

A large, faint, and textured gear graphic serves as a background for the central text. It is composed of several interlocking gears of different sizes, creating a complex industrial pattern.

# **PRABHU STEEL INDUSTRIES LIMITED**

**39<sup>TH</sup> ANNUAL REPORT 2010-2011**



**PRABHU STEEL INDUSTRIES LIMITED**

**COMPANY REGN. NO : 11 - 15817**

**ANNUAL REPORT**

**2010 - 2011**

**REGISTERED OFFICE  
OLD MOTOR STAND,  
ITWARI, NAGPUR - 440 008  
MAHARASHTRA**

**BOARD OF DIRECTORS  
MR. RADHESHYAM AGRAWAL  
MR. KRISHAN AGRAWAL  
MR. KESHAV A PARDHE  
MR. HARISH AGRAWAL**

**AUDITORS  
LALIT JHAM & CO.  
CHARTERED ACCOUNTANTS  
NAGPUR**



## PRABHU STEEL INDUSTRIES LIMITED

### NOTICE

**NOTICE** is hereby given that the Annual General Meeting of the Members of Prabhu Steel Industries Limited will be held on Friday, the **30<sup>th</sup> day of September, 2011** at 11.00 A. M. at the Registered Office of the Company at Near Old Motor Stand, Itwari, Nagpur – 440 008, (Maharashtra) to transact the following business as an Ordinary Business :

To consider, pass following resolution with or without modification as an ordinary resolution

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon including Secretarial Compliance Certificate.
2. To appoint a Director in place of Mr. Harish Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board

Place: Nagpur  
Dated: 31<sup>st</sup> August, 2011

Director  
(Krishan Kumar Agrawal)

### **NOTES**

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING, DULY STAMPED AND SIGNED.

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF ANNUAL REPORT

**PRABHU STEEL INDUSTRIES LIMITED****REPORT OF THE DIRECTORS**

The Directors have pleasure in presenting their Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS / WORKING:**

The financial results of the company as disclosed in the account are summarised below

	<b><u>2010-2011</u></b>	<b><u>2009-2010</u></b>
Total Income	418,779,905	47,70,33,500
(-) Total Expenditure	422,304,607	474,997,215
Profit before Tax and Provision	3,524,702	2,036,285
(-) Provisions for Tax	79,58,296	7,55,349
Profit/ (Loss) after Provisions	11,482,998	1,280,936
Add: Balance of Profit brought forward	24,342,406	23,061,470
Profit carried over to Balance Sheet	12,859,408	24,342,406

Directors are hopeful for the better results of the Company workings in the current year.

**DIVIDEND:**

Board of Director has not recommended any dividend during year under review.

**PUBLIC DEPOSITS:**

During the year under review, The Company has not accepted the Public Deposits within the meaning of Section 58-A of the Companies Act, 1956 read with the rules framed there under.



## CONSERVATION OF ENERGY:

The consumption of energy is being continuously monitored and effective measures are adopted to achieve economic consumption. Total foreign earning and outgo, energy consumption and energy consumption per MT of Production is as per Form 'A' is enclosed.

## TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT:

Production Department of the Company are 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.

## PARTICULARS OF EMPLOYEES:

As required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975; as amended, the particulars of employees covered there under are Nil.

## DIRECTOR:

Mr. Harish Agrawal, director retire by rotation and being eligible, offers himself for re-appointment. There is no other change in the composition of the Board of your Company.

## DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
2. That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis.



## AUDITORS:

Auditor's qualifications read with notes and other details in Balance Sheet are self-explanatory and do not require for any additional information.

The Company's Auditors Lalit Jham & Co., Chartered Accountants, Nagpur - retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

## SECRETARIAL COMPLIANCE CERTIFICATE:

In terms of proviso to section 383A(1) of the Companies Act 1956, as amended, the Company has obtained necessary Secretarial Compliance Certificate from a Practising Company Secretary, and the same is attached herewith.

## ACKNOWLEDGEMENTS:

The Board of Directors are grateful to the Company's Bankers, Other Government, Semi-Government, and Statutory Bodies for their continued co-operation and assistance during the year.

For and on behalf of the Board

Place: Nagpur

Dated: 31<sup>st</sup> August, 2011

DIRECTOR

(Krishan Kumar Agrawal)

DIRECTOR

(Radheshyam Agrawal)

**ANNEXURE TO THE REPORT OF THE DIRECTORS****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 minimise 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 2011	31 <sup>st</sup> March 2010
Electricity Purchased	1566760	2752020
<u>Coal consumed :</u>		
Quantity	6566	8383
Total Cost	263.39	337.98
Average Rate (PMT)	4011	4032
Furnace Oil		
Other Internal Generation		
<u>Consumption per unit of Production :</u>		
Electricity	113	116

**TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT:**

Production Department of the Company are 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/OUTGO:**

The relevant details in respect of earnings in foreign exchange and outgo in foreign currency are \_\_\_\_\_

For and on behalf of the Board

Place: Nagpur

Dated 31<sup>st</sup> August, 2011

DIRECTOR  
(Krishan Kumar Agrawal)

DIRECTOR

(Radheshyam Agrawal)



## AUDITORS' – REPORT

TO,  
THE MEMBERS OF  
PRABHU STEEL INDUSTRIES LTD.,  
NAGPUR.

- 1) WE HAVE AUDITED THE ATTACHED BALANCE SHEET OF PRABHU STEEL INDUSTRIES LTD. NAGPUR, AS AT 31 ST MARCH, 2011 AND ALSO THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED ON THAT DATE ANNEXED THERETO. THE FINANCIAL STATEMENTS ARE THE RESONSIBILITY OF THE COMPANY'S MANAGEMENT. OUR RESPONSIBILITY IS TO EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS BASED ON OUR AUDIT.
- 2) WE CONDUCTED OUR AUDIT IN ACCORDANCE WITH AUDITING STANDARDS GENERALLY ACCEPTED IN INDIA. THOSE STANDARDS REQUIRE THAT WE PLAN AND PERFORM THE AUDIT TO OBTAIN REASONABLE ASSURANCE ABOUT WHETHER THE FINANCIAL STATEMENTS ARE FREE OF MATERIAL MISSTATMENT. AN AUDIT INCLUDES EXAMINING, ON A TEST BASIS, EVIDENCE SUPPORTING THE AMOUNTS AND DISCLOSURES IN THE FINANCIAL STATEMENTS. AN AUDIT ALSO INCLUDES ASSESSING THE ACCOUNTING PRINCIPLES USED AND SIGNIFICANT ESTIMATES, MADE BY THE MANAGEMENT, AS WELL AS EVALUTING THE OVERALL FINANCIAL STATEMENT PRESENTATION. WE BELIEVE THAT OUR AUDIT PROVIDES A REASONABLE BASIS FOR OUR OPINION.
- 3) AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2003, AS AMENDED BY THE COMPANIES (AUDITOR'S REPORT) (AMENDMENT) ORDER, 2004, (THE ORDER') ISSUED BY THE CENTRAL GOVERNMENT OF INDIA IN TERMS OF SUB- SECTION (4A) OF SECTION 227 OF THE COMPANIES ACT, 1956, WE ENCLOSE IN THE ANNEXURE A STATEMENT ON THE MATTERS SPECIFIED IN PARAGRAPHS '4' AND '5' OF THE SAID ORDER.
- 4) ATTENTION IS INVITED TO THE FOLLOWING :-
  - a) THE AGGREGATE OF BALANCES IN THE ACCOUNT OF PARTIES, TO WHOM LOANS OR ADVANCES (UNSECURED WITHOUT BEARING INTEREST) IN THE NATURE OF LOAN HAVE BEEN MADE, EXCEED THE LIMITS PRESCRIBED UNDER SECTION 370 OF THE COMPANIES ACT, 1956.



- b) THE REPRESENTATION MADE TO US BY THE MANAGEMENT (WHICH CANNOT BE VERIFIED AND HENCE ACCEPTED) RELATING TO: -
- i. VARIOUS ENTRIES OF RECEIPTS AND ISSUES OF CHEQUES ON BEHALF OF VARIOUS PARTIES
  - ii. VARIOUS ADJUSTMENTS BETWEEN THE PARTIES ACCOUNT BY JOURNAL ENTRIES
  - iii. NON INCLUSION OF CONTINGENT LIABILITIES OF RS. 2583952/- LACS ITEM NO. 9(a) "CLAIM NOT ACKNOWLEDGED AS DEBTS "IN SCHEDULE "17".
- c) BALANCES OF SUNDRY DEBTORS AND DEBIT BALANCES , SUNDRY CREDITORS AND LOANS AND ADVANCES AND DEPOSITS ARE SUBJECT TO CONFIRMATION [NOTE NO.13 OF SCHEDULE 17]
- d) THE INVESTMENTS IN EQUITY SHARES IN 2 LISTED COMPANY AT BOOK VALUE OF RS.360250/- FOR WHICH NO QUOTATION IS AVAILABLE AS ON 31-03-2011 WHEREAS THE MANAGEMENT HAS TREATED SUCH INVESTMENT AS "UNQUOTED INVESTMENT" AS DELISTED (NOTE 15 OF SCHEDULE 17)
- e) REMUNERATION TO MANAGING DIRECTOR [NOTE NO.17 OF SCHEDULE 17]
- 2) IN OUR OPINION, THE CASH FLOW STATEMENTS, THE PROFIT AND LOSS ACCOUNT AND THE BALANCE SHEET COMPLY WITH THE ACCOUNTING STANDARDS REFERRED TO IN SUB- SECTION 211 OF THE COMPANIES ACT, 1956.
- 3) SUBJECT TO OUR COMMENTS IN PARA 4, 5 AND AND IN THE ANNEXURE REFERRED TO IN PARA '3' ABOVE:-
- i. WE HAVE OBTAINED ALL THE INFORMATION AND EXPLANATIONS, WHICH TO THE BEST OF OUR KNOWLEDGE AND BELIEF WERE NECESSARY FOR THE PURPOSE OF OUR AUDIT.
  - ii. IN OUR OPINION, PROPER BOOKS OF ACCOUNT AS REQUIRED BY LAW HAVE BEEN KEPT BY THE COMPANY SO FAR AS APPEARS FROM OUR EXAMINATION OF THOSE BOOKS.



- iii. THE BALANCE SHEET, PROFIT AND LOSS ACCOUNT AND CASH FLOW STATEMENT DEALT WITH BY THIS REPORT ARE IN AGREEMENT WITH THE BOOKS OF ACCOUNT.
- iv. ON THE BASIS OF WRITTEN REPRESENTATION RECEIVED FROM DIRECTORS AS ON 31-03-2011 AND TAKEN ON RECORD BY THE BOARD OF DIRECTORS, WE REPORT THAT NONE OF THE DIRECTORS IS DISQUALIFIED AS ON 31<sup>ST</sup> MARCH, 2011 FROM BEING APPOINTED AS A DIRECTOR UNDER CLAUSE. (g) OF SUB-SECTION (1) OF SECTION 274 OF THE COMPANIES ACT 1956.
- v. IN OUR OPINION AND TO THE BEST OF OUR INFORMATION AND ACCORDING TO THE EXPLANATIONS GIVEN TO US, THE SAID ACCOUNTS READ WITH THE NOTES THEREON, GIVE THE INFORMATION REQUIRED BY THE COMPANIES ACT, 1956, IN THE MANNER SO REQUIRED AND GIVE A TRUE AND FAIR VIEW IN CONFIRMITY 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 31<sup>ST</sup> MARCH, 2011,
  - b) IN THE CASE OF THE PROFIT & LOSS ACCOUNT, OF THE PROFIT FOR THE YEAR ENDED ON THAT DATE, AND
  - c) IN THE CASE OF CASH FLOW STATEMENT, OF CASH FLOW FOR THE YEAR ENDED ON THAT DATE.

FOR LALIT JHAM & CO  
CHARTERED ACCOUNTANTS  
FRN: 114158W

PLACE: NAGPUR  
DATED: 31/08/2011

LALIT JHAM  
PROPRIETOR (M. NO. 040501)