



# Prabhu Steel Industries Ltd.

ESTD. : 1972

RE-ROLLERS & FABRICATORS

Regd. Office :

**OLD MOTOR STAND, ITWARI, NAGPUR - 440 008.**

Date: 08.02.2016

To,  
The Deputy Gen. Manager,  
Department of Corporate Services,  
BSE Limited.  
P J Towers, Dalal Street,  
Mumbai - 400001

Dear Sir/ Madam,

**Sub: Revised Annual Report for financial year ended 2014-2015.**

We refer you to the submission of Annual Report for the financial year 2014-2015 and updation of the soft copy of the Annual Report.

In this connection, you are requested to refer to page no. 2, 37, 41, 42 of the Annual Report. The figures of the balance sheet are not tallying. It seems that a wrong soft copy was forwarded to you for uploading.

We are now submitting herewith the corrected Annual Report of our Company for the financial year 2014-2015 and are also uploading the soft copy for the same on BSE Listing Centre. We request to take the same on your records.

We regret for the inconvenience caused to you in this matter.

We trust this will meet your requirements. However, if your good self requires any further information and/or clarification, please let us know.

Yours Truly,

For Prabhu Steel Industries Limited

(Dinesh Agrawal)  
Director  
Din: 00291086



PHONES : 2768743 to 49

(50 Extn.)

FAX NO. : 0712 - 2760463

**MILLS**

159-160, SMALL FACTORY AREA,

BAGADGANJ, NAGPUR - 440 008.

FACT. : 2764732, 2778364

FAX NO. : 0712 - 2730303

**GODOWN**

MOUZA BHOVARI, NAGPUR

CIN No. : L28100MH1972PLCO15817



# Prabhu Steel Industries Ltd.

ESTD. : 1972

RE-ROLLERS & FABRICATORS

Regd. Office :

OLD MOTOR STAND, ITWARI, NAGPUR - 440 008.

PHONES : 2768743 to 49  
(50 Extn.)

FAX NO. : 0712 - 2760463

MILLS

159-160, SMALL FACTORY AREA,  
BAGADGANJ, NAGPUR - 440 008.

FACT. : 2764732, 2778364

FAX NO. : 0712 - 2730303

GODOWN

MOUZA BHOVARI, NAGPUR

CIN No. : L28100MH1972PLCO15817

## FORM A

1.	Name of the Company	:	PRABHU STEEL INDUSTRIES LIMITED
2.	Annual Financial Statements for the year ended	:	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	:	Unqualified
4.	Frequency of observation	:	N.A.

For PRABHU STEEL INDUSTRIES LIMITED

Mr. Harish Agrawal  
Executive Director  
DIN: 00291083

Mr. Dinesh Agrawal  
Executive Director  
DIN: 00291086

For LalitJham & Co.  
Chartered Accountants

Mr. Lalit Jham  
Partner

M. No. 040501

FRN : 114158W

Mr. Krishan Agrawal  
Audit Committee Chairman  
DIN: 00291076



43<sup>rd</sup> ANNUAL REPORT

**PRABHU STEEL INDUSTRIES LIMITED**

**2014-2015**

Name of the Company : PRABHU STEEL INDUSTRIES LIMITED

CIN : L28100MH1972PLC015817

Directors : 1) Krishankumar Agarwal - Independent Director  
2) Radheshyam Agrawal - Non-Executive Director  
3) Harish Agrawal - Executive Director  
4) Dinesh Agrawal - Executive Director  
5) #Anita Agrawal - Additional Director

**# Mrs. Anita Agrawal has been appointed w.e.f.30<sup>th</sup> March, 2015.**

Auditors : Lalit Jham & Co.  
Chartered Accountants

Registered Office : Near Old Motor Stand, Itwari, Nagpur-440008.

Registrar and Share Transfer Agent : Purva Sharegistry (India) Pvt. Ltd.  
Unit no. 9, Shiv Shakti Ind. Estt.  
J .R. Boricha marg, Opp. Kasturba Hospital Lane  
Lower Parel (E), Mumbai 400 011

Email : prabhu.steel@yahoo.com

#### **CONTENTS OF ANNUAL REPORT 2014-2015**

Notice.....	.....
Directors' Report.....	.....
Management Discussion and Analysis.....	.....
Report of Corporate Governance.....	.....
Auditor's Report on Corporate Governance.....	.....
Auditors' Report.....	.....
Balance Sheet.....	.....
Statement of Profit & Loss Account.....	.....
Cash Flow Statement.....	.....
Notes forming part of Accounts.....	.....
Attendance Slip & Proxy Form.....	.....

## NOTICE

NOTICE is hereby given that the 43<sup>rd</sup> Annual General Meeting of the members of PRABHU STEEL INDUSTRIES LIMITED will be held on Monday, 28<sup>th</sup> day of September, 2015, at 2.00 P.M. at Registered Office of the Company situated at Near Old Motor Stand, Itwari, Nagpur- 440008 to transact the following business:

---

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2015 and Balance Sheet as at that date, Cash Flow statement for the year ended 31<sup>st</sup> March, 2015 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Harish Agrawal (DIN: 00291083), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers him for re-appointment.
- 3) To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“Resolved that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors the appointment of M/s Lalit Jham & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2019 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year 2015-16 as may be agreed upon by the Audit Committee/ Board of Directors in consultation with the Auditors.

### **SPECIAL BUSINESS:**

- 4) To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 152 & 161 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualifications of Directors) Rules, 2014, Mrs. Anita Dinesh Agrawal (DIN: 07223317) who was initially appointed as an Additional Director by the Board of Directors at its meeting held on 30<sup>th</sup> March, 2015 and who holds office until the conclusion of this Annual General Meeting, and in respect of whom company has received a notice in writing together with the requisite sum of rupees one lakh under section 160 of the Companies Act, 2013 from himself proposing his candidature as a Director, be and is hereby appointed a Director of the Company whose term of office shall be subject to retirement by rotation.”

- 5) To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 196 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and such other approvals / consents as may be required, the consent of the members of the company be and is hereby accorded to the appointment of Mr. Dinesh Agrawal, as Managing Director of the Company for a period of 5 years with effect from 01/08/2015 to 31/07/2020 on the terms and conditions including

remuneration as specified in the Explanatory Statement annexed to this Notice, with liberty and power to the Board of Directors (hereinafter referred to as 'the Board'), in the exercise of its discretion, to alter and vary from time to time the terms and conditions of the said appointment and remuneration subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 6) To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an Special Resolution:

**"RESOLVED THAT** in supersession of the earlier resolutions passed and pursuant to the provisions of section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof for the time being in force and all other applicable Acts, laws, rules, regulations, and guidelines for the time being in force; and subject to such terms and conditions as may be imposed by them, consent be and hereby accorded to the Board of Directors of the Company , to lease or mortgage , charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immovable properties and assets of the Company, to secure the repayment of term loan/financial assistance obtained/to be obtained for business purpose for an amount which shall not at any time exceed Rs. 100 Crore (Rupees Hundred Crores Only) for availing credit facilities from various Financial Institutions, Banks, and / or Bodies Corporate for the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary and/or alter the terms and conditions of the security aforesaid in consultation with the financial institutions/banks/other lenders and mortgages as may be necessary".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to prepare, finalize, and execute in favour of the said financial institution/banks/other lenders the documents, writing, and such other agreements, as may be necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

- 7) To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as a Special Resolution:

**"RESOLVED THAT** in supersession of the earlier resolutions passed, the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provisions, if , any, of the Companies Act, 2013 to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company' bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 100 Crores (Rupees Hundred Crores Only).

- 8) To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

**"RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to acquire by way of subscription , purchase or otherwise securities of any other body corporate in one or more tranches for an amount not exceeding Rs. 100 Crores (Rupees Hundred Crores Only) at any given point of time."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and are hereby severally authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

By Order of the Board

**Registered Office:**

Old Motor Stand,  
Itwari,  
Nagpur, Maharashtra

CIN: L28100MH1972PLC015817

**For PRABHU STEEL INDUSTRIES LIMITED**

Sd/-  
Dinesh Agrawal  
Chairman  
DIN: 00291086

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARECAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON ONLY AS A PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR OTHER SHAREHOLDER.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from, Tuesday, 22<sup>nd</sup> September, 2015 to Monday, 28<sup>th</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31st March, 2015.

4. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.

5. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company prior to closure of the Register of Members as stated above.

6. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate Resolution/authority, as applicable.

7. The transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 124 of the Companies Act, 2013, during the current Financial Year is not applicable.

8. Members are requested to kindly notify changes including email address, if any, in their address to the Company's Registrar & Transfer Agent, *Purva Sharegistry (India) Limited*, 9, Shiv Shakti Industrial Estate, J R Boricha Marg, Lower Parel, Mumbai - 400011.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts and the Members holding shares in physical form can submit their PAN details to the Company.

10. Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for financial year 2014-2015 will also be available on the Company's website [www.hariyanametals.in](http://www.hariyanametals.in) for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company 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, by post free of cost.

### 11. Voting Options

#### (1) Voting through Electronic Means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

#### **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; "PRABHU STEEL INDUSTRIES LIMITED e-Voting.pdf" with your Client ID or Folio No. as password.



The said PDF file contains your user ID and password / PIN for 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 e-voting opens. Click on e-voting: Active Voting Cycles.

(vii) Select “EVEN” of PRABHU STEEL INDUSTRIES LIMITED.

(viii) Now you are ready for 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 [info@askcs.in](mailto:info@askcs.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

(i) Initial password is provided at the bottom of the Attendance Slip for the AGM: EVEN (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.

(2) **Voting at AGM:** The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The Company will make arrangements of ballot papers in this regards at the AGM Venue.

**OTHER INSTRUCTIONS**

I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password /PIN for casting your vote.

III. 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).

IV. **The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 16<sup>th</sup> September, 2015, are entitled to vote on the Resolutions set forth in this Notice.**

- V. The remote e-voting period will commence at 9.00 a.m. on Friday, 25<sup>th</sup> September, 2015 and will end at 5.00 p.m. on Monday, 28<sup>th</sup> September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16<sup>th</sup> September, 2015, 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 the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16<sup>th</sup> September, 2015.
- VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 15<sup>th</sup> September, 2015 may obtain the login ID and password by sending an email to [prabhu.steel@yahoo.com](mailto:prabhu.steel@yahoo.com) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No. /DP ID and Client ID No. 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 forget your password, you can reset your password by using "Forget User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- VIII. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- X. Aditya Kelkar & Associates, Practicing Company Secretary, has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- XI. The Scrutiniser shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 3 days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- XII. The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to Bombay Stock Exchange Limited.

By Order of the Board of Directors

**Registered Office:**

Old Motor Stand,  
Itwari,  
Nagpur, Maharashtra

CIN: L28100MH1972PLC015817

Date: 25/08/2015

Place: Nagpur

**Registered Office:**

Old Motor Stand, Itwari,  
Nagpur-440008

**For PRABHU STEEL INDUSTRIES LIMITED**

Sd/-  
Dinesh Agrawal  
Chairman  
DIN: 00291086

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **ITEM NO. 4**

The Board of Directors of the Company appointed Mrs. Anita Harish Agrawal as an Additional Director pursuant to Section 161 of the Companies Act, 2013 effective from 30<sup>th</sup> March, 2015 and she holds the office up to the ensuing Annual General Meeting.

The Company has received notice in writing along with the deposit of requisite amount from Mrs. Anita Agrawal, under the provisions of Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director. The Board recommends for the approval of Members, the appointment of Mrs. Anita Agrawal as Director of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

### **ITEM NO. 5**

The resolution seeks approval of the members in terms of section 196 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) for the appointment of Mr. Dinesh Agrawal as the Managing Director of the Company from 01/08/2015 to 30/07/2020.

The terms and conditions of his appointment are as follows:

1. Mr. Dinesh Agrawal will perform such duties as shall from time to time be entrusted to him by the Board of Directors subject to superintendence, guidance and control of the Board of Directors.
2. Reimbursement of Expenses: The Managing Director shall be entitled for reimbursement of payments made for official purpose / for enhancement of Company's business and such reimbursement shall not form part of the remuneration for the purpose of ceilings, wherever applicable.

### **ITEM NO. 6 & 7**

The Company proposes to raise terms loans/financial assistance in near future in view of the meeting its working capital needs. The borrowings of loans from the Banks / Financial Institutions will require the Company to create mortgage/charge on the whole or substantially the whole of the undertakings of the Company for the purpose of securing financial assistance. Therefore, pursuant to the provisions of Section 180 of the Companies Act, 2013; shareholders' approval is required by way of special resolution in general meeting. Section 180(1) (c) of the Companies Act, 2013 provides, inter-alia, that the Board of Directors of the Company shall not without the consent of shareholders in the General Meeting borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loan obtained from the bankers of the Company in the ordinary course of business) exceeding the aggregate of paid-up capital and free reserves of the Company. It is expected that the ceiling may be exceeded after the acceptance of loans/financial assistance and therefore, your Directors place before you the proposal to increase the maximum borrowing limits to Rs. 100 Crores (Rupees Hundred Crores) at any point of time for your approval. Section 180(1)(a) of the Companies Act, 2013 provides, inter-alia, that the Board of Directors of the Company shall not, without the consent of shareholders in the General Meeting, sell, lease or create any security on the assets of the Company or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or if Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. Since the mortgage of the Company's immovable and movable properties may be regarded as disposal of Company's properties/undertakings, consent of the Members is being sought for the purpose. The Board of Directors accordingly recommends the Resolutions set out at Item Nos. 5 and 6 of the accompanying Notice for the approval of the Members. None of the Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in aforementioned resolution(s).

## ITEM NO. 8

The Company may have to acquire by way of subscription, purchase or otherwise securities of any other body corporate for an amount exceeding the limits prescribed under Section 186 of the Companies Act, including rules made there under. Therefore consent of the members required to give authority to Board of Directors in terms of Section 186 of the Companies Act for the purpose as set out in Resolution No. 8 of the aforesaid notice. The Board of Directors accordingly recommends the Resolutions set out at Item Nos. 8 of the accompanying Notice for the approval of the Members. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in aforementioned resolution(s).

By Order of the Board  
**Registered Office:**

Old Motor Stand,  
Itwari,  
Nagpur, Maharashtra

CIN: L28100MH1972PLC015817

Date: 25/08/2015  
Place: Nagpur

**For PRABHU STEEL INDUSTRIES LIMITED**

Sd/-  
Dinesh Agrawal  
Chairman  
DIN: 00291086

## DIRECTORS' REPORT

To,  
The Shareholders,

The Directors have pleasure in presenting their 43<sup>rd</sup> Annual Report on the business and operations together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

### 1. FINANCIAL RESULTS:

The Financial results are briefly indicated below:

Particulars	Year Ended	
	2014-15	2013-14
Total Income	1092,45,390.30	12,46,28,000
Total Expenditure	1100,29,752.03	1202,84,210.86
Profit/Loss before Taxation	(7,84,361.73)	43,43,774
Profit/Loss after Taxation	(7,09,729.73)	1,04,49,540
Transfer from General Reserve	2,20,94,189	1,16,44,650
Balance carried to Balance Sheet	2,13,84,459.26	2,20,94,189

### 2. REVIEW OF OPERATION:

The Company has incurred Loss of Rs. 7,09,730/- during the financial year. Your Director aspects to achieve better performance in the future taking maximum efforts to control the costs and optimize the results in the coming years

### 3. DIVIDEND:

Your Director regrets their inability to recommend Dividend in view of inadequacy of Profits and carry forward losses, in year under review.

### 4. DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### 5. PARTICULARS OF EMPLOYEES:

Disclosure required under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended up to date is not applicable since your company has no such employees.

### 6. DIRECTORS:

Mr. Harish Agrawal, who retires by rotation being eligible, offers them for re-appointment at the ensuing Annual General meeting.

The Board of Directors appointed Smt. Anita Agrawal, as Additional Director at their meeting held on 30<sup>th</sup> March, 2015. She holds office up to the date of ensuing Annual General Meeting and is eligible for appointment as a Director.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

#### **7. SUBSIDIARIES:**

Since the Company has no subsidiaries, provision of Section 129 (3) of the Companies Act, 2013 is not applicable.

#### **8. Particulars of loans, guarantees or investments**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The detail of the investments made by company is given in the notes to the financial statements.

#### **9. Number of Meetings**

The Board has met 7 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

#### **10. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **11. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibilities Statement, it is hereby confirmed:

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2015 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) that the directors has selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year review.
- c) that the Directors had 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, and,
- d) The Directors had prepared the accounts for the financial year ended 31st March, 2015 on a going concern basis.
- e) 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.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **12. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. 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.

## **13. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Since the Company is not manufacturing activity as like a unit provision of Section 134(3)(m) of the company Act, 2013, read with the Company (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is not applicable.

## **14. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

There were no foreign exchange inflows (earnings) or outgo during the year. There are no direct exports.

## **15. RESEARCH & DEVELOPMENT:**

No Specific Research & Development activities are being carried on by the Company. However the company has quality control Department to check/improve the Quality of the products traded.

## **16. AUDITOR & AUDITORS REPORT**

M/s. Lalit Jham & Co., Chartered Accountants holds office upto the conclusion of the ensuing Annual General Meeting. Pursuant to the provisions of Section 139 and Rules framed thereunder, M/s. Mohandas & CO. Chartered Accountants, has been appointed as statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2019, subject to ratification of their appointment by the shareholders at every AGM.

Necessary Resolutions for their appointment has been proposed for the consideration of the Members of the Company.

## **17. AUDIT COMMITTEE:**

Audit Committee is consisting of Mr. Krishan Agarwal – Chairman, Mr. Harish Agrawal and Mr. Dinesh Agrawal as members of the Audit Committee.

## **18. STAKEHOLDER'S RELATIONSHIP COMMITTEE (Previously SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE):**

Stakeholder's Relationship Committee is consisting of Krishan Agarwal – Chairman, Mr. Harish Agrawal and Mr. Dinesh Agrawal as members.

A detailed note on the Board and its committees is providing under the Corporate Governance Report section in this Annual Report.

## **19. SECRETARIAL AUDIT REPORT:**

As required under section 204 (1) of the Companies Act, 2013 and Rules made there under the Company has appointed M/s Aditya Kelkar & Associates, Practicing Company Secretaries as Secretarial Auditor of

the Company for the financial Year 2014-15. The Secretarial Audit Report forms part of the Annual report as Annexure - A to the Board's Report.

The Board has appointed M/s Aditya Kelkar & Associates, Practicing Company Secretaries as Secretarial Auditor of the Company for the financial Year 2014-15.

#### **20. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B".

#### **21. STOCK EXCHANGES:**

The Company's shares are listed on the following Stock Exchanges:

- A) The Bombay Stock Exchange Limited.
- B) Calcutta Stock Exchange Limited.

The Trading in the Equity Shares of the Company is suspended by BSE. However the Board of Directors is making efforts for revocation of suspension of trading in equity shares of the company. The Company shares are also listed on Calcutta Stock Exchange.

#### **22. SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

#### **23. IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

The Company has formulated a policy and process for risk Management. The Company has set up a core group of leadership team, which identifies, assesses the risks and the trends, exposure and potential impact analysis at different level and lays down the procedure for minimization of risks. Risk Management forms an integral part of Management policy and is an ongoing process integrated with the operations.

Company has identified various strategic, operational and financial risks which may impact Company adversely. However management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the Company.

#### **24. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to Clause 49 of the Listing Agreement, your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges with which the Company is listed are complied with.

The Corporate Governance & Management Discussion and Analysis Report which forms an integral part of this Report are set as separate Annexure together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

#### **25. WHISTLE BLOWER POLICY AND VIGIL MECHANISM:**

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism



for the directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

**26. ACKNOWLEDGEMENTS:**

Your Directors wish to express their sincere appreciation to all the Employees for their contribution and thanks to our valued clients, Bankers and shareholders for their continued support.

Place: Nagpur  
Date: 25.08.2015

**By Order of the Board  
for PRABHU STEEL INDUSTRIES LIMITED**

**MR. DINESH AGRAWAL  
(DIRECTOR)  
DIN: 00291086**

**MR. HARISH AGRAWAL  
(DIRECTOR)  
DIN: 00291083**

## ANNEXURE TO DIRECTORS' REPORT

### CONSERVATION OF ENERGY:

The Company lays great emphasis on savings in the cost of energy consumption. Therefore, achieving reduction in per unit consumption of energy is an ongoing exercise in the Company. Effective measures have been taken to minimize the loss of energy as far as possible.

#### Form A: Disclosure of particulars with respect to Conservation of Energy

Particulars	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
Electricity purchased		
<u>Coal consumed:</u>		
Quantity		
Total cost		
Average rate(PMT)	NIL	NIL
Furnace Oil		
Other Internal Generation		
<u>Consumption per unit of</u>		
<u>production:</u>		
Electricity		

### TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT:

Production Department of the Company is always in pursuit of finding the ways and means to improve the performance, quality and cost effectiveness of its products. The technology used by the company is updated as a continuous exercise. The Company does not have a separate Research and Development activity.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Earning- FOB value of Exports  
Nil
2. Outgo- CIF Value of Imports  
Nil

Place: Nagpur  
Date: 25.08.2015

By Order of the Board  
for PRABHU STEEL INDUSTRIES LIMITED

MR. DINESH AGRAWAL  
(DIRECTOR)  
DIN: 00291086

MR. HARISH AGRAWAL  
(DIRECTOR)  
DIN: 00291083

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2014</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L28100MH1972PLC015817
ii	Registration Date	29/05/1972
iii	Name of the Company	PRABHU STEEL INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	Company Limited By Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	OLD MOTOR STAND ITWARI, NAGPUR, MAHARASHTRA- 440008
vi	Whether listed company	Listed at BSE
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	PURVA SHARE REGISTRY Unit no. 9 Shiv Shakti Ind. Estt. J .R. Boricha marg Opp. Kasturba Hospital Lane Lower Parel (E) Mumbai 400 011

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover
1	WHOLESALE TRADING OF STEEL	51909	100.00%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD
1	HARIYANA METALS LIMITED	L99999MH1975PLC018080	ASSOCIATE	8.46

III SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/HUF	0	246200	246200	34.34	0	246200	246200	34.34	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	180950	180950	25.24	0	61650	61650	8.6	-16.64
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Directors	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	0	427150	427150	59.58	0	307850	307850	42.94	-16.64
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	0	427150	427150	59.97	0	307850	307850	42.94	-16.63
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
C) Cenntal govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	0	0	0	0	0	0	0	0	0
<b>(2) Non Institutions</b>									
a) Bodies corporates	0	64600	64600	9.01	0	0	0	0	-9.01
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	225250	225250	31.42	0	409150	409150	57.06	25.64
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs									
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	0	289850	289850	40.43	0	409150	409150	57.06	25.64
<b>Total Public Shareholding</b>									
<b>(B)= (B)(1)+(B)(2)</b>	0	289850	289850	40.43	0	409150	409150	57.06	25.95
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	717000	717000	100	0	717000	717000	100	0

## (IV) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholders Name	Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged		NO of shares	% of total shares of the company	% of shares pledged	
1	Radheshyam Agrawal	1,000	0.14	0	Radheshyam Agrawal	1,000	0.14	0	
2	Dinesh Gangaram Agrawal	44,050	6.14	0	Dinesh Gangaram Agrawal	44,050	6.14	0	
3	Harish Gangaram Agrawal	35,050	4.89	0	Harish Gangaram Agrawal	35,050	4.89	0	
4	Priti Agrawal	51,050	7.12	0	Priti Agrawal	51,050	7.12	0	
5	Suruchi Agrawal	20,000	2.79	0	Suruchi Agrawal	20,000	2.79	0	
6	Anita H Agrawal	20,000	2.79	0	Anita H Agrawal	20,000	2.79	0	
7	Anita H Agrawal & Harish G Agrawal	25,000	3.49	0	Anita H Agrawal & Harish G Agrawal	25,000	3.49	0	
8	Suruchi D Agrawal & Dinesh G Agrawal	25,000	3.49	0	Suruchi D Agrawal & Dinesh G Agrawal	25,000	3.49	0	
9	Pushpaddevi Agrawal	8,950	1.25	0	Pushpaddevi Agrawal	8,950	1.25	0	
10	Omrakash Agrawal	16,100	2.25	0	Omrakash Agrawal	16,100	2.25	0	
11	Harivana Metal & Rolling Mills Ltd	61,650	8.6	0	Omrakash Agrawal	61,650	8.6	0	
12	Jalpaon Re Rolling Industries Ltd	69,600	9.71	0	Harivana Metal & Rolling Mills Ltd				
13	Balaji Bonds & Holding Ltd	49,700	6.93	0	Jalpaon Re Rolling Industries Ltd				
	TOTAL	427,150	59.57	0	Balaji Bonds & Holding Ltd				
					TOTAL	307,850	42.94	-6.93	

## (V) CHANGE IN PROMOTERS SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	No of shares
	At the beginning of the year	427,150	59.57		427,150
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	DECREASE (SOLD) 119300 SHARES	16.63		
	At the end of the year	307,850	42.94		307,850

## (VI) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sl. No	Shareholding at the opening of the year	Sl. No	Shareholding at the end of the year	NIL	
				No. of shares	% of total shares of the company
For Each of the Top 10 Shareholders				No of shares	% of total shares of the company
1	Sameer Deshpande	0	0	20000	2.79
2	Ritesh R Ghate	0	0	20000	2.79
3	Rahul Ruikar	0	0	20000	2.79
4	Nisha Jitendra Ruikar	0	0	15000	2.09
5	Nandeo Ganjiwale	0	0	14200	1.98
6	Ravi Narayanrao Deshpande	0	0	7000	0.97
7	Prashant Wamanrao Siganwar	0	0	7000	0.97
8	Nisha Jitendra Haware	0	0	7000	0.97
9	Nakul M Gaikwad	0	0	7000	0.97
10	Varsha Gopalrao Kondawar	0	0	7000	0.97

(VII) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		% of total shares of the company	Cumulative Shareholding during the year
		No. of shares	No. of shares		
	At the beginning of the year	125100		17.45	0
	Date wise increase/decrease in Directors Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	125100	0	17.45	0

VIII INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	26,239,407	NIL	26,239,407
ii) Interest due but not paid	NIL	NIL	NIL	
iii) Interest accrued but not due	NIL	NIL	NIL	
<b>Total (i+ii+iii)</b>	NIL	26,239,407	NIL	26,239,407
<b>Change in Indebtedness during the financial year</b>				
Additions	NIL	0		0
Reduction	NIL	4,239,407		4,239,407
<b>Net Change</b>	NIL	0		0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	2,20,00,000	NIL	2,20,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>		0		0

IX REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	<b>Gross salary</b>	HARISH AGRAWAL	DINESH AGRAWAL	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	NIL	NIL	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NIL	NIL	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	
2	Stock option	NIL	NIL	
3	Sweat Equity	NIL	NIL	
4	Commission	NIL	NIL	
	as % of profit	NIL	NIL	
	others (specify)	SITTING FEES	800	800
5	Others, please specify	NIL	NIL	
	<b>Total (A)</b>			
	<b>Ceiling as per the Act</b>			

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Krishan Agrawal	ANITA AGRAWAL	RADHESHYAM AGRAWAL	
	(a) Fee for attending board committee meetings	900			900
	(b) Commission	NIL			NIL
	(c) Others, please specify	NIL			NIL
	<b>Total (1)</b>				
2	Other Non Executive Directors	NIL			NIL
	(a) Fee for attending board committee meetings		NIL	800	800
	(b) Commission	NIL	NIL	NIL	NIL
	(c) Others, please specify.	NIL	NIL	NIL	NIL
	<b>Total (2)</b>				
	<b>Total (B)=(1+2)</b>	900	NIL	800	1700
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act.</b>				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO	Total	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NIL	NIL	NIL	NIL	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	
2	Stock Option	NIL	NIL	NIL	NIL	
3	Sweat Equity	NIL	NIL	NIL	NIL	
4	Commission	NIL	NIL	NIL	NIL	
	as % of profit	NIL	NIL	NIL	NIL	
	others, specify	NIL	NIL	NIL	NIL	
5	Others, please specify	NIL	NIL	NIL	NIL	
	<b>Total</b>					



X **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2015.

### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

The industry is showing some improvement & your Directors are expecting better industrial development in the coming years.

### **SEGMENT-WISE PERFORMANCE:**

The Company trades in a single business segment. The company has passed through a very unusual phase, any worthwhile comparison of performance between two periods would be inconclusive. There is, yet, considerable scope for improvement.

### **OPPORTUNITIES AND THREATS:**

The company is taking maximum efforts to capitalize on business opportunities & further expect a better outlook in the coming years. The threats to the segment in which the company operates are pricing pressure arising due to competition from low cost suppliers, technology up gradation, severe competition and newly emerging competitive nations and stricter environment laws.

### **STRENGTH:**

The existing management has a strong technical, finance and administrative expertise in various industries and corporate sectors including the business of the Company.

### **RISKS AND CONCERNS:**

Your company is working essentially in global market place. However since the company is into trading activity It is attributed to all the risk and concerns attached with the trading industries as a whole.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliances of guide lines and policies adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management. The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. Efforts for continued improvement of internal control system are being consistently made in this regard.

### **HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS:**

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review. The relations with workers and staff are cordial during the year under review. All issues pertaining to staff matters are resolved in harmonious and cordial manner.

### **CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws, and other statutes and other incidental factors.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15**  
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.

**1. Company's Philosophy on Code of Governance:**

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors presents the Corporate Governance Report for the year 2014- 15 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March, 2015.

**2. Mechanism for evaluating Board Members**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and remuneration committee to lay down evaluation criteria for the performance of executive/non-executive/independent directors through a peer revaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths of improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationship, information flow, decision making of the directors, relationship with stakeholders, company strategy, its performance and the effectiveness of the whole Board and its committees on a scale of ten.

**3. Board of Directors:**

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields and comprises a majority of Non-Executive Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement.

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. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2015 have been made by the Directors.

During the financial year ended 31<sup>st</sup> March, 2015, 7 Meetings of the Board of Directors were held as on 30/05/2014, 14/08/2014, 14/11/2014, 05/01/2015, 15/01/2015, 14/02/2015 and 31/03/2015.

Sr. No	Name of Directors	Category of Directors	No. of Board Meetings attended	Whether attended last AGM	Number of other Directorship	No of membership of Committees in other Public Ltd Companies
1	Mr. Krishan Agrawal	Independent Director	7	Yes	2	6
2	Mr. Dinesh Agrawal	Executive Director	7	Yes	2	6
3	Mr. Harish Agrawal	Executive Director	7	Yes	2	6
4	Mr. Radheshyam Agrawal	Non-Executive Director	7	Yes	1	3
# 5	Mrs. Anita Agrawal	Non-Executive	1	No	Nil	Nil

#Appointed as Director on 30.03.2015

**Notes:**

1. Excludes alternate directorships and directorships in foreign companies and private companies.
2. Excludes Committees other than Audit Committee and Shareholders' / Investors' Grievance Committee and Companies other than public limited companies.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

**4. Particulars of appointed & re-appointed Directors:**

In accordance with the requirements of the Companies Act, 2013 and Article of Association of the Company Mr. Dinesh Agrawal retires by rotation and being eligible has offered him for re-appointment. The Board of Directors recommends his re-appointment. Smt. Anita Harish Agrawal has been appointed as an Additional director of the Company. She has been regularized in the ensuing AGM.

**5. Audit Committee:**

**i. Brief Description of Terms of Reference**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

The terms of reference, Role and powers of the Audit Committee are as mentioned in Clause 49 II (A) to (E) of the Listing Agreement entered into with the Stock Exchanges and read with Section 177 of the Companies Act, 1956 and to review Internal Audit Reports, Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review the adequacy of internal control systems, to select and establish accounting policies, to review financial statements before submission to the Board, to recommend the appointment and removal of external auditor and fixation of audit fees and other matters specified under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

## ii. Composition

The Audit Committee comprised of Mr. Krishan Agrawal, Mr. Harish Agrawal and Mr. Dinesh Agrawal as Members. The composition of the Board of Directors is in accordance with Clause 49 of the Listing Agreement.

All the Members of the Audit Committee are financially literate and possess sound knowledge of accounts, audit, finance etc. Mr. Dinesh Agrawal is the Chairman of the Audit Committee.

## iii. Meetings and Attendance during the Year:

During the 2014-15 under review 4 meetings of the Audit Committee were held on, 30/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015. The attendance of members is as follows:

Name	Category	Meeting during the Year 2014-2015	
		Held	Attended
Mr. Krishan Agrawal	Chairman-Independent Director	4	4
Mr. Harish Agrawal	Member Executive Director	4	4
Mr. Dinesh Agrawal	Member Executive Director	4	4

## 6. Stakeholder's Relationship Committee (Shareholders' / Investors' Grievance Committee):

### (i) Composition

As on 29.08.2015 the composition of Stakeholder's Relationship Committee comprises of Mr. Krishan Agrawal- Chairman , Mr. Radheshyam Agrawal and Mr. Harish Agrawal as Members. The Committee met 4 times during the 2014-15 respectively on 30/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015. The attendance of the members is as follows:

Name	Category	Meeting during the Year 2014-2015	
		Held	Attended
Mr. Krishankumar Agrawal	Chairman-Independent Director	4	4
Mr. Radheshyam Agrawal	Member Non-Executive Director	4	4
*Mr. Harish Agrawal	Member Executive Director	4	4

The constitution and terms of reference of the Stakeholder's Relationship Committee is in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Board has designated Mr. Dinesh Agrawal, as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of the shareholders during the year is as follows:-

· No. of shareholders' complaints received during the year	:	0
· No. of complaints not resolved to the satisfaction of shareholders	:	0
· No. of pending share transfers	:	0
· No. of Complaints Resolved	:	0

## 6. MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed section on Management Discussion and Analysis is attached above.

## 7. GENERAL BODY MEETINGS:

### (i) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2013-2014	30/09/2014	02.00 p.m.	Old Motor Stand, Itwari, Nagpur-440008
2012-2013	30/09/2013	02.00 p.m.	Old Motor Stand, Itwari, Nagpur-440008
2011-2012	30/09/2012	02.00 p.m.	Old Motor Stand, Itwari, Nagpur-440008

### (ii) Special Resolution passed in previous three Annual General Meetings: NIL

### (iv) Special Resolution proposed to be conducted through Postal Ballot: Nil

## 8. OTHER DISCLOSURES:

### (a) Related Party Transactions

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

### (b) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

### (c) Disclosures on Risk Management

During the year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under Clause 49 of the Listing Agreement. The Company has framed the Risk Assessment and Minimization- Procedure which will be periodically reviewed by the Board.

- (d) **Details of non-compliance** by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: *Company is currently suspended from trading on BSE Limited, due to non-compliance with Listing Agreement. However, Company is making all the efforts to revoke the suspension at earliest.*
- (e) It is confirmed that no personnel has been denied access to the Audit Committee.

## 9. REMUNERATION OF DIRECTORS:

Details of remuneration paid to Directors:

None of Directors have been paid remuneration during the year.

## 10. MEANS OF COMMUNICATION:

### I. Quarterly Results:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

### II. Website:

Name of the Company's Website where the results are displayed is [www.prabhusteel.in](http://www.prabhusteel.in)

### III. Official News Releases:

The Company displays official news releases as and when the situation arises.

### IV. Presentations:

The Company makes presentation to institutional investors or the analysts when found appropriate.

## 11. GENERAL SHAREHOLDER INFORMATION:

### (a) AGM DATE, TIME AND VENUE:

Annual General Meeting will be held on, **Monday 28<sup>th</sup> September, 2015 at 02.00 P.M.** at the registered office of the Company at - **Old Motor Stand, Itwari, Nagpur - 440008.**

### (b) FINANCIAL YEAR:

The Financial Year is from 1st April 2015 to 31st March 2016.

Tentative Schedule

Unaudited Results for quarter ending June 30, 2015	: End of July 2015
Unaudited Results for quarter ending September 30, 2015	: End of October 2015
Unaudited Results for quarter ending December 31, 2015	: End of January 2016
Audited Results for year ending March 31, 2016	: End of July 2016
AGM for year ending March 31, 2016	: End of September 2016.

- (c) **BOOK CLOSURE PERIOD:** Wednesday, the 22<sup>nd</sup> September, 2015 to Monday, the 28<sup>th</sup> September, 2015 (both days are inclusive)

(d) **DIVIDEND PAYMENT:** The Company has not declared any dividend.

(e) **STOCK EXCHANGES WHERE SECURITIES ARE LISTED:**

Name of the Stock Exchange (Equity Shares)	Stock Code
BSE Limited	506042
CSE Limited	26117

(f) **STOCK MARKET DATA:**

Since the shares of the Company have been suspended from trading, there has not been any trade in the shares of the Company during the year ended 31<sup>st</sup> March, 2015. However the Board of Directors is making efforts for revocation of suspension of trading in equity shares of the company.

(g) **REGISTRAR AND TRANSFER AGENT:** Purva Sharegistry (India) Pvt. Ltd.  
Unit no. 9, Shiv Shakti Ind. Estt.  
J .R. Boricha marg, Opp. Kasturba Hospital Lane  
Lower Parel (E), Mumbai 400 011

(h) **SHARE TRANSFER SYSTEM WITH NUMBER OF SHARES TRANSFERRED:**

Physical shares sent for transfers or dematerialization are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

(i) **DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

ISIN: INE821R01015

(j) **OUTSTANDING GDRS/ WARRANTS, CONVERTIBLE BONDS, CONVERSION DATE AND ITS IMPACT ON EQUITY:** Nil

(k) **DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015:**

(i) **Distribution of Shareholding as on 31st March, 2015:**

Share holding	No. of Shareholders	%	No of Shares	% of Shareholding
001 - 500	558	88.57	19300	2.69
501 - 1000	5	0.79	5000	0.697
1001 - 2000	5	0.79	9000	1.255
2001 - 5000	6	0.95	17150	2.392
5001 - 10000	45	7.14	316750	44.177
Above 10001	11	1.75	349800	48.787
<b>Total</b>	<b>630</b>	<b>100</b>	<b>71700</b>	<b>100</b>



(ii) **Shareholding pattern as at 31st March, 2015:**

<b>Category</b>	<b>No. of Shares held</b>	<b>% to Total Shares</b>
Promoter Group	307850	42.94
Mutual Funds and UTI	00	0.00
Banks & Financial institutions & Insurance Companies etc.	00	0.00
Corporate Bodies		
General Public	409150	57.06
NRIs/ OCBs		
<b>TOTAL</b>	<b>717000</b>	<b>100.00</b>

(I) **ADDRESS FOR CORRESPONDENCE:**

The Company's Registered Office is situated at:

**Regd off:** Old Motor Stand, Itwari, Nagpur-440008

**Website:** www.prabhusteel.in

**Email:** prabhu.steel@yahoo.com

**12. CODE OF CONDUCT:**

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company which is posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Chairman forms part of this Report.

**NON-MANDATORY REQUIREMENTS:**

The Company is not yet implementing the non-mandatory requirements under Clause 49 of the Listing Agreement. However, adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

**Place: Nagpur**  
**Date: 29.08.2015**

**By Order of the Board**  
**for PRABHU STEEL INDUSTRIES LIMITED**

**MR. DINESH AGRAWAL**  
**(DIRECTOR)**  
**DIN: 00291086**

**MR. HARISH AGRAWAL**  
**(DIRECTOR)**  
**DIN: 00291083**

**DECLARATION UNDER CODE OF CONDUCT**

To,  
The Members of  
**PRABHU STEEL INDUSTRIES LIMITED**  
Nagpur

As the Executive Director of **PRABHU STEEL INDUSTRIES LIMITED** and as required by Clause 49 (II) (E) (2) of the Listing Agreement, I, Dinesh Agrawal, Executive Director, hereby declare that all the Board Members and the Senior Management personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics, for the Financial Year 2014-15.

I further declare that the said Code of Conduct have been posted on the website of the Company in accordance with the Clause 49 of the Listing Agreement.

**For PRABHU STEEL INDUSTRIES LIMITED**

**Place: Nagpur**  
**Date: 29.08.2015**

**Dinesh Agrawal**  
**Chairman**

## CEO/CFO CERTIFICATION

To,  
The Board of Directors  
**PRABHU STEEL INDUSTRIES LIMITED**

We do hereby certify that:

- (a) We have reviewed financial statements and the Cash Flow statement for the year and that to the best of my knowledge and belief:
  - (i.) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii.) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations,
- (b) 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.
- (c) 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 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 taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committees.
  - (i) Significant changes in internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management having a significant role in the Company's internal control system over financial reporting.

Place: Nagpur  
Date: 25.08.2015

**For and on Behalf of the Board  
for PRABHU STEEL INDUSTRIES LIMITED**

**MR. DINESH AGRAWAL  
(DIRECTOR)  
DIN: 00291086**

**MR. HARISH AGRAWAL  
(DIRECTOR)  
DIN: 00291083**

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of **PRABHU STEEL INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **PRABHU STEEL INDUSTRIES LIMITED** for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

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 information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement(s)

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Company.

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 Lalit Jham & Co.**  
**Chartered Accountants**  
**Firm Registration No.114158W**

**Lalit Jham**  
**Partner**  
**Membership No.040501**

**Place: Nagpur**  
**Date: 30.05.2015**

**PRABHU STEEL INDUSTRIES LIMITED**  
**Balance Sheet as at 31st March 2015**

Particulars		Notes	31st March 2015	31st March 2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
(a)	<u>Share capital</u>	1	7,170,000.00	7,170,000.00
(b)	<u>Reserves and Surplus</u>	2	28,533,008.51	29,242,738.24
<b>2</b>	<b>Non-Current Liabilities</b>			
(a)	<u>Long Term Borrowings</u>	3	22,000,000.00	26,239,407.00
(b)	<u>Deferred tax Liabilities (Net)</u>		257,088.00	371,390.00
<b>3</b>	<b>Current Liabilities</b>			
(b)	<u>Trade Payables</u>	4	15,684,924.70	14,714,894.50
(b)	<u>Short-Term Borrowing</u>	5	1,069,219.46	15,612,391.20
(c)	<u>Other Current Liabilities</u>	6	12,249,744.00	1,866,688.47
(d)	<u>Short-Term Provisions</u>		-	-
	<b>TOTAL</b>		<b>86,963,984.67</b>	<b>95,217,509.41</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
(a)	<u>Fixed Assets</u>			
(i)	Tangible Assets	7	10,588,442.43	11,405,912.44
(ii)	Intangible Assets		-	-
(iii)	Capital work-in-progress		-	-
(iv)	Intangible Assets under development		-	-
(b)	Non Current Investment	8	168,421.75	168,421.75
(c)	<u>Other Non-current Assets</u>		-	-
(d)	<u>Deferred tax Asset (Net)</u>		-	-
<b>2</b>	<b>Current assets</b>			
(a)	<u>Inventories</u>	9	11,423,908.00	8,303,318.00
(b)	<u>Trade receivables</u>	10	24,054,734.74	35,281,488.17
(c)	<u>Cash and cash equivalents</u>	11	22,390,958.15	24,603,879.52
(d)	<u>Short-term loans and advances</u>	12	18,337,519.60	15,454,489.53
(e)	<u>Other current assets</u>		-	-
	<b>TOTAL</b>		<b>86,963,984.67</b>	<b>95,217,509.41</b>

Accounting Policies, Contingent Liability

13

Notes "1" to "13" referred to above form an integral part of the Balance Sheet

**As per our Report of even date**  
**For Lalit Jham & Co.**  
**Chartered Accountants**  
**FRN 114158W**

**For Prabhu Steel Industries Limited**

**Lalit Jham**  
**Partner**  
**(M.No. 040501)**  
**Nagpur dated 30th May 2015**

**HARISH AGRAWAL**  
**DIRECTOR**  
**DIN 291083**

**DINESH AGRAWAL**  
**DIRECTOR**  
**DIN 291086**

**PRABHU STEEL INDUSTRIES LIMITED**  
**Profit and loss statement for the year ended 31st March 2015**

Particulars		Notes	31st March 2015	31st March 2014
I.	Revenue from operations	14	103,686,269.30	113,840,470.11
II.	Other income	15	5,559,121.00	10,787,515.00
III.	<b>Total Revenue (I + II)</b>		<b>109,245,390.30</b>	<b>124,627,985.11</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	16	431,630.40	429,892.60
	Purchases of Stock-in-Trade		105,535,132.58	104,341,793.61
	Changes in inventories of finished goods	17	(3,120,590.00)	2,220,786.00
	Employee benefits expense	18	925,200.00	741,700.00
	Finance costs	19	1,568,565.33	2,028,267.00
	Depreciation and amortization expense	7	799,415.00	589,011.00
	Other expenses	20	3,890,398.72	9,932,760.65
	<b>Total Expenses</b>		<b>110,029,752.03</b>	<b>120,284,210.86</b>
VI.	Exceptional Items	20	-	-
VII.	<b>Profit/Loss before extraordinary items and tax (V - VI)</b>		<b>(784,361.73)</b>	<b>4,343,774.25</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>(784,361.73)</b>	<b>4,343,774.25</b>
X	Tax expense:			
	(1) Current Tax			800,000.00
	(2) Deferred Tax		(114,302.00)	(23,418.00)
	(3) Tax for Earlier years		39,670.00	(6,882,347.00)
	(4) Earlier years (TDS)		-	-
XI	<b>Profit (Loss) for the (VII-VIII)</b>		<b>(709,729.73)</b>	<b>10,449,539.25</b>
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	<b>Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
	<b>Profit/(Loss) from last year</b>		<b>20,995,818.48</b>	<b>10,546,279.23</b>
	<b>Profit (Loss) for the period</b>		<b>(709,729.73)</b>	<b>20,995,818.48</b>
	Earnings per equity share:			
	(1) Basic		(0.99)	14.57
	(2) Diluted			

Accounting Policies, Contingent Liability

13

Notes "13" to "20" referred to above form an integral part of the Profit & Loss Account

**As per our Report of even date**  
**For Lalit Jham & Co.**  
**Chartered Accountants**  
**FRN 114158W**

**For Prabhu Steel Industries Limited**

**Director**

**Director**

**Lalit Jham**  
**Partner**  
**(M.No. 040501)**  
**Nagpur dated 30th May 2015**

**HARISH AGRAWAL**  
**DIRECTOR**  
**DIN 291083**

**DINESH AGRAWAL**  
**DIRECTOR**  
**DIN 291086**

**PRABHU STEEL INDUSTRIES LIMITED**  
**Notes Forming part of Balance Sheet as at 31st March 2015**

**Note 1**

<u>Share Capital</u>	As on 31st March 2015	As on 31st March 2014
	Amount	Amount
<b>Authorised</b> (15,00,000 Equity Shares of Rs.10/- each)	15,000,000.00	15,000,000.00
<b>Issued</b> (7,17,000 Equity Shares of Rs.10/- each)	7,170,000.00	7,170,000.00
<b>Subscribed &amp; Paid up</b> (7,17,000 Equity Shares of Rs.10/- each)	7,170,000.00	7,170,000.00
<b>Total</b>	7,170,000.00	7,170,000.00

- a). The company has only one class of shares referred to as equity share having a par value of Rs. 10 Each. Holder of equity share is entitled to vote one vote per share.
- b). The reconciliation of the number of shares outstanding as on March 31, 2015 and March 31, 2014 is set out below:

PARTICULARS	As on 31st March 2015	As on 31st March 2014
Number of shares as at the beginning	717000	717000
Add: Shares allotted during the period	NIL	NIL
Number of shares at the end	717000	717000

- c). The details of shareholders' holding more than 5% shares as on March 31, 2015 & 31st March 2014 are set out below

Name of the Shareholder	No of shareholding as on 31st March 2015	Percentage of Shareholding as on 31st March 2015 March. 2014	No. of Shares as on 31st March 2014	Percentag of Share- holdin as on 31
Dinesh G. Agrawal	44050	6.14	44050	6.14
Hariyana Metals Ltd.	61650	8.60	61650	8.60
Priti G. Agrawal	51050	7.12	51050	7.12
Jalgaon Re-Rolling Ind.Ltd.	-	-	69600	9.71
Balaji Bonds & Holdings Ltd.	-	-	49700	6.93
Mahesh Agricultural Implements & Steel Forgings Ltd. -	-	-		

**Note 2**

<b><u>Reserves &amp; Surplus</u></b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>(a) Capital Reserve</b>		
Opening Balance	4,738,874.25	4,738,874.25
Add : Current Year Transfer	-	-
Less : Written back in Current Year	-	-
Closing Balance	<b>4,738,874.25</b>	<b>4,738,874.25</b>
<b>(b) Revaluation Reserve</b>		
Opening Balance	2,409,675.00	2,409,675.00
Add : Current Year Transfer	-	-
Less : Written back in Current Year	-	-
Closing Balance	<b>2,409,675.00</b>	<b>2,409,675.00</b>
<b>(c) Surplus</b>		
Opening balance	22,094,188.99	11,644,649.74
(+) Net Profit/(Net Loss) For the current year	-709,729.73	10,449,539.25
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>21,384,459.26</b>	<b>22,094,188.99</b>
<b>Total (a)+(b)+(c)</b>	<b>28,533,008.51</b>	<b>29,242,738.24</b>

**Note 3**

<b><u>Long Term Borrowings</u></b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>Secured Borrowings :</b>		
<b>Term Loan</b>		
From Bank	-	-
<b>Unsecured Borrowings:</b>	22,000,000.00	26,239,407.00
<b>Total</b>	<b>22,000,000.00</b>	<b>26,239,407.00</b>

**Note 4**

<b><u>Trade Payables</u></b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
Sundry Creditors	5,603,498.70	13,674,156.50
Security Deposits Payable	81,426.00	40,738.00
Advance From Customers	10,000,000.00	1,000,000.00
<b>Total</b>	<b>15,684,924.70</b>	<b>14,714,894.50</b>



**Note 5**

<b><u>Short Term Borrowings</u></b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>Secured :</b>		
<b>(i) Loans Repayable on Demand</b>		
<b>Cash Credit</b>		
IDBI Bank(Agst FDR)a/c 389655000000019	1,069,219.46	13,112,126.64
N.N.S.B. Bank OD a/c (Agst FDR) -210	-	804,675.05
<b>Unsecured :</b>		
Harish Agrawal	-	423.51
Hariganga Machineries & Eng. Services Ltd.	-	1,695,166.00
<b>Total</b>	<b>1,069,219.46</b>	<b>15,612,391.20</b>

**Note 6**

<b><u>Other Current Liabilities</u></b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>Other Credit Balances</b>		
IVRCL Tlt Pvt Ltd	626,425.00	-
Precision Erectors & Services Pvt Ltd	3,958.00	-
Shree Goverdhan Infrastructure Pvt. Ltd.	11,300,000.00	-
<b>All Payables</b>		
Income Tax Deducted At Source	1,310.00	1,460.00
Income Tax Deducted At Source prof / retn		5,020.00
Income Tax Deducted At Source ( Salary )		10,360.00
Local Body Tax payable	13,675.00	
Professional Tax Payable ( Employees )	200.00	200.00
Vat Payable	304,176.00	1,049,209.47
Income Tax Provision		800,000.00
Service Tax Payable		439.00
<b>Total</b>	<b>12,249,744.00</b>	<b>1,866,688.47</b>

**Note 8**

<b>Non Current Investments</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>A.Trade Investments</b>		
<b>Total (A)</b>	-	-
B. Other Investments		
(a) Investment Properties		
(a) Investment in Equity instruments	168,421.75	168,421.75
(c) Investments in preference shares		
(d) Investments in Government or Trust securities		
(e) Investments in debentures or bonds		
(f) Investments in Mutual Funds		
(g) Investments in partnership firms*		
(b) Other non-current investments (Nsc)	-	
<b>Total (B)</b>	168,421.75	168,421.75
Grand Total (A + B)	168,421.75	168,421.75
Less: Provision for dimunition in the value of Investments	-	-
<b>Total</b>	<b>168,421.75</b>	<b>168,421.75</b>

**Note 9**

<b>Inventories</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
Finished Goods	11,423,908.00	8,303,318.00
<b>Total</b>	<b>11,423,908.00</b>	<b>8,303,318.00</b>

**Note 10**

<b>Trade Receivables</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
<b>Secured, considered good</b>	-	-
<b>Unsecured, considered good</b>	<b>21,907,344.38</b>	<b>35,098,359.17</b>
<b>Secured, considered doubtful</b>	-	-
Less: Provision for doubtful debts	-	-
	<b>21,907,344.38</b>	<b>35,098,359.17</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
<b>Secured, considered good</b>	-	-
<b>Unsecured, considered good</b>	<b>2,147,390.36</b>	<b>183,129.00</b>
<b>Unsecured, considered doubtful</b>	-	-
Less: Provision for doubtful debts	-	-
	<b>2,147,390.36</b>	<b>183,129.00</b>
<b>Total</b>	<b>24,054,734.74</b>	<b>35,281,488.17</b>

**Note 11**

<b>Cash and Cash equivalents</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>a. Balances with Banks</b>		
HDFC Bank Ltd. A/C NO.05022320000582	17,616.44	12,616.44
ICICI Bank (C/A.005985002028)	13,449.24	13,730.14
IDBI Bank C/A No.389103000000268	42,613.50	3,489,058.92
SBI A/C NO.10428122191	15,781.09	30,936.09
SBI Baroda A/C.66013829658	14,651.54	14,651.54
N.N.S.B. Bank OD a/c (Agst FDR) -210	1,489,869.94	
N.N.S.B. Bank A/c -5666	22,104.01	18,077.01
<b>b. Fix Deposits with Banks</b>		
I.D.B.I.Bank FDR A/C	4,697,911.00	14,052,839.00
N.N.S.B. LTD (FDR A/C)	14,588,390.00	5,000,000.00
c. Cash In Hand	1,488,571.39	1,971,970.38
<b>Total</b>	<b>22,390,958.15</b>	<b>24,603,879.52</b>

**Note 12**

<b>Short-term Loans and Advances</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>a. Loans and Advances to related parties</b>		
Hariyana Metals Limited	4,498,082.00	-
	4,498,082.00	-
<b>b. Others (specify nature)</b>		
Secured, considered good	-	-
Unsecured, considered good	13,839,437.60	15,454,489.53
Doubtful		
Less:Provision	-	-
	13,839,437.60	15,454,489.53
	<b>18,337,519.60</b>	<b>15,454,489.53</b>

As per our Report of even date  
For Lalit Jham & Co.

**Chartered Accountants**  
**FRN 114158W**

**Lalit Jham**  
**Partner**  
**(M.No. 040501)**

**Nagpur dated 30th May 2015**

**For Prabhu Steel Industries Limited**

**HARISH AGRAWAL**      **DINESH AGRAWAL**  
**DIRECTOR**              **DIRECTOR**  
**DIN 291083**              **DIN 291086**

**PRABHU STEEL INDUSTRIES LIMITED**

**Notes Forming part of Statement Of Profit & Loss Account as on 31st March 2015**

**Note 14**

<b>Revenue from Operation</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>SALES</b>		
<b>A) Iron &amp; Steel</b>	<b>103,686,269.30</b>	<b>113,840,470.11</b>
Iron & Steel Sales ( Excise )	64,733,707.08	78,872,201.71
Iron & Steel Sales ( Trading )	38,952,562.22	34,968,268.40
<b>Total</b>	<b>103,686,269.30</b>	<b>113,840,470.11</b>

<b>Other Income</b>	<b>As on 31st March 2015</b>	<b>113,840,470.11</b>
Interest Received	2,944,117.00	4,243,809.00
Divident Received	21.00	-
Profit on Sale of land	-	1,828,500.00
Accounts Written Back	2,606,753.00	4,654,834.00
Miscellaneous Receipts	7,220.00	
Profit on Sale Of Car	1,010.00	-
Profit on Sale of Shares	-	60,372.00
<b>Total</b>	<b>5,559,121.00</b>	<b>10,787,515.00</b>

**Note 16**

<b>Cost of Material Consumed</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>A) Cost of Raw Material Consumed</b>		
Opening Stock	-	-
Add: Purchase & Expencess	-	-
	-	-
less: Closing Stock	-	-
<b>Cost of Raw Material Consumed</b>	<b>-</b>	<b>-</b>
<b>B) Manufacturing Expenses</b>		
Material Handling Expences(Crane exp.)	95,447.40	141,849.00
Manufacturing Expenses(Labour)	80,662.00	75,314.00
Gas Consumed	14,344.00	16,780.60
Repairs to :		
Building	200,400.00	132,700.00
Other Assets	22,932.00	29,407.00
Water Tax	17,845.00	33,842.00
<b>Sub Total</b>	<b>431,630.40</b>	<b>429,892.60</b>
<b>Total</b>	<b>431,630.40</b>	<b>429,892.60</b>

**Note 17**

<b>Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
<b>Opening Stock</b>		
Finished Goods	8,303,318.00	10,524,104.00
<b>Less:- Closing Stock</b>		
Finished Goods	11,423,908.00	8,303,318.00
<b>Total</b>	<b>(3,120,590.00)</b>	<b>2,220,786.00</b>

**Note 18**

<b>Employees Benefit Expenses</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
Salary,Wages,Bonus and Allowances	775,200.00	741,700.00
Contribution To Provident Fund & Other Fund	-	-
Welfare Expenses	150,000.00	-
<b>Total</b>	<b>925,200.00</b>	<b>741,700.00</b>

**Note 19**

<b>Finance Cost</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
Interest on Term Loan/Finance Charges	-	8,917.00
Interest to Other	1,567,477.33	2,019,350.00
Interest on IT	1,088.00	-
<b>Total</b>	<b>1,568,565.33</b>	<b>2,028,267.00</b>

**Note 20**

<b>Other Expenses</b>	<b>As on 31st March 2015</b>	<b>As on 31st March 2014</b>
Finished Goods Transport (Net)	429,524.00	425,814.00
Rent & Ground Rent	189,025.00	188,524.00
Excise Duty :		
Others	16,800.00	-
Service Tax	12,499.00	13,340.00
Rate & Taxes	185,992.00	2,639,107.21
Meeting Fees	3,300.00	3,000.00
Bank Commission and Charges	130,433.12	38,865.24
Administrative & Other Misc.Expenses	2,857,825.60	6,539,110.20
Payment to Auditors	65,000.00	85,000.00
<b>Total</b>	<b>3,890,398.72</b>	<b>9,932,760.65</b>

As per our Report of even date  
For Lalit Jham & Co.  
**FRN 114158W**

**For Prabhu Steel Industries Ltd.**

**Lalit Jham**  
**Partner**  
**(M.No. 040501)**  
**Nagpur dated 30th May 2015**

**HARISH AGRAWAL**      **DINESH AGRAWAL**  
**DIRECTOR**              **DIRECTOR**  
**DIN 291083**              **DIN 291086**

## Schedule "7"

CIN:L28100MH1972PLC015817

**PRABHU STEEL INDUSTRIES LIMITED**  
Statement of Fixed Asset for the year ending on 31st March 2015

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block			
	Balance as at 31 March 2014	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 March 2015	Balance as at 31 March 2014	Depreciation charge for the year	Adjustment due to revaluations	On disposal	Balance as at 31 March 2015	Balance as at 31 March 2014	
Tangible Assets	0.00											
Land Leasehold	2773686.00	0.00	0.00	0.00	2773686.00	0.00	0.00	0.00	0.00	2773686.00	2773686.00	2773686.00
Land Freehold	4403998.08		0.00	0.00	4403998.08	0.00			0.00	4403998.08	4403998.08	4403998.08
Building & Shed	44100.00		0.00	0.00	44100.00	24413.00	699.00		0.00	19687.00	19687.00	18988.00
Plant & Machinery	3466641.72		0.00	0.00	3466641.72	1022890.00	0.00		0.00	1022890.00	2443751.72	2443751.72
Vehicles	5261407.00	-61212.00	0.00	0.00	5200195.00	4296106.00	495247.00		0.00	4791353.00	965301.00	408842.00
Cranes	3667669.50	0.00	0.00	0.00	3667669.50	3256094.00	64688.00			3320782.00	411575.50	346887.50
Furniture, Fixture & Office Equipments	1846509.13	43157.00	0.00	0.00	1889666.13	1458596.00	238781.00		0.00	1697377.00	387913.13	192289.13
<b>Total</b>	<b>2146401.43</b>	<b>-18055.00</b>	<b>0.00</b>	<b>0.00</b>	<b>21445956.43</b>	<b>10058099.00</b>	<b>799415.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10857514.00</b>	<b>11405912.43</b>	<b>10588442.43</b>

**PRABHU STEEL INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR HE YEAR ENDED 31 ST MARCH 2015**

	AMOUNT ( RS )	AMOUNT ( RS )
	31.03.2015	31.03.2014
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	-784362	4343774
<b>ADJUSTMENTS :</b>		
DEPRECIATION	799415	589011
INTEREST PAID	1568565	2028267
DEFERRED TAXES	-114302	-23418
OTHER INCOME ( interest & dividend )	-2944138	-4243809
PROFIT ON SALE OF FIXED ASSET	-1010	-1828500
PROFIT ON SALE OF INVESTMENTS	0	-60372
OPERTAING PROFIT BEFORE WORKING CAPITAL ADJUSTMENTS	-1475831	804953
<b>CHANGES IN WORKING CAPITAL :</b>		
INCREASE / DECREASE IN INVENTORIES	-3120590	2220786
INCREASE / DECREASE IN DEBTORS	11226753	-6037415
INCREASE / DECREASE IN LOANS & ADVANCE	-2883030	4170074
INCREASE / DECREASE IN CURRENT LIABILITES	1157496	-25381582
INCREASE / DECREASE IN CASH CREDIT	-12847583	-1230418
CASH GENERATED FROM OPERATIONS	-7942785	-25453602
TAXES	-74632	-6105765
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-7868152	-19347837
SETTLEMENTS IF ANY		
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>-7868152</b>	<b>-19347837</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	-43157	-52223
SALE OF FIXED ASSETS	61212	471500
SALE OF INVESTMENTS	0	192828
PROFIT ON SALE OF INVESTMENTS	0	60372
PROFIT ON SALE OF FIXED ASSET	1010	1828500
OTHER INCOME ( interest & dividend )	2944138	4243809
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>2963203</b>	<b>6744786</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
INCREASE IN SHARE CAPITAL	0	1000
INCREASE / DECREASE IN SECURED LOANS	0	0
INCREASE / DECREASE IN UNSECURED LOANS	5760593	14779135
INTEREST PAYMENTS	-1568565	-2028267
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>4192028</b>	<b>12751868</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-712922	148817
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	24603880	24455062
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>23890958</b>	<b>24603880</b>

**As per our Report of even date  
For Lalit Jham & Co.  
Chartered Accountants  
FRN 114158W**

**Lalit Jham  
Partner  
(M.No. 040501)**

**For Prabhu Steel Industries Limited**

**HARISH AGRAWAL DINESH AGRAWAL  
DIRECTOR DIRECTOR  
DIN 291083 DIN 291066**

## ACCOUNTING POLICIES & NOTES ON ACCOUNTS

**Note 13**

### **A. Significant Accounting Policies**

#### **1. System of Accounting: -**

The financial statements have been prepared to comply in all material respects with the generally accepted accounting principles, Accounting Standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions thereof.

The financial statements have been prepared under the historical cost convention on accrual basis of accounting except that insurance and other claims/refunds are being accounted for/adjusted in the books as and when settled. The accounting policies have been consistently applied by the Company and are in line with those used last year.

The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

#### **2. Revenue Recognition: -**

Expenses and Income considered payable and receivable respectively are accounted for on accrual.

#### **3. Fixed Assets: -**

Fixed assets are stated at historical cost, except part of leasehold land, building, shed and Plant & Machinery revalued and stated at Cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price (net of tax/duty credit availed) and any cost direct / incidental and borrowing cost attributable bringing the asset to its working condition for its intended use.

Flat at Dadar included under the head of building includes cost of share in co-operative society of the value of Rs. 100/-

#### **4. Depreciation on Fixed Assets: -**

Depreciation is provided on fixed assets on straight line basis in accordance with the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and the value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital

#### **Till 31<sup>st</sup> March, 1993:**

i) Depreciation on assets installed up to 30th June, 1987 is provided at the rate of depreciation prevalent at the time of installation of assets as per clarification by the ministry of industry, department of company affairs, vide its circular no. 1/86 dt. 21st may,1986.

ii) Depreciation on installation of fixed assets after 30th June, 1987 is provided as per rates specified in the schedule XIV of The Companies Act,1956.



**After 31<sup>ST</sup> March, 1993:**

Depreciation on all Assets installed after 31<sup>ST</sup> March 1993 is provided at the new rates as amended by the Notification no. GSR756(E) DT.16/12/93 read with circular no. 14 Dt. 20/12/93 issued by the Department of Company Affairs.

Depreciation on assets except Building and Shed and Plant and Machinery is provided on "Written down value method" as per provision of section 205(2) Schedule XIV of The Companies Act,1956.

**From 1<sup>st</sup> April 2014:**

Depreciation on all Assets is provided as per the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. There has been a revision in the estimated useful life of the assets as per the Companies act 2013 and the unamortised depreciable amount will be charged over the revised remaining useful life.

Depreciation on assets except Building and Shed and Plant and Machinery is provided on "Written down value method."

Since no manufacturing activity has been carried out during the year depreciation on such plant & machinery used in manufacturing process has not been provided.

5. Investments: -

Investments are of long term nature and stated at cost.

6. Inventories: -

Inventories valued at cost or net realizable value whichever is lower.

7. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.

Provisions are not discounted to its present value and are determined based on best management estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

8. Cash Flow Statement

The Company has prepared the Cash Flow Statement using the Indirect Method in compliance with Accounting Standard issued by The Institute of Chartered Accountants of India.

9. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

## 10. Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent.

Contingent liabilities not provided for are in respect of:

I. Claims not acknowledged as debts	2015 <u>Amount</u>	2014 <u>Amount</u>
(a) LABOUR MATTERS	-	3,98,473
(b) SALES TAX( Disputed on Appeal)	2,11,29,831	80,00,497

Labour matter has been decided and a sum of Rs. 1,50,000/- has been paid for in the books as per court order during the current financial year.

II. Estimated value of contract remaining to be executed on capital accounts and not provided for (Net of advances)

Nil

Nil

## 11. Taxes on Income: -

Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where in the income is assessable.

Deferred tax expenses or benefit is recognized on timing differences being the difference between taxable income and accounting income that arises in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are accounted for, using the tax rates and tax laws applicable as on the Balance Sheet date.

## B. Notes on Accounts

1. Sundry Creditors, Sundry Debtors, Loans & Advances have been taken at their book value subject to confirmation and reconciliation.

2. Payment to Director:

<b>Directors Remuneration</b>	<b>2014-15 (Rs)</b>	<b>2013-14 (Rs)</b>
Salary & Bonus	-	-
Sitting fees	3300	3000
Total	3300	3000

3. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

4. Loans and advances includes amount outstanding from directors or/and Company in which directors are interested. Maximum Balance during the year:

	<b>2014-15 (Rs)</b>		<b>2013-14 (Rs)</b>	
	Closing Balance(₹)	Max. Bal. (₹)	Closing Balance (₹)	Max. Bal. (₹)
Hariyana General Trading Corp.	-	-	-	2098824
Hariyana Metals Limited	4498082	8473082	-	-
Hariganga Alloys & Steel	-	-	-	169000
<b>Total</b>	4498082	8473082	-	2267824

5. Major components of Deferred tax

Particulars	As at 31.03.2015 (₹)
<b>A) Deferred Tax Liabilities</b>	
Depreciation	-114302
<b>Total</b>	
<b>B) Deferred Tax Assets</b>	
Disallowance u/s 40(a)(ia)	
Disallowance U/s 43B	
Gratuity Disallowed	
MAT credit available	
<b>Total</b>	
<b>Net Deferred Tax liabilities/(assets) (A-B)</b>	<b>-114302</b>

6. Related Party Disclosure

Sr. No.	Category	Name of the related Party
1	Subsidiaries	---
2	Key Management	Shri Radheshyam Agrawal Shri Harish Agrawal Shri Dinesh Agrawal
3	Associates	Hariganga Mech & En.Service Ltd. Hariyana Metals Ltd Celestial Stell Structure Pvt Ltd Hariganga Alloys & Steel Om Industries Hariyana General Trading Corporation
4	Relatives of Key Management Personnel	

Transaction with Related Parties

Sr. No.	Nature of Transaction	₹	Name of Related Party
1	Remuneration	Nil	----
2	Purchase of RM / PM / FG	Nil	----
3	Revenue Expenses	1,32,000	Hariganga Alloys & Steel.
4	Purchase of Fixed Assets	----	
5	Sales of RM / PM / FG	----	
6	Loan Received	-----	
7	Advance Given	1,07,38,082	Hariyana Metal Ltd.
8	Advance Received	64,95,000	Hariyana Metal Ltd.

**7. Unsecured loans & Advances:**

(a) All the unsecured loans have been guaranteed personally by one of the director of company.

The Company had recorded purchase of four vehicle(cars) for gross value of Rs. 34,24,412/- in the books. The vehicles are registered in the name of director as individuals. The running and maintenance including depreciation and finance charges are charged to the Profit & Loss Account of the Company.

The SSI status of the creditors is not known to the company; hence the information is not given.

Previous year figures have been regrouped or rearranged whenever necessary.

Signature to Note "1" to "13" of Balance sheet and "13" to "20" of Profit and Loss account  
In terms of Our Separate Report of  
Even Date Attached

Nagpur Dated the, 30<sup>th</sup> May, 2015

For Lalit Jham & Co.  
Chartered Accountants  
FRN 114158W

For Prabhu Steel Industries Ltd

Lalit Jham  
Partner  
M.no : 040501

Director  
Harish Agarwal  
DIN 291083

Director  
Dinesh Agarwal  
DIN 291086

**ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT ON THE ACCOUNTS OF PRABHU  
STEEL INDUSTRIES LIMITED FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2015**

As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013 we report the following :

S. No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes the company is maintaining proper records as required under the act.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	As explained to us, all the fixed assets have been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such physical verification.
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	As explained to us, the inventory of stocks of trading goods has been physically verified by the management at regular intervals during the year.
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	As explained to us, the inventory has been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such physical verification.

	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company has maintained proper records of inventory. And there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
(iii)	(iii) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. If so,	The company has granted Loans to one party and the amount involved is Rs.107.38 Lacs
	(a) whether receipt of the principal amount and interest are also regular; and	In respect of loans taken and granted by the company, the interest payment & receipt is regular and the principal amount is repayable on demand.
	(b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	Since the loans taken and granted by the company are repayable on demand, no question of overdue amounts arises.
(iv)	is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.	In our opinion and according to the information and explanations given to us, there are internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and with regard for the sale of goods and services
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to	In our opinion and according to the

	76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	information and explanations given to us, the Company has not accepted deposits from the public during the year and therefore, the provisions of Section 73 to 76 of the Companies Act, 2013 and Rules made there under are not applicable to the Company
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	As the company is not manufacturing goods but is only trading in them the maintenance of cost record has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
(vii)	(a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	According to the information and explanations given to us, the company was generally regular in depositing dues in respect of Employees Provident Fund, Employees State Insurance Fund, and other statutory dues except in certain cases of income tax and sales tax, with the appropriate authority during the year
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	According to the records examined by us and the information and explanations given to us, except for sales tax disputed to the tune of Rs 21129831/- where part payment for appeal has been made; there are no disputed amounts due in respect of income tax, wealth tax, excise duty,

		Employees provident fund, Employee state insurance fund and other statutory dues at the end of the year.
	(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	According to the information and explanation given to us no amount is required to be transferred to such fund.
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	The Company has accumulated losses of Rs. <u>Nil</u> and the company incurred cash loss of Rs. 14.86 lacs during the financial year covered by our audit and Rs. <u>NIL</u> in the immediately preceding financial year.
(ix)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions and Debentures holders during the year.
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	The Company has not given Guarantees for the loan taken by others from banks or financial institutions.
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	The company has not taken any term loans.
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	As per the explanation given to us and information provided no fraud on or by the company has been noticed or reported.



For Lalit Jham & Co.  
Chartered Accountants  
FRN 114158W

For Prabhu Steel Industries Ltd

Director

Director

Lalit Jham  
Partner  
M.no : 040501

Harish Agarwal  
DIN 00291083

Dinesh Agarwal  
DIN 00291086

## **Independent Auditor's Report**

**To the Members of**

**PRABHU STEEL INDUSTRIES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PRABHU STEEL INDUSTRIES LIMITED** ( bearing Corporate Identification No. L28100MH1972PLC015817 ) , which comprise the Balance Sheet as at 31<sup>st</sup> March , 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made hereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

Lalit Jham & Co.  
Chartered Accountants  
Firm Registration No: 114158W

Lalit Jham  
Place: Nagpur  
Date: 30<sup>th</sup> May, 2015.

Partner  
Membership No: 040501

**PRABHU STEEL INDUSTRIES LIMITED**  
**Regd off: Old Motor Stand, Itwari, Nagpur-440008.**

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: L28100MH1972PLC015817**

**Name of the Company: PRABHU STEEL INDUSTRIES LIMITED**

**Registered Office: Old Motor Stand, Itwari, Nagpur-440008**

**Tel: 712-2768748**

**Website: www.prabhusteel.in**

**Email: prabhu.steel@yahoo.com**

Name of the Member(S):			
Registered Address:			
Email -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: \_\_\_\_\_

EmailId: \_\_\_\_\_

Signature: \_\_\_\_\_

or failing him

2.Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail

Id: \_\_\_\_\_

Signature: \_\_\_\_\_

or failing him

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 **PRABHU STEEL INDUSTRIES LIMITED** to be held on the 28<sup>th</sup> day of September, 2015 at 02.00 p.m. on Monday at “: **Old Motor Stand, Itwari, Nagpur-440008** and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1.	Adoption of Audited Financial Statements for the year ended 31st March, 2015.
2.	Re-appointment of Mr. Harish Agrawal who retires by rotation and being eligible, offers himself for re-appointment
3.	Re-appointment of M/s. Lalit Jham & Co., Chartered Accountants as Statutory Auditor and fixing their remuneration.
Special Business:	
4.	Appointment of Mrs. Anita Agrawal as a Director.
5.	Appointment of Mr. Dinesh Agrawal as Managing Director.
6.	To create, charge, mortgage assets of the Company for availing loan for business purpose of the Company which shall not at any point of time exceeds 100 Crores.
7.	To borrow funds for the Company in aggregate with paid up capital and free and free reserves, which shall not at any point exceeds 100 Crores of the Company.
8.	To acquire by way of subscription , purchase or otherwise securities of any other body corporate in one or more tranches for an amount not exceeding Rs. 100 Crores (Rupees Hundred Crores Only) at any given point of time.

Signed this..... day of..... 2015

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix Revenue Stamp
---------------------------

**Notes:**

1. 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.
2. Please complete all details including details of member(s) before submission.

**PRABHU STEEL INDUSTRIES LIMITED**  
**Regd off: Old Motor Stand, Itwari, Nagpur-440008.**

**ATTENDANCE SLIP**

Name and Address of Shareholder	Folio No.
No. of Shares	Client ID

I hereby record my presence at the Annual General Meeting of the Company at **Old Motor Stand, Itwari, Nagpur-440008** Monday, 28<sup>th</sup> September, 2015 at 02:00 p.m.

\_\_\_\_\_  
Signature of the Shareholder or Proxy

\_\_\_\_\_  
Email Address:

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report at the meeting.

**BOOK-POST**

If undelivered please return to:

**PRABHU STEEL INDUSTRIES LIMITED**

**Old Motor Stand, Itwari, Nagpur – 440008.**