



**PRABHU
STEEL
INDUSTRIES
LIMITED**



Annual Report 2012 -13

PRABHU STEEL INDUSTRIES LIMITED

COMPANY REGN. NO : 11 - 015817

ANNUAL REPORT

2012 - 2013

REGISTERED OFFICE

OLD MOTOR STAND,
ITWARI, NAGPUR - 440 008
MAHARASHTRA

BOARD OF DIRECTORS

MR. HARISH AGRAWAL
MR. RADHESHYAM AGRAWAL
MR. KRISHAN KUMAR AGRAWAL
MR. KESHAYARAO PARADHI

AUDITORS

LALIT JHAM & CO.
CHARTERED ACCOUNTANTS
NAGPUR

BOOK CLOSURE

WEDNESDAY, 25TH SEPTEMBER, 2013 TO MONDAY, 30TH
SEPTEMBER, 2013
(BOTH DAYS INCLUSIVE)

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 Monday, the 30th day of September, 2013 at 01.00 P. 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 31st March, 2013 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. Krishan Kumar Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and if thought fit, to pass the following resolution with or without modification(s):

“RESOLVED THAT Lalit Jham & Co., Chartered Accountants, Nagpur be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed upon between the said Auditors and the Company.”

By order of the Board

Place: Nagpur

Director

Dated: 31st August, 2013

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 31st March, 2013.

FINANCIAL RESULTS / WORKING:

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

| | <u>2012-2013</u> | <u>2011-2012</u> |
|---|-----------------------|--------------------|
| Total Revenue | 15,18,37,911.83 | 11,31,65,852 |
| Total Expenses | 15,22,02,520.88 | 11,44,53,689 |
| Profit/ Loss before exceptional and extraordinary items and tax | (3,64,609.05) | (12,87,836. |
| Exceptional & Extraordinary Items | Nil | Nil |
| Profit before Tax | (3,64,609.05) | (12,87,836.7 |
| Tax Expenses | | |
| 1. Current Tax | 00.00 | 00.0 |
| 2. Deferred Tax | 2,51,633.00 | (6,78,204.0 |
| 3. Tax for Earlier years | 12,11,347.39 | (3,47,089.0 |
| 4. Earlier years(TDS) | 00.00 | 0 |
| Profit and Loss for the period From Continuing operations | 10,98,371.34 | (23,13,129.7 |
| Profit/ (Loss) from last year | <u>1,05,46,279.23</u> | <u>1,28,59,409</u> |
| <u>Profit/(Loss) for the period</u> | 10,98,371.34 | (23,13,129. |

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 thereunder.

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. Krishan Kumar 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

DIRECTOR

DIRECTOR

Dated: 31st August, 2013

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 st March, 2013 | 31 st March, 2012 |
|---|------------------------------|------------------------------|
| Electricity Purchased | | |
| Coal consumed : | | |
| Quantity | | |
| Total Cost | | |
| Average Rate (PMT) | | |
| Furnace Oil | | |
| Other Internal Generation | | |
| <u>Consumption per unit of Production :</u> | | |
| Electricity | | |

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 Nil

For and on behalf of the Board

Place: Nagpur

Dated 31st August, 2013

DIRECTOR

DIRECTOR

In dependent Auditor's Report

To the Members of

PRABHU STEEL INDUSTRIES LIMITED

Nagpur.

Report on the Financial Statements

We have audited the accompanying financial statements of **PRABHU STEEL INDUSTRIES LIMITED**, which comprise the Balance Sheet as at 31st March, 2013, 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 Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements 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 the Management, 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.

Opinion**ATTENTION IS INVITED TO THE FOLLOWING :-**

- The representation made to us by the management (which cannot be verified and hence accepted) relating to: -
 1. Various entries of receipts and issues of cheque on behalf of various parties.
 2. Various adjustments between the parties account by journal entry.
 3. **NON INCLUSION OF CONTINGENT LIABILITY OF RS. 80,00497/-**
ITEM NO. 9(a) "Claim not acknowledged as debts in Notes 17"
- Balances of sundry debtors and debit balances of sundry creditors and loans and advances are subject to confirmation.
- The Investment in shares in 2 listed company at book value of Rs. 360250/- for which no quotation is available as on 31.03.2013 whereas the management has treated such investment as "unquoted Investment" as delisted (Note 15 of Schedule 17).

We report that the accounts are made without considering our above observation in paragraph (1) to (3) above, the effect of which is presently not ascertainable.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view subject to our comments above 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 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.