089,100
Add: Dilutive Potential Equity Shares	0	0
Number of Equity Shares for Dilutive EPS	46,089,100	46,089,100
Nominal Value of Shares	10	10
Basic Earning Per Share	(0.019)	0.006
Diluted Earning Per Share	(0.019)	0.006

28 Auditors Remuneration

Particular	(Amount in `)	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Audit Fees & Other Matters	25,000	25,000
	25,000	25,000

29 Employment Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expenses during the period when the employees render the services. Provision for Gratuity, Leave Encashment and bonus has not been made as none of the employee have completed the minimum qualified period of services.

30 Segment Reporting

The Company has only one segment of activity of business of Trading of Textile Products, during the year, hence segment wise reporting as defined in accounting standard 17 is not applicable.

31 Related Party Transaction

Related Parties and their relationship

Sr. No.	Name of the Related Party	Relation
A	Key management Personnel	
1	Mr. Antony Isabu Esak	Director
2	Mr. Shivsharan Narayanappa Yulidra	Director
3	Mrs. Geeta Rajendra Varma	Director
4	Mr. Pravin Luka Patil	Director
5	Mr. Akash Samadhan Suradkar	Director
6	Mr. Gautam Kalu Mohite	Director

32 Contingent Liabilities & Comments

32.1 "Claims against the Company not acknowledged as debts for the year ended March 31, 2019 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."

32.2 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.

33 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.

Annual Report 2018-19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- 34 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.
- 35 The previous year figures have been regrouped, rearranged wherever necessary.

As per our report of even date attached

For MOHANDAS & CO.
Chartered Accountants
FRN No: 106529W

For and on Behalf of the Board of Directors of
PRABHAV INDUSTRIES LIMITED

SD/-

SD/-

SD/-

CA. Belle Mohandas Shetty
(Proprietor)
Membership No. 031256

Antony Isabu Esak
Director
DIN NO. 06837547

Shivsharan Narayanappa Yulidra
Director
DIN No. 06945632

Place : Surat
Date : 30/05/2019

PRABHAV INDUSTRIES LIMITED

Reg. Add: Shop No 119, Model Township Recondency, Saroli, Kadodara Road, Surat- 395010

**ATTENDANCE SLIP
ANNUAL GENERAL MEETING- 28th September, 2019 at 02:00 p.m.**

DP Id.		Client Id. / Ben. A/c.	
Folio No.		No. of Shares	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **Annual General Meeting** of the Company being held on **28th September, 2019 at 02:00 P.M.** at 10th Floor, Titanium Business Hub, Surat-Khajod Road, Bhimrad, Surat - 395-007 Gujarat.

Full Name of the Shareholder / Proxy (In Block Letter)

Signature

=====

Annual Report 2018-19

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]

CIN: L45200GJ1995PLC028373

Name of the company: PRABHAV INDUSTRIES LIMITED

Registered office: Shop No 119, Model Township Recedency, Saroli, Kadodara Road, Surat- 395010

Name of the member (s)	
Registered address	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of shares of the above named company, hereby appoint:

1. Name:
Address:
E-mail Id:
Signature: or failing him,

2. Name:
Address:
E-mail Id:
Signature:

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 on the 28th day of September, 2019 at 02:00 p.m. at 10th Floor, Titaanium Business Hub, Surat-Khajod Road, Bhimrad, Surat - 395-007 Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

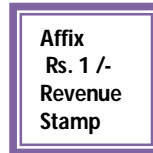
Res. No.	Description	For	Against
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31 st March, 2019		
2	To appoint Director in place of Mr. Antony Isabu Esak who retires by rotation and being eligible offers himself for reappointment		

Signed this..... day of..... 20....

Signature of Shareholder

Signature of Proxy holder(s)

Note: 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.



Annual Report 2018-19

PRABHAV INDUSTRIES LIMITED

Office No. Shop No 119, Model Township Recondency, Saroli, Kadodara Road, Surat- 395010

Form No. MGT-12

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

BALLOT PAPER

Regd. Folio No.		DP ID	
		CLIENT ID	
Name of the Shareholder/Proxy holder			
Number of Shares held			
Promoter /Promoter group/ Public			

I/We hereby exercise my/our behalf at the Annual general meeting of the company, to be held on the 28th day of September, 2019 at 2:00 p.m. at 10th Floor, Titaanium Business Hub, Surat-Khajod Road, Bhimrad, Surat - 395-007 Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For	Against
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31 st March, 2019		
2	To appoint Director in place of Mr. Antony Isabu Esak who retires by rotation and being eligible offers himself for reappointment		

Place: Surat
Date: 28/09/2019

Signature of Shareholder/Proxy

Annual Report 2018-19

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, **Mr. Chirag Jain**, a Practicing Company Secretary, at **Office No. 10, Krishna Cottage CHS, Dattapada Road No. 2, Borivali East, Mumbai- 400066 Tel.: 9892846438, E-mail: chiragkchhabra@gmail.com**, 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 **Friday, 27th September, 2019**. 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 can also send your queries/ grievances relating to remote e-voting to the e-mail ID: evoting@nsdl.co.in.
- o. The period for remote e-voting starts on **Wednesday, 25th September, 2019 at 11:00 a.m. and ends on Friday, 27th September, 2019 at 5.00 p.m.**

Prabhav Industries Limited

(CIN No. : L45200GJ1995PLC028373)

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

Tel No.:0261-6514281

Email: prabhavindltd@gmail.com

www.prabhavind.com