



R V Luharuka & Co LLP
Chartered Accountants

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

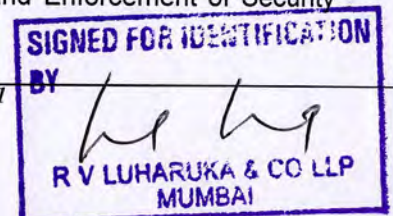
To
The Board of Directors
M/s PBA Infrastructure Limited
(CIN-L45200MH1974PLC017653)

We have audited the quarterly financial results of **M/s PBA Infrastructure Ltd.** ("The Company") for the Quarter and the year ended 31st March 2019 ("The Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("The Circular"). The figures for the quarter ended 31st March 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31st March 2019, prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) specified under Section 133 of the Companies Act, 2013 ("The Act") and published year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), for Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/FAC/62/2016 dated 5th July 2016 and CIR/IMD/DF1/69/2016 dated 10th August, 2016, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements for the year ended 31st March 2019 and the review of financial results for the nine months ended on 31st December 2018.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on test check basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our knowledge and information and according to the explanations given to us these quarterly financial results as well as the year to date results.

- i. are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/FAC/62/2016 dated July 5th 2016 CIR/IMD/DF1/69/2016 and 10th August, 2016 in this regard; and
- ii. give a true and fair view of the net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the quarter and year ended 31st March 2019, except for
 - a) Loan Statements pertaining to certain loans from some banks & financial institutions have not been received and reconciled. Further, due to pending clarifications & confirmations from some banks and financial institutions for certain current/cash credit/term loan accounts entries have not been reconciled. Hence, to the effect, in any, of such pending reconciliation, of financial statements remain unascertained. Lead bank under consortium has approached CMM court to take physical possession of the various secured assets against total consortium overdue debt of Rs. 417.61 crores under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002.

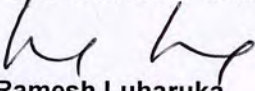


The Company has approached Debt Recovery Tribunal seeking various reliefs against the above mentioned notice. The Company has proposed One Time Settlement with the Banks for an aggregate amount of Rs.75 Crores, on 30th December 2017 which is revised time to time and final offer of Rs 150.00 Crores have been made in August 2018, hence interest on these loans is not provided for financial year 2018-19.

- b) There were defaults in repayment of its Public Deposits and Inter Corporate Deposits on maturity and payment of interest thereon for the past few years with repayment being delayed.
- c) There are litigations / arbitration proceedings / legal cases against the Company which may result in Compensation/Interest & Penalties.
- d) Fixed asset register is under compilation to have proper records showing full particulars, including quantitative details and situation of property; plant and equipment. Company to have a regular program of physical verification of its fixed assets, periodically.
- e) Company follows accounting practice of recognizing revenue on the basis percentage completion method. Company being an EPC contractor raises claims/arbitration money with employers/customer for the delay on obtaining approvals, cost escalation, etc. As per Company policy, though the claims are raised for the actual loss incurred by the Company, the same is recognized in the books at realizable value of Rs.132.65 crores which is determined by the internal team of the Company. Though, these claims are not acknowledged by the employer/Customer, the same being intangible in nature is being classified as Work-in-progress. Unbilled work-in-progress of Rs.132.65 crores and trade receivables amounting to Rs.39.32 crores as at 31 March 2019, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended and where the claims are currently under negotiations, discussions, arbitration, litigation raised on legal opinion/ past experience with respect to such claims, management is of the view that the aforementioned balances are fully recoverable.
- f) The preparation of financial statement of the Company is on the basis of going concern assumption / reasons despite classification of credit facilities as NPA by Bankers, loss suffered by the Company on account of low turnover and liquidity crunch to meet its obligations. The Company's continuing as a going concern is dependent on generation of required cash flow arising out of turnover to able to meet its present / future obligations and also favorable outcome for the settlement offer given by the Company to various lenders. Thus, there is an existence of a material uncertainty as going concern of the company.
- g) Equity shares of the Company are under suspension w.e.f 09.04.2019 as per BSE Notice dated 18th March 2019 No. 20190318/41 and NSE Letter dated 05.04.2019 under Reference No. NSE/SOP/SUS/78387.

Our opinion is not modified in respect of the above matters.

For **R V Luharuka & Co LLP**
Chartered Accountants
FRN: 105662W / W100174


Ramesh Luharuka
Partner
Membership No. 031765



Place: Mumbai
Date : May 30, 2019