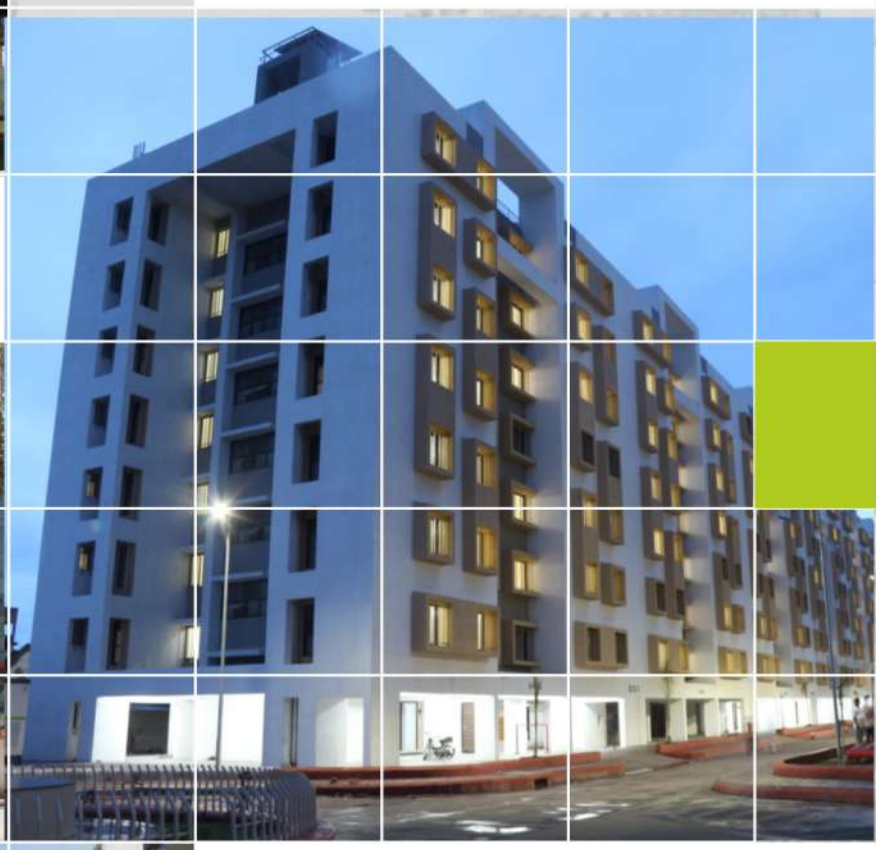
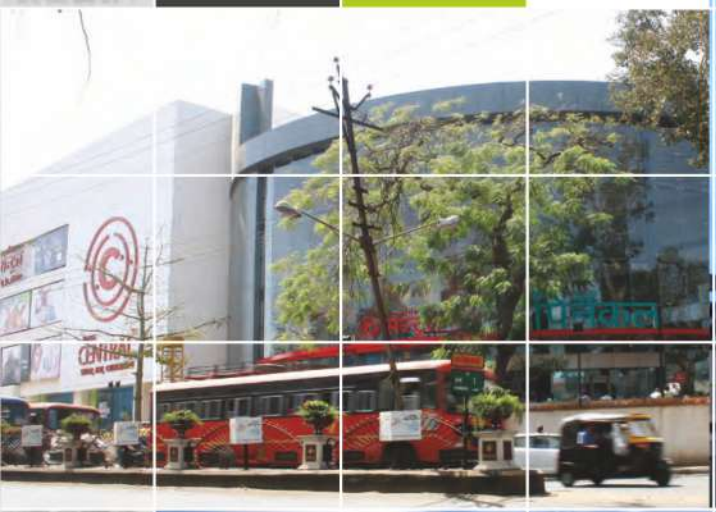
SETUBANDHAN INFRASTRUCTURE LIMITED





ANNUAL REPORT
2018-19

OUR MANAGEMENT

Prakash Pusaram Laddha : Non - Executive Director

He is the founder of Setubandhan Infrastructure Limited (Formerly known as Prakash Constrowell Limited) with an experience of more than 35 years. He is a Bachelor in Commerce. He started his career in the year 1974, with Sahyadri Constructions, as tendering head, wherein he gathered knowledge of civil construction & related finance.

Soon he entered into the business of stone crushing in 1978, as a proprietor and eventually formed a Company named 'Prakash Constrowell Pvt Ltd', which later on became public limited company and then got listed. Mr. Prakash is actively involved in business development & corporate relationship functions.

He is also associated with various NGO such as Vanbhandhu Parishad, Dhamma Nasika Vipassana Centre, etc.

Prafulla Subhashchandra Bhat : Executive Director

Qualified as Chartered Accountant, he has his own firm providing strategic solutions to business houses including Auditing & Assurance, Financial Advisory, Legal Compliance and Tax based problems and complexities in business. He is experienced professional with experience in wealth management, investment banking, mergers and acquisitions, etc.

Vishal Mukesh Ahuja : Independent Director

Working as Strategic Advisor with reputed firms, he is Chartered Accountant and also holds a degree in business administration. Having more than 8 years of Industry experience in core Internal Audit & Compliance, he is expert in Trading relating to field of Construction, Hospitality.

Jyoti Ravindra Rathi : Independent Woman Director

Jyoti Rathi Woman director on Board of our company, is woman of substance, Commerce Graduate by education has a vast experience of entrepreneurship. She is proprietor of Jyoti Industries an SSI unit at Aurangabad. She is also actively involved in social work through Maheshwari Samaj.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Prafulla Bhat	- Whole Time Director
Mr. Prakash Laddha	- Non-Executive Director
Mr. Vishal Ahuja	- Independent Director
Ms. Jyoti Rathi	- Independent Woman Director

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Mr. Vishal Ahuja	- Chairman
Mr. Prakash Laddha	- Member
Ms. Jyoti Rathi	- Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Vishal Ahuja	- Chairman
Mr. Prakash Laddha	- Member
Ms. Jyoti Rathi	- Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Vishal Ahuja	- Chairman
Mr. Prafulla Bhat	- Member
Ms. Jyoti Rathi	- Member

AUDITORS

GAG and Associates, Chartered Accountants
(Firm Registration No. 009758C)

SECRETARIAL AUDITOR

Ms. Yogita A. Dhoot

COMPANY SECRETARY & COMPLIANCEOFFICER

Mr. Sushil Ladda

REGISTERED OFFICE

The Exchange, Near Ved Mandir,
Tidke Colony, Trimbak Road,
Nashik - 422 002

INVESTOR QUERIES

compliance@prakashconstro.com

CONTENTS	PAGE
Board's Report	3
Annexures to the Board's Report	12
Corporate Governance Report	19
Management's Discussion and Analysis	36
Financial Statements - Standalone	38
Notes to Standalone Financial Statements	50
Financial Statements - Consolidated	71
Notes to Consolidated Financial Statements	85
Notice of Annual General Meeting	107
Proxy Form and Attendance Slip	115

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants, Members who hold shares in physical form are requested to register their e-mail addresses with the company's R &T Agent.

BOARD'S REPORT

To,
The Members of
Setubandhan Infrastructure Limited

Directors have pleasure in presenting their 23rd Annual Report on the business and operations of the Company along with the Audited Financial Statements of the Company for the financial year ended on March 31, 2019.

1. FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Financial Results and Appropriations	Standalone		Consolidated	
	Year ended 31/03/2019	Year ended 31/03/2018	Year ended 31/03/2019	Year ended 31/03/2018
Revenue from Operations	25833.90	28390.76	25833.90	28390.76
Other Income	211.36	243.32	211.36	243.32
Total Revenue	**26045.26**	**28634.08**	**26045.26**	**28634.08**
Profit Before Tax (PBT)	**7.00**	**1032.22**	**6.86**	**1032.01**
Less: Taxation	(6.22)	325.92	(6.22)	325.92
Net Profit after Tax (PAT)	**13.22**	**706.30**	**13.08**	**706.09**
Other Comprehensive income (net of tax)	(2.65)	3.52	(2.65)	3.52
Total comprehensive income for the year	**15.87**	**702.78**	**15.73**	**702.58**

Note: The Company discloses financial results on a quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the website of the Company at www.prakashconstro.com.

2. FINANCIAL PERFORMANCE

Consolidated

During the year under review, the Company recorded consolidated total revenue of Rs. 25833.90 lakhs as compared to Rs. 28390.76 lakhs for the previous year and Profit before Tax stood at Rs. 6.68 lakhs for the year under review as compared to Rs. 1032.01 lakhs for the previous year.

Standalone

During the year under review, the Company recorded total revenue of Rs. 25833.90 lakhs as compared to Rs. 28390.76 lakhs for the previous year and Profit before Tax stood at Rs. 7.00 lakhs for the year under review as compared to Rs. 1032.22 lakhs for the previous year.

3. NATURE OF BUSINESS

The Company is engaged in the activities of Construction of buildings carried out on own-account basis or on a fee or contract basis / Project Supply. There was no change in nature of the business of the Company, during the year under review.

4. MATERIAL CHANGES AND COMMITMENTS

There was Devolvement of Letter of Credits after the financial year ended March 31, 2019 due to Financial Crisis accountable to unfavourable Business Scenario for the Company. Total outstanding amount of Letter of Credit devolvement is Rs. 90.00 crores against Company.

5. DIVIDEND

Keeping in view need to conserve resources of the Company, Directors are constrained not to recommend any dividend for the year under review.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has Two subsidiary companies named Unique Vastu Nirman & Projects Private Limited and Bhumit Real Estate Private Limited as on August 14, 2019. A statement containing brief financial details of the subsidiaries is included in the Annual Report.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a consolidated financial statement of the Company and its subsidiary is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 129 (3) of the Act. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder and pursuant to Regulation 33 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company had prepared consolidated financial statements of the company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 forms part of the Directors' Report as *Annexure - I*.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(3)(c) read with sub-section (5) of the Companies Act, 2013, to the best of their knowledge and ability state that:

a) In preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) 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 or loss of the Company for that period;

c) The Directors have taken proper and sufficient 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 fraud and other irregularities;

d) The Directors have prepared the annual accounts for the year ended March 31, 2019 on going concern basis;

e) The Directors have laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

9. CORPORATE GOVERNANCE

Company recognizes the importance of Good Corporate Governance, which is the tool of building strong and everlasting beneficial relationship with customers, suppliers, bankers and more importantly with the investors. Corporate Governance is strongly driven by our values such as quality, commitment, customer orientation and integrity.

Our Corporate Governance Report for fiscal 2019 forms an integral part of this Annual Report, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

11. SCHEME OF AMALGAMATION AND ARRANGEMENT

Company had received Observation letters from BSE Limited on June 14, 2019 and from NSE on June 17, 2019 regarding the proposed Scheme of Arrangement ('Scheme') involving demerger of specified undertaking of the Company ('Demerged Company') (As defined in the Scheme of Arrangement) into Bhumit Real Estate Private Limited ('Resulting Company') under the provisions of sections 230 to 233 read with other applicable provisions of Companies Act, 2013 and relevant rules thereof.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members of the Board of Directors of the Company are of proven competence and integrity. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance.

Cessation

Mr. T. G. Krishnan, Managing Director of the company resigned from the board w.e.f. December 19, 2018. The Board placed on record its appreciation for the valuable services rendered by Mr. T. G. Krishnan.

Mr. Prashant Gadkari, Director of the company resigned as Director w.e.f. July 11, 2019. The Board placed on record its appreciation for the valuable services rendered by Mr. Prashant Gadkari.

Retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Prakash Laddha (DIN: 00126825), Executive Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment, subject to the approval of the Members of the Company. The Board recommends the re-appointment of Mr. Prakash Laddha for your approval. A brief Resume is attached with the Notice of Annual General Meeting.

Board Independence

'Independence' of Directors means as defined in Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

a) Mr. Vishal Ahuja
b) Ms. Jyoti Rathi

Declaration by Independent Directors

The Company has received declarations from all the independent directors of the Company that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder.

Mr. Prafulla Bhat	-	Whole Time Director
Mr. Sushil Ladda	-	Company Secretary; appointed w.e.f. June 6, 2019
Ms. Madhura Ubale	-	Company Secretary; resigned w.e.f. October 31, 2018
Mr. T. G. Krishnan	-	Managing Director; resigned w.e.f. December 19, 2019
Mr. Praveen Purohit	-	Chief Financial Officer; resigned w.e.f. December 28, 2018
Mr. Mukesh Chaudhary	-	Company Secretary; appointed w.e.f. November 14, 2018 and resigned w.e.f. May 30, 2019

Policy on Director's Appointment and Remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The Board consists of four members, two of whom are independent directors. The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report.

Board Evaluation

The Company has devised a Board Evaluation Framework for performance evaluation of Independent Directors, Board, Non-Independent Directors and Chairman of the Company. Pursuant to this

framework, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non-Independent Directors including Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors on February 14, 2019. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology Absorption and Foreign Earning and Outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read together with Rule 8(3) of the Companies (Accounts) Rules, 2014 forms part of this Report as *Annexure II*.

14. EXTRACTS OF ANNUAL RETURN

As required under Section 134(3)(a) and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the Extract of the Annual Return as at March 31, 2019 is put up on the Company's website and can be accessed at www.prakashconstro.com.

15. PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

In accordance with the provisions of Sec. 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is not applicable to the Company as there was no employee drawing remuneration of Rs.1 crore and 2 lakhs per annum or Rs. 8 lakhs and 50 thousand per month during the year ended March 31, 2019.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136(1) of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

No related party transactions that were entered during the financial year. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Accordingly, the disclosure of related party transaction as require under Section 134(3)(h) of the Companies Act, 2013 in form AOC-2 is not applicable.

17. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There has not been an occasion in case of the Company during the year to transfer any sums to the Investor Education and Protection Fund.

18. AUDITORS

Statutory Auditors

M/s. GAG & Associates (Firm Registration No. 009758C), Chartered Accountants, Ujjain, are the Statutory Auditors of the Company for the year ended March 31, 2019.

As per the provisions of the Act, the period of office of M/s. GAG & Associates, Chartered Accountants, Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. GAG & Associates, Chartered Accountants as Auditors of the Company, for a term of 5 (five) consecutive years. M/s. GAG & Associates have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Disclosure of total fees paid to Statutory Auditor, on a consolidated basis

During the Financial Year 2018-19 total amount of Rs. 2.33 lakhs paid to Statutory Auditors, on consolidated basis.

Secretarial Auditor

The Board appointed Ms. Yogita A Dhoot (ACS No: 47197, COP No: 18714), Practicing Company Secretary, Nashik to conduct Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as *Annexure IV* to this Report.

Annual Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 read with Regulation 24(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder.

The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of Ms. Yogita A Dhoot (ACS No: 47197, COP No: 18714), Practicing Company Secretary, Nashik and Secretarial Auditor of the Company for providing this certification.

19. DEPOSITS

During the year, there is no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet. Hence there are no particulars to report about the deposit falling under Rule 8 (5)(v) and (vi) of Companies (Accounts) Rules, 2014.

20. LISTING AT STOCK EXCHANGE

The Equity Shares of the Company continue to be listed on the BSE Limited and National Stock Exchange of India Limited.

21. SIGNING OF THE FINANCIAL STATEMENTS

This is to inform you that the Company has approved and authenticated its Audited Financial Results for the year ended March 31, 2019 in the Board meeting duly held on May 30, 2019, which is well within the statutory time limits as prescribed in the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

22. SIGNIFICANT & MATERIAL ORDERS

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

23. OTHER DISCLOSURES

Share Capital

The Paid-up Equity Share Capital as at March 31, 2019 stood at Rs. 1256.78 lakhs. During the year under review, there were no changes which have taken place in the authorized and paid-up share capital of the Company.

Change in Name of the Company

Company has changed its name from Prakash Constrowell Limited to Setubandhan Infrastructure Limited, with effect from June 27, 2019.

Meetings of the Board of Directors

Seven meetings of Board of Directors were held during the year. Particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

Audit Committee

The Audit Committee comprises of Mr. Vishal Ahuja, Independent Director (Chairman), Mr. Prakash Laddha, Non-Executive Director and Ms. Jyoti Rathi, Independent Woman Director. During the year all the recommendations made by the Audit Committee were accepted by the Board. In Conformity with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, as applicable, the strength of the Audit Committee is adequate.